

Our Town (New York, NY)
May 12, 2010
Section: Letters to the Editor

Bad Plan For Student Loans

Article Text:

To the Editor:

The U.S. Department of Education is proposing a rule that will limit access to higher education and economic opportunities for hundreds of thousands of Americans. This "**Gainful Employment**" rule will deny students access to educational programs and degrees that lead to placement in high-demand jobs by making such programs ineligible for much-needed federal financial assistance, known as Title IV aid. Such aid includes the well-known Stafford and PLUS loans.

Annually, hundreds of thousands of students rely upon Title IV financial aid to fund their education. "**Gainful Employment**" eliminates such aid if the programs do not meet a one-size-fits-all debt service-to-income ratio for graduates. The U.S. Department of Education should be commended for tackling the complex issue of student debt, but it is doing so in the wrong manner.

The rationale behind the rule is that the starting salaries for graduates of certain academic programs, particularly at career-preparation colleges, are too low to justify the federal aid packages received by students in need. The truth is, starting salaries are frequently lower than what everyone, save the employer, would hope. In fact, starting salaries for graduates of liberal arts programs at traditional colleges are some of the lowest in the nation. The federal government should not promulgate policies that punish students for their choice of academic degree program and subsequent profession. Why not penalize the philosophy major if you are going to penalize the web designer?

This proposal will have a significantly negative impact right here in New York, and will disproportionately discriminate against low-income and minority students, the students who rely most on federal financial assistance. At New York career-preparation colleges, such as the Art Institute of New York City, as many as two-thirds of the students are Latino or African-American and roughly the same amount of students receive federal financial aid. Without this help, they would not be able to attend college.

Career-preparation schools are also vital to our economic growth. In New York State, they generate hundreds of millions of dollars in direct and indirect economic activity.

The "**Gainful Employment**" rule has such far-reaching consequences blocking deserving students from access to higher education, stifling economic growth and placing undue burdens upon very specific groups of people that it should be deliberated in Congress by our elected representatives, not unilaterally decided upon by unelected bureaucrats. We encourage our elected representatives in Congress to join this debate. The repercussions are too dire to do otherwise.

Dr. David Warren

President, Art Institute of New York City