

## HOW MUCH DID STUDENTS BORROW TO ATTEND THE WORST-PERFORMING CAREER EDUCATION PROGRAMS?

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The gainful employment rule enforces the Higher Education Act's requirement that all career education programs receiving federal student aid "prepare students for gainful employment in a recognized occupation." The rule uses debt-to-earnings ratios to assess whether career education programs at public, nonprofit, and for-profit colleges are leaving their graduates with reasonable debt burdens.<sup>1</sup> Programs that exceed allowable thresholds — those consistently leaving their graduates with more debt than they can repay — must improve or lose eligibility for federal funding.

The Department of Education has proposed rescinding the gainful employment rule completely, which would be costly for both students and taxpayers.<sup>2</sup> **In fact, a single round of the Department's data showed that more than 350,000 students graduated from the worst-performing career education programs with nearly \$7.5 billion in student loan debt.**<sup>3</sup> Those programs, rated as "failing" or "zone" in the existing gainful employment debt-to-earnings standard, would eventually lose access to federal financial aid if they did not improve.

The table below shows how much graduates borrowed to attend the worst-performing career education programs in each state. For details about our methodology and data limitations, see page 2.

GRADUATES AND DEBT AT THE WORST-PERFORMING CAREER EDUCATION PROGRAMS, BY STATE <sup>4</sup>		
STATE (COLLEGE LOCATION)	GRADUATES AT FAILING AND ZONE PROGRAMS	AMOUNT BORROWED TO ATTEND FAILING AND ZONE PROGRAMS
Alabama	7,208	\$138,260,201
Alaska	0	\$0
Arizona	50,807	\$1,202,370,047
Arkansas	1,007	\$10,258,921
California	56,129	\$934,214,039
Colorado	9,638	\$194,021,368
Connecticut	3,161	\$50,821,826
Delaware	112	\$1,076,002
District of Columbia	495	\$9,697,038
Florida	25,896	\$613,292,042
Georgia	5,219	\$146,950,648
Hawaii	0	\$0
Idaho	652	\$8,435,035
Illinois	19,312	\$533,523,100
Indiana	29,533	\$986,069,152
Iowa	11,412	\$244,092,115
Kansas	2,061	\$29,759,770
Kentucky	1,802	\$32,546,043
Louisiana	3,073	\$34,622,308
Maine	1,799	\$21,915,930
Maryland	1,532	\$19,643,250
Massachusetts	2,002	\$37,921,146

<sup>1</sup> For more information about the gainful employment rule, see <https://bit.ly/2cuMkIM> and <https://bit.ly/2waOvMm>.

<sup>2</sup> TICAS. August 10, 2018. "Trump Administration Proposes Erasing Nearly a Decade of Progress Protecting Students Against Unaffordable Debts." <https://bit.ly/2OK26BR>.

<sup>3</sup> Most of these students graduated in 2010-11 or 2011-12, though smaller programs included graduates over a 4-year period.

<sup>4</sup> Note that some colleges based in these states have campuses in other states. For more information, see page 2.

<b>GRADUATES AND DEBT AT THE WORST-PERFORMING CAREER EDUCATION PROGRAMS, BY STATE</b>		
<b>STATE (COLLEGE LOCATION)</b>	<b>GRADUATES AT FAILING AND ZONE PROGRAMS</b>	<b>AMOUNT BORROWED TO ATTEND FAILING AND ZONE PROGRAMS</b>
Michigan	8,315	\$92,393,685
Minnesota	12,793	\$289,242,650
Mississippi	90	\$1,109,225
Missouri	6,857	\$139,420,580
Montana	212	\$2,312,848
Nebraska	1,112	\$18,491,598
Nevada	1,250	\$16,113,252
New Hampshire	59	\$731,431
New Jersey	3,177	\$44,799,565
New Mexico	185	\$5,757,617
New York	14,030	\$246,844,268
North Carolina	1,066	\$41,783,329
North Dakota	0	\$0
Ohio	4,836	\$77,051,533
Oklahoma	4,413	\$57,842,936
Oregon	4,484	\$89,649,349
Pennsylvania	18,131	\$343,156,175
Rhode Island	0	\$0
South Carolina	1,807	\$52,462,190
South Dakota	459	\$10,564,721
Tennessee	4,154	\$71,759,826
Texas	15,985	\$231,470,870
Utah	2,843	\$46,176,815
Vermont	0	\$0
Virginia	8,126	\$147,578,866
Washington	4,149	\$70,369,951
West Virginia	885	\$10,342,422
Wisconsin	1,188	\$22,310,300
Wyoming	117	\$1,517,172
Foreign Country	429	\$73,098,009
<b>TOTAL</b>	<b>354,002</b>	<b>\$7,453,841,165</b>

### **Methodology and data limitations**

Calculations by TICAS using data from the U.S. Department of Education, Gainful Employment Information, <https://studentaid.ed.gov/sa/node/274>. Calculations include all Title-IV-receiving students who completed failing and zone programs in the cohort period, using the official pass/fail/zone rate as of April 25, 2018. The cohort period is either 2 years (2010-11 and 2011-12) or 4 years (2008-09 through 2011-12), depending on the program's size. Total median debt by program was calculated by applying the amortization periods specified in current regulations to the median annual loan payment, using a 6.8% interest rate. For total debt, the number of graduates was multiplied by the total median debt for each program, then summed up across all failing and zone programs. Mean debt data are not available.

These data understate both the number of students enrolled at these programs and the amount of debt they carried. First, the data are limited to students who completed each program. The debt data also could have been capped at the total amount of each student's tuition, fees, books, supplies, and equipment. Additionally, for each program, the median debt calculation excludes the highest debt students on a one-to-one basis for each student who could not be matched to the Social Security Administration's earnings data.

Due to data limitations, a college (with a unique 6-digit OPEID) that has campuses in multiple states will have all its graduates counted under the state location of the main campus, even if they attended online programs or programs at another campus in a different state.