

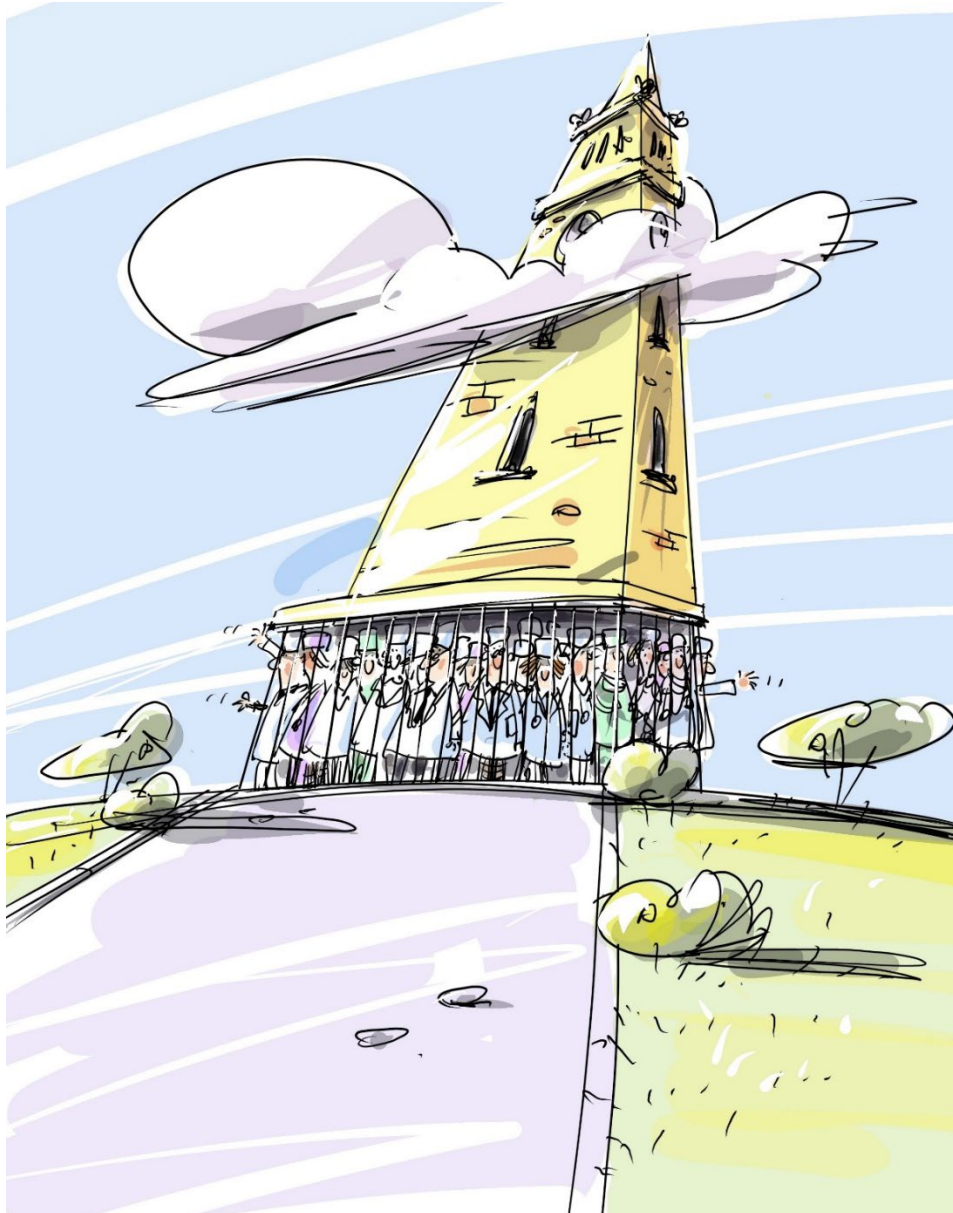


**SAFKET CAPITAL**  
RESEARCH

# Adtalem Global Education

## NYSE: ATGE

*Part II - The graduate student debt crisis and a deeper dive into Walden University*



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## Important Definitions

**AUC:** American University of the Caribbean

**Chamberlain:** Chamberlain University

**ED:** The United States Department of Education

**FSA:** Federal student aid

**IPEDS:** National Center for Education Statistics Integrated Postsecondary Education Data System

**MOHE:** Minnesota Office of Higher Education

**MOHE Report:** Minnesota Office of Higher Education report titled, "Walden University Doctoral Program Review"

**PPA:** Program Participation Agreement

**RUSM:** Ross University School of Medicine

**RUSVM:** Ross University School of Veterinary Medicine

**Title IV:** Title IV of the Higher Education Act of 1965, which authorizes federal financial aid programs for postsecondary education (34 CFR 668)<sup>1</sup>

**Walden:** Walden University

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<sup>1</sup> Part 668 - Student Assistance General Provisions of the Higher Education Act of 1965, as amended on January 8, 2024  
<https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668>

## Adtalem Global Education (ATGE)

*As of March 5<sup>th</sup>, 2024*

**Price:** \$48.22

**Market Cap:** \$1.89 B

**Enterprise Value:** \$2.6 B

**Average Daily Liquidity:** \$20 M

**Aggregate Short Interest (Markit data as of 2/15/24):** 3.98%



Since our January 30<sup>th</sup>, 2024 report on ATGE, we have heard from many students, educators, shareholders, and concerned citizens.<sup>2</sup> On February 1<sup>st</sup>, 2024, Senator Dick Durbin (D-IL), Elizabeth Warren (D-MA), and several other senators, reintroduced the “Proprietary Education Oversight Task Force Act” which seeks to aid the coordination of federal agencies in their oversight of for-profit colleges to ensure “students are not scammed out of an education and into a mountain of debt.”<sup>3</sup>

The overwhelming response, including such legislative measures, was not surprising; the amount of federal student aid doled out to for-profit schools, and above all of them ATGE schools, elicits a visceral reaction in many of us—billions in potential taxpayer losses, hundreds of thousands in debt for so many households, all while for-profits repurchase billions in stock and take millions in compensation.<sup>4</sup> It is a sickness that poisons American higher education.

We have also found that conversations around student debt have generally lacked nuance. Graduate student debt is often overlooked, though it comprises 46% of federal student loans outstanding.<sup>5</sup> Generally, graduate degrees are viewed with respect and prestige, accompanied by substantially stronger earnings power and career opportunity.

And in most cases, that is true; the median lifetime earnings of someone with a doctoral degree is \$4.0 million, compared to \$2.8 million for those with only a bachelor’s degree.<sup>6</sup> What this data does not reflect, in our opinion, is the proliferation of low-quality programs from for-profit operators like ATGE that take advantage of billions in taxpayer support. We see how they attract students hopeful for a leg up in life,

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<sup>2</sup> Saffhet Capital Research on Adtalem Global Education, January 30, 2024. <https://saffhetcapital.com/market-advocacy>

<sup>3</sup> “Durbin Introduces Bill to Create Interagency Committee To Improve Oversight Over For-Profit College Industry,” February 1, 2024. <https://www.durbin.senate.gov/newsroom/press-releases/durbin-introduces-bill-to-create-interagency-committee-to-improve-oversight-over-for-profit-college-industry>

<sup>4</sup> “Taxpayer support for for-profit colleges and universities remains low: just one-third (36 percent) of Americans are comfortable with their tax dollars going to these institutions.” Nguyen, Sophie, Fishman, Rachel, and Cheche, Olivia, “Varying Degrees 2023. New America’s Seventh Annual Survey on Higher Education,” updated August 9, 2023. <https://www.newamerica.org/education-policy/reports/various-degrees-2023/>

<sup>5</sup> Hanson, Melanie. “Average Graduate Student Loan Debt,” Education Data Initiative. Last updated December 8, 2023. <https://educationdata.org/average-graduate-student-loan-debt>

<sup>6</sup> “The College Payoff. More Education Doesn’t Always Mean More Earnings,” Georgetown University, Center on Education and the Workforce. <https://cew.georgetown.edu/cew-reports/collegepayoff2021/>

only to be left chasing a degree for years, with debt wiping out any income benefit, leaving some students in perpetual financial insecurity. **We find that this is nothing more than an extreme wealth redistribution, from students and taxpayers to for-profit university executives.**

For for-profits, there is strategic vision behind the ever-increasing offering of graduate programs, particularly doctoral programs. The degrees take longer and cost more, with much of the time for such degrees often devoted to dissertations, where schools have limited expense. Intuitively then, this should translate to stronger margins. However, as these degrees become commoditized, there is even less investment in ensuring their quality. As outcomes worsen, it grows more difficult to attract new enrollments and instead can attract the scrutiny of regulators and accreditors. Any short-term upside to earnings devolves into a drag on the topline and the potential for litigation or Title IV funding restrictions. **Shareholders should consider that the very factors which make a for-profit university ‘successful’ today, can be what precipitates their fall.**

Respondents to our report were unanimous: our focus on Walden University was warranted and we had only exposed the tip of the iceberg. Here, we provide additional analysis to demonstrate why we continue to believe **Walden’s value should be impaired** and why the current stabilization in Walden enrollment numbers is likely fleeting.

In our original report, we clearly stated that while ATGE performs impairment testing on Walden, its testing for this asset is different from any other asset in its portfolio. And beyond the test itself, we further take issue with the “3% terminal growth”<sup>7</sup> assumption ATGE makes for Walden, considering program closure risk pursuant to the gainful employment rule, historical weakening in enrollment trends, and ongoing regulatory risks.

While the reasons to support an impairment are numerous, here we will specifically examine:

- Graduation and enrollment trends at Walden,
- Educational spending at Walden and across ATGE, and
- The portfolio-level impact of Walden’s financial health.

Though the company has been unable to ignore our analysis, it has, in our view, largely focused on pedantry and dismissals. These efforts appear to have had limited effect at allaying concerns and we hope investors will find our continued questioning useful as they reevaluate their positions.

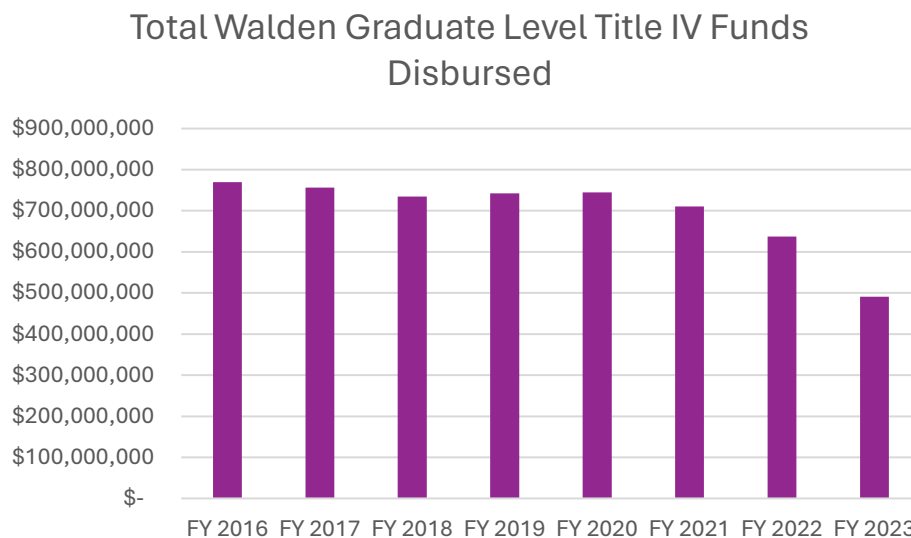
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<sup>7</sup> ATGE Q2 2024 Earnings Call on January 30, 2024.

<https://blinks.bloomberg.com/screens/DOCV%20TRAN%20DN000000003030756559>

## Investigating Walden Student Outcomes

In 2023, Walden University was the third largest recipient of federal graduate student aid and was awarded more federal graduate student loans than any other for-profit institution. From 2015 through 2022, Walden was the largest recipient of all federal graduate student aid across all institutions, including public, private, and proprietary institutions. In FY 2023, Walden received over \$617 million in federal student loan disbursements and students in its graduate programs received approximately \$490 million of this Title IV funding.<sup>8</sup> The scale of these numbers alone should invite greater skepticism.



**Figure 1.** The Total Federal Title IV graduate loans disbursed to Walden University.<sup>9</sup>

ATGE recently disputed our characterization of multi-year declines in enrollments at Walden, but used sequential data to do so.<sup>10</sup> Yet, if we refer to ATGE’s 2023 10-K, we see the company’s own evidence of enrollment declines.<sup>11</sup>

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<sup>8</sup> Federal Student Aid, Title IV Program Volume Reports. Loan Volume, Direct Loan Program. Annual Year Summary in AY 2015-2016, Q4; AY 2016-2017, Q4; AY 2017-2018, Q4; AY 2018-2019, Q4; AY 2019-2020, Q4; AY 2020-2021, Q4; AY 2021-2022, Q4; and AY 2022-2023, Q4 Reports. <https://studentaid.gov/data-center/student/title-iv>

<sup>9</sup> Federal Student Aid, Title IV Program Volume Reports. Loan Volume, Direct Loan Program. Annual Year Summary in AY 2015-2016, Q4; AY 2016-2017, Q4; AY 2017-2018, Q4; AY 2018-2019, Q4; AY 2019-2020, Q4; AY 2020-2021, Q4; AY 2021-2022, Q4; and AY 2022-2023, Q4 Reports. <https://studentaid.gov/data-center/student/title-iv>

<sup>10</sup> ATGE SEC Form 8-K, dated February 2, 2024.

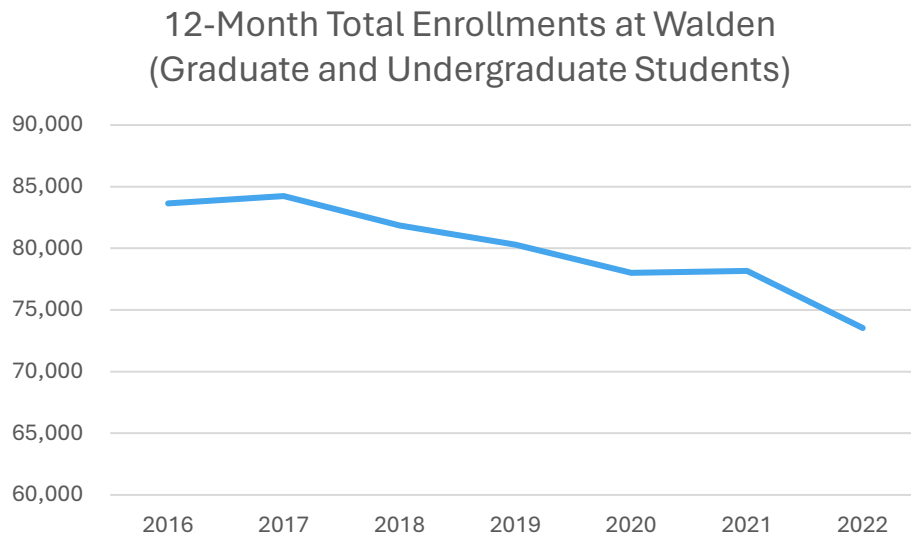
<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/730464/000115752324000163/a53891111.htm>

<sup>11</sup> ATGE SEC 10-K, for the period ending June 30, 2023.

<https://www.sec.gov/ix?doc=/Archives/edgar/data/730464/000155837023014509/atge-20230630x10k.htm>

- For fiscal year 2023, average total student enrollment at Chamberlain decreased 0.6% compared to the prior year. For the May 2023 session, total student enrollment at Chamberlain increased 1.2% compared to the same session last year.
- For fiscal year 2023, average total student enrollment at Walden decreased 7.5% compared to the prior year. As of June 30, 2023, total student enrollment at Walden decreased 4.8% compared to June 30, 2022.
- For fiscal year 2023, average total student enrollment at the medical and veterinary schools decreased 1.0% compared to the prior year. For the May 2023 semester, total student enrollment at the medical and veterinary schools decreased 8.2% compared to the same semester last year.

**Figure 2.** ATGE Enrollment discussion as provided in ATGE’s 2023 10-K.<sup>12</sup>



**Figure 3.** Walden’s 12-month total enrollment data for graduate and undergraduate students as reported by Walden University to the National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS).<sup>13</sup>

<sup>12</sup> ATGE SEC 10-K, for the period ending June 30, 2023.

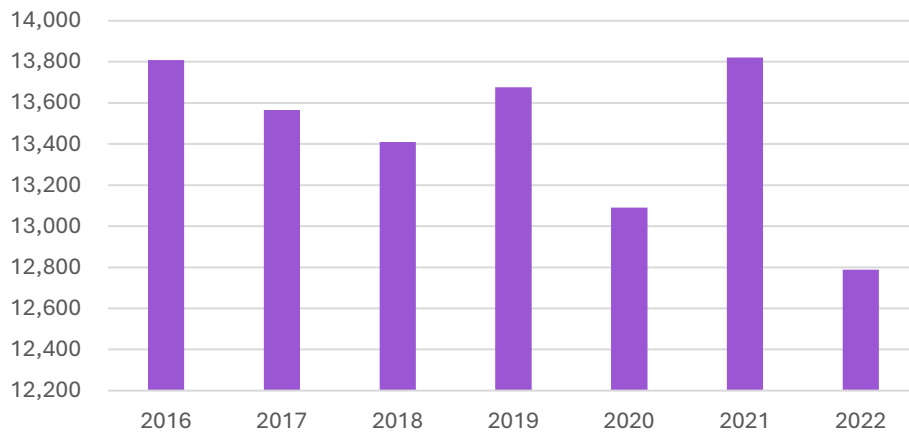
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<sup>13</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. 12-month Enrollment data for total students (graduate and undergraduate) at Walden University.

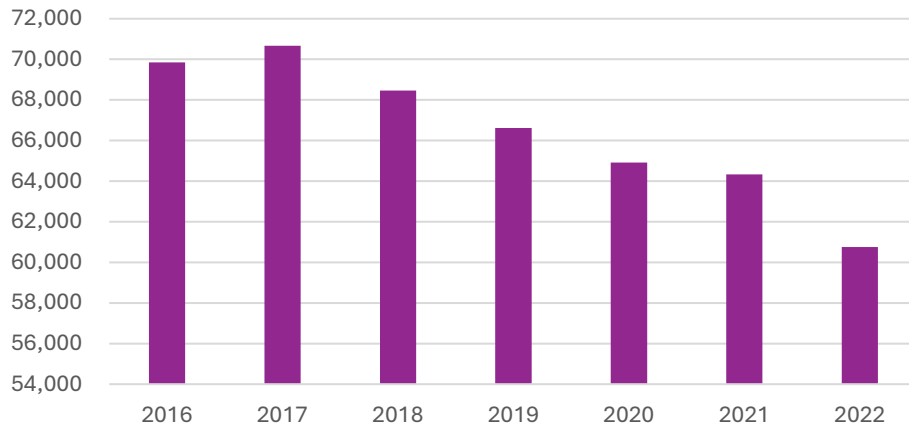
[https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6) (Note: We chose to use 12-month enrollment data instead of Fall enrollment data, because Walden has multiple enrollment start dates for students. However, fall enrollment data for Walden, as reported by Walden, shows a decline in enrollments over time as well for both the graduate and undergraduate degree programs. Also, per IPEDS’s definition of the 12-month enrollment figure, “12-month Enrollment captures a cumulative unduplicated headcount of enrollment over the full 12-month period beginning July 1 and ending June 30. In contrast, Fall Enrollment captures number of students enrolled on a particular date in the fall. Fall enrollment is often referred to as a "snapshot" of an institution’s enrollment at a specific time.”)

Additionally, pulling Walden’s own reported data from the National Center for Education Statistics Integrated Postsecondary Education Data Systems (IPEDS) shows a declining trend in enrollment at Walden at both the undergraduate and graduate levels.<sup>14</sup>

Undergraduate 12-Month Enrollment at Walden



Graduate 12-Month Enrollment at Walden



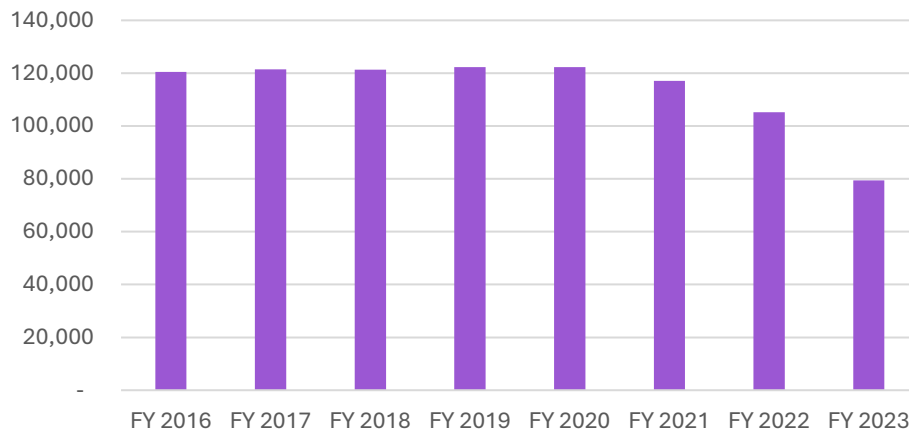
<sup>14</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. 12-month Enrollment data for total students (graduate and undergraduate) at Walden University. [https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6) (Note: We chose to use 12-month enrollment data instead of Fall enrollment data, because Walden has multiple enrollment start dates for students. However, fall enrollment data for Walden, as reported by Walden, shows a decline in enrollments over time as well for both the graduate and undergraduate degree programs. Also, per IPEDS’s definition of the 12-month enrollment figure, “12-month Enrollment captures a cumulative unduplicated headcount of enrollment over the full 12-month period beginning July 1 and ending June 30. In contrast, Fall Enrollment captures number of students enrolled on a particular date in the fall. Fall enrollment is often referred to as a "snapshot" of an institution’s enrollment at a specific time.”)



**Figures 4 and 5.** Walden’s 12-month enrollment data for graduate and undergraduate students as reported by Walden University to the National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS).<sup>15</sup>

The Title IV Federal Student Loan Disbursements data also shows a declining number of Walden graduate students receiving disbursements over time, yet unsurprisingly, the average size of disbursement increased since ATGE assumed ownership of the school.<sup>16,17</sup> Even though the number of Walden graduate students receiving Title IV has decreased over time, Walden has remained either the number one or number three largest recipient of graduate Federal student aid.

Number of Graduate Students at Walden that received Title IV fund disbursement

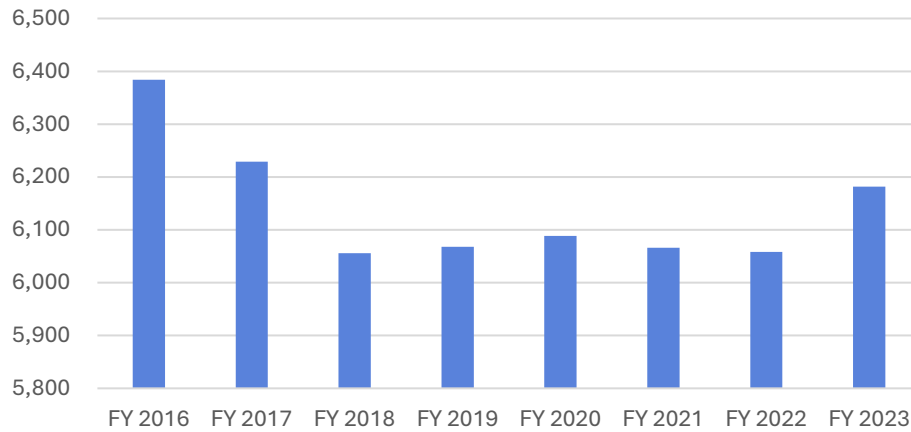


<sup>15</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. 12-month Enrollment data for total students (graduate and undergraduate) at Walden University. [https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6) (Note: We chose to use 12-month enrollment data instead of Fall enrollment data, because Walden has multiple enrollment start dates for students. However, fall enrollment data for Walden, as reported by Walden, shows a decline in enrollments over time as well for both the graduate and undergraduate degree programs. Also, per IPEDS’s definition of the 12-month enrollment figure, “12-month Enrollment captures a cumulative unduplicated headcount of enrollment over the full 12-month period beginning July 1 and ending June 30. In contrast, Fall Enrollment captures number of students enrolled on a particular date in the fall. Fall enrollment is often referred to as a "snapshot" of an institution’s enrollment at a specific time.”)

<sup>16</sup> Federal Student Aid, Title IV Program Volume Reports. Loan Volume, Direct Loan Program. Annual Year Summary in AY 2015-2016, Q4; AY 2016-2017, Q4; AY 2017-2018, Q4; AY 2018-2019, Q4; AY 2019-2020, Q4; AY 2020-2021, Q4; AY 2021-2022, Q4; and AY 2022-2023, Q4 Reports. <https://studentaid.gov/data-center/student/title-iv>

<sup>17</sup> ATGE SEC 8-K dated August 12, 2021. <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000730464/000115752321001048/a52475947.htm>

## Average Graduate Student Title IV Loan Disbursement per Recipient at Walden



**Figures 6 and 7.** The number of graduate students at Walden that received Title IV disbursements and the average graduate loan disbursement per recipient at Walden.<sup>18</sup>

In fact, when Laureate Education (LAUR) decided to divest Walden University, its stated rationale was,

*“a potential decline in the for-profit online education market due, in part, to increased competition from not-for-profit institutions and online program management providers and the perceived uncertainty regarding the federal regulatory environment in the coming years.”*<sup>19</sup>

LAUR’s views of competitive pressures and regulatory risks around Walden introduced sufficient uncertainty to warrant a divestiture and those views should be seriously considered by investors when assessing ATGE’s aspirational 3% terminal growth for the asset. With gainful employment soon to be in effect, both the risk of program closures and any sentiment shift following data released will put further downwards pressure on enrollment numbers.<sup>20</sup>

<sup>18</sup> The average graduate loan disbursement per recipient of Walden is calculated as the total Title IV loan disbursements for Walden graduate students as disclosed by the ED divided by the total number of Walden graduate students receiving the Title IV loan disbursements as disclosed in the same data set by the ED compiled by year. Federal Student Aid, Title IV Program Volume Reports. Loan Volume, Direct Loan Program. Annual Year Summary in AY 2015-2016, Q4; AY 2016-2017, Q4; AY 2017-2018, Q4; AY 2018-2019, Q4; AY 2019-2020, Q4; AY 2020-2021, Q4; AY 2021-2022, Q4; and AY 2022-2023, Q4 Reports. <https://studentaid.gov/data-center/student/title-iv>

<sup>19</sup> LAUR Schedule 14C, dated November 20, 2020. [https://www.sec.gov/Archives/edgar/data/912766/000110465920127556/tm2034931-2\\_defm14c.htm](https://www.sec.gov/Archives/edgar/data/912766/000110465920127556/tm2034931-2_defm14c.htm)

<sup>20</sup> Federal Student Aid, Gainful Employment. Department of Education. <https://studentaid.gov/data-center/school/ge>

It is also important to remember: ATGE appears to disclose only total graduate enrollments, not new enrollments.<sup>21</sup> Graduate students comprise the majority—about 81%—of Walden’s students.<sup>22,23</sup> We had previously written about how we believed the Walden deal was meant to fill a DeVry-sized crater; investors can take this literally. The deal bought ATGE a few years of a massive topline boost, driven by the total enrollments of Walden. **However, if ATGE is unable to enroll new Walden students at the rate existing students are graduating, then we believe that this near-term boost quickly becomes a longer-term drag.**

Given the trend in total enrollments so far, we expect that graduations are already outpacing new enrollments, but it has only been 2.5 years. A simple estimate of the approximate number of new enrollees at Walden compared to graduating students using self-reported 12-month enrollment figures and completion data in IPEDS, suggests that new enrollments are in fact declining, particularly in the graduate programs.<sup>24,25</sup>

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<sup>21</sup> NCES IPEDS Data for Walden University. <https://nces.ed.gov/ipeds/datacenter/SelectVariables.aspx?sid=baf96a5e-933c-4770-bc8b-a21e472412a1&rtid=0>

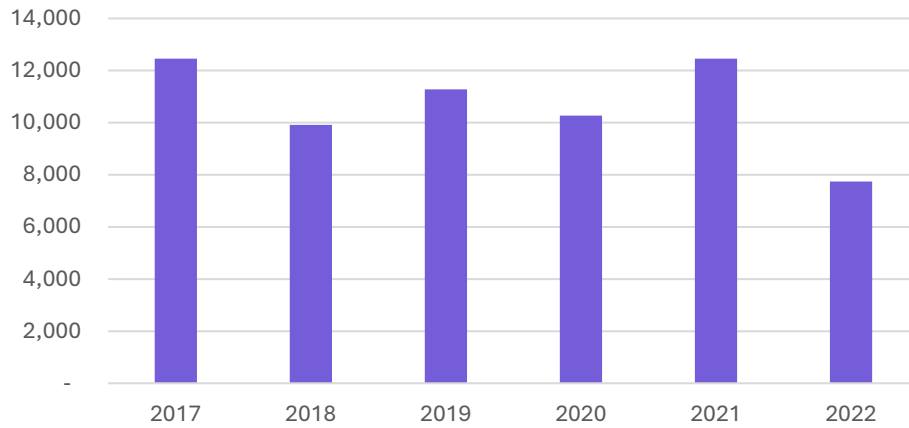
<sup>22</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Fall Enrollment data for total students (graduate and undergraduate) at Walden University. [https://nces.ed.gov/ipeds/SummaryTables/report/265?templateId=2650&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=dba7027e-5c4e-406d-a971-6f84de3920d1](https://nces.ed.gov/ipeds/SummaryTables/report/265?templateId=2650&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=dba7027e-5c4e-406d-a971-6f84de3920d1)

<sup>23</sup> Walden wrote that more than 81% of their students are at the graduate level. We calculated the percentage to be closer to 85% based on the Fall Enrollment Figures presented in IPEDS. Walden’s Consumer Summary Information. <https://www.waldenu.edu/legal/consumer-information>

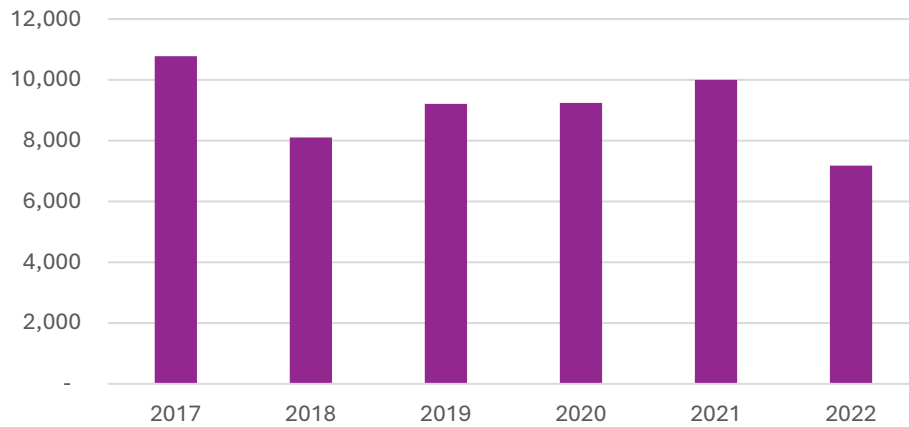
<sup>24</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. 12-month Enrollment data for total students (graduate and undergraduate) at Walden University. [https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

<sup>25</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

### Estimated New Enrollees at Walden (Graduate and Undergraduate Students)



### Estimated New Graduate Enrollees at Walden (Graduate Students Only)

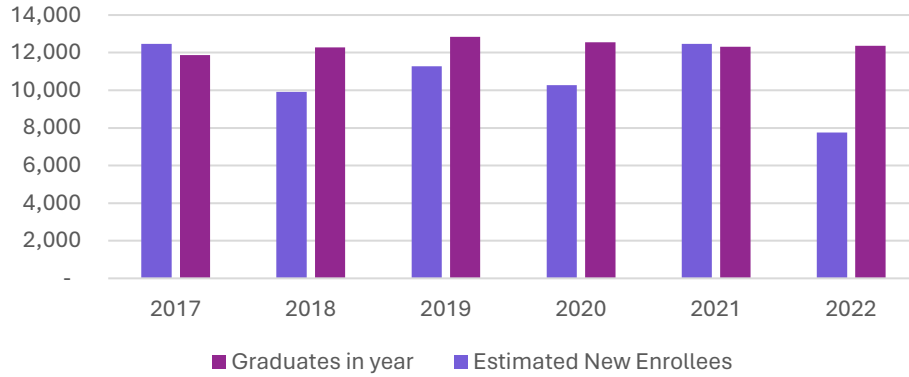


**Figures 8 and 9.** Estimated New Enrollees for All Walden Degree Levels and Estimated New Enrollees for Walden’s Graduate Degree Level.<sup>26,27</sup>

<sup>26</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. 12-month Enrollment data for total students (graduate and undergraduate) at Walden University.  
[https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

<sup>27</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022.  
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### Walden Completions and Estimated New Enrollees by Year for All Degree Students (Undergraduate and Graduate)



**Figure 10.** Walden’s Completions by Year compared to Estimates of New Enrollees for all Walden Degree Levels.<sup>28,29</sup>

Walden’s student body is skewed towards graduate students, so in Fall 2022, of the 42,312 students enrolled, 6,298 were undergraduates, compared to 36,014 graduate students.<sup>30</sup> This introduces a problem through the “persistence” of students, which measures the time over which a student successfully completes their degree.

Persistence is mostly positive; if coupled with strong graduation rates, it means that students are motivated to stay enrolled and complete coursework necessary for a degree. If persistence is high and graduation rates disproportionately low, then it could be indication of the school either failing to identify students that should be removed from a program or failing to support those students through to completion.

**Every single former Walden student we spoke to has expressed concerns with persistence, resulting from perceived institutional delays in their degree programs.**

<sup>28</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. 12-month Enrollment data for total students (graduate and undergraduate) at Walden University.

[https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/1000?templateId=100001&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

<sup>29</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022.

[https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

<sup>30</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Fall Enrollment data for total students (graduate and undergraduate) at Walden University.

[https://nces.ed.gov/ipeds/SummaryTables/report/265?templateId=2650&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=dba7027e-5c4e-406d-a971-6f84de3920d1](https://nces.ed.gov/ipeds/SummaryTables/report/265?templateId=2650&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=dba7027e-5c4e-406d-a971-6f84de3920d1)

While there is no official measure of how long an average Walden student remains enrolled, we can surmise that the average length is longer than a typical graduate program. Walden’s own marketing suggests that typical PhD programs can take three to five years,<sup>31</sup> but Walden’s reported 150% graduation rate for their graduate students at 6 years was only 34%.<sup>32</sup> The previous year’s Graduate graduation rate as reported by Walden was just 33%.<sup>33</sup> Walden’s Gainful Employment disclosure data, since removed, listed program lengths for doctoral programs ranging from 50 months (4.2 years) to 78 months (6.5 years).<sup>34</sup> Again, this appears longer than Walden’s reported three to five year program suggestion.<sup>35</sup>

Level	AY Cohorts	Students in Cohort #	Students who graduated within 150% of the expected time #	150% Graduation Rate %
Undergraduate	2015–16	4,812	1,557	32%
Graduate	Masters = AY 2018–19 EdS= AY 2016–17 Prof. Doc, PhD = AY 2015–16	23,632	7,995	34%

Includes all degree-seeking students with a starting cohort within the reported academic year.  
 Graduation rate is calculated from the matriculation term to degree conferral term within the same degree level.  
 Our typical student is a working professional already in their field of study and only attending Walden with a part-time credit load thus why the 150% graduation rate was shown as it best represents our student body's achievement rate, this also aligns to the IPEDS Right to Know reporting period methodology which is an industry standard.

The Bachelor's, Professional Doctorate, and PhD 150% rate is six years after their start with AY 2015-16 being the most recent fully completed AY after six years.  
 The Education Specialist 150% rate is five years after their start with AY 2016-17 being the most recent fully completed AY after five years.  
 The master's 150% rate is three years after their start with AY 2018-19 being the most recently fully completed AY after three years.

Undergraduate includes only the bachelor's- level students whereas graduate combines master's, education specialists, professional doctorate, and PhD-level students.

The data shown above is the 150% graduation rate for those who have a cohort within the AY of 20115-16 for Bachelors, Professional Doctorate, PhD. AY 2016-17 for Education Specialists followed by AY 2018-19 for Masters.  
 Non-degree seeking students and step-out awards are excluded from this data.

**Figure 11.** Walden’s Consumer Information Summary page showing the 150% graduation rates, retrieved on February 28, 2024.<sup>36</sup>

<sup>31</sup> “How Long Does It Take to Earn a Doctoral Degree?”, Walden University. <https://www.waldenu.edu/online-doctoral-programs/resource/how-many-years-does-it-take-to-earn-a-phd-degree>

<sup>32</sup> Walden’s Consumer Summary Information. <https://www.waldenu.edu/legal/consumer-information>

<sup>33</sup> Walden’s Consumer Summary Information, as archived from January 28, 2023.

<https://web.archive.org/web/20230128060444/https://www.waldenu.edu/legal/consumer-information>

<sup>34</sup> <https://web.archive.org/web/20230128060444/https://www.waldenu.edu/legal/consumer-information> and as reported and calculated as 58-74 months (4.8-6.2 years) in the MOHE Report. Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051)

[https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

<sup>35</sup> “How Long Does It Take to Earn a Doctoral Degree?”, Walden University. <https://www.waldenu.edu/online-doctoral-programs/resource/how-many-years-does-it-take-to-earn-a-phd-degree>

<sup>36</sup> Walden’s Consumer Summary Information. <https://www.waldenu.edu/legal/consumer-information>

Interestingly, in October 2019, the Minnesota Office of Higher Education (MOHE) released a report following a comprehensive review of Walden’s doctoral programs. The report titled, “Walden University Doctoral Program Review” (MOHE Report) was commissioned due to an increase in the number of complaints received by the Minnesota Attorney General’s Office related to the doctoral programs. “Students relayed concerns that Walden’s practices may have needlessly delayed student progress, resulting in additional unnecessary costs.”<sup>37</sup>

As part of the review, Walden provided MOHE with graduation rates for its doctoral programs and relayed that the maximum time allowable for completion is eight years. Of those students that were retained past year one of the program, only 24% graduated in the maximum eight years.

**Table 7. Graduation Rates, by Academic Year Cohort, by Doctoral Overall, Professional Doctorates and Ph.D.**

Doctoral Overall								
Academic Year Cohort	# in Cohort	2 Year	3 Year	4 Year	5 Year	6 year	7 Year	8 Year
2008-09	3402	0%	1%	4%	11%	16%	20%	24%
2009-10	3238	<1%	1%	5%	10%	16%	20%	
2010-11	3142	0%	1%	5%	10%	16%		
2011-12	3103	<1%	3%	8%	16%			
2012-13	2766	<1%	3%	9%				
2013-14	2792	1%	5%					
2014-15	3137	1%						

Professional Doctorates								
Academic Year Cohort	# in Cohort	2 Year	3 Year	4 Year	5 Year	6 year	7 Year	8 Year
2008-09	1635	0%	1%	6%	14%	19%	23%	26%
2009-10	1334	0%	2%	7%	14%	20%	25%	
2010-11	1303	0%	2%	7%	13%	19%		
2011-12	1389	1%	7%	14%	24%			
2012-13	1377	<1%	5%	14%				
2013-14	1436	1%	9%					
2014-15	1533	1%						

PhD								
Academic Year Cohort	# in Cohort	2 Year	3 Year	4 Year	5 Year	6 year	7 Year	8 Year
2008-09	1871	0%	1%	3%	8%	13%	18%	22%
2009-10	1937	<1%	1%	3%	8%	13%	18%	
2010-11	1865	0%	<1%	3%	8%	14%		
2011-12	1739	0%	1%	3%	10%			
2012-13	1405	0%	1%	4%				

<sup>39</sup> The number in cohort for graduation rates will differ from retention rates as Walden includes only those who completed one year in graduation rates, while only those who completed one term are included in retention rates.

**Figure 12.** Graduation Rates by Academic Cohort 2008-2016, as reported by MOHE in 2019.<sup>38</sup>

<sup>37</sup> Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051) [https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

<sup>38</sup> Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051) [https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

If we apply a similar 8 year cut off for Walden’s doctoral programs and use Walden’s reported completion data from IPEDS and enrollment data from the MOHE report, such graduation rates appear to average 30% in more recent years. All of these methods of analyzing Walden’s doctoral graduation rate suggest that the rate is significantly less than the national average for PhD completion, which is estimated to be about 50%.<sup>39,40</sup>

This is largely in line with our first report, despite ATGE’s complaints to the contrary. **For an institution where nearly 80% of revenue comes from Title IV funds,<sup>41</sup> which originated over \$840 million in federal student loans last year, we believe these graduation rates are totally unacceptable.**<sup>42</sup> Both the institutionally-supplied data and our interviews with former Walden graduate students, suggest a culture of obstructing students that persist, until these students eventually graduate either with a multi-year delay or attrit once the debt burden becomes insurmountable. One student recounts,

*“The online portal would have a tracker at the top saying, ‘you’ve already spent \$300K, don’t stop now!’”*<sup>43</sup>

And while the Walden handbook may suggest that enrollment has a limit, or a dissertation must be completed in a certain number of years, the evidence also shows that students are regularly exceeding these limits, whether or not degree completion is even feasible.<sup>44</sup>

In an interview with a former Chamberlain associate dean and Walden instructor,

*“You don’t want them to quit, they’ve invested all that time and money. But on the other hand, there were definitely some where they were never going to get to that point after multiple times of trying...”*<sup>45</sup>

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<sup>39</sup> “Who Are the Doctoral Students Who Drop Out? Factors Associated with the Rate of Doctoral Degree Completion in Universities,” International Journal of Higher Education, Vol. 7, No.4: 2018. <https://files.eric.ed.gov/fulltext/EJ1188721.pdf>

<sup>40</sup> Young SN, Vanwye WR, Schafer MA, Robertson TA, Poore AV. “Factors Affecting PhD Student Success.” Int J Exerc Sci. 2019 Jan 1;12(1):34-45. PMID: 30761191; PMCID: PMC6355122. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6355122/>

<sup>41</sup> ATGE wrote that Walden received 78% of their revenue in fiscal year 2023 from Federal funding “(excluding the U.S. Department of Veterans Affairs and military tuition assistance benefits)”. ATGE SEC 10-Q for the quarter ending December 31, 2023. <https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837024000642/atge-20231231x10q.htm>

<sup>42</sup> Federal Student Aid, Title IV Program Volume Reports. Loan Volume, Direct Loan Program. Annual Year Summary in AY 2015-2016, Q4; AY 2016-2017, Q4; AY 2017-2018, Q4; AY 2018-2019, Q4; AY 2019-2020, Q4; AY 2020-2021, Q4; AY 2021-2022, Q4; and AY 2022-2023, Q4 Reports. <https://studentaid.gov/data-center/student/title-iv>

<sup>43</sup> Conversation with a former Walden doctoral student, February 23, 2024

<sup>44</sup> Walden Student Handbook. <https://academics.waldenu.edu/handbook/registration-admission-enrollment/enrollment> and <https://academics.waldenu.edu/financial-aid/federal-loan-limits>

<sup>45</sup> Conversation with a former Chamberlain Associate Dean, February 23, 2024



We have reviewed publicly available investigations and litigation involving Walden University that all include allegations around the misrepresentation of the length or cost of degree programs.<sup>46,47</sup> While we cannot be certain about whether this will ever amount to regulatory intervention, we can comfortably conclude that ATGE is likely to contend with a large persistence cliff at Walden. Students cannot continue indefinitely, and even in our interviews, 15 years appeared to be an upper limit we have heard for Walden doctoral programs.

Walden’s retention rates are similarly problematic. On average by year 3 of the doctoral programs, only 45% of Walden students were retained.<sup>48</sup> Walden, as reported by MOHE, only includes students in their retention rates that completed their first term at Walden. Thus, **these figures exclude students that dropped out during their first term, suggesting even lower retention and graduation rates.** For the most recently available data, as reported by Walden on their Consumer Information page, 80% of graduate students who completed their first term are retained in their second term.<sup>49</sup> Again, this information excludes those that cease the program within their first term, and presumably have already taken federal student aid. MOHE estimated that many of those that do drop out of their doctoral program, do so during their second month in the program, which is in their first term. Needless to say, it appears that Walden has a retention, persistence, and graduation problem.

**Table 6. Average Retention Rate of Doctoral Students at Year One, Year three, By Program<sup>56</sup>**

<b>PROGRAM (Years Included)</b>	<b>COHORT</b>	<b>AVE 1 YR</b>	<b>AVE 3 YR</b>
Doctor of Business Administration (08-13)	3497	69%	44%
Doctor of Education (08-13)	596	59%	48%
Ph.D. in Counselor Education and Supervision (09-13)	425	47%	36%
Ph.D. in Education - KAM ONLY (08-13)	1295	54%	34%
Ph.D. in Health Services - KAM ONLY (08-12)	46	66%	45%
Ph.D. in Human Services - KAM ONLY (08-12)	425	56%	35%
Ph.D. in Management - KAM ONLY (08-12)	791	64%	42%
Ph.D. in Psychology (08-12)	3963	65%	40%
Ph.D. in Public Health (08-12)	1708	69%	49%
Ph.D. in Public Policy and Administration - KAM ONLY (08-11)	404	61%	47%
Ph.D. in Public Policy and Administration - COURSE BASED ONLY (09-12)	1868	69%	47%
Average		62%	42%
Standard Deviation		7%	5%

<sup>46</sup> Carroll v. Walden, Case: 1:22-cv-00051-JMC, U.S.D.C. District of Maryland. [https://defendstudents.org/news/body/walden-complaint.pdf?\\_gl=1\\*du6e0e\\*\\_ga\\*MTg2NjQ2NzM4OS4xNzA0MzExNDYx\\*\\_ga\\_QQHHSR098F\\*MTcwNzg1NDg5OC4xMS4xLjE3MDc4NTUyNDcuNTYuMC4w](https://defendstudents.org/news/body/walden-complaint.pdf?_gl=1*du6e0e*_ga*MTg2NjQ2NzM4OS4xNzA0MzExNDYx*_ga_QQHHSR098F*MTcwNzg1NDg5OC4xMS4xLjE3MDc4NTUyNDcuNTYuMC4w)

<sup>47</sup> Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051) [https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

<sup>48</sup> Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051) [https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

<sup>49</sup> Walden’s Consumer Summary Information. <https://www.waldenu.edu/legal/consumer-information>

WALDEN UNIVERSITY				
	Programs	Tuition & Financial Aid	Admissions	Why Walden
				REQUEST INFORMATION
SECOND TERM RETENTION BY UNDERGRADUATE AND GRADUATE LEVEL				
Level	AY Cohorts	Students In Cohort #	Students Enrolled in 2nd Term #	2nd Term Retention %
Undergraduate	AY 2020-21	3,810	2,766	73%
Graduate	AY 2020-21	19,249	15,493	80%

*Includes all degree-seeking students with a cohort during the academic year of 2020-21.*

*A student is considered retained in their second term if they are enrolled in the subsequent term from the first term of enrollment. Please note that students are allowed to take time off between courses to suit their school and home/work life balance as our typical student is a working professional already in their field of study.*

*Undergraduate includes Bachelors level cohort enrollment.*

*Graduate combines master's, education specialists, professional doctorates, and PhD-level cohort enrollment by counting only the first cohort within each degree per student.*

*Non-degree seeking students are excluded from this data.*

*AY = Academic Year (Fall term through Summer term)*

**Figures 13 and 14.** Average Retention Rate of Doctoral Students at Year One, Year Three, and By Program as reported in the MOHE Report and Walden’s own consumer information disclosure on retention, retrieved on February 28, 2024.<sup>50,51</sup>

The MOHE report also showed that many students did not complete their program in the published timeframe, if they finished at all. We have heard from former Walden students that claimed course requirements were changed partway through, whereby new classes were added that further delayed completion. We have also heard that some students waited a month or more for their advisor to return with dissertation comments, leaving them unable to move forward with their research and writing.

**Table 8. Number and Percentage Students Completing by Minimum Time, Published Program Length**

Program	Number of Students Completing	Minimum Time To Completion	Students Completing By Minimum Time	Published Program Length (GE Disclosures)	Percent Students Completing By Program Length Time
DBA	733	3.3 years	32%	4.7 years	70%
Ed.D.	938	2.75 years	12%	4.7 years	48%
Ph.D. Psychology <sup>67</sup>	391	3.25; 5 years	n/a	5.5; 7.1 years	n/a <sup>68</sup>
Ph.D. Management (KAM)	116	3.75 years	25%	6 years	78%
Ph.D. Management (COURSE)	74	3 years	15%	4.8 years	50%

<sup>50</sup> Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051) [https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

<sup>51</sup> Walden’s Consumer Summary Information. <https://www.waldenu.edu/legal/consumer-information>

**Table 9. Gainful Employment Disclosures<sup>70</sup>**

Program	Program Designed Time	Of Those That Complete (In 2014-15), Percentage Who Do So Within This Program Designed Time
Ph.D. Management <sup>71</sup>	4.8 (58 months)	24%
Ph.D. in Psychology	5.5 (66 months)	21%
DBA	4.1 years (50 months)	52%

**Figures 15 and 16.** The Number and Percentage of Students at Walden completing by Minimum Time and published program length and Gainful Employment Disclosures in the MOHE Report.<sup>52</sup>

ATGE and Walden could argue that such problems are historical, since the report was released in 2019, and that under ATGE’s leadership, students are moving more expeditiously to graduation. If this is the case, which we hope that it is, Walden’s lower enrollment numbers are even more worrying. If Walden and ATGE are unable to fill seats vacated by graduating students, that could mean lost revenue for shareholders. Assuming initiatives to reduce delays in doctoral programs were implemented sometime between 2017 and 2019, those students facing the 8-year cut-off will be departing in the next few years.

**In FY 2022, the first year of Walden under ATGE’s ownership, enrollment decreased.**<sup>53</sup> We struggle to find evidence that ATGE is able to meet the persistence cliff with sufficiently high numbers of new students to maintain Walden’s topline, let alone operate towards 3% terminal growth. As ex-LAUR Walden students graduate or attrit in higher numbers over the coming years, we suspect ATGE will likely need to revisit its growth expectations. In our opinion, the writing is already on the wall, and such stubborn reluctance to address a Walden impairment is shamefully irresponsible.

Growth expectations must also be tempered by the ramifications of the Gainful Employment rule, which is soon to be in effect. Even on the earnings call which ATGE pulled forward to the day we released our report, its CEO stated “almost none of Walden programs are at risk in connection with gainful employment” which obviously suggests that at least some of them are.<sup>54</sup>

Recent GOP efforts to address the graduate student debt crisis<sup>55</sup> include proposed legislation around college transparency and improving prospective awareness of program outcomes. It seems hopeful that gainful employment is now here to stay, regardless of the party in power. In fact, the GOP proposals go

<sup>52</sup> Minnesota Office of Higher Education, “Walden University Doctoral Program Review,” dated October 23, 2019. Filed as Exhibit 1 to Document 1 of the Carroll v. Walden University, LLC Complaint dated January 7, 2022. Case Number 1:22-cv-00051) [https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.mdd.505281/gov.uscourts.mdd.505281.1.1_1.pdf)

<sup>53</sup> “As of June 30, 2022, total student enrollment at Walden was 39,470 students. Total enrollment decreased 9.5% compared to June 30, 2021. (Prior year figures are as calculated in the prior year by Walden while controlled by Laureate — these figures are used for comparative purposes only.)” ATGE SEC 10-K 2022. <https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837022013289/atge-20220630x10k.htm>

<sup>54</sup> ATGE Q2 2024 Earnings Call on January 30, 2024. <https://blinks.bloomberg.com/screens/DOCV%20TRAN%20DN000000003030756559>

<sup>55</sup> Lonas, Lexi, "Senate Republicans Introduce Plan to Tackle Student Loan Debt," The Hill. June 14, 2023. <https://thehill.com/homenews/education/4049576-senate-republicans-introduce-plan-to-tackle-student-loan-debt/>

as far as to conduct an earnings test not only including graduates of a program, but of all students that ever enrolled, meaning those that did not complete their programs.<sup>56</sup> **We believe such a proposal, if ever passed into law, would likely be catastrophic for ATGE, considering not only the graduation rates analyzed above, but the rates of attrition across all of its portfolio schools.** Not long after the GOP announcements, the Urban Institute concluded that the median earnings of students who entered programs at for-profit institutions for their bachelor's degrees, but did not complete their degrees, earned materially less than those at other public and private non-profit institutions.<sup>57</sup>

We believe that gainful employment even just as it stands today already provides sufficient cause for ATGE to impair Walden's value. Just the publication of debt-to-earnings figures could put additional pressure on Walden enrollments, putting ATGE further away from its 3% terminal growth target.

From institutionally-provided data, we estimate that 21% of Walden's 2022 graduates would fail the gainful employment test and another 13% of graduates would be in the warning zone.<sup>58,59</sup> For the top 10 degree programs at Walden, which represented 69% of Walden's total enrollments in 2022, 3 of the programs would fail, and another 2 programs would be in the warning zone.<sup>60,61</sup> These are estimates and use earnings data that is provided to the ED four years after graduation. Extending the reported earnings as allowed under the Gainful Employment rule for some medical programs may mitigate some of Walden's apparent trouble with their clinical psychology and clinical counseling program, but does not eliminate the concern for many of Walden's other programs, including social work, business administration,

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<sup>56</sup> S.1971 – Streamlining Accountability and Value in Education for Students Act, 118<sup>th</sup> Congress, introduced June 14, 2023. [Text - S.1971 - 118th Congress \(2023-2024\): Streamlining Accountability and Value in Education for Students Act | Congress.gov | Library of Congress](https://www.congress.gov/bills/118/1971/text/senate/2023/06/14/1971-118-1971-118th-Congress-2023-2024-Streamlining-Accountability-and-Value-in-Education-for-Students-Act)

<sup>57</sup> “College Completion and Earnings,” The Urban Institute. January 2024. <https://www.urban.org/sites/default/files/2024-02/College%20Completion%20and%20Earnings.pdf>

<sup>58</sup> For these estimates, we pulled the completion data for 2022 at Walden by degree program and level from IPEDS. We also pulled the monthly median loan payments and monthly median earnings data by program and level from the ED. All pulled information was provided to IPEDS and ED by ATGE. We estimate the debt to earnings ratio by dividing the monthly debt over the monthly earnings for a quick ratio. These are meant to be indicators of availability to pay and our estimates of Walden's programs gainful employment. Monthly loan payments and monthly earnings taken by each program from the ED's College Scorecard information found at <https://collegescorecard.ed.gov/>

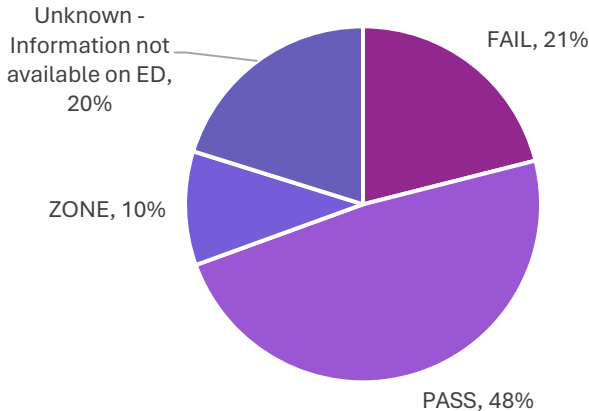
<sup>59</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

<sup>60</sup> For these estimates, we pulled the completion data for 2022 at Walden by degree program and level from IPEDS. We also pulled the monthly median loan payments and monthly median earnings data by program and level from the ED. All pulled information was provided to IPEDS and ED by ATGE. We estimate the debt to earnings ratio by dividing the monthly debt over the monthly earnings for a quick ratio. These are meant to be indicators of availability to pay and our estimates of Walden's programs gainful employment. Monthly loan payments and monthly earnings taken by each program from the ED's College Scorecard information found at <https://collegescorecard.ed.gov/>

<sup>61</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022, sorted by the largest number of completions by program and degree level in 2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

education, and many others.<sup>62</sup> Our analysis is provided to show the extent that the Gainful Employment rule can impact Walden’s business, and how shareholders should be concerned about future enrollment, which is likely to suffer with further disclosure.

Percentage of 2022 Walden Graduates estimated that would Pass/Zone/Fail the Gainful Employment Rule



**Figure 17.** Percentage of 2022 that would likely Pass, Fail, or are in the Warning Zone for Gainful Employment using currently available earnings.<sup>63,64</sup>

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<sup>62</sup> ATGE SEC Form 8-K, dated February 2, 2024.  
<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/730464/000115752324000163/a53891111.htm>

<sup>63</sup> Monthly loan payments and monthly earnings taken by each program from the ED’s College Scorecard information found at <https://collegescorecard.ed.gov/>

<sup>64</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

WALDEN UNIVERSITY					
Completion Data by Program - Earnings					
IPEDS					
<a href="https://nces.ed.gov/ipeds/">https://nces.ed.gov/ipeds/</a>					
<a href="https://collegescorecard.ed.gov/school/fields/?125231-Walden-University">https://collegescorecard.ed.gov/school/fields/?125231-Walden-University</a>					
CIP Code - 2020 Classification	Cip Title	C2022_A.Award Level code	Number of Graduates in 2022	Estimated Debt-to-Earnings Pass/Fail/Zone in 2023	% of Total Graduates in 2022
'51.3801'	Registered Nursing/Registered Nurse	Master's degree	4,248	PASS	33.0%
'13.0101'	Education, General	Master's degree	949	PASS	7.4%
'44.0701'	Social Work	Master's degree	910	FAIL	7.1%
'51.3801'	Registered Nursing/Registered Nurse	Bachelor's degree	756	PASS	5.9%
'51.1508'	Mental Health Counseling/Counselor	Master's degree	645		5.0%
'52.0201'	Business Administration and Management, General	Master's degree	350	ZONE	2.7%
'52.0201'	Business Administration and Management, General	Doctor's degree - research/scholarship	304	FAIL	2.4%
'13.0101'	Education, General	Doctor's degree - research/scholarship	277	FAIL	2.2%
'42.0101'	Psychology, General	Master's degree	218	ZONE	1.7%
'42.2812'	Forensic Psychology	Master's degree	217		1.7%
'52.0201'	Business Administration and Management, General	Bachelor's degree	192	PASS	1.5%
'13.1210'	Early Childhood Education and Teaching	Master's degree	188	ZONE	1.5%
'44.0000'	Human Services, General	Master's degree	173	FAIL	1.3%
'51.0701'	Health/Health Care Administration/Management	Master's degree	173	ZONE	1.3%
'42.0101'	Psychology, General	Doctor's degree - research/scholarship	170	FAIL	1.3%
'13.1101'	Counselor Education/School Counseling and Guidance Services	Master's degree	158		1.2%
'44.0401'	Public Administration	Doctor's degree - research/scholarship	155	FAIL	1.2%
'51.2201'	Public Health, General	Doctor's degree - research/scholarship	133	FAIL	1.0%
'51.3818'	Nursing Practice	Doctor's degree - research/scholarship	130		1.0%
'42.0101'	Psychology, General	Bachelor's degree	125	FAIL	1.0%
'43.0103'	Criminal Justice/Law Enforcement Administration	Master's degree	116	FAIL	0.9%
'44.0401'	Public Administration	Master's degree	109	ZONE	0.8%
'44.0701'	Social Work	Bachelor's degree	106		0.8%
'42.2703'	Developmental and Child Psychology	Master's degree	87		0.7%
'44.0000'	Human Services, General	Bachelor's degree	85	FAIL	0.7%
'51.2201'	Public Health, General	Master's degree	76	FAIL	0.6%
'13.1210'	Early Childhood Education and Teaching	Bachelor's degree	67		0.5%
'52.1001'	Human Resources Management/Personnel Administration	Master's degree	67	ZONE	0.5%
'42.2804'	Industrial and Organizational Psychology	Master's degree	65		0.5%
'51.0701'	Health/Health Care Administration/Management	Bachelor's degree	62	FAIL	0.5%
'52.0201'	Business Administration and Management, General	Postbaccalaureate certificate	60		0.5%

**Figure 18.** The 2022 completions at Walden by Degree program.<sup>65,66</sup>

<sup>65</sup> Monthly loan payments and monthly earnings taken by each program from the ED's College Scorecard information found at <https://collegescorecard.ed.gov/>

<sup>66</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

Looking more broadly at annual earnings compared to national averages,<sup>67</sup> we see that on average, Walden graduates make less than the US median for equivalent degrees. Only 2 Walden undergraduate programs of the 15 that have earnings listed on the ED’s website<sup>68</sup> had earnings higher than the median. Only 15% of Walden’s Master’s degree programs, for those reported, have earnings greater than the median earnings of \$74,600 for a US graduate with a Master’s degree. **And only 40% of Walden Master’s graduates make more than the US median earnings for those with only a bachelor’s degree, \$61,600.** This data seems to conflict with the narrative promoted by ATGE, that its degree programs are strongly positioned to prepare students for a competitive workforce and the high demand for healthcare professionals.<sup>69</sup>

Award Level	Count of Programs at Walden for which we have earnings data from the ED							
	Greater than a high school diploma? (\$39,700)	Greater than a Bachelor's? (\$61,600)	Greater than a comparable Master's or higher? (\$74,600)	% of Total Programs Greater than its equivalent	% Greater than a high school diploma? (\$39,700)	% Greater than a Bachelor's? (\$61,600)	% Greater than a comparable Master's or higher? (\$74,600)	
Bachelor's	15	13	2	0	13.3%	86.7%	0.0%	
Master's	20	20	8	3	15.0%	100.0%	15.0%	
Doctor's	6	6	6	5	83.3%	100.0%	83.3%	
<b>Total</b>	<b>41</b>	<b>39</b>	<b>16</b>	<b>8</b>	<b>24.4%</b>	<b>95.1%</b>	<b>30.8%</b>	

<sup>67</sup> Annual Earnings by Educational Attainment, National Center for Education Statistics. Last updated May 2023.

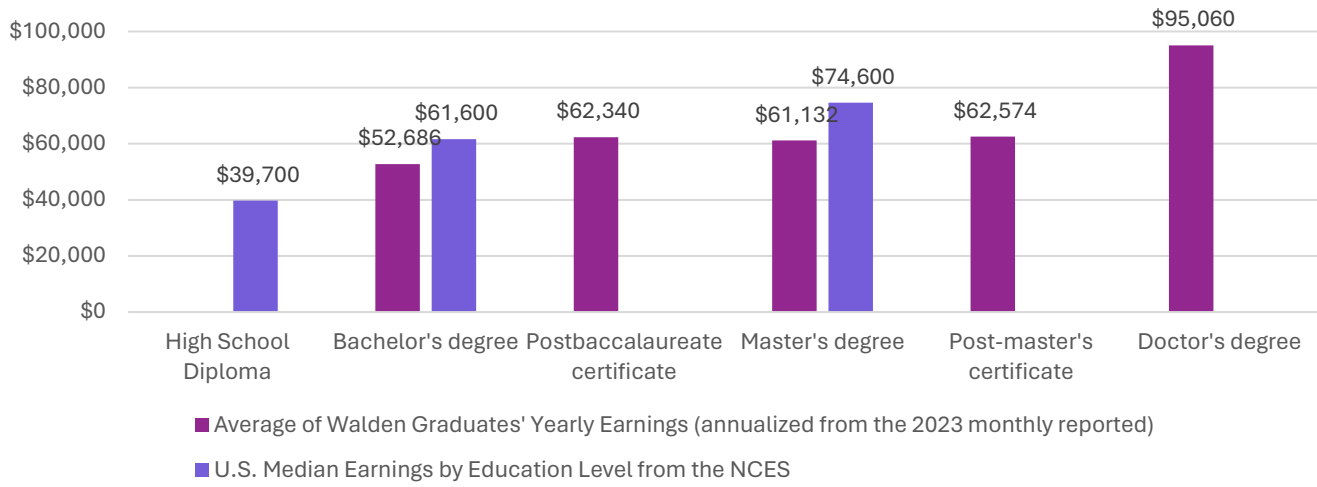
<https://nces.ed.gov/programs/coe/indicator/cba/annual-earnings>

<sup>68</sup> There were 21 Bachelor’s degree programs listed for Walden in the IPEDS data for from 2017-2022, the last year of data listed as of February 2024. Of the 21 degree programs, the ED listed median earnings for 15 of them as reported by Walden.

<https://collegescorecard.ed.gov/school/fields/?125231-Walden-University> and <https://nces.ed.gov/ipeds/>

<sup>69</sup> Javers, Eamon. “Fahmi Quadir, short seller nicknamed ‘The Assassin,’ takes aim at for-profit college giant Adtalem,” CNBC. January 30, 2024. <https://www.cnbc.com/2024/01/30/-adtalem-targeted-by-short-seller-fahmi-quadir-nicknamed-the-assassin.html>

## US Median Earnings Compared to Walden University's Average Reported Earnings by Education Level



**Figures 19 and 20.** Walden’s annualized earnings as calculated from Walden’s reported data to the ED available on the ED’s college scorecard website.<sup>70,71,72</sup>

As an example, the third largest program at Walden by the number of completions is the Master’s in Social Work (MSW), with 910 students completing in 2022.<sup>73</sup> Graduates of this program had a median earnings four years after graduation of just \$53,534.<sup>74</sup> Compare this to the median earnings for someone aged 25-34 years old: those with a bachelor’s degree earn \$61,600 and with a Master’s degree or higher earn \$74,600.<sup>75</sup> This suggests that a MSW graduate from Walden would likely earn on average less than a bachelor’s graduate in the US. Walden MSW salaries also fall well below \$88,723, the average salary for licensed MSW practitioners across the US.<sup>76</sup>

<sup>70</sup> Annual Earnings by Educational Attainment, National Center for Education Statistics. Last updated May 2023.

<https://nces.ed.gov/programs/coe/indicator/cba/annual-earnings>

<sup>71</sup> Monthly loan payments and monthly earnings taken by each program from the ED’s College Scorecard information found at <https://collegescorecard.ed.gov/>

<sup>72</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

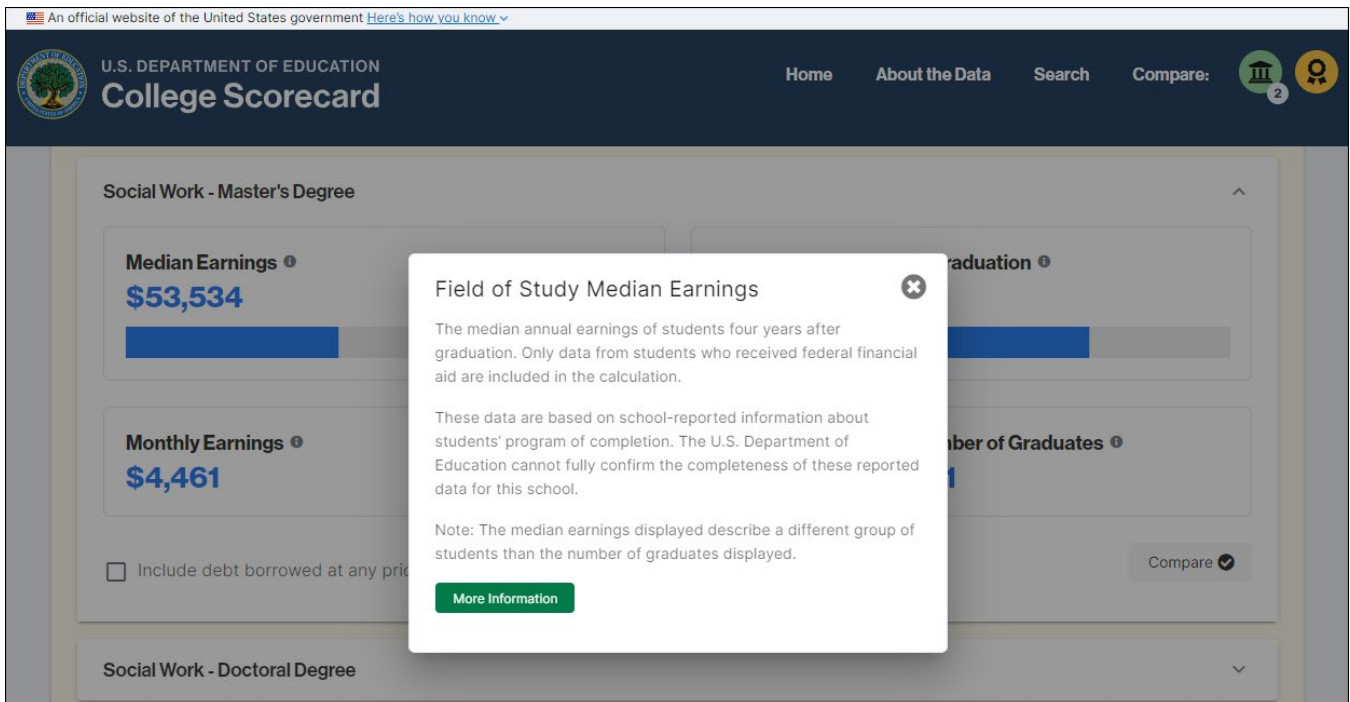
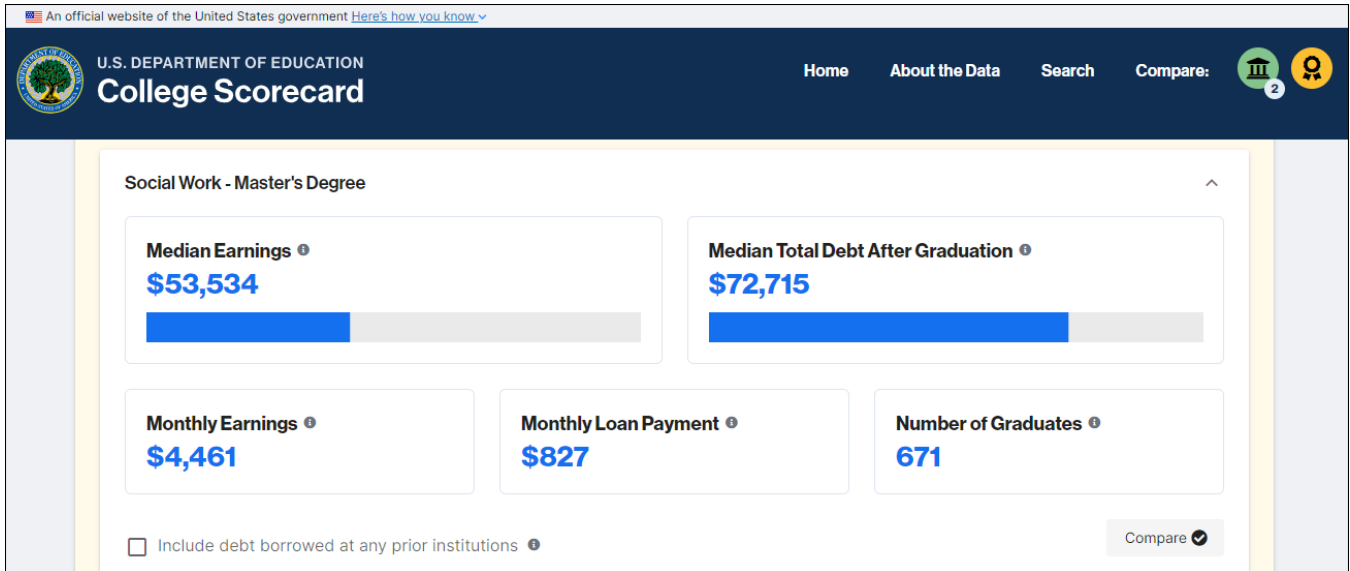
<sup>73</sup> National Center for Education Statistics Integrated Postsecondary Education Data System. Completions Data for 2017-2022. [https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand\\_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6](https://nces.ed.gov/ipeds/SummaryTables/report/341?templateId=3410&years=2022,2021,2020,2019,2018,2017,2016,2015,2014,2013&expand_by=0&tt=aggregate&instType=1&sid=7a60e4a1-6522-46c6-bffb-92a7ebef16b6)

<sup>74</sup> Monthly loan payments and monthly earnings taken by each program from the ED’s College Scorecard information found at <https://collegescorecard.ed.gov/school/fields/?125231-Walden-University>

<sup>75</sup> “Annual Earnings by Educational Attainment,” National Center for Education Statistics, Last updated May 2023. <https://nces.ed.gov/programs/coe/indicator/cba/annual-earnings>

<sup>76</sup> “Licensed Master Social Worker Salary – Yearly,” ZipRecruiter, accessed on March 5, 2024. <https://www.ziprecruiter.com/Salaries/Licensed-Master-Social-Worker-Salary#Yearly>





**Figures 20 and 21.** Snapshots of the Master's in Social Work Earnings and Median Total Debt after Graduation at Walden as reported on ED's College Scorecard, as well as the ED definition of Median Earnings.<sup>77</sup>

These issues with the Walden MSW program are further exacerbated by licensure requirements within states. Online programs attract students from all states who desire flexibility in completing their coursework and programs admit students from across the country, sometimes indiscriminately considering close to 100% admissions rates. However, certain states may not allow Walden MSW graduates to seek

<sup>77</sup> Monthly loan payments and monthly earnings taken by each program from the ED's College Scorecard information found at <https://collegescorecard.ed.gov/>

licensure. We have spoken to many students who only understood these state-level restrictions once they were already enrolled and after substantial tuition had already been paid; others only understood this at graduation. Considering the earnings disparity of Walden MSW graduates, it is worth considering whether in an effort to maximize enrollments, had the school left such details inconspicuous and not explicitly communicated to students during admissions counseling. One former Walden MSW graduate told us,

*“I’m in New Jersey. New Jersey is accredited... I live right by the city, so let’s say for some reason I wanted to work in New York...I don’t think I would be able to in New York and I didn’t know that and I think that’s the case for New York but I’m sure it’s similar to other states and I wasn’t aware of that and had I’ve been aware that I wouldn’t have chosen to go to Walden.”<sup>78</sup>*

When ATGE claims that almost none of their programs will fail gainful employment, they tell us all very little about the size and materiality of the programs that are likely to fail.<sup>79</sup> As investors can see from just this example, in our view, even ATGE’s largest programs remain at risk.

We are not the only group to come to such conclusions. The HEA Group and Student Defense recently released a report which placed Walden graduate students as the least prepared to repay their federal student loans.<sup>80</sup>

In response to our original report, ATGE extolled the “return on investment” its schools present for both students and taxpayers.<sup>81</sup> We believe this is in direct contradiction of their own reported figures, where broadly, **Walden students are paying more,<sup>82</sup> earning less, and creating greater potential losses for taxpayers due to their lower repayment capacity.**<sup>83</sup> We believe this dynamic will become further entrenched as ATGE stubbornly pursues its growth targets for Walden, rather than confronts the need for impairment.

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<sup>78</sup> Conversation with a former Walden Student on February 26, 2024

<sup>79</sup> ATGE Q2 2024 Earnings Call on January 30, 2024.

<sup>80</sup> “1 in 3 U.S. Grad Schools Leave Students Unable to Keep Up with Debt, New Analysis Finds,” Student Defense, August 1, 2023. <https://www.defendstudents.org/news/1-in-3-us-grad-schools-leave-students-unable-to-keep-up-with-debt-new-analysis-finds>

<sup>81</sup> Javers, Eamon. “Fahmi Quadir, short seller nicknamed ‘The Assassin,’ takes aim at for-profit college giant Adtalem,” CNBC. January 30, 2024. <https://www.cnbc.com/2024/01/30/-adtalem-targeted-by-short-seller-fahmi-quadir-nicknamed-the-assassin.html>

<sup>82</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>83</sup> “Sixty percent of for-profit attendees report relying on student loans to pay for college, compared to only 28 percent of community college students. Fewer for-profit attendees (26 percent) than community college students (48 percent) rely on savings or earnings. Among for-profit attendees who have loans, 63 percent of alumni and 78 percent of non-completers say that making payments is difficult.” “Who Profits? Students’ Experiences at For-Profit Colleges,” Public Agenda. January 31, 2023. <https://publicagenda.org/resource/who-profits-students-experiences-at-for-profit-colleges/>

In our view, there are limited options for ATGE to pursue growth and improved profitability at Walden which each posing its own unique set of longer-term risks:

- **Admissions**: ATGE can more aggressively recruit and incentivize students to attend its programs, this can be accompanied by a loosening in admissions criteria. This would likely increase student acquisition costs which may dampen any immediate earnings benefit. Over the long-term, this risks additional drag on reported performance metrics due to potentially less prepared students.
- **Tuition**: ATGE can take continuous increases in the tuition it charges Walden students. It will likely run into the Valeant conundrum; if you raise prices to the point of unaffordability—even if someone else is paying—then it will likely reduce access and increase scrutiny over pricing decisions.
- **Instructional expense**: ATGE can simply spend less on educating students. This can mean limited investment in facilities, maximizing virtual learning, and shrinking the faculty-to-student ratio. While there could be immediate earnings benefit, over time this could serve to further weaken student educational outcomes, drag down metrics, and eventually reduce enrollments.

We believe that even these levers can only incrementally improve future prospects at Walden and would serve as little more than earnings window dressing.

Though a primary goal for ATGE is generating profit for itself, this depends upon its ability to continuously attract students and support those students through to graduation. There is a difficult balance to be struck between these two forces. Even for publicly-traded companies in general, the pressure to beat Wall Street earnings estimates can “encourage aggressive accounting and, ultimately, earnings manipulation.”<sup>84</sup> That is to say, the incentive to chase quarterly earnings comes at a cost. Executives are also found to “take actions to avoid negative earnings surprises” including either or both positive abnormal accruals and conservative guidance.<sup>85</sup>

We are concerned that ATGE’s unwillingness to address a Walden impairment and certain measures it may take at Walden will ultimately prove detrimental to the long-term operational health of the school and the broader portfolio. In fact, we may already be able to see some of the deleterious impacts of limiting instructional spending.

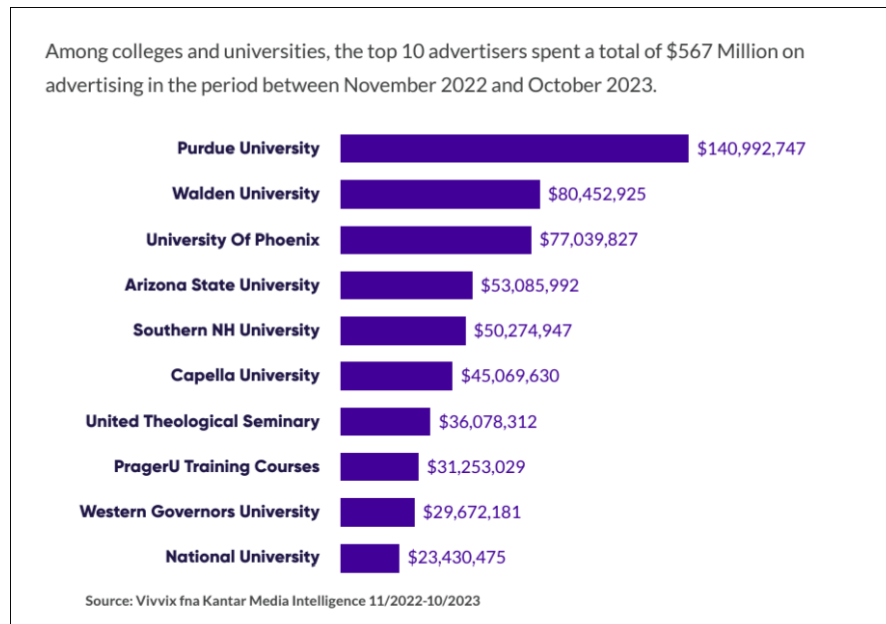
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<sup>84</sup> Chu, Jenny and Dechow, Patricia and Hui, Kai Wai and Wang, Annika Yu, Maintaining a Reputation for Consistently Beating Earnings Expectations and <sup>the</sup>Slippery Slope to Earnings Manipulation (November 21, 2018). Contemporary Accounting Research, Forthcoming, Available at SSRN: <https://ssrn.com/abstract=3379846>

<sup>85</sup> Matsumoto, Dawn A. “Management’s Incentives to Avoid Negative Earnings Surprises.” *The Accounting Review*, vol. 77, no. 3, 2002, pp. 483–514. *JSTOR*, <http://www.jstor.org/stable/3068885>. Accessed 1 Mar. 2024.

## Examining the Cost Structure of Walden University

Walden systematically spends about half as much as its peers, including other for-profit universities, on instructional cost, academic support, and student services.<sup>86,87,88,89,90</sup> Meanwhile, it spends nearly double its peers on institutional costs, which includes marketing, administrative expenses, legal fees, and general and administrative costs. **ATGE spends more on acquiring Walden students than it does on educating them.** ATGE was actually the second largest advertiser among colleges and universities last year across the US, and spent over \$80 million on advertisements alone.<sup>91</sup>



**Figure 22.** Top 10 advertisers for US colleges and universities from November 2022 to October 2023 as reported by Education Dynamics.<sup>92</sup>

<sup>86</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>87</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

<sup>88</sup> IPEDS Data Feedback Report 2021, Walden University. <https://nces.ed.gov/IPEDS/DFR/2021/ReportHTML.aspx?unitid=125231>

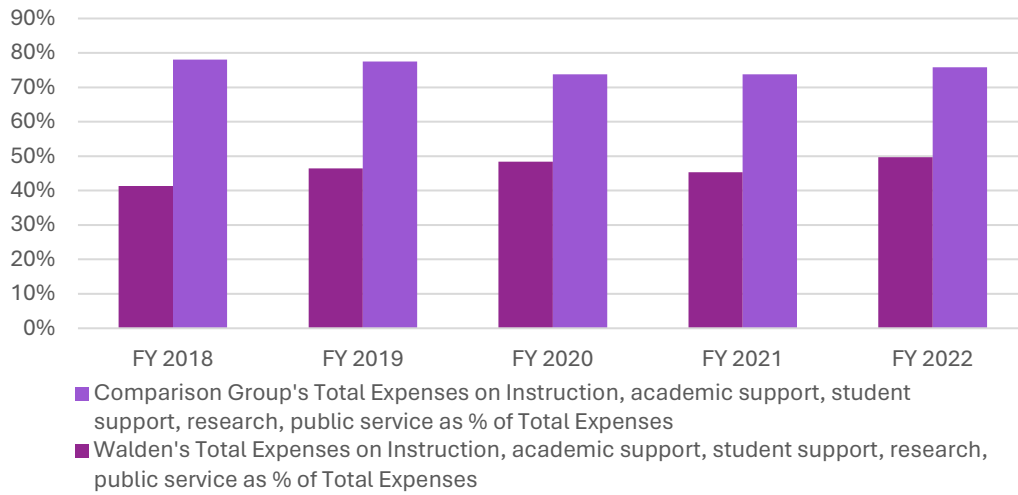
<sup>89</sup> IPEDS Data Feedback Report 2020, Walden University. <https://nces.ed.gov/IPEDS/DFR/2020/ReportHTML.aspx?unitid=125231>

<sup>90</sup> IPEDS Data Feedback Report 2019, Walden University. <https://nces.ed.gov/IPEDS/DFR/2019/ReportHTML.aspx?unitid=125231>

<sup>91</sup> “Marketing and Enrollment Management Benchmarks 2024,” Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>

<sup>92</sup> “Marketing and Enrollment Management Benchmarks 2024,” Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>

## Percentage of Expenses used for Academic Instruction and Related Student Services



**Figure 23.** The Percentage of Total Expenses used for Academic Instruction and related student services at Walden compared to Walden’s chosen peer group.<sup>93,94,95,96,97,98,99</sup>

<sup>93</sup> Academic Instruction and Related Student Services includes Instruction Cost, Research Cost, Public Service Cost, Academic Support, and Student Service Amount as a percentage of Total Expenses. Data is compiled from IPEDS Data Feedback Reports from the years 2019 through 2023. The comparison group is a custom comparison group of 17 institutions chosen by Walden University. FTE is defined by IPEDS as total full-time equivalent enrollment, which is the sum of Walden’s undergraduate FTE and graduate FTE programs estimated using 12-month instructional activity (credit and/or clock hours).

<sup>94</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>95</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

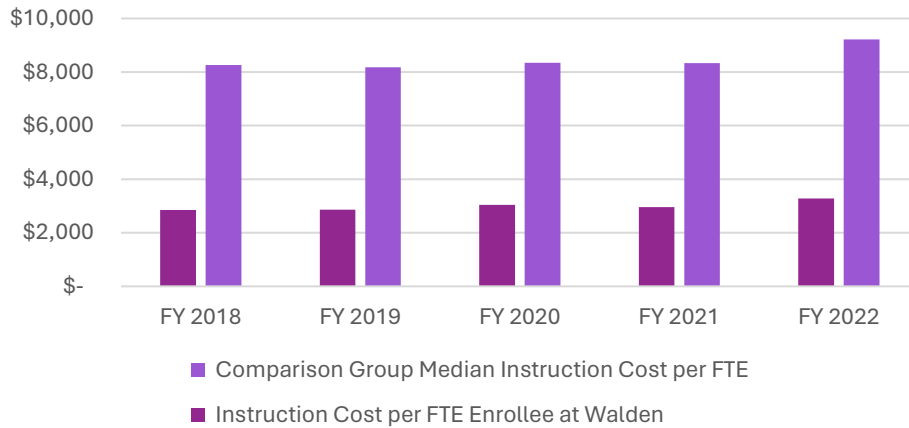
<sup>96</sup> IPEDS Data Feedback Report 2021, Walden University. <https://nces.ed.gov/IPEDS/DFR/2021/ReportHTML.aspx?unitid=125231>

<sup>97</sup> IPEDS Data Feedback Report 2020, Walden University. <https://nces.ed.gov/IPEDS/DFR/2020/ReportHTML.aspx?unitid=125231>

<sup>98</sup> IPEDS Data Feedback Report 2019, Walden University. <https://nces.ed.gov/IPEDS/DFR/2019/ReportHTML.aspx?unitid=125231>

<sup>99</sup> “Marketing and Enrollment Management Benchmarks 2024,” Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>

## Instruction Cost per FTE at Walden Compared to Self-Chosen Comparison Group



**Figure 24.** The Percentage of Total Expenses used for Instruction cost at Walden compared to Walden’s chosen peer group.<sup>100,101,102,103,104,105,106</sup>

<sup>100</sup> Instruction Cost is defined by IPEDS as, “Instruction expenses includes all expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, special session instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction conducted by the teaching faculty for the institutions’ students. Also, includes expenses for both credit and non-credit activities. Excludes expenses for academic administration if the primary function is administration (e.g., academic deans).” Data is compiled from IPEDS Data Feedback Reports from the years 2019 through 2023. The comparison group is a custom comparison group of 17 institutions chosen by Walden University. FTE is defined by IPEDS as total full-time equivalent enrollment, which is the sum of Walden’s undergraduate FTE and graduate FTE programs estimated using 12-month instructional activity (credit and/or clock hours).

<sup>101</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>102</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

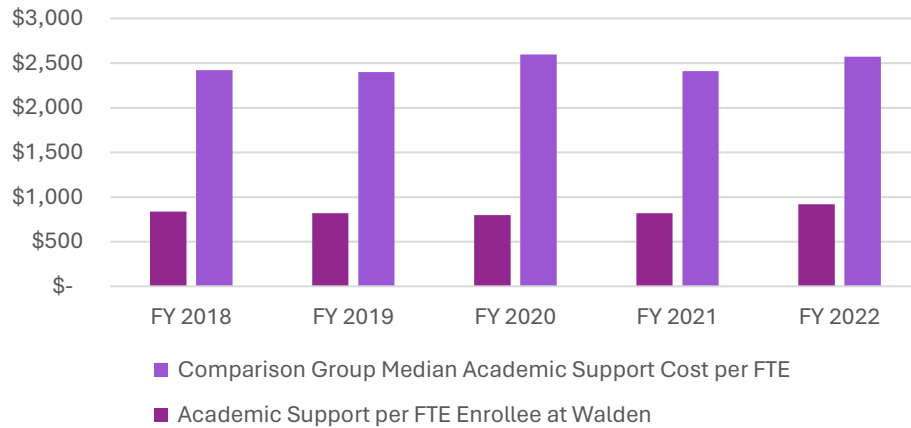
<sup>103</sup> IPEDS Data Feedback Report 2021, Walden University. <https://nces.ed.gov/IPEDS/DFR/2021/ReportHTML.aspx?unitid=125231>

<sup>104</sup> IPEDS Data Feedback Report 2020, Walden University. <https://nces.ed.gov/IPEDS/DFR/2020/ReportHTML.aspx?unitid=125231>

<sup>105</sup> IPEDS Data Feedback Report 2019, Walden University. <https://nces.ed.gov/IPEDS/DFR/2019/ReportHTML.aspx?unitid=125231>

<sup>106</sup> “Marketing and Enrollment Management Benchmarks 2024,” Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>

## Academic Support Cost per FTE at Walden Compared to Self-Chosen Comparison Group



**Figure 25.** The Percentage of Total Expenses used for Academic Support cost at Walden compared to Walden’s chosen peer group.<sup>107,108,109,110,111,112,113</sup>

<sup>107</sup> Academic Support Cost is defined by IPEDS as, "Academic support are expenses for support services that are an integral part of the institution’s primary mission of instruction, research, or public service and that are not charged directly to these primary programs. Include expenses for libraries, museums, galleries, audio/visual services, academic development, academic computing support, course and curriculum development, and academic administration. Include expenses for medical, veterinary and dental clinics if their primary purpose is to support the institutional program, that is, they are not part of a hospital. (FARM para. 703.7)" Data is compiled from IPEDS Data Feedback Reports from the years 2019 through 2023. The comparison group is a custom comparison group of 17 institutions chosen by Walden University. FTE is defined by IPEDS as total full-time equivalent enrollment, which is the sum of Walden’s undergraduate FTE and graduate FTE programs estimated using 12-month instructional activity (credit and/or clock hours).

<sup>108</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>109</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

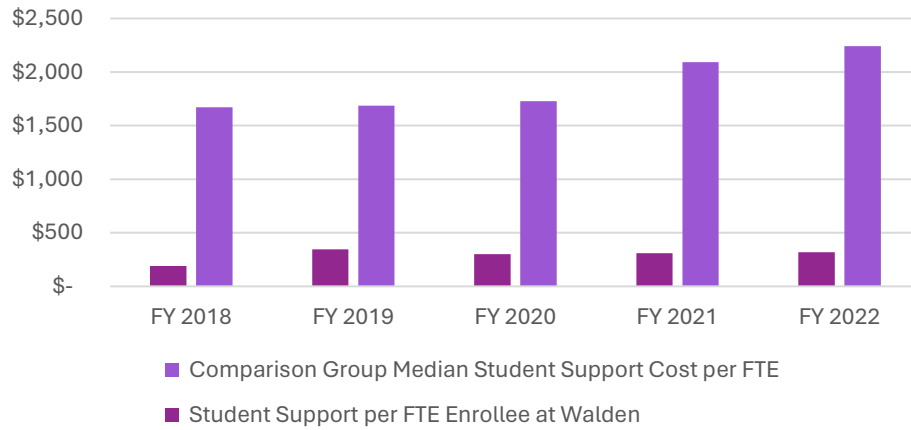
<sup>110</sup> IPEDS Data Feedback Report 2021, Walden University. <https://nces.ed.gov/IPEDS/DFR/2021/ReportHTML.aspx?unitid=125231>

<sup>111</sup> IPEDS Data Feedback Report 2020, Walden University. <https://nces.ed.gov/IPEDS/DFR/2020/ReportHTML.aspx?unitid=125231>

<sup>112</sup> IPEDS Data Feedback Report 2019, Walden University. <https://nces.ed.gov/IPEDS/DFR/2019/ReportHTML.aspx?unitid=125231>

<sup>113</sup> "Marketing and Enrollment Management Benchmarks 2024," Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>

## Student Support Cost per FTE at Walden Compared to Self-Chosen Comparison Group



**Figure 26.** The Percentage of Total Expenses used for Student Support cost at Walden compared to Walden’s chosen peer group.<sup>114,115,116,117,118,119,120</sup>

<sup>114</sup> Student Support Cost is defined by IPEDS as, "Student service expenses are expenses for admissions, registrar activities and activities whose primary purpose is to contribute to students emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instructional program. Examples are career guidance, counseling, financial aid administration, student records, athletics, and student health services, except when operated as a self-supporting auxiliary enterprise. (FARM para. 703.8)" Data is compiled from IPEDS Data Feedback Reports from the years 2019 through 2023. The comparison group is a custom comparison group of 17 institutions chosen by Walden University. FTE is defined by IPEDS as total full-time equivalent enrollment, which is the sum of Walden’s undergraduate FTE and graduate FTE programs estimated using 12-month instructional activity (credit and/or clock hours).

<sup>115</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>116</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

<sup>117</sup> IPEDS Data Feedback Report 2021, Walden University. <https://nces.ed.gov/IPEDS/DFR/2021/ReportHTML.aspx?unitid=125231>

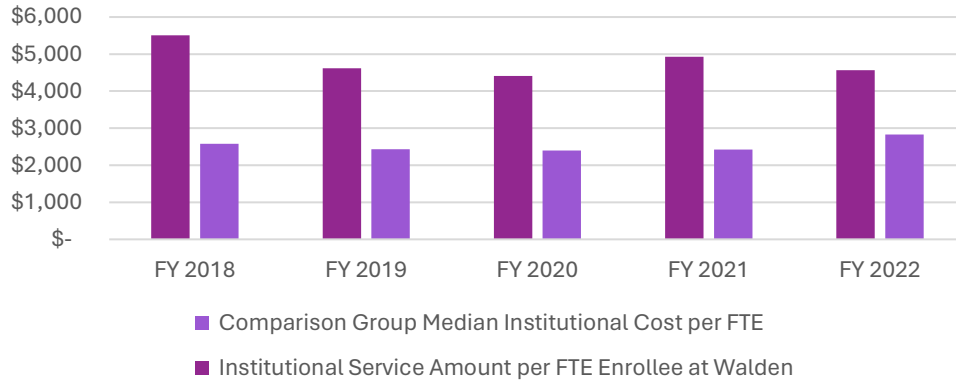
<sup>118</sup> IPEDS Data Feedback Report 2020, Walden University. <https://nces.ed.gov/IPEDS/DFR/2020/ReportHTML.aspx?unitid=125231>

<sup>119</sup> IPEDS Data Feedback Report 2019, Walden University. <https://nces.ed.gov/IPEDS/DFR/2019/ReportHTML.aspx?unitid=125231>

<sup>120</sup> "Marketing and Enrollment Management Benchmarks 2024," Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>



## Administrative Institutional Cost per FTE at Walden Compared to Self-Chosen Comparison Group



**Figure 27.** The Percentage of Total Expenses used for Institutional cost at Walden compared to Walden’s chosen peer group.<sup>121,122,123,124,125,126,127</sup>

What’s worse is that ATGE appears to be spending less on educational services at all of its schools over the past year, including at Walden since it was acquired. ATGE wrote, that “this cost decrease was primarily driven by cost reduction efforts across all institutions and the effect of workforce reductions which occurred in the prior year.”<sup>128</sup>

This trend has been accompanied by a steep rise in Walden’s student-to-faculty ratio.

<sup>121</sup> Institutional Cost is defined by IPEDS as, "Institutional support expenses include expenses for the day-to-day operational support of the institution. Include expenses for general administrative services, executive direction and planning, legal and fiscal operations, administrative computing support, and public relations/development." Data is compiled from IPEDS Data Feedback Reports from the years 2019 through 2023. The comparison group is a custom comparison group of 17 institutions chosen by Walden University. FTE is defined by IPEDS as total full-time equivalent enrollment, which is the sum of Walden’s undergraduate FTE and graduate FTE programs estimated using 12-month instructional activity (credit and/or clock hours).

<sup>122</sup> IPEDS Data Feedback Report 2023, Walden University. Walden compared to a group of 17 institutions chosen by Walden University. <https://nces.ed.gov/IPEDS/DFR/2023/ReportHTML.aspx?unitid=125231>

<sup>123</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

<sup>124</sup> IPEDS Data Feedback Report 2021, Walden University. <https://nces.ed.gov/IPEDS/DFR/2021/ReportHTML.aspx?unitid=125231>

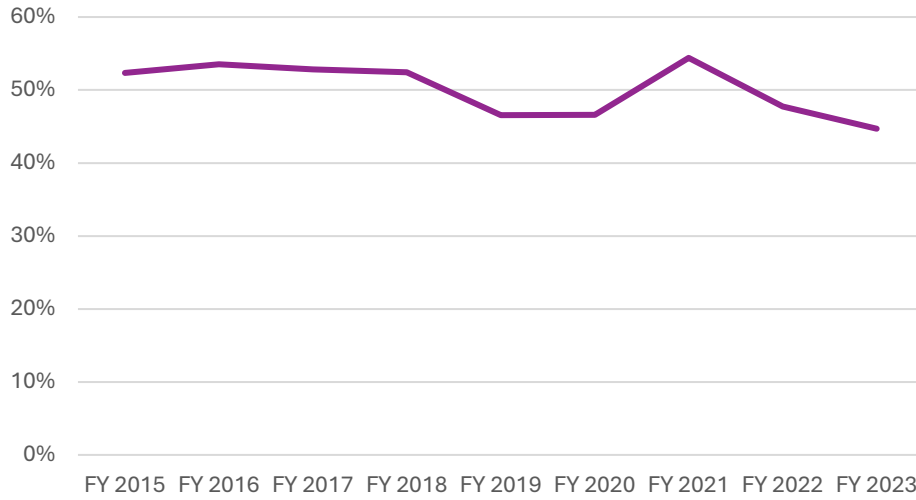
<sup>125</sup> IPEDS Data Feedback Report 2020, Walden University. <https://nces.ed.gov/IPEDS/DFR/2020/ReportHTML.aspx?unitid=125231>

<sup>126</sup> IPEDS Data Feedback Report 2019, Walden University. <https://nces.ed.gov/IPEDS/DFR/2019/ReportHTML.aspx?unitid=125231>

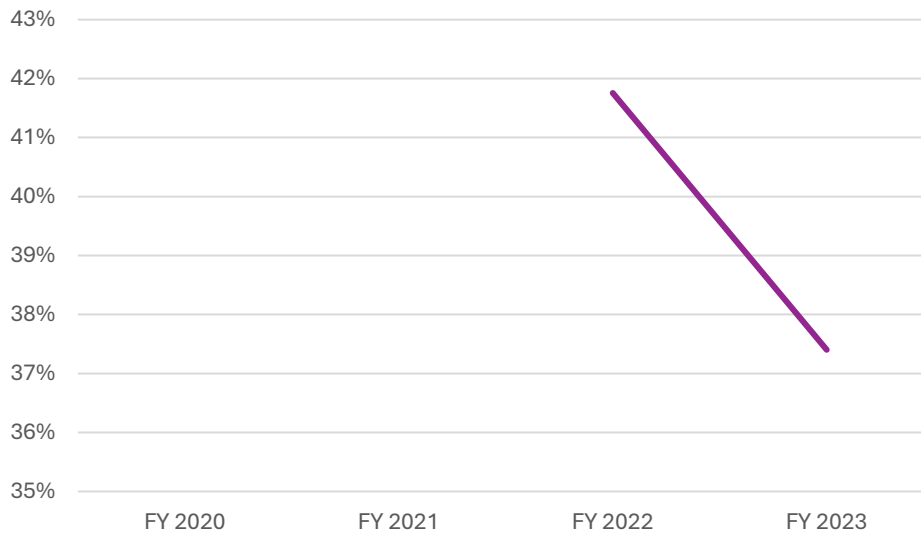
<sup>127</sup> “Marketing and Enrollment Management Benchmarks 2024,” Education Dynamics. <https://insights.educationdynamics.com/rs/183-YME-928/images/EDDY-Benchmarks-2024.pdf>

<sup>128</sup> ATGE SEC 10-K 2023. <https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837023014509/atge-20230630x10k.htm>

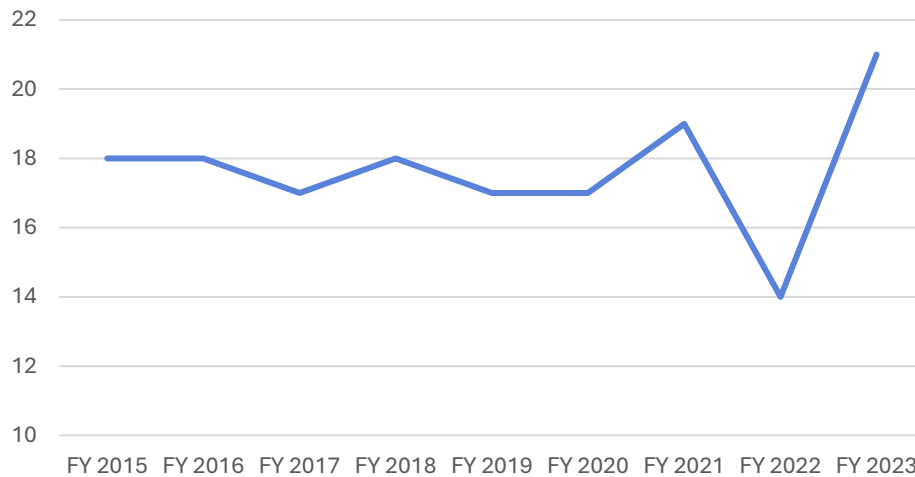
### Cost of Educational Services as % of ATGE Revenue



### Cost of Educational Services as % of Walden Revenue



## Walden's Student to faculty Ratio



**Figures 28, 29, and 30.** ATGE’s Cost of Educational Services (Cost of Services) as a percentage of their total revenue on an annual basis as provided by ATGE in their SEC filings. Walden’s cost of educational services as a percentage of Walden’s revenue as reported in ATGE’s SEC filings. Walden’s Student to Faculty Ratio as self-reported to the NCES IPEDS.<sup>129, 130, 131, 132</sup>

When your primary service is educating students, then it seems intuitive that if you spend less money providing that service, then your quality will drop.<sup>133</sup> This is true for about every customer-facing business, from fashion, to hotels, to airlines. We are concerned that as ATGE’s cost restructuring at Walden continues, then the quality of education will deteriorate<sup>134</sup> —this could likely worsen already below-average outcomes and dramatically damage student sentiment.

<sup>129</sup> ATGE SEC 10-K 2023., ending June 30, 2023.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837023014509/atge-20230630x10k.htm>

<sup>130</sup> ATGE SEC 10-K 2021, ending June 30, 2021.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837021011957/atge-20210630x10k.htm>

<sup>131</sup> ATGE SEC 10-K 2018, ending June 30, 2018.

[https://www.sec.gov/Archives/edgar/data/730464/000114420418046216/tv500801\\_10k.htm](https://www.sec.gov/Archives/edgar/data/730464/000114420418046216/tv500801_10k.htm)

<sup>132</sup> Student-to-faculty ratio for Walden University, National Center for Education Statistics IPEDS.

<https://nces.ed.gov/ipeds/datacenter/SelectVariables.aspx?sid=2d238059-da6e-4260-990e-9a93d431783d&rtid=12>

<sup>133</sup> “What are the alternative approaches institutions can take to overcome the revenue shortfall? They certainly can reduce costs, scale back maintenance and renovations, and/or cut academic programs, for instance. Doing so, though, is difficult and perhaps even counterproductive. Those changes are also noticed and garner public criticism. It may also reduce their ability to attract students who pay full price.” – Levine, Phillip. “Inflation affects the price of everything – including a college education,” The Brookings Institute, February 28, 2023. <https://www.brookings.edu/articles/inflation-affects-the-price-of-everything-including-a-college-education/>

<sup>134</sup> “What are the alternative approaches institutions can take to overcome the revenue shortfall? They certainly can reduce costs, scale back maintenance and renovations, and/or cut academic programs, for instance. Doing so, though, is difficult and perhaps even counterproductive. Those changes are also noticed and garner public criticism. It may also reduce their ability to attract students who pay full price.” – Levine, Phillip. “Inflation affects the price of everything – including a college education,”

In our interview with a former Chamberlain associate dean and Walden instructor, we were told,

*“There was a shift to move as much as possible online. And I think when you start getting into health and clinical settings, unless you have exceptional simulation programs and things like that, it is very hard to transfer those skills effectively.... Especially if you’re admitting students with a lower and lower standard for admittance...”*<sup>135</sup>

Part of this shift has also meant that more of Walden’s faculty—and ATGE schools’ generally—are adjunct, rather than full-time. Unlike full-time instructors, adjuncts do not have any benefits, have lower pay, and are forced to work at multiple schools in order to make a living. Adjuncts are favored not only because they are cheaper, but because the temporary nature of their employment allows the school to modify their courseload dependent on enrollments. On this use of adjuncts, the former associate dean told us,

*“You can get a lot more students through a course if you pay an adjunct \$2,000 or 3,000... and they’re not doing very well in that role... Most of the people that I know... are doing 8+ courses at any one time to pull in \$50-70,000 a year.”*<sup>136</sup>

The source explained how simply by being overworked, these adjuncts are not able to adequately track student performance, which exacerbates problems as those students move outside of the classroom and onto dissertations or practical experiences. Another former doctoral student said,

*“They were taking my tuition money every semester and I was making zero progress and I’m a faculty member now, and I have more interaction with like some research interns than I had the entire time.”*<sup>137</sup>

Other former students complained about the quality of grading, with basic mistakes made that would often be so difficult to get corrected that students would simply give up. One student even described purposely submitting an entirely incorrect assignment, yet still receiving full marks.<sup>138</sup>

For an institution whose official purpose is to “empower students to achieve their goals, find success and make inspiring contributions to our global community,” it is unclear how cost-cutting to the detriment of instructional quality sets up ATGE or Walden to execute on this purpose.<sup>139</sup>

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The Brookings Institute, February 28, 2023. <https://www.brookings.edu/articles/inflation-affects-the-price-of-everything-including-a-college-education/>

<sup>135</sup> Conversation with a former Chamberlain Associate Dean, February 23, 2024

<sup>136</sup> Conversation with a former Chamberlain Associate Dean, February 23, 2024

<sup>137</sup> Conversation with a former Walden student, February 23, 2024

<sup>138</sup> Conversation with a former Walden student, February 23, 2024

<sup>139</sup> Adtalem About Us. <https://www.adtalem.com/about-us>

And add to this, the increasing student acquisition costs, which may suggest more aggressive admissions standards, which were also alluded to by the former associate dean,

*“Just historically, I’ve seen those requirements across all of the schools become less and less rigorous and so you’re getting more and more students that are not well-prepared, whether it’s writing, whether it’s reading, whether it’s in that area of science background... they might be starting from ground zero.”<sup>140</sup>*

A former digital marketing executive at ATGE suggested some variability in those admissions standards, or at least in how prospective students would be targeted,

*“As you get closer to the application cycle coming to an end and the class is needing to start, we would be under the trend forecast... then you would take those lists of people... and you would kind of loosen the criteria a little bit to go after people who had lower scores... just to kind of fill out those last few enrollments.”<sup>141</sup>*

In our view, the diverging path of these two cost centers—instruction and acquisition—puts ATGE and especially Walden students in an increasingly untenable position: no matter their good faith efforts to attain a degree, they may simply never have the resources nor the initial educational background needed to do so successfully.

As such, we believe that the effect of cost-cutting measures could be wide-reaching and may even already be evident in declining pass rates across key clinical exams, at Walden and other ATGE schools. Most apparently is the National Council of State Boards of Nursing’s National Council Licensure Exam (NCLEX) pass rate as reported by Chamberlain, which has noticeably declined on average since 2020.<sup>142,143,144,145,146,147,148</sup>

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<sup>140</sup> Conversation with a former Chamberlain Associate Dean, February 23, 2024

<sup>141</sup> Conversation with a former Adtalem Marketing Executive, February 23, 2024

<sup>142</sup> Chamberlain University Student Consumer Information. <https://www.chamberlain.edu/about/student-consumer-information>

<sup>143</sup> Chamberlain University Student Consumer Information, archived on January 2, 2024.

<https://web.archive.org/web/20240102062257/https://www.chamberlain.edu/about/student-consumer-information>

<sup>144</sup> Chamberlain University Student Consumer Information, archived on April 4, 2022.

<https://web.archive.org/web/20220404155126/https://www.chamberlain.edu/about/student-consumer-information>

<sup>145</sup> Chamberlain University Student Consumer Information, archived on February 11, 2022.

<https://web.archive.org/web/20220211235952/https://www.chamberlain.edu/about/student-consumer-information>

<sup>146</sup> Chamberlain University Student Consumer Information, archived on May 3, 2020.

<https://web.archive.org/web/20200503213243/https://www.chamberlain.edu/about/student-consumer-information>

<sup>147</sup> Chamberlain University Student Consumer Information, archived on November 16, 2019.

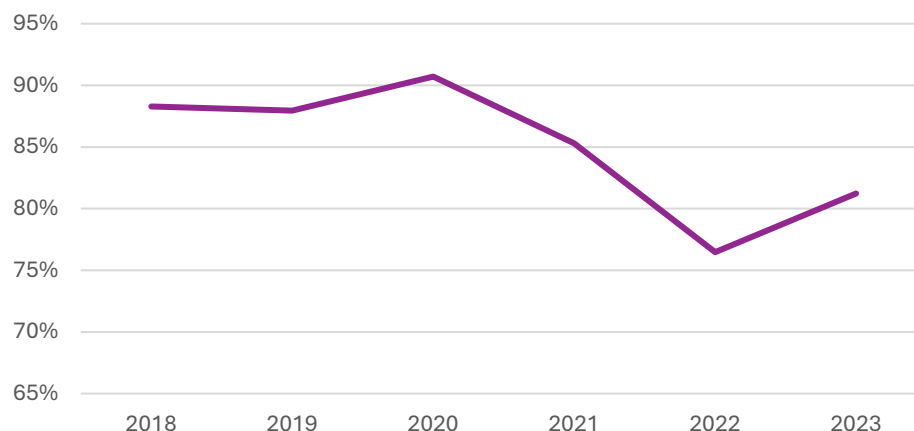
<https://web.archive.org/web/20191116011112/https://www.chamberlain.edu/about/student-consumer-information>

<sup>148</sup> NCLEX Pass Rates, NCSBN. <https://www.ncsbn.org/exams/exam-statistics-and-publications/nclex-pass-rates.page> for the years 2018-2023

It is true that nationally the NCLEX pass rate for registered nurses did decrease across all students in 2021 and 2022, not just at Chamberlain’s programs. However, Chamberlain’s pass rates decreased dramatically compared to the national average pass rate in 2022 and 2023, despite the slight uptick in the pass rate as reported for 2023.

Previously, at least from 2018 through 2021, Chamberlain’s NCLEX pass rates were in line or even above the national average pass rate. However, since 2022, it appears that Chamberlain’s pass rate has decreased substantially compared to its peers.<sup>149,150,151,152,153,154,155</sup> This is not just a macro trend as ATGE may want investors and stakeholders to believe, but appears to be idiosyncratic to Chamberlain and ATGE.

Chamberlain's NCLEX Pass Rate national average first-time



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<sup>149</sup> Chamberlain University Student Consumer Information. <https://www.chamberlain.edu/about/student-consumer-information>

<sup>150</sup> Chamberlain University Student Consumer Information, archived on January 2, 2024. <https://web.archive.org/web/20240102062257/https://www.chamberlain.edu/about/student-consumer-information>

<sup>151</sup> Chamberlain University Student Consumer Information, archived on April 4, 2022. <https://web.archive.org/web/20220404155126/https://www.chamberlain.edu/about/student-consumer-information>

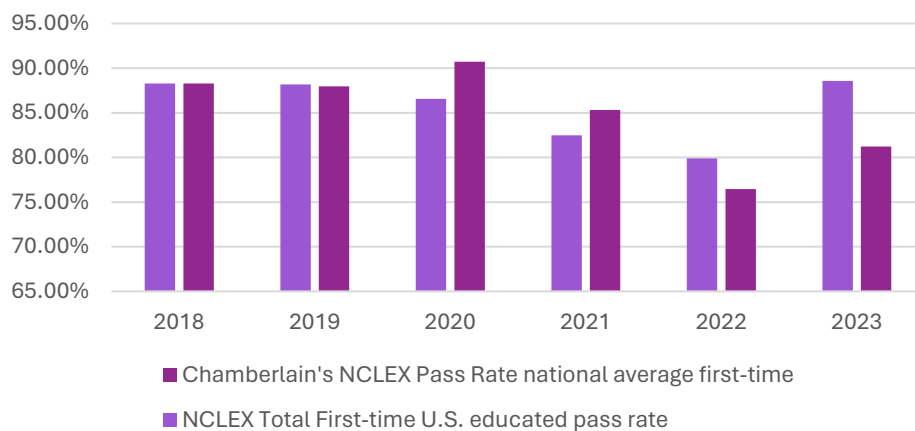
<sup>152</sup> Chamberlain University Student Consumer Information, archived on February 11, 2022. <https://web.archive.org/web/20220211235952/https://www.chamberlain.edu/about/student-consumer-information>

<sup>153</sup> Chamberlain University Student Consumer Information, archived on May 3, 2020. <https://web.archive.org/web/20200503213243/https://www.chamberlain.edu/about/student-consumer-information>

<sup>154</sup> Chamberlain University Student Consumer Information, archived on November 16, 2019. <https://web.archive.org/web/20191116011112/https://www.chamberlain.edu/about/student-consumer-information>

<sup>155</sup> NCLEX Pass Rates, NCSBN. <https://www.ncsbn.org/exams/exam-statistics-and-publications/nclex-pass-rates.page> for the years 2018-2023

## Chamberlain's NCLEX Pass Rate and NCLEX Pass Rates for all US Educated Students



**Figures 31 and 32.** Chamberlain’s NCLEX Pass Rate as reported by ATGE and a comparison of Chamberlain’s NCLEX Pass Rate to all US educated first-time test takers of the NCLEX Exam as reported by NCSBN.<sup>156,157,158,159,160,161,162</sup>

Per ATGE’s own words, “the higher a nursing school’s NCLEX pass rate, the better.”<sup>163</sup> However, the pass rate is not just critical for marketing. Chamberlain’s accreditor, the Commission on Collegiate Nursing Education (CCNE), requires a school’s pass rate to stay above 80% over at least a three year period.<sup>164</sup> Chamberlain’s previous three year pass rates averaged just 81%. Chamberlain’s reported FNP exam 3-year pass rate as reported in 2021 and 2022 also declined in 2022, but is still above the 80%

<sup>156</sup> Chamberlain University Student Consumer Information, as of February 29, 2024.

<https://www.chamberlain.edu/about/student-consumer-information>

<sup>157</sup> Chamberlain University Student Consumer Information, archived on January 2, 2024.

<https://web.archive.org/web/20240102062257/https://www.chamberlain.edu/about/student-consumer-information>

<sup>158</sup> Chamberlain University Student Consumer Information, archived on April 4, 2022.

<https://web.archive.org/web/20220404155126/https://www.chamberlain.edu/about/student-consumer-information>

<sup>159</sup> Chamberlain University Student Consumer Information, archived on February 11, 2022.

<https://web.archive.org/web/20220211235952/https://www.chamberlain.edu/about/student-consumer-information>

<sup>160</sup> Chamberlain University Student Consumer Information, archived on May 3, 2020.

<https://web.archive.org/web/20200503213243/https://www.chamberlain.edu/about/student-consumer-information>

<sup>161</sup> Chamberlain University Student Consumer Information, archived on November 16, 2019.

<https://web.archive.org/web/20191116011112/https://www.chamberlain.edu/about/student-consumer-information>

<sup>162</sup> NCLEX Pass Rates, NCSBN. <https://www.ncsbn.org/exams/exam-statistics-and-publications/nclex-pass-rates.page> for the years 2018-2023

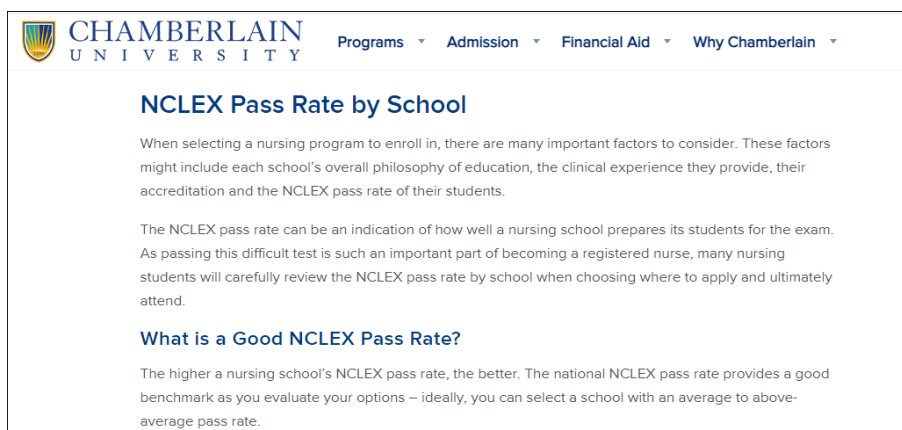
<sup>163</sup> “NCLEX Pass Rates: What You Need To Know,” Chamberlain University, archived on May 6, 2021.

<https://www.chamberlain.edu/blog/what-is-the-nclex-pass-rate>

<sup>164</sup> Standards for Accreditation of Baccalaureate and Graduate Nursing Programs, amended 2018. CCNE.

<https://www.aacnursing.org/Portals/0/PDFs/CCNE/Standards-Final-2018.pdf>

threshold. Chamberlain has yet to report its 2023 FNP 3-year pass rate.<sup>165,166</sup> There does not seem to be much room for decline.



**Figure 33.** Chamberlain University’s Website on NCLEX Pass Rates.<sup>167</sup>

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<sup>165</sup> Chamberlain University Student Consumer Information. <https://www.chamberlain.edu/about/student-consumer-information>

<sup>166</sup> Chamberlain University Student Consumer Information, as of January 2, 2024. <https://web.archive.org/web/20240102062257/https://www.chamberlain.edu/about/student-consumer-information>

<sup>167</sup> “NCLEX Pass Rates: What You Need To Know,” Chamberlain University, May 6, 2021. <https://www.chamberlain.edu/blog/what-is-the-nclex-pass-rate>



Similarly, both of ATGE's medical schools, Ross University School of Medicine (RUSM) and the American University of the Caribbean (AUC), reported a declining pass rate for the Step 1 of the US Medical Licensing Examination (USMLE-1) in recent years.<sup>168,169,170,171,172,173,174,175,176,177,178,179</sup>

And similar to Chamberlain, the declining pass rate cannot be attributed to a nationwide problem alone, because the pass rates at both RUSM and AUC have declined compared to the reported pass rate for all US/Canadian medical schools in recent years. Prior to 2020, ATGE's medical schools were performing generally in-line with nationwide passing averages. This again appears to be an ATGE issue.

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<sup>168</sup> American University of the Caribbean, Institution Information, Department of Education, accessed March 1, 2024.

<https://studentaid.gov/understand-aid/types/international/american-university-caribbean>

<sup>169</sup> American University of the Caribbean, Know Before You Go: Fact Sheet, accessed March 1, 2024.

<https://www.aucmed.edu/media/10831/auc-kbyg.pdf>

<sup>170</sup> American University of the Caribbean, Know Before You Go: Fact Sheet, archived on January 8, 2022.

<https://web.archive.org/web/20220108081118/https://www.aucmed.edu/media/10831/auc-kbyg.pdf>

<sup>171</sup> American University of the Caribbean, Know Before You Go: Fact Sheet, archived on January 20, 2021.

<https://web.archive.org/web/20210120000725/https://www.aucmed.edu/sites/g/files/krcnk361/files/2021-01/AUC-KBYG%2001-07-21.pdf>

<sup>172</sup> American University of the Caribbean, Institution Information, Department of Education, archived on May 15, 2020.

<https://web.archive.org/web/20200515183418/https://studentaid.gov/sites/default/files/american-university-caribbean.pdf>

<sup>173</sup> Ross University School of Medicine, Institution Information, Department of Education, accessed on March 1, 2024.

<https://studentaid.gov/understand-aid/types/international/ross-university-school-medicine>

<sup>174</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, accessed March 1, 2024.

<https://medical.rossu.edu/media/15316/rusm-know-before-you-go>

<sup>175</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, archived on December 7, 2022.

<https://web.archive.org/web/20221207065203/https://medical.rossu.edu/media/15316/rusm-know-before-you-go>

<sup>176</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, archived on January 25, 2021.

<https://web.archive.org/web/20210125021354/https://medical.rossu.edu/media/11046/know-before-you-go-ross>

<sup>177</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, archived on October 12, 2022.

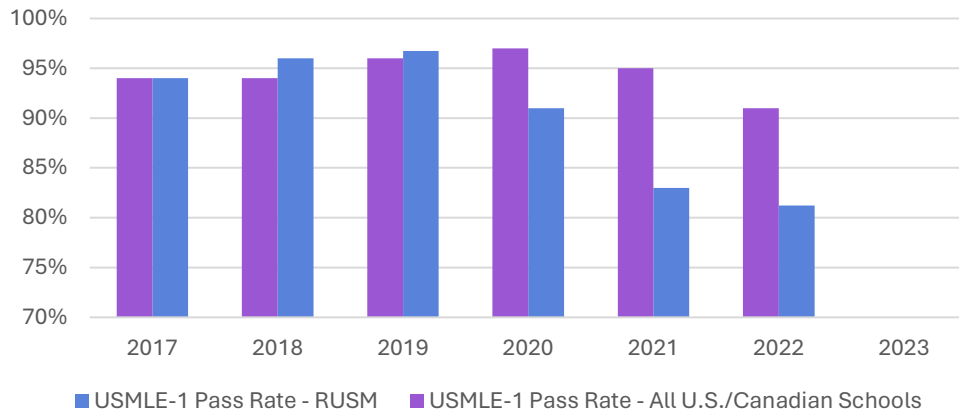
<https://web.archive.org/web/20221012072438/https://medical.rossu.edu/media/9011/kbyg-accelerated>

<sup>178</sup> Ross University School of Medicine, Institution Information, Department of Education, archived on May 17, 2020.

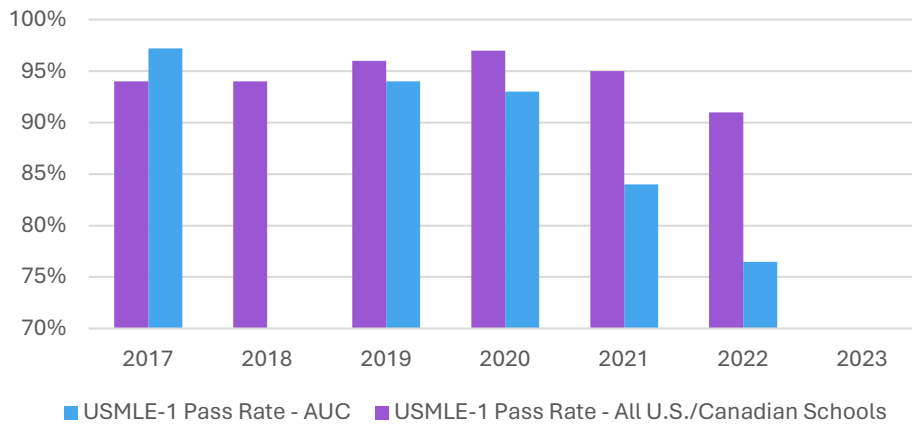
<https://web.archive.org/web/20200517040206/https://studentaid.gov/sites/default/files/ross-university-school-medicine.pdf>

<sup>179</sup> USMLE Performance Data. <https://www.usmle.org/performance-data>

### Ross University School of Medicine USMLE-1 Pass Rate



### American University of the Caribbean USMLE-1 Pass Rate



**Figures 34 and 35.** USMLE Step 1 Passing Rates at the Ross University School of Medicine and the American University of the Caribbean School of Medicine Compared to the Total USMLE Step 1 Passing Rate across all institutions.<sup>180,181,182,183,184,185,186,187,188,189,190,191</sup>

ATGE's veterinary school is experiencing a similar problem. Pass rates for the North American Veterinary Licensing Examination (NAVLE) at ATGE's Ross University School of Veterinary Medicine (RUSVM) have also declined in recent years and are considerably below the pass rate for all American Veterinary Medical Association (AVMA) accredited institutions.<sup>192,193,194,195,196,197,198</sup> RUSVM's pass rate for 2022 and 2023 was just 81%, which is barely above the required 80% threshold by RUSVM's accreditor AVMA. If

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<sup>180</sup> American University of the Caribbean, Institution Information, Department of Education, accessed March 1, 2024.

<https://studentaid.gov/understand-aid/types/international/american-university-caribbean>

<sup>181</sup> American University of the Caribbean, Know Before You Go: Fact Sheet, accessed March 1, 2024.

<https://www.aucmed.edu/media/10831/auc-kbyg.pdf>

<sup>182</sup> American University of the Caribbean, Know Before You Go: Fact Sheet, archived on January 8, 2022.

<https://web.archive.org/web/20220108081118/https://www.aucmed.edu/media/10831/auc-kbyg.pdf>

<sup>183</sup> American University of the Caribbean, Know Before You Go: Fact Sheet, archived on January 20, 2021.

<https://web.archive.org/web/20210120000725/https://www.aucmed.edu/sites/g/files/krcnkv361/files/2021-01/AUC-KBYG%2001-07-21.pdf>

<sup>184</sup> American University of the Caribbean, Institution Information, Department of Education, archived on May 15, 2020.

<https://web.archive.org/web/20200515183418/https://studentaid.gov/sites/default/files/american-university-caribbean.pdf>

<sup>185</sup> Ross University School of Medicine, Institution Information, Department of Education, accessed on March 1, 2024.

<https://studentaid.gov/understand-aid/types/international/ross-university-school-medicine>

<sup>186</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, accessed March 1, 2024.

<https://medical.rossu.edu/media/15316/rusm-know-before-you-go>

<sup>187</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, archived on December 7, 2022.

<https://web.archive.org/web/20221207065203/https://medical.rossu.edu/media/15316/rusm-know-before-you-go>

<sup>188</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, archived on January 25, 2021.

<https://web.archive.org/web/20210125021354/https://medical.rossu.edu/media/11046/know-before-you-go-ross>

<sup>189</sup> Ross University School of Medicine, Know Before You Go: Fact Sheet, archived on October 12, 2022.

<https://web.archive.org/web/20221012072438/https://medical.rossu.edu/media/9011/kbyg-accelerated>

<sup>190</sup> Ross University School of Medicine, Institution Information, Department of Education, archived on May 17, 2020.

<https://web.archive.org/web/20200517040206/https://studentaid.gov/sites/default/files/ross-university-school-medicine.pdf>

<sup>191</sup> USMLE Performance Data. <https://www.usmle.org/performance-data>

<sup>192</sup> Ross Vet Accreditation, RUSVM NAVLE Pass Rate for 2018-2019, 2019-2020, 2020-2021, 2021-2022, and 2022-2023, accessed on March 1, 2024.

<https://veterinary.rossu.edu/about/accreditation>

<sup>193</sup> Ross Vet Accreditation, RUSVM NAVLE Pass Rate for 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019, archived on October 22, 2020.

<https://veterinary.rossu.edu/about/accreditation>

<sup>194</sup> International Council for Veterinary Assessment 2023 - NAVLE Passing Rate.

[https://www.icva.net/image/cache/2023\\_ICVA\\_Report\\_to\\_Veterinary\\_Academia.pdf](https://www.icva.net/image/cache/2023_ICVA_Report_to_Veterinary_Academia.pdf)

<sup>195</sup> International Council for Veterinary Assessment 2022 - NAVLE Passing Rate.

[https://www.icva.net/image/cache/ICVA\\_Annual\\_Report\\_2021-2022\\_FIN.pdf](https://www.icva.net/image/cache/ICVA_Annual_Report_2021-2022_FIN.pdf)

<sup>196</sup> ICVA Performance Data 2017-2018. Estimated passing rate as 1-Failing Rate. [https://www.icva.net/image/cache/2017-](https://www.icva.net/image/cache/2017-2018_NAVLE_score_performance_data.pdf)

[2018\\_NAVLE\\_score\\_performance\\_data.pdf](https://www.icva.net/image/cache/2017-2018_NAVLE_score_performance_data.pdf)

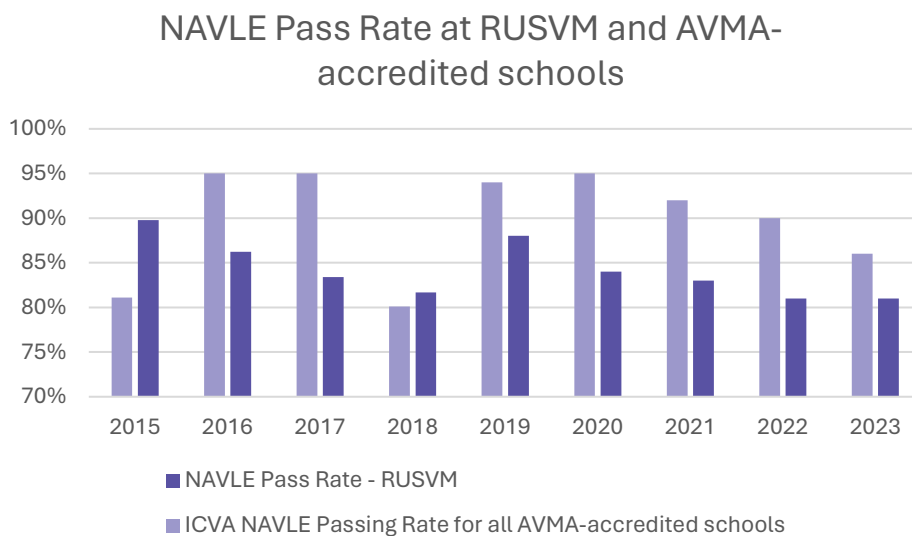
<sup>197</sup> ICVA Performance Data 2016-2017. Estimated passing rate as 1-Failing Rate.

[https://www.icva.net/image/cache/NAVLE\\_class\\_rank\\_class\\_focus\\_GRE\\_data\\_2016-17.pdf](https://www.icva.net/image/cache/NAVLE_class_rank_class_focus_GRE_data_2016-17.pdf)

<sup>198</sup> ICVA Performance Data 2015-2016. Estimated passing rate as 1-Failing Rate.

[https://www.icva.net/image/cache/NAVLE\\_class\\_rank\\_class\\_focus\\_GRE\\_data\\_2015-16.pdf](https://www.icva.net/image/cache/NAVLE_class_rank_class_focus_GRE_data_2015-16.pdf)

RUSVM’s pass rate does not improve, then RUSVM could be placed on probationary accreditation and is at risk of terminal accreditation, and even withdrawal.<sup>199</sup> RUSVM’s program is already at risk of failing the Gainful Employment rule as confirmed by ATGE in their rebuttal to our previous report. ATGE wrote that they can adjust pricing to maintain Title IV eligibility.<sup>200</sup> Adjusted pricing simply means less revenue for shareholders.



**Figure 36.** NAVLE Pass rate at Ross University School of Veterinary Medicine and the Passing Rate for All AVMA-accredited schools, of which RUSVM is a member.<sup>201, 202, 203, 204, 205, 206, 207</sup>

<sup>199</sup> Accreditation Policies and Procedures of the AVMA Council on Education, AVMA. June 2023, revised December 2023. <https://www.avma.org/sites/default/files/2024-01/coe-pp-December-2023.pdf>

<sup>200</sup> ATGE SEC Form 8-K, dated February 2, 2024.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/730464/000115752324000163/a53891111.htm>

<sup>201</sup> Ross Vet Accreditation, RUSVM NAVLE Pass Rate for 2018-2019, 2019-2020, 2020-2021, 2021-2022, and 2022-2023, accessed on March 1, 2024. <https://veterinary.rossu.edu/about/accreditation>

<sup>202</sup> Ross Vet Accreditation, RUSVM NAVLE Pass Rate for 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019, archived on October 22, 2020. <https://veterinary.rossu.edu/about/accreditation>

<sup>203</sup> International Council for Veterinary Assessment 2023 - NAVLE Passing Rate.

[https://www.icva.net/image/cache/2023\\_ICVA\\_Report\\_to\\_Veterinary\\_Academia.pdf](https://www.icva.net/image/cache/2023_ICVA_Report_to_Veterinary_Academia.pdf)

<sup>204</sup> International Council for Veterinary Assessment 2022 - NAVLE Passing Rate.

[https://www.icva.net/image/cache/ICVA\\_Annual\\_Report\\_2021-2022\\_FIN.pdf](https://www.icva.net/image/cache/ICVA_Annual_Report_2021-2022_FIN.pdf)

<sup>205</sup> ICVA Performance Data 2017-2018. Estimated passing rate as 1-Failing Rate. [https://www.icva.net/image/cache/2017-2018\\_NAVLE\\_score\\_performance\\_data.pdf](https://www.icva.net/image/cache/2017-2018_NAVLE_score_performance_data.pdf)

<sup>206</sup> ICVA Performance Data 2016-2017. Estimated passing rate as 1-Failing Rate.

[https://www.icva.net/image/cache/NAVLE\\_class\\_rank\\_class\\_focus\\_GRE\\_data\\_2016-17.pdf](https://www.icva.net/image/cache/NAVLE_class_rank_class_focus_GRE_data_2016-17.pdf)

<sup>207</sup> ICVA Performance Data 2015-2016. Estimated passing rate as 1-Failing Rate.

[https://www.icva.net/image/cache/NAVLE\\_class\\_rank\\_class\\_focus\\_GRE\\_data\\_2015-16.pdf](https://www.icva.net/image/cache/NAVLE_class_rank_class_focus_GRE_data_2015-16.pdf)

The Council on Education expects that 80% or more of each college's graduating senior students sitting for the NAVLE will have passed at the time of graduation.\*

*\*Colleges that do not meet this criterion will be subjected to the following analysis. The Council will calculate a 95% exact binomial confidence interval for the NAVLE scores for colleges whose NAVLE pass rate falls below 80%. Colleges with an upper limit of an exact 95% binomial confidence interval less than 85% for two successive years in which scores are available will be placed on Probationary Accreditation. Colleges with an upper limit of an exact 95% binomial confidence level less than 85% for four successive years in which scores are available will, for cause, be placed on Terminal Accreditation. If no program graduates take the NAVLE, the Council will use other student*

**Figure 37.** The American Veterinary Medical Association Accreditation Policies and Procedures dated June 2023, revised December 2023.<sup>208</sup>

And while it may be a coincidence, it is interesting that the sharpest declines in selected exam performance have occurred following ATGE's acquisition of Walden. It is possible that the debt from the deal, combined with the cost pressures associated with its now near-zero financial composite score, have forced the company to sacrifice quality for what amounts to earnings window dressing.

As mentioned earlier, the incentives for management to avoid earnings misses or negative surprises are strong. This is no different to the incentive structure at ATGE. **Last year, ATGE spent about \$3,150 per student on academic instruction, support, and student services, while it spent \$127 million on stock repurchases, and \$17 million total on executive compensation. Even CEO Stephen Beard was last year paid over 2500X the cost of educating a Walden student.**<sup>209,210</sup>

Now there is one stark difference between the average publicly-traded company obsessed with quarterly earnings expectations: at least 75% of ATGE's revenue is from federal student aid—loans which are underwritten by taxpayers—and as it continues to milk margins and squeeze students, the potential for losses to taxpayers and shareholders alike will rise.<sup>211</sup> Taxpayer losses may be driven by dwindling repayment and rising default rates, while shareholder losses could result from increased risks to growth and the reputational risks borne of worsening sentiment and potential investigations.

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<sup>208</sup> Accreditation Policies and Procedures of the AVMA Council on Education, AVMA. June 2023, revised December 2023. <https://www.avma.org/sites/default/files/2024-01/coe-pp-December-2023.pdf>

<sup>209</sup> IPEDS Data Feedback Report 2022, Walden University. <https://nces.ed.gov/IPEDS/DFR/2022/ReportHTML.aspx?unitid=125231>

<sup>210</sup> ATGE SEC 10-K, for the period ending June 30, 2023. <https://www.sec.gov/ix?doc=/Archives/edgar/data/730464/000155837023014509/atge-20230630x10k.htm>

<sup>211</sup> At least 75% of ATGE's revenues because, the percentage of revenue ATGE discloses on a consolidated basis for 2023 excludes contribution from other federal funding that are not classified as Title IV funds, like military and veteran benefits. "The percentage of revenue on a cash basis from federal financial assistance programs as calculated under the current regulations (excluding the U.S. Department of Veterans Affairs and military tuition assistance benefits)". ATGE SEC 10-Q, for the period ending December 31, 2023.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837024000642/atge-20231231x10q.htm>

Meanwhile, ATGE’s 2023 executive compensation structure awards 12-35% of target total compensation based on historical performance, and another 15-23% based on earnings metrics, included adjusted EPS.<sup>212</sup> And the \$127 million they spent on stock buybacks is also hard at work, with stock price growth representing 40% of long-term incentive granted to executives last year.<sup>213</sup>

**If Walden’s value were to be impaired and its structure normalized, one could be forgiven for thinking that the only stakeholders with much to lose would be ATGE executives.**

We believe that the vast majority of investors, like us, would rather have true transparency into the value of the assets they own and the idea of holding onto “bloated” or mispriced assets usually does not sit well. This is especially true when the financial management of that one asset begins to affect the rest of the portfolio.

### **Portfolio-Level Impact of Walden’s Valuation**

In our original report, we had already thoroughly addressed how the goodwill and intangibles value for Walden has put ATGE into a not-financially responsible designation through its ED-assigned composite score. We also discussed how the score increased the amount of collateral that ATGE would have to post to the ED to receive federal student aid. With many of ATGE’s PPAs either expired or provisional, which we have since learned requires ATGE to adhere to strict reporting requirements, its current financial standing will likely impact the terms within those PPAs.<sup>214</sup> However, this only speaks to ATGE’s ability to function at the federal level.

Similar structures exist at the state-level which allow degree-granting institutions to operate within those states. For administrative ease, there is a program known as NC-SARA which is the National Council for State Authorization Reciprocity Agreements. This non-profit helps authorize distance education programs across 49 states, DC, Puerto Rico, and the US Virgin Islands.<sup>215</sup>

**Walden has not been a part of NC-SARA** and instead requires state-by-state authorization.<sup>216</sup> This is a burden for both ATGE and Walden students, as participation into the NC-SARA would make it less costly administratively for ATGE and would allow students to relocate across state lines while continuing their academic programs. Walden’s failure to be a part of NC-SARA has always been a hassle, and certain states, such as New York and Rhode Island, have not authorized Walden to offer their distance education

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<sup>212</sup> ATGE SEC Proxy 2023. <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000730464/000155837023016280/atge-20231108xdef14a.htm#>

<sup>213</sup> ATGE SEC 10-K, for the period ending June 30, 2023.

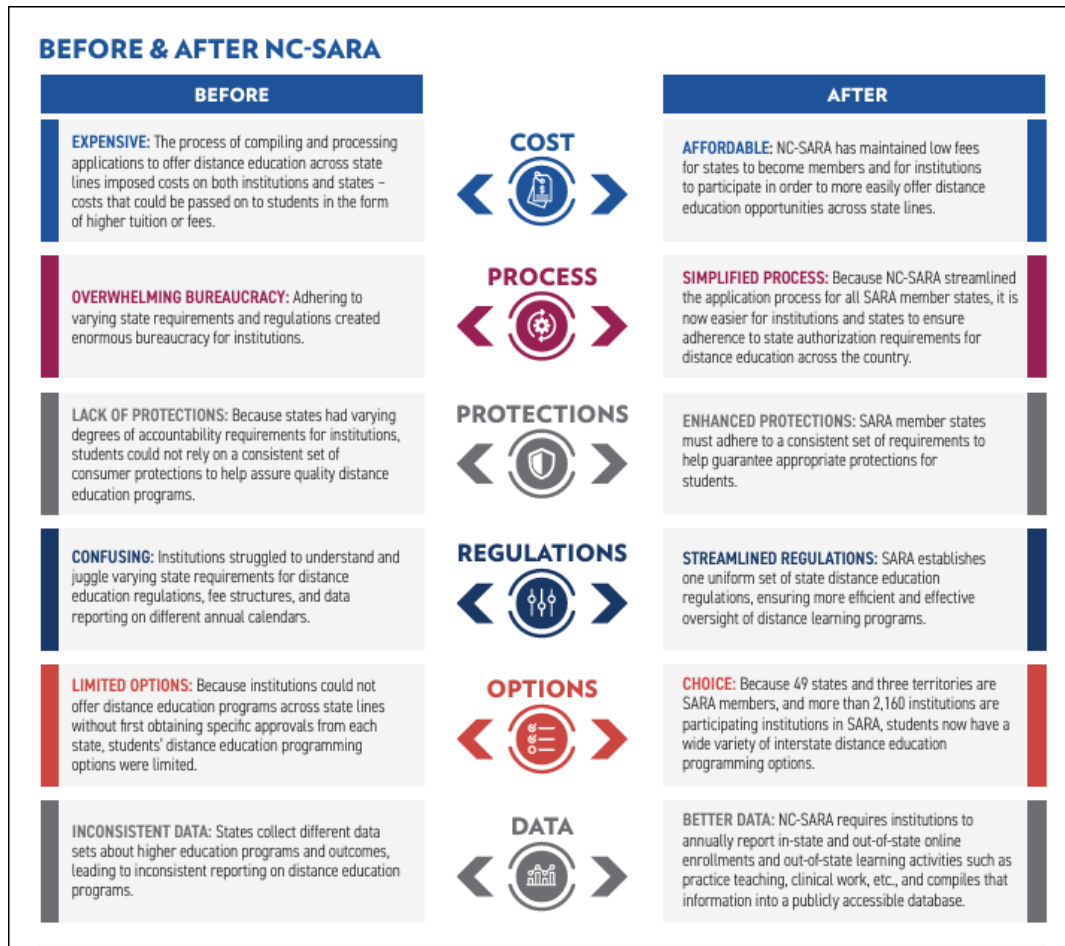
<https://www.sec.gov/ix?doc=/Archives/edgar/data/730464/000155837023014509/atge-20230630x10k.htm>

<sup>214</sup> Walden’s Provisional PPA. <https://drive.google.com/drive/folders/17A0Hv7PHhWEBvkife8DMvXqFmoJqnPBd>

<sup>215</sup> <https://www.nc-sara.org/about-nc-sara>

<sup>216</sup> “State Authorization for Distance Education, Walden University. <https://www.waldenu.edu/about/accreditation/state-authorization-and-program-licensure>

there.<sup>217</sup> As Walden is 100% online, the lack of complete nationwide authorization (excluding California) through the NC-SARA participation means less opportunity to grow in all states.



**Figure 38.** Benefits of Participation in NC-SARA.<sup>218</sup>

In fact, Walden specifically discloses that there are consequences for students if they decide to relocate during their studies, which limits some of the appeal of enrolling in an online program.<sup>219</sup> Notably, failed schools ITT Technical Institute and Corinthian Colleges were never members of NC-SARA either, both of which closed in 2016 and 2015 respectively. NC-SARA wrote in a paper in January 2024 that, “Between 2018-2023 there were 29 closures among SARA participating institutions, as opposed to over 200 closures in non-SARA degree granting institutions during the same period.”<sup>220</sup>

<sup>217</sup> State Authorization for Distance Education, Walden University. <https://www.waldenu.edu/about/accreditation/state-authorization-and-program-licensure>

<sup>218</sup> Letter from NC-SARA to the U.S. Department of Education, June 16, 2021. [https://nc-sara.org/sites/default/files/files/2021-07/NC-SARA\\_NegReg\\_Letter.6.16.21.pdf](https://nc-sara.org/sites/default/files/files/2021-07/NC-SARA_NegReg_Letter.6.16.21.pdf)

<sup>219</sup> State Authorization for Distance Education, Walden University. <https://www.waldenu.edu/about/accreditation/state-authorization-and-program-licensure>

<sup>220</sup> 2024 Program Integrity and Institutional Quality Committee, How SARA Works-An Overview. [https://nc-sara.org/sites/default/files/files/2024-02/How\\_SARA\\_Works\\_Final.pdf](https://nc-sara.org/sites/default/files/files/2024-02/How_SARA_Works_Final.pdf)

Chamberlain has historically been an NC-SARA member. However, we have since learned that because ATGE's composite score is no longer above 1.0, Chamberlain should lose its ability to participate. As you may recall from our previous report, ATGE's composite score fell to 0.2 for the 2022 year as notified by the ED on September 25<sup>th</sup>, 2023 because of the increased goodwill and intangibles from the acquisition of Walden.<sup>221</sup> When we inquired about the financial responsibility requirement to the NC-SARA organization, we were directed to the New York State Department of Education (NYSED), and they confirmed that,

*“The state shall not permit an institution with a composite score below 1.0 to participate in SARA. For institutions owned or controlled by another entity (i.e. a parent entity), the relevant composite score will be the composite score of the parent entity, as identified by the US Department of Education.”<sup>222</sup>*

According to NC-SARA, “compliance is non-negotiable.”<sup>223</sup> The rule states that, “If the newly published composite score falls below 1.0 and the institution is unable to provide documentation from ED of a more recent calculated score of 1.0 or above, the state must act within 90 days of notification to remove the institution from SARA participation.”<sup>224</sup>

NC-SARA's CEO wrote to the ED as recently as 2021 defending the use of the composite score, “NC-SARA relies upon the federal Financial Responsibility Composite Score as the most common measure of financial stability of private academic institutions,” and that, “SARA participating institutions and states **must** meet certain requirements to support quality assurance—many of which are focused on ensuring appropriate consumer protections for students. One important requirement is that states accept an institutional federal Financial Responsibility Composite Score of 1.5 as indicative of sufficient minimum financial stability.”<sup>225</sup>

In its latest filings, ATGE does of course disclose “state authorization” as a risk, but in its explanation of this risk, it does not mention the effect of the financial composite score and it also clearly states that Chamberlain is an institutional participant in NC-SARA.<sup>226</sup> ATGE would have known in September 2023, if not before, that Chamberlain was at risk of losing its membership after ATGE's composite score fell below both the 1.5 and 1.0 thresholds.

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<sup>221</sup> ATGE SEC 10-Q for the quarter ending September 30, 2023.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837023016860/atge-20230930x10q.htm>

<sup>222</sup> Email received on February 13, 2024, from the Office of College and University Evaluation, NYSED, as forwarded from inquiry to info@NC-Sara.org

<sup>223</sup> [https://www.nc-sara.com/sites/default/files/files/2021-07/StudentsAndQuality\\_v2.7.19.21.pdf](https://www.nc-sara.com/sites/default/files/files/2021-07/StudentsAndQuality_v2.7.19.21.pdf)

<sup>224</sup> NC-SARA State Authorization Reciprocity Agreements Policy Manual, updated December 8, 2023. [https://nc-sara.org/sites/default/files/files/2023-12/SARA\\_Policy\\_Manual\\_231\\_blackline\\_12-08-23.pdf](https://nc-sara.org/sites/default/files/files/2023-12/SARA_Policy_Manual_231_blackline_12-08-23.pdf)

<sup>225</sup> Letter from NC-SARA to the U.S. Department of Education, June 16, 2021. [https://nc-sara.org/sites/default/files/files/2021-07/NC-SARA\\_NegReg\\_Letter.6.16.21.pdf](https://nc-sara.org/sites/default/files/files/2021-07/NC-SARA_NegReg_Letter.6.16.21.pdf)

<sup>226</sup> ATGE wrote that Walden received 78% of their revenue in fiscal year 2023 from Federal funding “(excluding the U.S. Department of Veterans Affairs and military tuition assistance benefits)”. ATGE SEC 10-Q for the quarter ending December 31, 2023. <https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837024000642/atge-20231231x10q.htm>



If, as the NYSED stated in its communication to us, Chamberlain loses its NC-SARA eligibility, then ATGE will likely need to expend significant resources to obtain authorizations state-by-state—something we believe Walden was never able to do very successfully. Part of Walden’s problem has been that some states, like New York, require an institution and/or its parent entity (ATGE) to maintain a financial responsibility score over 1.5.<sup>227</sup> Walden’s own disclosure for its College of Nursing licensure states, “Walden currently cannot enroll residents of the following states/districts into any Nurse Practitioner specializations: Louisiana, Nevada, New York, Oklahoma, Oregon, Utah, Puerto Rico, and Rhode Island.”<sup>228</sup> It seems that Chamberlain is at risk of potential issues with similar programs in those states, like Utah and Oklahoma, where Chamberlain does not operate in-person campus locations.<sup>229</sup> **Chamberlain is already on probation in Louisiana, most likely because their NCLEX fell below 80%, and is on provisional authorization in Tennessee.**<sup>230,231,232</sup>

We also contend that the weakening student outcomes at Chamberlain will also be considered by state education officials whenever they may need to review Chamberlain’s authorization.

From our discussions with students, those who learn their Walden programs were not authorized in their state regret their decision to ever enroll. This suggests then that program authorization is a critical factor in attracting and retaining students, so **Chamberlain’s loss of NC-SARA eligibility could affect enrollments, regardless of ATGE’s ability to obtain state-level authorizations.**

We remind investors that in our original report, we warned that rarely in the for-profit education sector does a company’s own executives forecast its own downfall. ATGE’s CEO taunted us on the last earnings call, suggesting we know nothing about impairments. As ATGE’s former general counsel, he should understand the intent behind the following language, pulled from ATGE’s 2023 10-K,

*“Significant judgments and assumptions were used in determining the fair value of intangible assets. The with and without method of the income approach and the relief from royalty model used in the determination of the fair values of our Walden Title IV eligibility and trade name intangible assets, respectively, during 2023 reflected our most recent revenue projections, a discount rate of 12.5%, a royalty rate of 2.25% and terminal growth rates of 3%. Each of these factors and assumptions can significantly affect the value of the intangible asset. Based on these quantitative assessments, it was determined*

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<sup>227</sup> “Distance Education Approval,” New York State Education Department. <https://www.nysed.gov/college-university-evaluation/distance-education-approval#:~:text=In%20addition%2C%20institutions%20must%20possess,that%20is%201.5%20or%20higher>

<sup>228</sup> “Licensure and certification preparation programs,” Walden University. <https://www.waldenu.edu/college-of-nursing/licensure>

<sup>229</sup> Chamberlain University Campus Locations. <https://www.chamberlain.edu/nursing-school>

<sup>230</sup> Chamberlain University Student Consumer Information, archived on January 2, 2024. <https://web.archive.org/web/20240102062257/https://www.chamberlain.edu/about/student-consumer-information>

<sup>231</sup> Louisiana State Board of Nursing Approved Nursing Education Programs. <https://www.lsbns.state.la.us/wp-content/uploads/credentialing/schools.pdf>

<sup>232</sup> Chamberlain University State Approvals. <https://www.chamberlain.edu/about/accreditation>

*that the fair values of these indefinite-lived intangible assets in the Walden reporting unit exceeded their carrying values by approximately 10% and no impairment was identified.*<sup>233</sup>

The company itself affirms the subjectivity of impairment testing and the assumptions found within. It is fair to say that, in formulating its assumptions around revenue projections or growth, ATGE is biased in favor of itself and its executives. And yes, it is also fair to say, that as short sellers we are also biased in our own conclusions about impairments.

However, the data we have presented and the questions we ask are most certainly fair and should be considered by all investors analyzing this company. Further, investors should also consider that 1) we disclosed a federal investigation into Walden which ATGE has yet to acknowledge in any written format, and 2) we have also today disclosed this new issue relating to Chamberlain’s NC-SARA eligibility. We do believe that there are additional outstanding risks, including potential repercussions from ATGE’s financial composite score, which have not been explicitly disclosed by the company. In fact, ATGE was required to post additional state surety bonds of \$9.6 million last quarter.<sup>234,235</sup>

In ATGE’s own words, “Unlike other recent closures by for-profits, which were privately owned at the time of their demise, **any change in the financial solvency of Adtalem will be evident well in advance of any risk.**”<sup>236</sup> The financial responsibility composite score is telling us just that.

We believe investors are systematically left in the dark, fed various adjusted earnings metrics on a quarterly basis, such as total enrollments rather than new enrollments, and given no insight into attrition rates across programs. For a company that lists “Accountability” as a core value, ATGE executives do not seem to be accountable to students nor to shareholders—it seems their only loyalty may be to the millions in taxpayer-subsidized incentives they award themselves each year.<sup>237</sup>

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<sup>233</sup> ATGE SEC 10-K, for the period ending June 30, 2023.

<https://www.sec.gov/ix?doc=/Archives/edgar/data/730464/000155837023014509/atge-20230630x10k.htm>

<sup>234</sup> ATGE SEC 10-Q for the quarter ending September 30, 2023.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837023016860/atge-20230930x10q.htm>

<sup>235</sup> ATGE SEC 10-Q for the quarter ending December 31, 2023.

<https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000730464/000155837024000642/atge-20231231x10q.htm>

<sup>236</sup> ATGE Position Paper on HB 469 Institutions of Postsecondary Education – Disorderly School Closures, February 18, 2020.

[https://mgaleg.maryland.gov/cmte\\_testimony/2020/app/2175\\_02182020\\_113237-316.pdf](https://mgaleg.maryland.gov/cmte_testimony/2020/app/2175_02182020_113237-316.pdf)

<sup>237</sup> ATGE’s Mission, Vision & Purpose. <https://careers.adtalem.com/mission-vision-purpose>