

CENTER FOR COLLEGE AFFORDABILITY AND PRODUCTIVITY

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[Gainful Employment is an Attack on Freedom, For-Profit Industry Should Fight It](#) by Daniel L. Bennett

The Chronicle has extensive [coverage](#) today regarding the for-profit industry's efforts to stymie the gainful employment rule being proposed by the Department of Education. CHE has even developed a [table](#) detailing lobbying dollars spent and political contributions made by the industry. Democratic Congressmen were the recipients of 70% of the for-profit industry's \$400k in total political contributions, with George Miller (Chair of the House's Committee on Education and Labor) taking home honors as the top recipient of more than \$70k in campaign contributions. On the Senate side, the top 5 recipients were all Democrats, with Harry Reid being the top recipient.

I've written in this space in the past about the implications of gainful employment ([here](#), [here](#) and [here](#)) and have an article due out soon on the topic in *Career College Central*. I'm generally opposed to the Department of Ed's proposed metric, which would impose an unrealistic 8% student debt to income ratio that would force the closure of many programs and limit the career and college choices of students.

The for-profit industry has floated a counter proposal similar to what I have recommended in the past, namely that colleges provide full disclosure to prospective students regarding the debt that students at their school take on and the employment outcomes (placement rates, salaries, etc). This ought to be a respectable solution to those opposed to the for-profit sector in the name of consumer protection, as their main argument appears to be that students are lured into these schools based on false or limited information. If it is not and they continue to insist upon a top down approach in which bureaucrats decide how much debt is appropriate for a particular program, then these folks are obviously convinced that individuals do not have the capacity to make decisions that will affect their livelihood and should be stripped of decision-making rights in favor of turning such decisions over to the state. In other words, anonymous bureaucrats in far off places are better equipped to make decisions for people than the actual individuals themselves.

Here's the abbreviated case for full information disclosure:

If the students are presented with the information upfront, prior to enrolling, then they are responsible for the decision of whether to attend. If, for example, a prospective student is told that they will incur \$25k in student loans, that their first job upon completion will likely pay \$30k (likely to increase over time with experience), and that their monthly loan payment on that loan over a 10-year period would be \$294 (which would be 12% of their income), then the student can make an informed decision of whether to pursue that particular program and compare it to other options. This presents the prospective student with enough information and potential career training options to make an informed decision.

The alternative, centralized decision making, will limit the number of options and essentially decide what fields that certain students (i.e. - those who don't have parents capable and willing to foot the bill) may pursue. This is an attack on freedom and only a few steps removed from the European education model in which students are directed towards a particular track (vocational or academic) early in their education - often middle school. This is in sharp contrast to the American tradition of a forgiving educational model that allows late bloomers the opportunity to pursue postsecondary education of their choosing.

POSTED BY DANIEL L. BENNETT AT 9:58 AM  

LABELS: [GAINFUL EMPLOYMENT](#)

1 COMMENTS:



Beth said...

Daniel, this is an excellent breakdown of the issues and wonderful insight on what we really stand to lose in the proposed rule changes. The connection to a loss of freedom is not an exaggeration - it's reality.

You'd think, given the extremity of the position taken by traditional colleges and universities, there might be some room for reason ... some middle ground that can be found, but judging by what I've seen, there doesn't appear to be any. This is probably the most frightening component in the proposed changes.

As I've noted in a few social media sites recently ... whenever something works (in

this case, the model for career education) and semi-intelligent people don't understand why, you get an adverse reaction from those who have trouble comprehending. They want to believe career colleges are cheating ... or working magic, and so they chase after answers perplexed by the truth: we have a model of education that works. We focus on and adapt our learning processes according to what today's students want. Attacking our industry for not understanding the fundamental ways in which we operate isn't the answer. It's superstition.