

Examples of Nearby Career Education Programs with Very Different Outcomes *Better Options Exist for Students in the Worst-Performing Programs*

September 10, 2018

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. 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 gainful employment rule also provides consumers with key information about program costs and outcomes so they can make an informed decision about where to enroll.

The Department of Education has proposed [rescinding](#) the gainful employment rule completely, arguing that programs’ performance under the rule can be explained by factors like student characteristics and economic background, program field, and school location. However, **similarly located career education programs serving similar students can have very different outcomes.**

The 10 comparisons below show programs with poor outcomes located near schools offering the same program at a much lower cost and/or with much better outcomes.¹ In each set of comparisons, the colleges offering each program serve students with similar demographic profiles.² These comparisons demonstrate the need for the gainful employment rule to prevent poorly performing programs from continuing to bilk students and taxpayers, and to keep unscrupulous schools from enrolling as many students as possible without regard to the quality of the training or job prospects.

¹ All tuition and fees figures are from the most recent gainful employment disclosures available. All debt figures include federal, private, and institutional loan debt. Total median debt figures were calculated by TICAS using the amortization periods and interest rates described in regulation (34 CFR 668.404(b)(2)). All other data are from the Education Department’s debt-to-earnings rate [data](#), as released in April 2018. Unless otherwise noted, the programs were still enrolling new students as of August 2018.

² This analysis accounts for the share of undergraduates at each college who are Black, the share who are Hispanic, and the share who received federal Pell Grants, using data from the U.S. Department of Education’s College Scorecard, as released in April 2018. In all comparisons, the share of each group of students at failing or zone programs was no more than 10 percentage points higher than the share at passing programs.

Business Administration and Management Master’s Degree Programs - Birmingham, AL

Of two business administration and management master’s degree programs in Birmingham, the graduates from Strayer University ***earned about 50 percent (\$16,700) more per year and owed \$6,400 less*** than graduates from Virginia College.

	Strayer University ³ For-profit college PASS	Virginia College ⁴ For-profit college ZONE ⁵
Tuition & Fees	\$30,200	Not available
Median Annual Earnings	\$49,110	\$32,376
Median Annual Loan Payment	\$2,835	\$3,521
Total Median Debt	\$26,614	\$33,054

Criminal Justice Administration Bachelor’s Degree Programs - Birmingham, AL

Graduates from the criminal justice administration bachelor’s degree program at Strayer University ***earned almost twice as much and owed \$6,600 (20 percent) less*** than graduates from the same program at Virginia College.

	Strayer University ⁶ For-profit college PASS	Virginia College ⁷ For-profit college FAIL
Tuition & Fees	\$59,450	Not available
Median Annual Earnings	\$36,633	\$19,293
Median Annual Loan Payment	\$2,853	\$3,556
Total Median Debt	\$26,783	\$33,383

³ OPEID: 001459, UNITID: 450377, Birmingham, AL, CIP code: 530201, master’s degree.

⁴ OPEID: 030106, UNITID: 420307, Birmingham, AL, CIP code: 530201, master’s degree. This college no longer offers this program at its Birmingham campus.

⁵ Programs lose eligibility if they fail for two years in a three-year period, or if they fail or are in the “zone” between passing and failing for four consecutive years. This means programs in the zone have three years to improve their outcomes.

⁶ OPEID: 001459, UNITID: 450377, Birmingham, AL, CIP code: 430103, bachelor’s degree.

⁷ OPEID: 030106, UNITID: 420307, Birmingham, AL, CIP code: 430103, bachelor’s degree. This college no longer offers this program at its Birmingham campus.

Medical Insurance and Billing Certificate Programs – Phoenix, AZ

Graduates of Carrington College’s medical insurance and billing certificate program graduated with **one-third less debt** than graduates of the same program at nearby Florida Career College. The Carrington College graduates also earned \$2,300 more.

	Carrington College ⁸ For-profit college PASS	Florida Career College ⁹ For-profit college ZONE
Tuition & Fees	\$13,092	Not available
Median Annual Earnings	\$21,501	\$19,162
Median Annual Loan Payment	\$1,311	\$1,914
Total Median Debt	\$9,493	\$13,860

Fashion and Apparel Design Associate’s Degree Programs – San Francisco, CA

Graduates of the Fashion Institute of Design and Merchandising’s fashion and apparel design associate’s degree program had **\$6,800 (36 percent) less debt** than graduates of the same program at nearby Academy of Art University. The Fashion Institute of Design and Merchandising graduates also earned slightly more.

	Fashion Institute of Design and Merchandising ¹⁰ For-profit college PASS	Academy of Art University ¹¹ For-profit college ZONE
Tuition & Fees	\$65,956	\$60,917
Median Annual Earnings	\$25,457	\$23,586
Median Annual Loan Payment	\$1,657	\$2,593
Total Median Debt	\$11,999	\$18,777

⁸ OPEID: 021006, UNITID: 103893, Phoenix, AZ, CIP code: 510714, undergraduate certificate.

⁹ OPEID: 023058, UNITID: 487481, Phoenix, AZ, CIP code: 510714, undergraduate certificate. This college no longer has a campus in Phoenix.

¹⁰ OPEID: 011112, UNITID: 114390, San Francisco, CA, CIP code: 500407, associate’s degree.

¹¹ OPEID: 007531, UNITID: 108232, San Francisco, CA, CIP code: 500407, associate’s degree.

Veterinary Technician and Veterinary Assistant Associate’s Degree - Indianapolis, IN

While graduates from the veterinary technician associate’s degree program at Harrison College earned slightly more than those at International Business College, Harrison College graduates ***owed \$11,200 more*** than graduates from International Business College.

	International Business College ¹² For-profit college PASS	Harrison College ¹³ For-profit college FAIL
Tuition & Fees	\$32,530	\$38,400
Median Annual Earnings	\$23,317	\$24,334
Median Annual Loan Payment	\$1,881	\$3,427
Total Median Debt	\$13,621	\$24,816

Dental Assisting Certificate Programs - South Plainfield, NJ

Graduates from the dental assisting certificate program at Everest Institute typically ***owed twice as much*** as graduates of the same program at Central Career School. Graduates from Central Career School’s program also earned \$6,600 more per year.

	Central Career School ¹⁴ For-profit college PASS	Everest Institute ¹⁵ Nonprofit college ZONE
Tuition & Fees	\$12,440	\$14,286
Median Annual Earnings	\$23,322	\$16,710
Median Annual Loan Payment	\$758	\$1,476
Total Median Debt	\$5,489	\$10,688

¹² OPEID: 004579, UNITID: 151467, Indianapolis, IN, CIP code: 510808, associate’s degree.

¹³ OPEID: 021584, UNITID: 151166, Indianapolis, IN, CIP code: 510808, associate’s degree.

¹⁴ OPEID: 033243, UNITID: 436003, South Plainfield, NJ, CIP code: 510601, undergraduate certificate.

¹⁵ OPEID: 009828, UNITID: 449629, South Plainfield, NJ, CIP code: 510601, undergraduate certificate. This college has changed its name to Alterius Career College, and no longer enrolls students at its South Plainfield campus.

Medical Assistant Certificate Program - Albuquerque, NM

Graduates from the medical assisting certificate program at Carrington College **earned \$4,100 more and owed \$1,100 less** than graduates in the same program at Brown Mackie College.

	Carrington College ¹⁶ For-profit college PASS	Brown Mackie College ¹⁷ For-profit college ZONE
Tuition & Fees	\$14,322	Not available
Median Annual Earnings	\$20,796	\$16,686
Median Annual Loan Payment	\$1,311	\$1,469
Total Median Debt	\$9,493	\$10,637

Dental Assisting Certificate Programs – Erie, PA

Of two dental assisting certificate programs in Erie, PA, the graduates from the Great Lakes Institute of Technology **earned \$5,800 more per year and had \$3,700 less in debt** than Fortis Institute graduates.

	Great Lakes Institute of Technology ¹⁸ For-profit college PASS	Fortis Institute ¹⁹ For-profit college ZONE
Tuition & Fees	\$16,858	\$18,296
Median Annual Earnings	\$22,286	\$16,521
Median Annual Loan Payment	\$1,148	\$1,656
Total Median Debt	\$8,313	\$11,992

¹⁶ OPEID: 021006, UNITID: 442602, Albuquerque, NM, CIP code: 510801, undergraduate certificate.

¹⁷ OPEID: 040513, UNITID: 460039, Albuquerque, NM, CIP code: 510801, undergraduate certificate. This program was reported under The Art Institute of Phoenix; both chains are owned by the publicly traded Education Management Corporation (EDMC). EDMC announced in 2016 that it was closing all Brown Mackie campuses due to decreased enrollment.

¹⁸ OPEID: 021122, UNITID: 213181, Erie, PA, CIP code: 510601, undergraduate certificate.

¹⁹ OPEID: 030108, UNITID: 216418, Erie, PA, CIP code: 510601, undergraduate certificate.

Dental Assisting Certificate Programs - Austin, TX

Of two dental assisting certificate programs in Austin, TX, the graduates from the College of Healthcare Professions **earned \$9,100 more per year and had significantly less debt** than Everest Institute graduates.

	The College of Healthcare Professions ²⁰ For-profit college PASS	Everest Institute ²¹ Nonprofit college ZONE
Tuition & Fees	\$16,400	\$15,055
Median Annual Earnings	\$25,842	\$16,710
Median Annual Loan Payment	\$1,051	\$1,476
Total Median Debt	\$7,611	\$10,688

Medical and Clinical Assistant Certificate Programs – El Paso, TX

Of two medical assisting certificate programs in El Paso, TX, the graduates from Pima Medical Institute typically **earned \$6,400 more per year and had \$4,100 less in debt** than graduates from Southwest University at El Paso.

	Pima Medical Institute ²² For-profit college PASS	Southwest University at El Paso ²³ For-profit college ZONE
Tuition & Fees	\$14,380	\$16,085
Median Annual Earnings	\$21,669	\$15,269
Median Annual Loan Payment	\$1,035	\$1,598
Total Median Debt	\$7,495	\$11,572

²⁰ OPEID: 034263, UNITID: 437635, Austin, TX, CIP code: 510601, undergraduate certificate.

²¹ OPEID: 009828 UNITID: 442727, Austin, TX, CIP code: 510601, undergraduate certificate. This college has changed its name to Alterius Career College, and no longer offers this program at its Austin campus.

²² OPEID: 022171, UNITID: 486813, El Paso, TX, CIP code: 510801, undergraduate certificate.

²³ OPEID: 041317, UNITID: 451556, El Paso, TX, CIP code: 510801, undergraduate certificate.