

# Pride and prejudice. Myths about Brazilian private higher education

**2019**

**FAUBAI Annual Conference**  
*Global Community  
Engagement*



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- Bellem, April 16, 2019



# National Education Plan: 12m enrollments in HE in 2024

## Higher Education Institutions in 2017

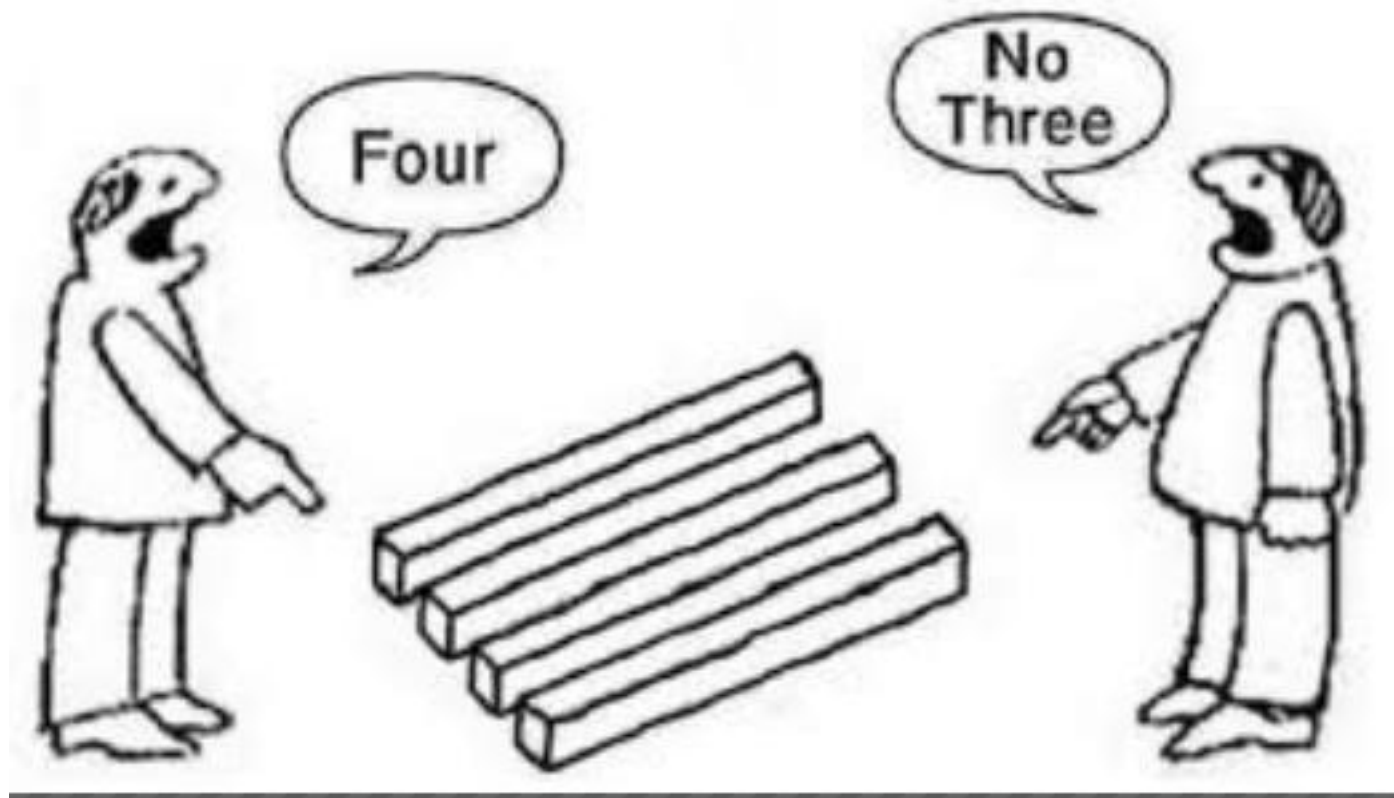
| Institution                                 | Total        | Private      | %           |  |
|---|--------------|--------------|-------------|--|
| Universities                                | 199          | 93           | 46,7        |  |
| University Centers                          | 189          | 181          | 95,7        |  |
| Colleges                                    | 2.020        | 1.878        | 92,9        |  |
| Federal Centers for Technological Education | 40           | -            | -           |  |
| <b>Total</b>                                | <b>2.448</b> | <b>2.152</b> | <b>87,9</b> |  |

Source: Higher Education Data 2017 – INEP/MEC

Population  
2017 – 208  
2042 -229







# MYTH 1: Knowledge obtained in private HEIs is worse than in public

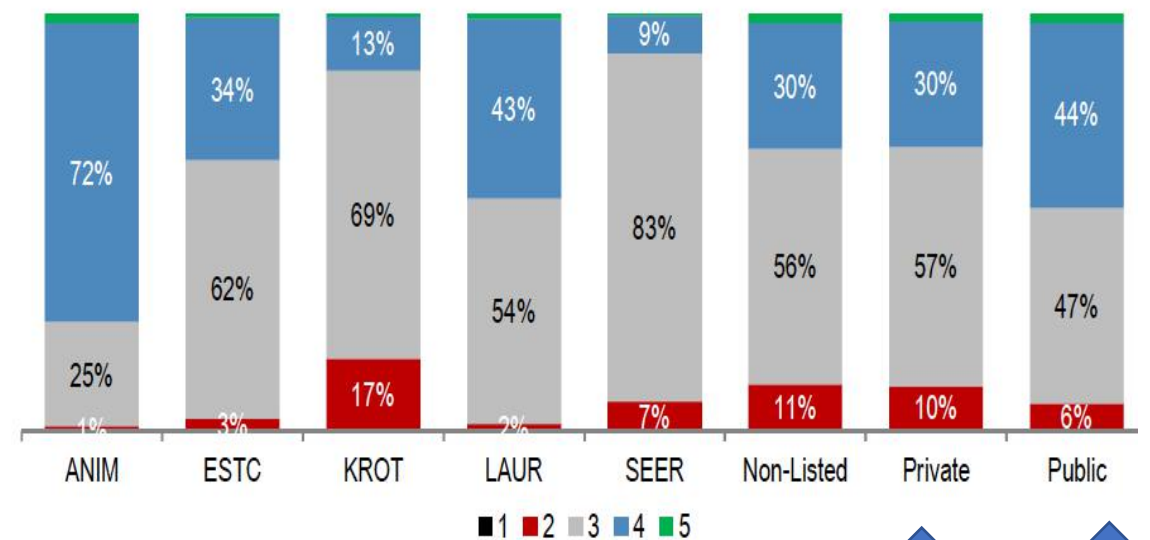


- (*ENADE - o Ciclo Avaliativo do Exame Nacional de Desempenho de Estudantes*) 2015 year represented 26 evaluation areas, 8,121 courses, 447,056 participants.
- The wide range of students' performance in public institutions, according to ENADE test, varies from 19.1 to 79.9 with median 41.4. In private institutions from 15.0 to 80.8 with the same median 41.4.

# MYTH 2: Courses offered in private HEIs are worse than in public

- The General Index of offered Courses (*O Índice Geral de Cursos Avaliados da Instituição – IGC*), measured each year the courses of **public institutions** stay **unchangeable throughout 4-year period (2012-2015)** with ranking **87%** and rise in 2017 - **91%**.
- **Private institutions** demonstrate an increasing grow each year, surely caching up: **80% - 81% - 84% - 85% - 87%**.

Figure 64: Course distribution by CPC score  
% of courses per CPC, 2015-17



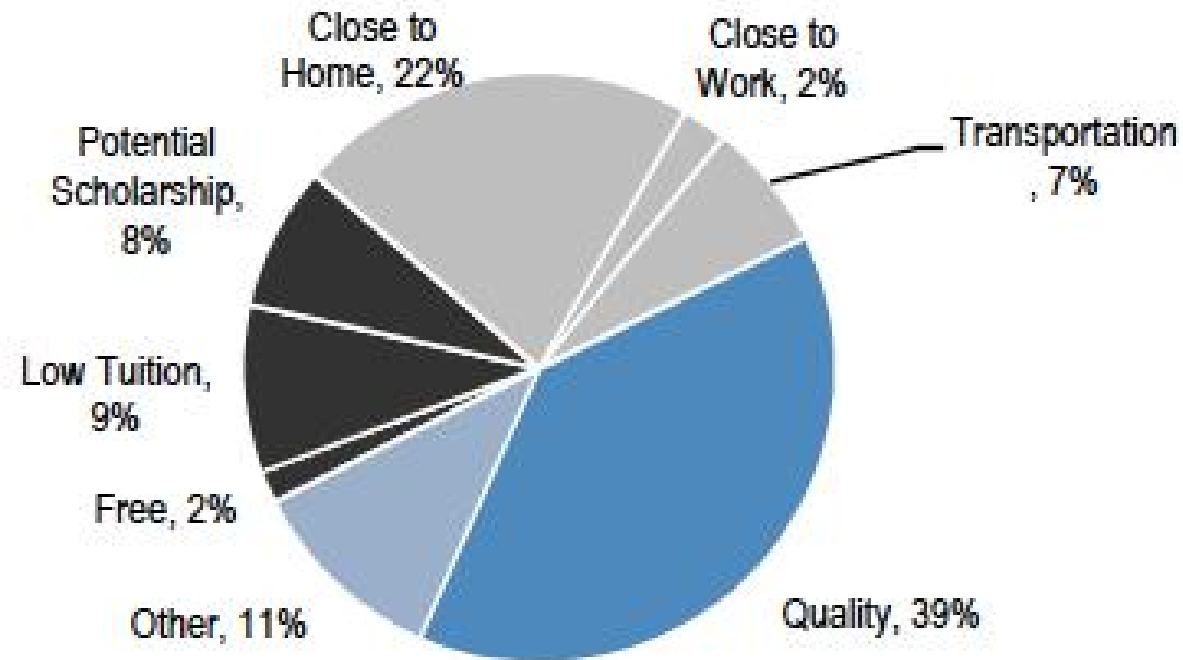
Source: MEC/INEP and J.P. Morgan estimates.

87.9% students

87%      91%

Figure 77: Reasons for choosing an institution – ALL PRIVATE COS

% of answers, ENADE 2015-17

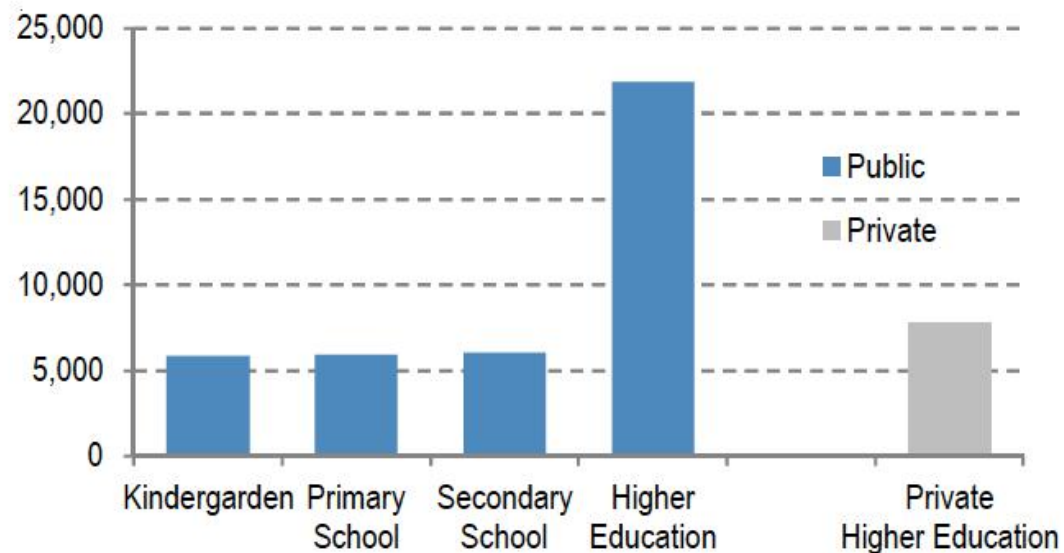


Source: MEC/INEP and J.P. Morgan estimates. On-campus only.

# MYTH 3: Scholarships for students in private HEIs are too heavy bargain on the society taxes

Figure 87: Cost per student in public education

R\$ / student / year

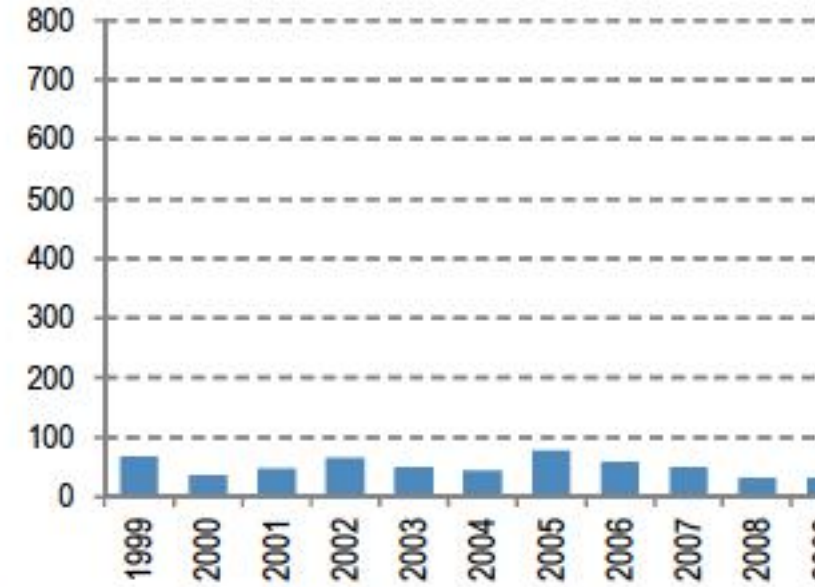


Source: MEC/INEP, Hoper and J.P. Morgan estimates.

- The data from MEC/INEP presented by J.P. Morgan:
- the cost per student of **public HEI is R\$22k/year**
- the cost per student of **private institutions R\$8k/year**, nearly three times less expensive.
- **Fies** spending on a student is approximately **R\$8k/year** and it is **returned twice: as a loan return and as professional skills**



Figure 89: FIES saw major expansion after 2010, and s  
New FIES contracts issued, thousands



Source: FNDE, TCU and J.P. Morgan estimates.



# *MYTH 4: Students with scholarships are not capable enough to study in HEI*

- 2016 research group of prof. Wainer (State University of Campinas) and prof. Melguizo (University of Southern California) analyzed data of more than one million Brazilian university students of ENADE test between 2012 and 2014. <http://g1.globo.com/educacao/noticia/bolsistas-do-prouni-tem-nota-mais-alta-no-enade-que-seus-colegas-de-classe-diz-estudo.shtml>
- **PROUNI**
  - ProUni holders are ranked higher at ENADE than their classmates.
- **Social and racial quotas and Fies**
  - The same grade as students from federal universities.
- **Courses of excellence in public institutions**
  - Performance of quota and non-quota students is equivalent

# MYTH 5: Quota students have higher dropout rate

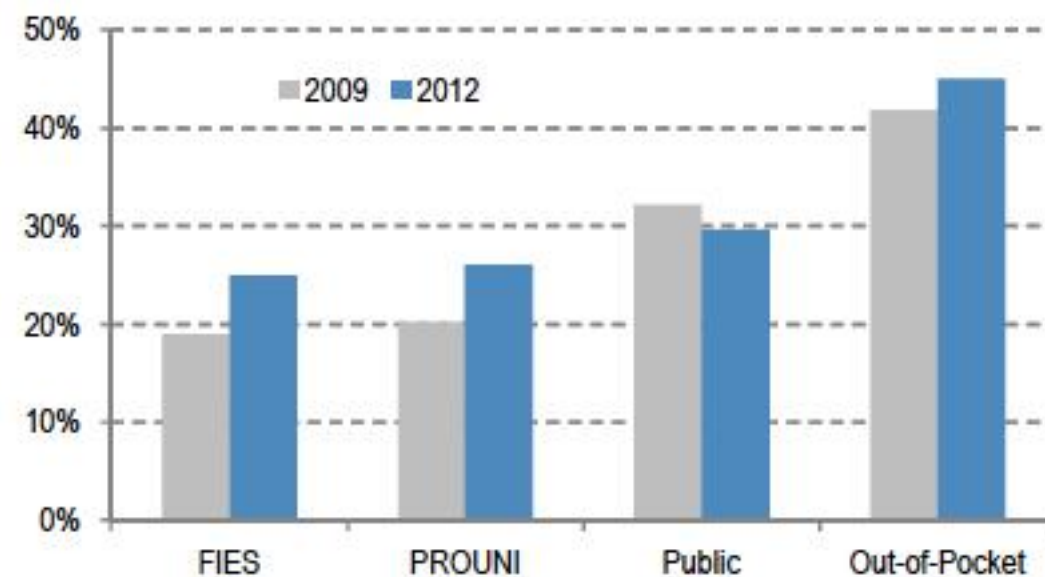
Table 37: Annual dropout rates for FIES/ Prouni / out-of-pocket students

Dropouts as % of enrollments before dropouts

|                          | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Distance Learning</b> | <b>17.4%</b> | <b>20.8%</b> | <b>21.3%</b> | <b>21.0%</b> | <b>23.8%</b> | <b>24.4%</b> | <b>27.1%</b> | <b>25.5%</b> |
| Private                  | 18.4%        | 22.2%        | 22.1%        | 21.2%        | 24.4%        | 25.1%        | 28.0%        | 26.1%        |
| Prouni                   | 4.9%         | 11.1%        | 9.6%         | 7.3%         | 14.5%        | 6.5%         | 9.0%         | 6.8%         |
| Prouni part              | 8.0%         | 13.4%        | 13.4%        | 5.8%         | 13.5%        | 12.0%        | 12.8%        | 8.6%         |
| out-of-pocket            | 19.0%        | 22.7%        | 22.7%        | 21.9%        | 24.8%        | 26.2%        | 29.1%        | 27.3%        |
| Public                   | 12.9%        | 13.6%        | 16.1%        | 19.5%        | 17.4%        | 16.1%        | 15.8%        | 18.4%        |
| <b>Campus</b>            | <b>14.6%</b> | <b>15.6%</b> | <b>16.0%</b> | <b>15.8%</b> | <b>15.7%</b> | <b>16.2%</b> | <b>18.4%</b> | <b>16.6%</b> |
| Private                  | 15.8%        | 17.2%        | 17.5%        | 17.1%        | 16.9%        | 17.6%        | 20.5%        | 18.2%        |
| FIES                     | 3.3%         | 3.3%         | 3.8%         | 4.8%         | 4.6%         | 5.9%         | 7.8%         | 6.2%         |
| Prouni                   | 4.4%         | 5.0%         | 4.9%         | 5.4%         | 6.0%         | 5.0%         | 5.2%         | 4.6%         |
| Prouni part              | 6.1%         | 7.2%         | 8.1%         | 7.1%         | 7.8%         | 7.0%         | 7.1%         | 8.0%         |
| out-of-pocket            | 17.0%        | 18.8%        | 19.0%        | 20.6%        | 22.2%        | 23.0%        | 26.2%        | 23.1%        |
| Public                   | 11.3%        | 11.2%        | 11.8%        | 12.2%        | 12.3%        | 12.2%        | 12.2%        | 12.4%        |

Source: MEC/INEP and J.P. Morgan estimates.

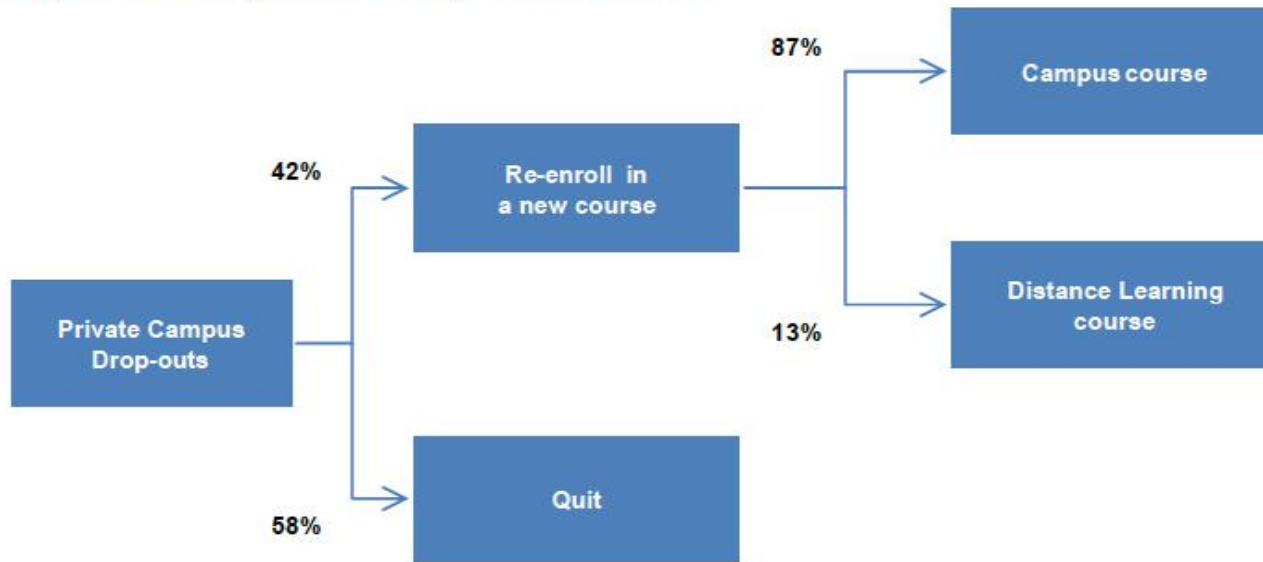
Figure 98: Cohort- analysis - FIES drop-out rate is low  
% of students starting in 2009/2012 who abandoned college



Source: MEC/INEP and J.P. Morgan estimates.

INEP data for 2016-17 shows that 1/3 students dropping out of a private campus course **reenroll** in a new course (campus or distance) in the same or following year.

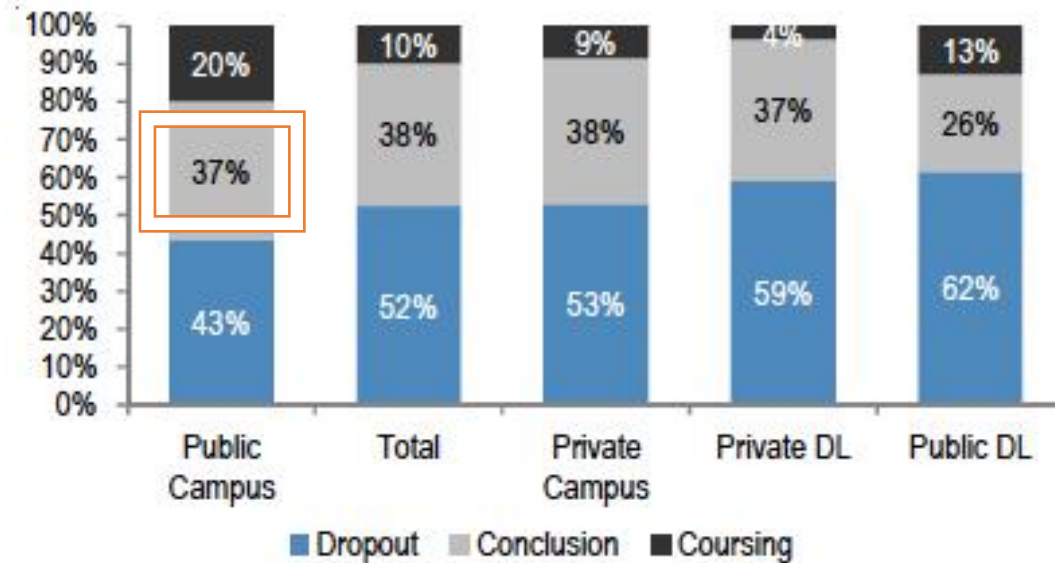
Figure 119: Migration analysis framework



Source: MEC/INEP and J.P. Morgan estimates. Percentages for 2015-16 period.

Figure 138: Drop-out rates in Brazil

Status in 2016 of students that started a higher education course in 2011



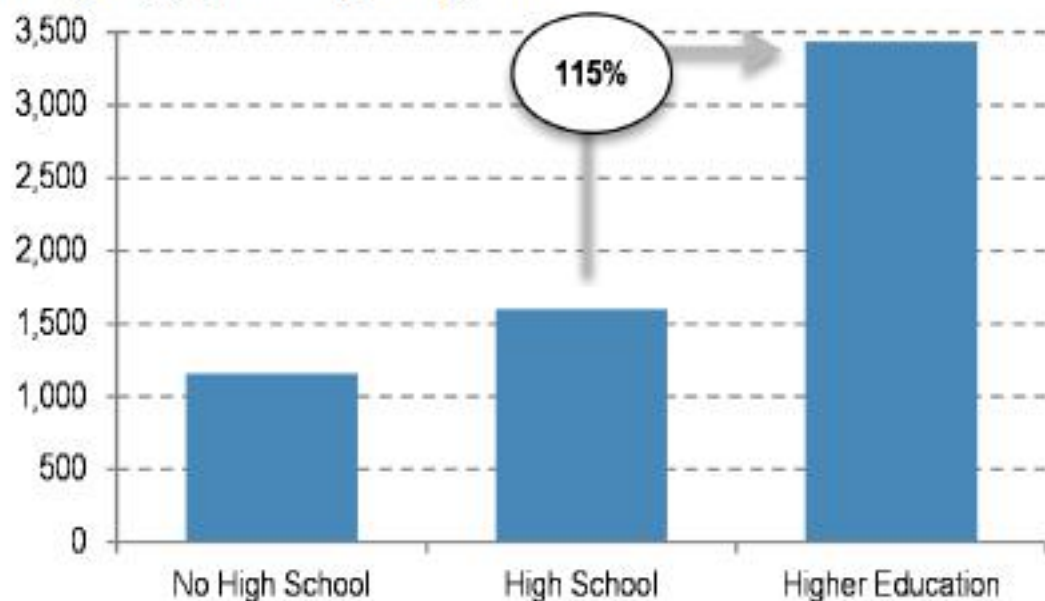
Source: INEP and J.P. Morgan estimates.

# A few words to the discussion of “soft” skills

- Undergraduate = a signal to the employer that the student can be employed
- An educated sociologist will tell that he knows that any problem has many solutions and none of them perfect. Does it mean he should stop further studies?
- The survey shows that the more a student studies the more his needs from personal (salary, house, comfort) change into global (to use his knowledge to change the world to the better)
- The task of a professor, university is to build the career so that the student reaches this level of knowledge and responsibility

**Figure 36: Higher education graduates earn a 115% salary premium...**

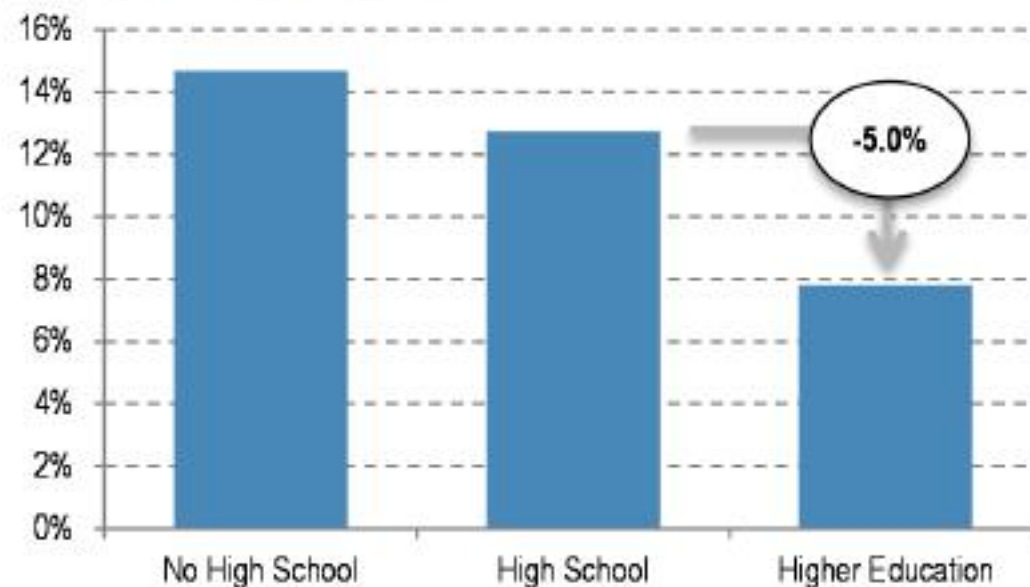
Average wage (R\$/month), 25-34y, 3Q18



Source: IBGE and J.P. Morgan estimates.

**Figure 37: ... while facing better employment trends**

Unemployment rate, 25-34y, 3Q18



Source: IBGE and J.P. Morgan estimates.

- **Federal University of Paraná (UFPR)** made a research in dropouts where found out that their students dropout rate of **racial quota students** is almost **three times lower (6%)** than the dropout rate of **non-quota students (11.6%)** in the first two years of the course.



- <http://g1.globo.com/Noticias/Vestibular/0,,MUL27514-5604,00-EVASAO+ESCOLAR+DE+COTISTA+E+VEZES+MENOR+DO+QUE+A+DE+NAOCOTISTA+NA+UFPR.htm>



# With pride and without prejudice.





# Annexes

- Link to the questionnaire to define your potential interests and cooperation opportunities (2 min)
- <https://docs.google.com/forms/d/1L5P5C46CSkOHVNX3Ko6c5pWBiklYIWnrVcbHqPKUS6Y/edit>

# Invitation for an Erasmus project

- **ABMES associate, University AGES, is looking for partners for mutual sharing experience and preparation of ERASMUS+ project about virtual libraries:**
- *“Following the trends for the use of technologies, we are investing in the training of teachers and students for the use of virtual library. I am willing to share our experience and know the experience of others. The targets are to earn the best approaches, to improve the quality, to optimize the training, to reduce costs, to make eventual international e-library”*
- José Wilson Dos Santos Rector - Rede de Ensino AGES
- [ageswilson@faculdadeages.com.br](mailto:ageswilson@faculdadeages.com.br)

# ABMES: One Door – Many Partners

THANK YOU

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