

The Gainful Employment Rule Explained



Federal law requires all career education programs—such as computer programming, cosmetology, or nursing—to show they are providing “gainful employment” for their graduates if they are going to receive taxpayer-funded grants and loans. That’s where the Department of Education’s gainful employment rule comes in. Finalized in 2014, this rule measures how much debt a graduate takes on compared to their future earnings as a way to prevent students and taxpayers from wasting money at postsecondary programs that make them worse off. And as the Third Way Education team explains, this rule is one of the only real transparency and accountability tools we have in place at the federal level today.

Learn more about the college quality crisis

We've documented...

...[The State of American Higher Education Outcomes](#),

...[billions in tax dollars fund the lowest performing institutions](#),

...[the quality crisis at America's private, non-profit colleges](#), and

...[poor outcomes at many public colleges](#).

And we've explained the limited protections in place—where they help, and where they fall short.

- [How the “Gainful Employment” Rule Protects Students and Taxpayers](#)
- [Are The Watchdogs Watching? Demystifying Accreditation](#)

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