

FACT SHEET: Department of Education Announces Release of New Program-Level Gainful Employment Earnings Data

A college education is one of the most important investments an individual can make in his or her future. Decisions about whether to pursue a degree, which type, and at which institution can have lasting impacts on students' lives. Unfortunately, too many students and families struggle to find clear, reliable information on the prospective colleges they are considering, like whether they are likely to graduate with the skills needed to find a well-paying job and repay their loans successfully.

Every hardworking student in America deserves a real opportunity to earn an affordable, high-quality degree or credential that offers a clear path to economic security and success. Over the past several years, the Department has worked to provide students and their families with critical information to make strong college choices. Key efforts like the College Scorecard, provides a user-friendly source of nationally comparable data that can help students choose a school that is well-suited to meet their needs, priced affordably, and is consistent with their educational and career goals. Over 3,200 institutions have voluntarily adopted the Financial Aid Shopping Sheet, which provides students with access to comparable information about their financial aid award packages before they decide where to enroll in college. In addition, the Department is committed to greater transparency and has publicly released information about thousands of institutions participating in the student financial aid programs on the FSA Data Center that can help researchers, higher education leaders, and policymakers take action to improve college cost, quality, and value and ensure that taxpayer dollars are well spent.

As part of this continued commitment, today the U.S. Department of Education released the first comprehensive set of data ever released on program-level outcomes of career college graduates. These data will help prospective students—and their families—weigh their options wisely and choose a major at an institution that pays off for them. The data show that:

Public Institutions Pay Off

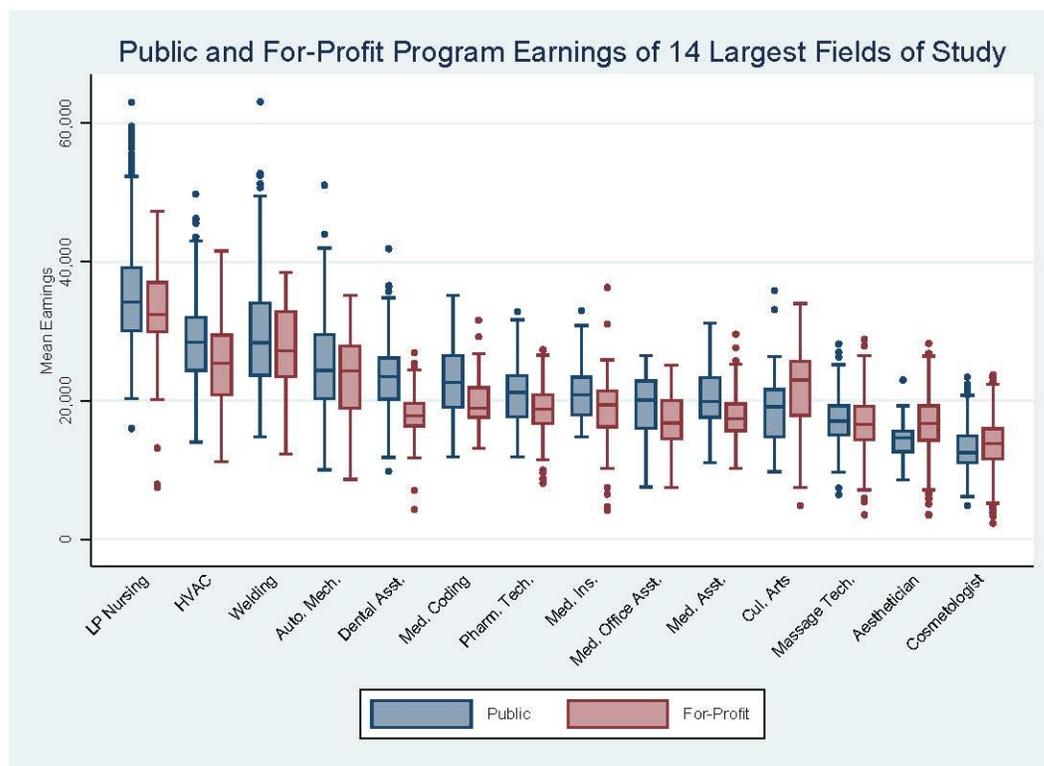
The data released today show that some institutions are clearly paying off for graduates, offering a high-value degree relative to other institutions. In particular, programs offered by community colleges outperform comparable for-profit programs.¹

¹ GE programs span many credential levels, but the vast majority are undergraduate certificate programs. Public GE programs are only certificate degree granting programs, and are largely undergraduate certificate programs. Thus, the analysis comparing public and for-profit GE program earnings is restricted to undergraduate certificate programs to ensure comparability.

Overall, mean earnings of graduates of public undergraduate certificate programs are nearly \$9,000 higher than mean earnings of graduates of for-profit undergraduate certificate programs. Public schools outperform for-profit schools both in relative terms and in absolute terms at the certificate level. Among undergraduate certificate graduates in fields that are common to both the public and private sectors (covering about 95 percent of graduates), average earnings are higher in the public sector at 80 percent of programs, which graduated 75 percent of students. Among undergraduate certificate programs of the same field of study, the average difference is about \$2,700, or about 13 percent, higher for public-sector programs than for those in the for-profit sector.

Field of Study Matters

These data indicate that sector is not the only factor students should consider when deciding to enroll in a program. Student success is also largely tied to the field of study one chooses to pursue. There are significant differences in earnings across program types, as shown in the charts below.



The variation in earnings between sectors is due in part to the types of programs that are offered within each sector. Among undergraduate certificate programs, public-sector GE graduates were relatively more likely to have attended programs of study that yield higher earnings, such as licensed practical nursing programs, and relatively less likely to have attended programs of study that yield lower earnings,

such as cosmetology programs. This was not the case for students in the for-profit sector, where fewer than one in five graduates were enrolled in high-earning fields.

- 52 percent of GE graduates in public undergraduate certificate programs are in relatively high-earning fields of study, while only 17 percent of GE graduates in for-profit undergraduate certificate programs are in high earnings fields of study.²
- Over 90 percent of graduates in cosmetology programs, where mean earnings are below \$15,000, attend for-profit institutions.
- 65 percent of graduates attending licensed practical nurse training programs, where average earnings are over \$33,000, attend public institutions.

Public and For-Profit Completer Share of 14 Largest Undergraduate Certificate GE Fields of Study				
Field of Study	Mean Earnings	Public Completer Share	For-Profit Completer Share	Number of Completers
LP Nursing	\$33,835	65%	35%	52,542
Welding	\$29,587	59%	41%	14,489
HVAC	\$26,788	39%	61%	16,116
Auto. Mech.	\$26,504	19%	81%	28,348
Med. Coding	\$19,554	14%	86%	16,664
Med. Ins.	\$19,496	3%	97%	13,468
Pharm. Tech.	\$19,468	16%	84%	17,800
Cul. Arts	\$18,829	11%	89%	11,669
Dental Asst.	\$18,759	19%	81%	27,611
Med. Asst.	\$17,501	7%	93%	115,925
Massage Tech.	\$17,123	6%	94%	31,432
Med. Office Asst.	\$17,099	14%	86%	10,681
Aesthetician	\$16,967	3%	97%	16,151
Cosmetologist	\$14,130	9%	91%	106,725

NOTE: This chart excludes private not-for-profit and foreign programs.

These data also indicate that there is substantial variation in mean earnings by field of study even within institutions. Many institutions with low earning programs also offer programs with higher earnings, meaning that even for students with limited options for attending a different institution of higher education, there may be options to help them improve their odds of success. For example, nearly half of the institutions that had two or more undergraduate certificate programs had a \$15,000 gap between the undergraduate certificate program with the highest median earnings and the undergraduate certificate program with the lowest median earnings.

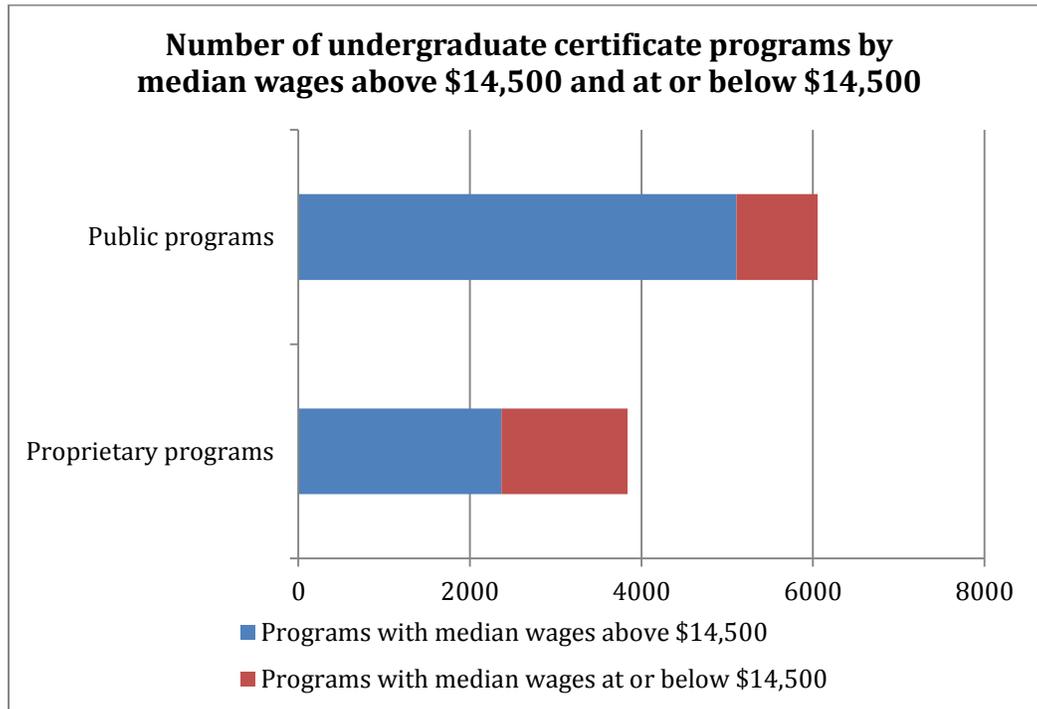
In short, the higher earnings experienced by graduates of public undergraduate certificate programs is due primarily to two factors: (1) Public undergraduate certificate programs have relatively more GE students enrolled in relatively high-

² High earning fields of study are defined as 6-digit CIP codes where the unweighted average of public and for-profit earnings are greater than \$25,000.

earning fields; and (2) GE graduates of public undergraduate certificate programs have higher earnings than graduates of for-profit programs in the same fields.

Workforce Implications

While the returns of some career college programs are promising, many programs are underperforming in absolute terms.



Excludes programs in foreign countries and programs in institutions located in Puerto Rico.

Of particular concern is the significant share of programs and graduates averaging earnings that are less than a full-time minimum wage worker (\$14,500). Here, again, public institutions on the whole tend to outperform programs at for-profit institutions. Among all programs at the certificate level, 32 percent of for-profit students graduated from programs with median earnings below this threshold—compared with only 14 percent in the public sector.

On the other hand, a greater share of graduates at higher levels of study in for-profit programs earn more than a full-time minimum wage earner than those of lower credentialed programs. For example, among associate degree students in for-profit programs, about 5 percent are in programs that have average wages less than a full-time minimum wage worker. Among bachelors and masters degree students in for-profit programs, less than one percent are in programs that have average wages less than a full-time minimum wage worker.

Gainful Employment Regulation Background

To qualify for federal student aid, the Higher Education Act requires that most for-profit programs and certificate programs at private non-profit and public institutions prepare students for "gainful employment in a recognized occupation." Under the Department's regulations, a program is considered to lead to gainful employment if the estimated annual loan payment of a typical graduate does not exceed 20 percent of his or her discretionary income or 8 percent of his or her total earnings. Programs that exceed these levels are at risk of losing their ability to participate in taxpayer-funded federal student aid programs.

The final gainful employment regulations went into effect on July 1, 2015 and reflect the feedback the Department received through an extensive rulemaking process involving public hearings, negotiations and about 95,000 public comments.

The regulations established new data reporting requirements for institutions offering GE programs, which have enabled the Department to produce program-level metrics for the first time. The data released today represent the mean and median earnings of graduates of career college programs, and were reported by the Social Security Administration as part of the Department of Education's landmark gainful employment regulations. Roughly 3,700 institutions nationwide offer career training programs that are subject to the regulations, which aim to protect Americans from poor career training programs and target those that leave students buried in debt.

The Future of Program-Level Data

The data detailed in this report are part of the Department's larger efforts to protect students, families, and taxpayers by holding career colleges accountable for student outcomes. Those efforts include the Department's landmark Gainful Employment regulations. The regulations, which represent an unprecedented step forward in transparency into the outcomes of students, allow the Department to obtain reliable, nationally comparable earnings information for their graduates. Additionally, in the coming weeks and months the Department will be:

- **Holding Colleges Accountable:** In January, the Department will release debt-to-earnings metrics. Programs that fail the metrics and do not improve will lose eligibility for federal student aid. These rates will hold institutions accountable for leaving students saddled with debt they cannot repay and safeguard taxpayer dollars.
- **Releasing a New Disclosure Template:** The Department's regulations require all gainful employment programs to disclose earnings and other key information directly to current and prospective students using a disclosure template designed by the Department with input from students, parents, counselors, and others. The data will empower students make strong choices

about where to enroll in college, including helping them to avoid programs that are likely to leave them with unaffordable debts and poor employment prospects.

- **Adding Data to the College Scorecard:** Beginning in 2014, as a result of changes Congress made to the student financial aid programs, the Department has been collecting data on the educational programs of all federal financial aid recipients. The Department plans to begin calculating earnings data for these programs and publishing them through the College Scorecard, so that all students and families have the best possible information about their educational opportunities and colleges and university leaders and policymakers have information to improve college cost and quality.