EDUCATING WORKERS FOR THE “NEW ECONOMY”

The July 2010 issue of Career Education Review contained an article which forecasts “...that as the economy struggles to recover, and jobs slowly return, there will be a growing disconnect between the types of jobs that employers need to fill and the numbers of Americans who have the education and training to fill those jobs.” This forecast comes from the report Help Wanted: Projecting Jobs and Education Requirements Through 2018 by the Georgetown University Center on Education and the Workforce.

By the year 2018, “...63 percent of all jobs will require at least some postsecondary education. Employers will need 22 million new workers with postsecondary degrees.” The report further states that “...we will fall short by three million workers without a dramatic change in course.” Anthony P. Carnevale, the Center’s Director, states that “If we don’t address this need now, millions of jobs could go offshore.”

The six fastest growing industries mentioned in the article will require the highest levels of education by 2018. Seventy to ninety percent of the jobs in these industries – information services, private education services, government and public education services, financial services, professional and business services and healthcare services – will demand postsecondary education and/or training. “Postsecondary education and training determine access to the middle class. Those with only a high school diploma or less are falling out of the middle class.”
THE UNITED STATES DEPARTMENT OF EDUCATION PROPOSES NEW RULES

The United States Department of Education (USDOE) has proposed that for-profit career education institutions must better prepare students for “gainful employment” or risk losing their access to federal financial aid. This proposal will have a tremendous effect on all accredited, licensed institutions.

The Commission for Independent Education strongly advises that every school and college offering federal financial aid carefully review the information contained in this article. Please access the links provided within this information to determine what you can do to assure your students’ continued participation in federal financial aid programs.

The USDOE has released a Notice of Proposed Rulemaking (NPRM) that would link a student’s ability to get federal financial aid to the loan repayment rates of the program’s graduates and to the student’s debt-to-earnings level after graduation. The introduction to the NPRM (as well as a link to the entire NPRM – located at the bottom of the page) can be found at http://www.ed.gov/news/press-releases/proposed-rule-links-federal-student-aid-loan-repayment-rates-and-debt-earnings

After you have reviewed the NPRM, you may wish to next go to another federal government website: http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/integrity-analysis.html

Here you will find links to several sources of information under the section called ANALYSIS, ADDITIONAL DATA such as:

- Frequently Asked Questions
- Gainful Employment: Description of Effects Model (a detailed description of how gainful employment is determined)
- Cumulative Four-Year Repayment Rate by Institution (here you can find a model of how your institution may fare if the new Rules are adopted)
- How much Debt is Too Much (what the USDOE considers manageable student debt)

The NPRM was published on July 23, 2010. The public has 45 days from that date to respond with comments to the proposed rules. The deadline for comments is September 9, 2010. Access the following website if you wish to voice your opposition or your support to the NPRM: http://www.regulations.gov/search/Regs/home.html#submitComment?R=0900006480b20b5f

Once you enter this site, enter the words “Gainful Employment” in the keyword search box and click on Search.

Scroll down to the first entry, Program Integrity; Gainful Employment. Click on Submit a Comment on the far right-hand side.

This action will open up the page used for directly submitting comments. Complete the appropriate information (and attach any files that you feel
may help your cause) and click Submit.

As we stated earlier, these proposed rules will have a tremendous impact on which programs (and which students) will be eligible for federal financial aid in the future. In fact, the future of your institution as a viable enterprise and the ability of your students to get federal financial aid may hinge on the outcome of this rule-making process.

With these thoughts in mind, please take the time to review the information that we have made available. Then, send your comments to the USDOE.

Remember – the staff of the Commission are not experts on federal financial aid. We are not able to answer your questions about the NPRM. We have just presented this information to you and your institution as a public service.

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**Calendar**

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