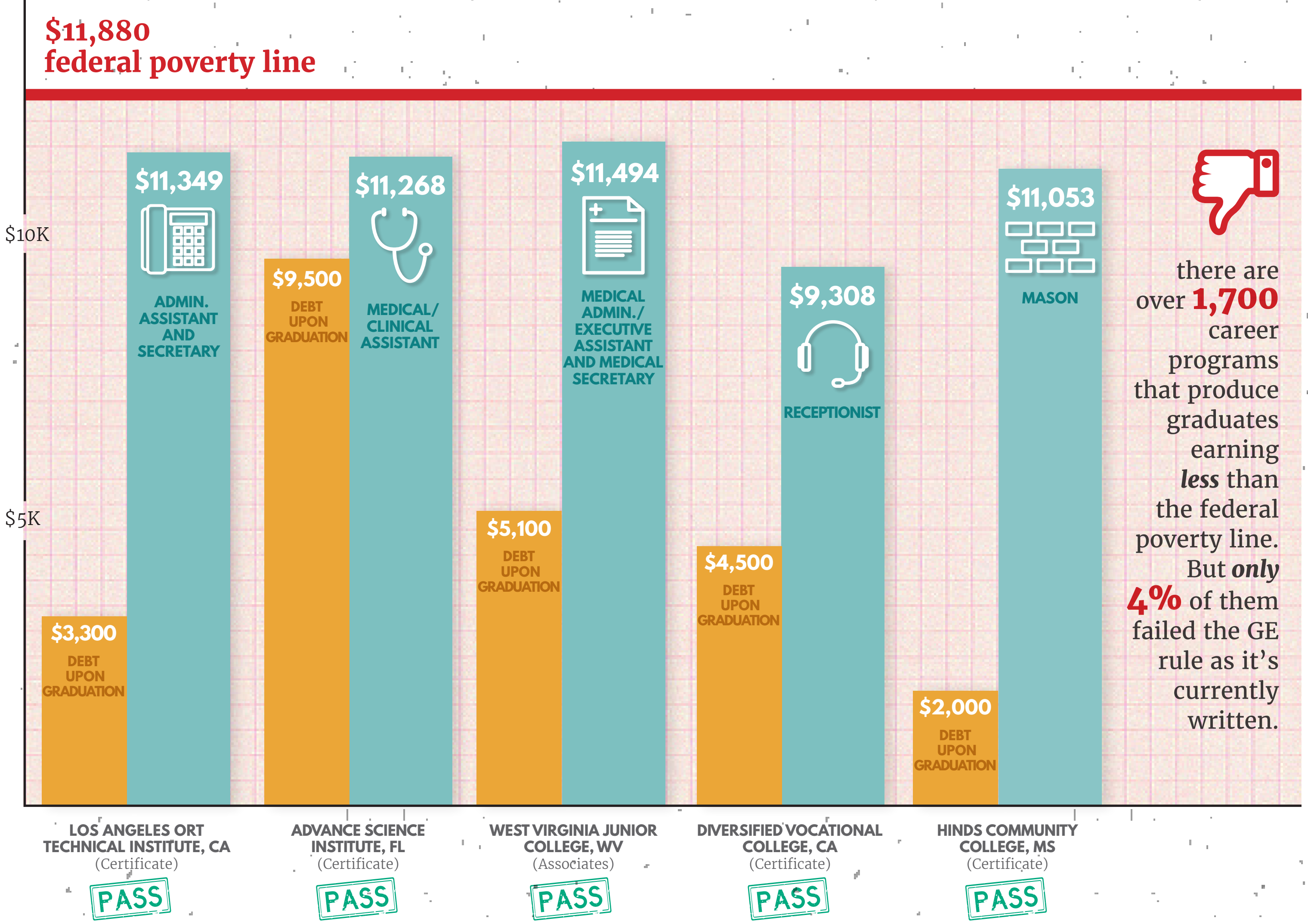
HOW LOW DOES THE GAINFUL EMPLOYMENT BAR GO?

The **Gainful Employment** rule helps ensure students and taxpayers are protected from high-cost, low-quality programs that are doing little to offer increased opportunity to the students they serve. But even this bar is so low that thousands of poorly performing programs make it through the rule completely unscathed.

The rule uses a **debt-to-income ratio** to grade a program on whether its graduates can make a high enough salary to sufficiently repay their loans. If a program fails for two out of any three consecutive years, it can no longer receive federal student aid dollars (taxpayer-funded grants or loans) to help fund its operations.

To learn more, check out our explainer: **How the Gainful Employment Rule Protects Students and Taxpayers**.



there are over **1,700** career programs that produce graduates earning ***less*** than the federal poverty line. But ***only*** **4%** of them failed the GE rule as it's currently written.

Earnings shown represent typical earnings within 2-4 years after graduation. Author's debt calculation assumes a 6.8% interest rate amortized over a 10-year standard repayment plan.
Source: U.S. Department of Education, "Education Department Releases Final Debt-to-Earnings Rates for Gainful Employment Programs," January 9, 2017. Available at: https://www.ed.gov/news/press-releases/education-department-releases-final-debt-earnings-rates-gainful-employment-programs.

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