Press Release

New Gainful Employment Regulations

PAULINA ENCK | JUNE 22, 2023

The Department of Education (ED) recently released a proposed rule on gainful employment that would restrict funding for for-profit higher education programs whose graduates do not meet a particular debt-to-earnings ratio or a specific earning premium. In a new insight, Data and Policy Analyst Tom Lee notes the inequities and challenges of ED's proposed gainful employment rule.

Key points:

- *ED's proposed earnings premium would unfairly compare the wages of recent graduates of for-profit colleges with a group of potentially more senior (and perhaps temporarily better compensated) high school diploma-holding peers.*
- *The rule would likely place financial restrictions on for-profit colleges while providing immunity to non-profit colleges, even though many of their degree-programs would also fail the new earnings premium criteria.*
- *The proposed rule would not likely improve accountability across higher education or improve educational outcomes.*

Read the analysis