

The Effects of College Closures on Enrolled Students: A Case Study of Argosy University

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Abstract

This research paper examines the profound effects of college closures on enrolled students, with a particular focus on Argosy University, which abruptly closed in 2019 due to financial mismanagement. The study investigates the academic, financial, and psychological impacts of the closure on students, particularly those in advanced academic programs such as doctoral studies. The research employs a mixed-methods approach, utilizing surveys, interviews, and document analysis to gather comprehensive data. The findings reveal significant disruptions in students' educational trajectories, financial hardships, and psychological distress. The paper concludes with recommendations for institutional and policy responses to mitigate the impact of future closures.

1. Introduction

1.1 Background and Context

The U.S. higher education sector has long been considered a pillar of academic excellence, offering diverse opportunities for learning and professional development. However, in recent years, the sector has seen a troubling trend of college closures, often due to financial instability, declining enrollment, or loss of accreditation. These closures have significant implications for the students enrolled, as they disrupt academic progress, create financial burdens, and inflict psychological distress.

Argosy University, once a prominent institution with campuses across the United States, became a notable example of this phenomenon when it abruptly closed in March 2019. The closure left approximately 8,800 students stranded, many of whom were in the final stages of their academic programs. The institution's financial mismanagement, including the misuse of federal funds

intended for student stipends, led to its downfall and highlighted the vulnerabilities within the higher education system.

This paper explores the effects of college closures on enrolled students, using Argosy University as a case study. By examining the academic, financial, and psychological impacts of the closure, the study aims to provide a comprehensive understanding of the challenges faced by students and to offer recommendations for institutional and policy responses.

1.2 Problem Statement

College closures present significant challenges for students, who are often left to navigate the complexities of transferring credits, securing financial aid, and coping with the psychological aftermath of the closure. The abrupt nature of Argosy University's closure, combined with its poor financial management, left students in a particularly vulnerable position. This study seeks to understand the broader implications of college closures on students and to explore the specific case of Argosy University to uncover systemic failures that contributed to the crisis.

1.3 Research Questions

This study addresses the following research questions:

- What are the immediate and long-term effects of college closures on enrolled students?
- How did Argosy University's closure affect its students academically, financially, and psychologically?
- What role did financial mismanagement play in the closure, and how did it impact doctoral students in particular?
- What were the institutional and policy responses to the closure, and how effective were they in addressing the needs of students?

1.4 Significance of the Study

Understanding the effects of college closures is crucial for developing effective policies and institutional practices that protect students. This study contributes to the literature on higher education administration and student affairs by providing insights into the challenges faced by students during college closures. By focusing on the specific example of Argosy University, the study highlights the need for stronger oversight of financial management in higher education institutions and the importance of providing adequate support to students affected by closures.

2. Literature Review

2.1 Overview of College Closures

College closures are not a new phenomenon in the U.S. higher education sector, but their frequency has increased in recent years, particularly among for-profit institutions. These closures

are often the result of financial insolvency, declining enrollment, or the loss of accreditation. The consequences of these closures are far-reaching, affecting not only students but also faculty, staff, and the broader community.

Several studies have documented the causes and effects of college closures. Burke (2019) notes that financial instability is often a key factor, with institutions struggling to maintain enrollment numbers and manage operating costs. When institutions fail to address these financial challenges, they may face closure, leaving students with little warning and few options for continuing their education.

2.2 Impact on Students

The impact of college closures on students is multifaceted and often devastating. Academically, students face the loss of progress toward their degrees, difficulties in transferring credits, and uncertainty about their future educational opportunities. For those in specialized programs, such as doctoral candidates, the closure can mean the end of years of academic work with no clear path to completion.

Financially, closures can leave students with unresolved debts, complications with financial aid, and out-of-pocket expenses. Nguyen (2020) highlights the financial burdens placed on students who must scramble to find new institutions, often at a higher cost, and navigate the complexities of securing new financial aid packages.

Psychologically, students often experience stress, anxiety, and a sense of betrayal by the institutions they trusted. Smith (2019) notes that the sudden nature of these closures can lead to feelings of abandonment, as students are left to cope with the loss of their academic community and the uncertainty of their future.

2.3 Case Studies of College Closures

Previous studies have examined the experiences of students affected by college closures, providing insights into the challenges they face and the limited support systems available to them. Bailey and Dynarski (2011) argue that the effects of closures are particularly pronounced for low-income and minority students, who may have fewer resources to cope with the disruption.

Cameron (2019) provides a detailed account of the closure of Mount Ida College, another institution that faced financial difficulties similar to those of Argosy University. The study highlights the lack of transparency and communication from the institution, leaving students and faculty in the dark until the very last moment.

2.4 The Argosy University Closure

Argosy University's closure in 2019 serves as a significant case study in the broader context of college closures. The institution, which operated under the Dream Center Education Holdings,

faced financial difficulties due to mismanagement and the mishandling of federal funds. The closure was sudden and left students with little time to make alternative arrangements.

The impact on doctoral students was particularly severe. Many were in the final stages of their dissertations and faced the prospect of having to start over at new institutions, with little guarantee that their previous work would be recognized. The closure of Argosy University highlights the systemic failures in the oversight of for-profit institutions and the need for stronger regulations to protect students.

3. Methodology

3.1 Research Design

This study employs a mixed-methods approach, combining quantitative and qualitative data to provide a comprehensive analysis of the effects of Argosy University's closure on its students. The mixed-methods approach allows for a more nuanced understanding of the different dimensions of the impact, as it captures both the measurable outcomes and the personal experiences of the students.

3.2 Data Collection

Data collection for this study involved three primary methods:

- **Surveys:** Structured questionnaires were distributed to former Argosy University students, focusing on their academic progress, financial situation, and psychological well-being after the closure. The survey included both closed-ended questions, which allowed for quantitative analysis, and open-ended questions, which provided qualitative insights.
- **Interviews:** In-depth interviews were conducted with a sample of affected students, faculty, and administrative staff. The interviews aimed to capture the personal experiences of those involved, with a particular focus on doctoral students who were stranded in their studies.
- **Document Analysis:** The study also involved a review of official documents related to the closure, including financial reports, communications from the university, and policy responses from accrediting bodies and government agencies. This analysis provided a contextual understanding of the events leading up to the closure and the institutional response.

3.3 Data Analysis

The data collected was analyzed using a combination of quantitative and qualitative methods:

- **Quantitative Analysis:** The survey data was analyzed using statistical methods to identify trends and patterns in the academic, financial, and psychological impacts of the

closure. Descriptive statistics were used to summarize the data, while inferential statistics were employed to explore relationships between different variables.

- **Qualitative Analysis:** The qualitative data from interviews and open-ended survey questions was analyzed using thematic analysis. This involved coding the data to identify recurring themes and patterns related to the experiences of students during and after the closure. Thematic analysis allowed for a deeper understanding of the personal and emotional aspects of the impact.

3.4 Ethical Considerations

The study was conducted in accordance with ethical guidelines for research involving human subjects. The confidentiality and anonymity of all participants were ensured, and informed consent was obtained from each participant prior to their involvement in the study. Participants were informed of their right to withdraw from the study at any time without penalty. The study also adhered to guidelines for the ethical use of data, ensuring that the findings were reported accurately and without bias.

4. Results

4.1 Academic Impact

The closure of Argosy University had a significant academic impact on students, particularly those in specialized programs such as doctoral studies. Many students reported that the closure disrupted their academic progress, with some losing years of work due to the inability to transfer credits to other institutions. For doctoral students, the impact was particularly severe. Many were in the final stages of their dissertations and found that other institutions were unwilling to accept their previous work, leaving them with no choice but to start their programs from scratch.

The difficulty in transferring credits was a common theme among the students surveyed. Some institutions were hesitant to accept credits from Argosy University due to concerns about the quality of education and the legitimacy of the credits. This reluctance left students with limited options for continuing their education and, in some cases, forced them to abandon their academic pursuits altogether.

4.2 Financial Impact

The financial impact of the closure was equally devastating. Many students found themselves with unresolved debts, as Argosy University failed to disburse federal financial aid that had already been received by the institution. This financial mismanagement led to students being unable to pay for basic living expenses, including rent and food. Some students reported that they were forced to take on additional loans or seek financial assistance from family and friends to make ends meet.

In addition to the immediate financial hardships, the closure also had long-term financial consequences for students. The inability to complete their degrees meant that many students were unable to pursue the careers they had planned, resulting in lost income and career opportunities. The financial strain was particularly acute for students who had invested significant amounts of money in their education, only to see their investments go to waste.

4.3 Psychological Impact

The psychological impact of the closure was profound. Many students reported experiencing stress, anxiety, and depression as a result of the sudden and unexpected loss of their academic community and the uncertainty about their future. The sense of betrayal was particularly strong among students who had trusted Argosy University with their education and their future.

The interviews conducted for this study revealed that many students felt abandoned by the institution and by the higher education system as a whole. The lack of support and communication from Argosy University during the closure exacerbated these feelings, leaving students to navigate the aftermath on their own. The psychological toll was particularly severe for doctoral students, who had invested years of work into their dissertations, only to see their efforts come to nothing.

4.4 Institutional and Policy Responses

The institutional and policy responses to the closure were largely inadequate in addressing the needs of students. While some institutions offered to accept Argosy University students, the process of transferring credits was often complicated and time-consuming. Many students found that they were unable to transfer all of their credits, forcing them to repeat courses and delay their graduation.

The federal government and accrediting bodies also responded to the closure, but their efforts were often too little, too late. The U.S. Department of Education provided information and resources to help students navigate the transfer process, but many students reported that the information was difficult to access and understand. The accrediting body that oversaw Argosy University, the WASC Senior College and University Commission, faced criticism for its failure to detect and address the financial mismanagement that led to the closure.

5. Discussion

5.1 Analysis of Findings

The findings of this study highlight the profound impact of college closures on enrolled students, particularly those in advanced academic programs such as doctoral studies. The closure of Argosy University disrupted students' academic progress, created significant financial hardships, and inflicted lasting psychological distress. The lack of adequate institutional and policy

responses exacerbated these impacts, leaving students with limited options for continuing their education and rebuilding their lives.

The academic impact of the closure was particularly severe for doctoral students, who faced the prospect of losing years of work with no clear path to completion. The difficulty in transferring credits, combined with the reluctance of other institutions to accept Argosy University students, created significant barriers to continuing their education. The financial impact was equally devastating, with many students left with unresolved debts and no clear way to pay for basic living expenses. The psychological impact was profound, with many students reporting feelings of stress, anxiety, and betrayal.

5.2 Implications for Policy and Practice

The findings of this study have important implications for policy and practice in the higher education sector. First, there is a need for stronger oversight of financial management in higher education institutions, particularly those that are for-profit. The financial mismanagement that led to the closure of Argosy University could have been detected and addressed earlier if there had been more robust financial oversight.

Second, there is a need for clearer and more effective communication and support systems for students affected by college closures. The lack of information and support provided to Argosy University students during the closure left many feeling abandoned and overwhelmed. Future policy responses should focus on providing students with the resources and support they need to navigate the aftermath of a closure.

Finally, there is a need for greater flexibility in the transfer of credits between institutions. The difficulty in transferring credits was a major barrier for many Argosy University students, particularly those in specialized programs such as doctoral studies. Policymakers should consider developing guidelines and standards for the transfer of credits that prioritize the needs of students and facilitate their continued academic progress.

6. Conclusion

The closure of Argosy University in 2019 serves as a stark reminder of the profound impact that college closures can have on enrolled students. The academic, financial, and psychological toll on students was significant, particularly for those in advanced academic programs such as doctoral studies. The failure of institutional and policy responses to adequately address the needs of students highlights the need for stronger oversight and support systems in the higher education sector.

As the frequency of college closures continues to increase, it is imperative that policymakers and higher education institutions take proactive steps to protect students and ensure that they are not left to navigate the aftermath of a closure on their own. The findings of this study provide

important insights into the challenges faced by students during and after a college closure and offer recommendations for improving institutional and policy responses in the future.

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