NASASPS 2009 Annual Conference

Keynote Address – “Perspectives & Opportunities in the Career College Sector”

April 27, 2009

J. R. McKernan, Jr.
Chairman of the Board of Directors
What You Do Really Matters

Because Access, Affordability and Accountability in Higher Education will determine our future standard of living
“The United States can still prosper in a world where its labor costs are higher than the competition’s,

But it cannot do that if the cheaper workers abroad are also better educated”

NY Times, Sept. 6, 2005
<table>
<thead>
<tr>
<th>Worker Gap</th>
<th>2010</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Worker Gap</td>
<td>5.3 MM</td>
<td>14.0 MM</td>
</tr>
<tr>
<td>Unskilled Worker Gap</td>
<td>1.7 MM</td>
<td>7.0 MM</td>
</tr>
<tr>
<td>Total Skilled &amp; Unskilled</td>
<td>7.0 MM</td>
<td>21.0 MM</td>
</tr>
</tbody>
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Fewer than 37% of U.S. Adults 25 and Older have an Associate’s Degree or Higher

Earnings Ratio Relative to High School Graduates – 2005

Degree-level

Professional: 4.04x
Doctorate: 3.15x
Master’s: 2.31x
Bachelor’s: 1.86x
Associate’s: 1.29x
High School Graduate: 1.00x

Higher Education Provides Significant Lifetime Earnings Advantage

“America will once again have the highest proportion of college graduates in the world"

President Barack Obama
Speech to Congress, February 24, 2009
Additional Students Required to Meet Goals

- United States currently awards 18 certificates and degrees for every 100 students enrolled
- Switzerland, Japan and Australia lead the world, awarding 26 certificates and degrees for every 100
- Based on 2020 projected enrollments, more than 2 million more students will need continued post-secondary education to meet the President’s goals

Minimal Growth in Four-Year Not-For-Profit Institutions

Public and Private Four-Year NFP Institutions

Decline in Two-Year Not-For-Profit Institutions

Rapid Growth in For-Profit Institutions

Degree Granting Institutions

Expected Labor Force and Labor Demand

EDMC is one of the largest for-profit post-secondary education companies in the United States

- Over 35 years of operating history
- 89 locations in 28 U.S. States and Canada
- 110,800 students (19,500 online) – diverse population
- Commitment to quality academic programs

Note: Enrollment as of October 2008
Mutual Opportunities to Address Access, Affordability and Accountability

- Ensure continued public access to ethical, reliable and valuable alternative higher education opportunities
  - Engage regulated community to create cultures of compliance
  - Continue strong regulatory oversight against unscrupulous practices
  - Preserve state grants and loans for students attending private schools
- Ensure that states’ limited resources are used effectively and efficiently
  - Use of technology to overcome staffing and resource challenges
  - Reduce redundant reviews through connectivity with other regulatory bodies
  - Rely upon accreditation agencies to validate educational quality (i.e., licensure by means of accreditation)
Mutual Opportunities to Address Access, Affordability and Accountability (cont.)

- Promote the importance of attaining President Obama’s goal of leading the developed countries in Higher Education attainment

- Redefine college for the 21st century as:
  - That amount of post-secondary education (six months to eight years) a person needs to enter his or her career or profession of choice
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