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## **Blow-out on the road to economic recovery**

By Karen Kerrigan

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Just as a car engine relies on a precise mixture of air and fuel to drive down the highway, American businesses depend on a free marketplace and a skilled workforce to drive the innovation that can lift wages and grow our economy. The big financial blow-out in 2008 has left deep scars within our economy, and Americans are still waiting for that precise policy formula to get the economic engines turning again.

Recent data – including consecutive quarters of positive growth in the critical manufacturing sector – show that the economy is slowly recovering. But job creation remains weak and policy uncertainties linger, which has made many businesses skittish about expansion and hiring. Congress and the Obama administration must do everything they can – including extending tax relief and reducing harmful, unnecessary regulation – to nurture a lasting recovery.

Unfortunately, the Department of Education is poised to issue disastrous new regulations that will cut off the fuel to our economic recovery. Known as the “Gainful Employment” rule, this new regulatory regime would deny federal financial aid to hundreds of thousands of students who attend for-profit career colleges. These institutions have been critical in adapting training and learning environments that meet the ever-changing needs of American business. They provide America’s workforce with critical skills to obtain better jobs.

Ironically, under the Gainful Employment rule, it would be more difficult for workers to become gainfully employed.

Supporters claim the new regulations are necessary to protect students against getting a bad deal on their education. While it’s true that a few career colleges’ marketing practices may give cause for concern, the Department of Education’s Gainful Employment regulation has decided to go after all for-profit career colleges and the students they serve. The targeted regulations would only pertain to career colleges; apply arbitrary measures of loan-repayment; and yank federal financial aid for students attending career colleges that fail to meet an artificial benchmark.

The regulations will sink many career colleges that graduate scores of skilled workers – specialists in such fields as technology integration, computer-aided drafting and medical diagnostics – that our economy needs. On average, career colleges boast graduation rates that are 20 percent higher than community colleges. They graduate much higher percentages of workers in fast-growing fields, despite serving a relatively small percentage of all students. These institutions are performing admirably and do not deserve a death sentence from the federal government.

Career college graduates also leave school with the skills they need to immediately succeed in the workforce. Ninety percent of the graduates of Rasmussen College, for instance, were employed in spite of the ongoing recession. That's an impressive statistic and one that the Obama administration should be promoting if it's concerned about creating jobs.

Even though graduates of the largest 50 career colleges repay their loans at roughly the same rate as graduates of community colleges, the Department of Education has singled them out in their regulatory crusade. So, if the Gainful Employment rule were applied to community colleges, it would stand to reason that the regulations would deny federal financial aid for many of those students as well. Such cuts in education funding seem grossly at odds with President Obama's goal of adding five million more college graduates in the next ten years.

The government should not be looking for ways to make it more difficult for workers to get the advanced skills they need to qualify for better jobs.

Yet, under the new Gainful Employment rule, businesses will be forced to watch opportunities for growth pass them by because they can't find the skilled workforce they need to execute on their plans. Workers will be denied the better wages and skills they need to navigate the tumultuous economy and job market. Long-term economic growth will be harmed as the U.S. continues to lose its competitive edge as more business and manufacturing moves or expands overseas. The U.S. will be left in the financial dust if we don't maintain effective and flexible ways to educate and train our workers.

Entrepreneurs want Washington to help advance initiatives that will solve the economic crisis, not add more problems. Instead of punishing students just trying to get ahead in a tough job market, the Department of Education should be leveraging the power of career colleges to put more Americans back to work.

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