

# OF METRICS AND MARKETS: MEASURING POST-COLLEGE EMPLOYMENT SUCCESS

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## INTRODUCTION

Each year, students, families, schools, and other taxpayers collectively invest over half a trillion dollars in U.S. higher education.<sup>1</sup> For most students who complete a quality credential or degree, higher education proves a powerful lever of upward mobility.<sup>2</sup> However, as more students have had to borrow, and borrow more, to even attempt a degree or credential program, some are ending up even worse off than before they started, with thousands of dollars of debt and little or no increased earnings power to pay it off. As of June 2018, a record 8.9 million borrowers were in default on roughly \$159 billion dollars in federal student loans.<sup>3</sup>

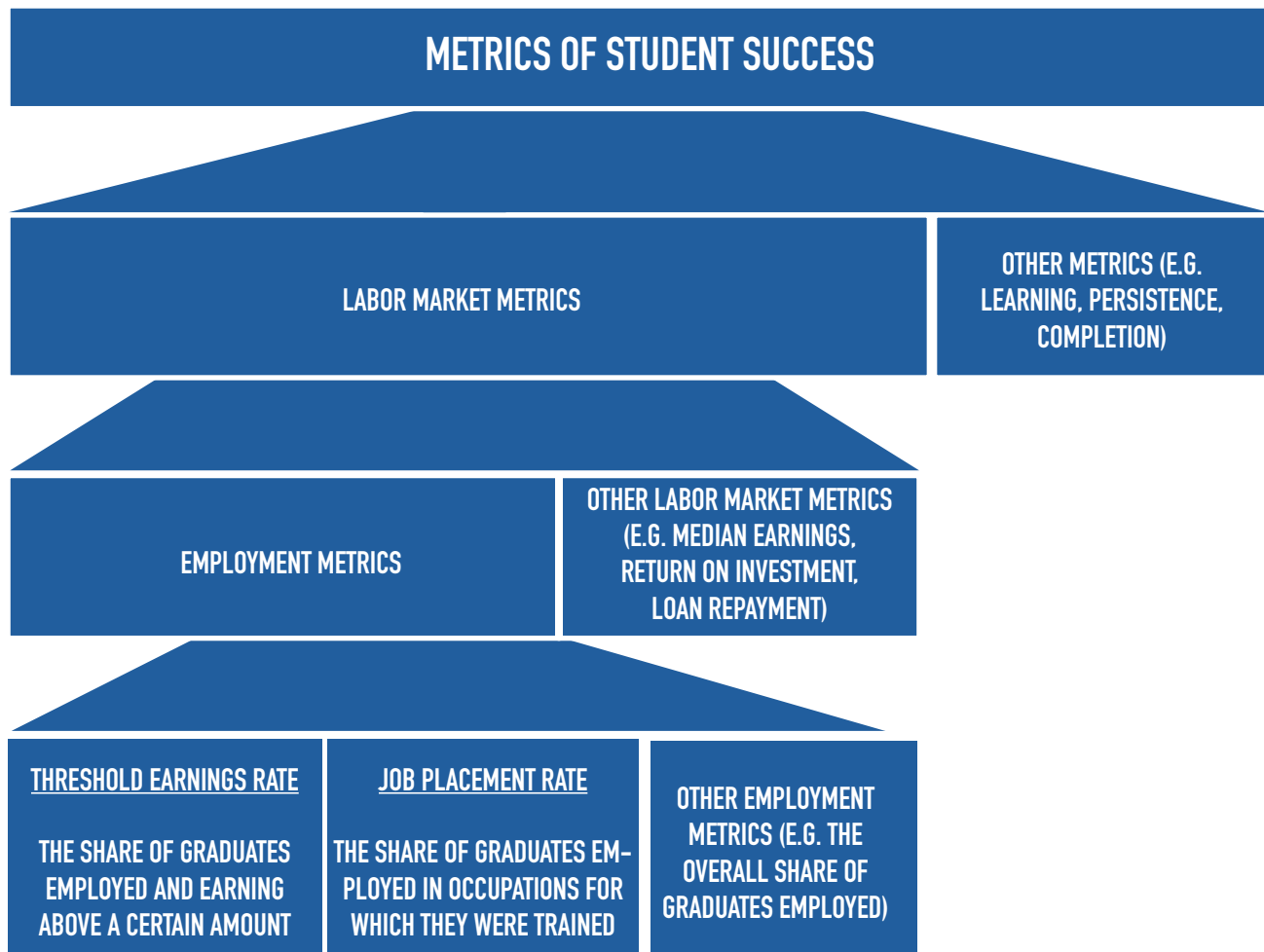
Given the magnitude of the investment in higher education, and the wide range of outcomes students experience, there is a clear need for comparable, accurate information on the outcomes of different programs. While the value of college cannot be reduced solely to economic outcomes, this information is important for students who consistently rank the ability to get a good job as among the most important factors when deciding whether and where to attend college, and crucial for policymakers who are increasingly concerned about labor market outcomes associated with higher education.<sup>4</sup>

Unfortunately, clear and accurate information on employment outcomes is not currently available. Instead, students and other stakeholders are offered an array of employment metrics calculated by different subsets of colleges and programs at the behest of states, accreditors, and the federal government, and using a variety of definitions. The resulting patchwork of uncoordinated data makes meaningful comparison across programs and colleges near impossible and leaves major questions about the accuracy and reliability of the available information. For example, one college in Texas reports that its vocational nursing certificate program has a job placement rate of 62 percent based on the state definition and 33 percent based on its accreditor's definition.<sup>5</sup>

Existing employment metrics are also difficult to verify, which enables misleading or intentionally deceptive information being provided to students. Federal investigations found that Corinthian Colleges misled tens of thousands of students by systematically misrepresenting programs' job placement rates and that Career Education Corporation paid \$10 million to settle claims that it manipulated and falsified job placement data.<sup>6</sup> Finally, even when metrics are clear and accurate, students and others may have difficulties accessing them. The adoption of standardized, verifiable, and accessible employment metrics is a critical step that would improve decision-making.

Visualized in Figure 1, employment metrics are a subset of student success metrics that include what are widely known as "job placement rates," which measure the share of graduates employed in the occupations for which they were trained, as well as additional measures such as "threshold earnings rates" that measure the share of a program's graduates who are employed and earning above a target amount on a yearly basis. Unlike other key labor market metrics—such as median earnings—job placement rates and threshold earnings rates can be particularly valuable because they capture not just the amount successful graduates are earning, but also the share of students who are meeting a basic benchmark of success. As a supplement to other critical student success and labor market metrics, these two employment metrics can help identify programs that increase students' upward mobility, while not penalizing programs that prepare students for low-paying but otherwise rewarding or important jobs.

**FIGURE 1**



This report details existing requirements that govern the calculation and provision of employment metrics for each of the three entities tasked with oversight of the U. S. higher education system: accrediting agencies, state governments, and the federal government. The report documents challenges to comparability, accuracy, and accessibility where employment metrics are currently provided, and recommends federal and state level policy changes that must be made for job placement and threshold earnings metrics to live up to their potential to provide students with useful information.

Specifically, to ensure that job placement rates are consistent, accurate, and transparent enough to inform decision-making, we recommend that the federal government take the lead in standardizing the job placement rate definitions used by federal, state, and accrediting agencies to evaluate programs that prepare students for gainful employment. We also recommend that new investments be made in state databases that, like those already established in leading states, can be used to verify job placement rates as well as other important employment metrics.

To improve the availability and utility of threshold earnings rates, we recommend that the Department of Education immediately restore to the College Scorecard tool the threshold earnings rate metric that is currently calculated using a federal data match. We also recommend improving on that metric by calculating and publishing threshold earnings rates at the program level, in addition to the school level.

It is also imperative that Congress authorize the creation of a federal student-level data network (SLDN) to enable the calculation of federal employment metrics that include all students attending higher education institutions.

More specifically, we recommend that:

1. Federal, state, and accrediting agencies take steps to create standardized, verifiable job placement rates for career education programs by:
  - a. Adopting a specific, standardized definition of job placement for use by federal, state, and accrediting agencies;
  - b. Building state data system capabilities to allow the calculation and verification of job placement rates through state data matches; and
  - c. Maintaining and improving job placement rate disclosures.
2. The federal government create and publish a nationally comparable, program-level threshold earnings rate through a federal data match by:
  - a. Restoring important information regarding the wages earned by graduates above \$28,000 to the public facing College Scorecard tool;
  - b. Reporting College Scorecard employment metrics, including threshold earnings rates, by program; and
  - c. Authorizing a federal student-level data network to improve the calculation of federal employment metrics.

Ultimately, employment metrics have the potential to help students, families, policymakers, and other stakeholders make better decisions about where and when to invest time and higher education dollars. But in order to achieve this, they must have a meaningful and consistent definition, be collected and verified in a trustworthy manner, and be accessible to students and other decision-makers. This report further details how current employment metrics fail to meet each of these criteria and why it is critical to take steps to improve these important tools.

## CURRENT EMPLOYMENT METRICS CANNOT BE COMPARED

While students and others may want information on their employment prospects, the current system simply does not provide it. An uncoordinated array of federal, state, and accrediting agency standards leads to inconsistently defined employment metrics across institutions and programs, making meaningful insight and comparison-shopping difficult or even impossible.

Students must be able to clearly interpret and compare employment metrics to usefully act upon them. Research finds that attention is a scarce resource, and that there are serious limitations to individuals' information bandwidths. Therefore, simple and standardized information is the most likely to be effective.<sup>7</sup>

Job placement rates provide a textbook example of how the wide variation in definitions and calculations render the rates almost impossible to compare across schools. Calculations of how many of a school's graduates have obtained employment in their field of study vary widely. Factors that can be inconsistent include: what to count as in-field placement (some calculations count related fields while others do not); how much a former student must work (some calculations count graduates working just a few hours per week while others require full-time hours); the length of time graduates must remain employed to be counted as placed (some job placement calculations will count employment as short as one day, while others require consistent employment for at least several weeks or months); how much a graduate must work (some calculations allow graduates working just a few hours a week to be counted as placed in the field); the timing of former students' employment (some rates require students to be employed within six months of graduating

while others update their rates for years after students finish the program). Other important assumptions driving a job placement calculation include how to count students who already had a job in the field before entering the program or students who are gainfully employed but not in their field of study.

Depending on its location and type, a particular postsecondary program may be required by one or more overseers to calculate no employment metrics at all, calculate a single metric, or calculate multiple metrics. This patchwork of incomparable data stems from the inconsistent approaches to whether and how to calculate employment metrics required by accreditors, state regulators, and the federal government—together referred to as the “triad”—that oversees higher education.

## Accrediting Agencies

Accrediting agencies serve as gatekeepers to federal student aid dollars by assessing and approving the quality of colleges and universities. Each agency oversees a different array of institutions with varying missions and sets its own standards, leading to a wide array of employment metric requirements.

The Higher Education Act (HEA), which was last reauthorized in 2008, requires that institutions obtain accreditation from a federally recognized accrediting agency to access federal student aid dollars, the largest source of federal higher education funding. Among other mandates, these nongovernmental agencies must evaluate “success with respect to student achievement in relation to the institution’s mission...including, as appropriate, consideration of State licensing examinations, consideration of course completion, and job placement rates.”<sup>8</sup> Agencies must either take adverse action against any program that does not meet accreditation standards or require that the program bring itself into compliance within the shorter of two years or the program’s length.<sup>9</sup>

Most degree-granting institutions acquire accreditation through one of seven regional accrediting bodies, which cover a wide range of institutions in a particular geographic area.<sup>10</sup> As can be seen in Table 1, six of these seven regional accreditors that oversee all non-profit and public colleges and universities, ranging from liberal arts colleges to community colleges, do not require colleges to track employment outcomes or report job placement rates. Regional accreditors do not issue standards regarding how to calculate employment metrics nor do they set specific benchmarks. While four of the regional accreditors list employment metrics as a possible way for institutions to demonstrate student success, they do not require such information. Thus, for the vast majority of students attending degree granting programs, there is no way to compare the job placement rates at particular colleges.

Institutions and programs that primarily grant career-focused degrees or non-degree credentials—such as career and technical education certificates—typically acquire accreditation through one of seven career-related national accreditors. It is important to note that these requirements are not always enforced. National accreditors have repeatedly been accused of failing to adequately audit reporting of job placement rates and multiple institutions have also been forced to settle lawsuits related to misleading or fraudulent job placement rates, as further discussed in the next section. Table 1 lists the five largest of these accreditors, all of which require programs they oversee to report job placement rates, outline a specific methodology for calculating these rates, and hold programs to certain benchmarks.

While it is at least hypothetically possible to compare job placement rates between institutions or programs with the same national accreditor, even that comparison requires the student to understand if a particular school or program has the same accreditor or program. Moreover, as detailed in Table 2, different national accreditors define job placement rates so differently that meaningful comparisons across accreditors are virtually impossible.

**TABLE 1: EMPLOYMENT METRIC REQUIREMENTS ACROSS ACCREDITATION AGENCIES**

Type	Accrediting Agency	Scope	Number of Institutions*	Number of Undergrads*	Employment Metrics			
					Reporting Required?	Public Disclosure Required?	Relevant Standards	Benchmark
Regional (generally degree-granting institutions)	Higher Learning Commission (HLC) <sup>11</sup>	Degree-granting institutions in AK, AZ, CO, IL, IN, IO, KS, MI, MN, MO, NE, NM, ND, OH, OK, SD, WV, WI, and WY	941	4,364,893	No, but listed as a potential post-completion success metric	No	Standard 4.A.6: The institution evaluates the success of its graduates. The institution assures that the degree or certificate programs it represents as preparation for advanced study or employment accomplish these purposes. For all programs, the institution looks to indicators it deems appropriate to its mission, such as employment rates, admission rates to advanced degree programs, and participation rates in fellowships, internships, and special programs (e.g., Peace Corps and Americorps).	Set by institutions
	Middle States Commission on Higher Education (MSCHE) <sup>12</sup>	Degree-granting institutions in DE, DC, MD, NJ, NY, PA, Puerto Rico, and the U. S. Virgin Islands	481	2,358,198	No, but listed as a potential post-completion success metric	No	Standard IV.1.d: An accredited institution possesses and demonstrates the following attributes or activities...processes designed to enhance the successful achievement of students' educational goals including certificate and degree completion, transfer to other institutions, and post-completion placement.  Standard V.2.b: Institutions should articulate how they prepare students in a manner consistent with their mission for successful careers, meaningful lives, and, where appropriate, further education. They should collect and provide data on the extent to which they are meeting these goals.	Set by institutions
	New England Association of Schools and Colleges, Commission on Institutions of Higher Education (NEASC) <sup>13</sup>	Degree-granting institutions in CT, ME, MA, NH, RI, and VT	218	750,450	No, but listed as a potential post-completion success metric	No	Standard 8.6: The institution defines measures of student success and levels of achievement appropriate to its mission, modalities and locations of instruction, and student body, including any specifically recruited populations. These measures include rates of progression, retention, transfer, and graduation; default and loan repayment rates; licensure passage rates; and employment.	Set by institutions
	Northwest Commission on Colleges and Universities (NWCCU) <sup>14</sup>	Degree-granting institutions in AK, ID, MT, NV, OR, UT, WA, and Canada	158	873,911	No	No	n/a	n/a
	Southern Association of Colleges and Schools, Commission on Colleges (SACSCOC) <sup>15</sup>	Degree-granting institutions in AL, FL, GA, KY, LA, MS, NC, SC, TN, TX, VA, and Latin America	766	4,359,967	No, but listed as a potential success metric	No	Standard 8.1: The institution identifies, evaluates, and publishes goals and outcomes for student achievement appropriate to the institution's mission, the nature of the students it serves, and the kinds of programs offered. The institution uses multiple measures to document student success. In doing so, it may use a broad range of criteria to include, as appropriate: enrollment data; retention, graduation, or course completion; job placement rates; state licensing examinations; student portfolios; or other means of demonstrating achievement of goals.  Institutions also sometimes identify, evaluate, and publish program-level job placement goals and outcomes as part of Standard 7.3.	Set by institutions
	Western Association of Schools and Colleges, Accrediting Commission for Community and Junior Colleges (ACCJC) <sup>16</sup>	2-year degree-granting institutions in CA, HI, and the Pacific	130	1,350,663	Yes (career and technical education degrees and certificate programs)	No, but listed as a potential success metric to publicly disclose	Standard II.A.14: Graduates completing career-technical certificates and degrees demonstrate technical and professional competencies that meet employment standards and other applicable standards and preparation for external licensure and certification.  Standard II.A.1: All instructional programs, regardless of location or means of delivery, including distance education and correspondence education, are offered in fields of study consistent with the institution's mission, are appropriate to higher education, and culminate in student attainment of identified student learning outcomes, and achievement of degrees, certificates, employment, or transfer to other higher education programs.  Standard I.B.3: The institution establishes institution-set standards for student achievement, appropriate to its mission, assesses how well it is achieving them in pursuit of continuous improvement, and publishes this information.  As part of the annual reporting process, institutions are also asked to report job placement goals and outcomes for each program completed by at least 10 students in the designated year and where "reliable data is available."	Set by institutions
	Western Association of Schools and Colleges, Senior College and University Commission (WSCUC) <sup>17</sup>	4-year degree-granting institutions in CA, HI, and the Pacific	159	887,102	No	No	n/a	n/a
National (generally career and technical education programs)	Accrediting Commission of Career Schools and Colleges (ACCSC) <sup>18</sup>	Trade and technical programs	370	208,855	Yes (all programs)	Yes	Standard VII.B.1.b: The school demonstrates successful student achievement by maintaining acceptable rates of student graduation and employment in the career field for which the school provided education...The school supports student achievement rates through student transcripts, the school's verifiable records[,] and documentation of initial employment of its graduates.  Standard IV.C.3: A school discloses, minimally, the graduation and graduate employment rate for each program offered as last reported to the Commission. The disclosure for each program's graduation and graduate employment rate must be accurate, not intended to mislead, and includes the program population base and time frame upon which each rate is based.	70% (heightened monitoring or reporting or programmatic action) <sup>19</sup>
	Accrediting Council for Continuing Education and Training (ACCET) <sup>20</sup>	Non-collegiate continuing education and training programs	62	22,876	Yes (vocational programs)	No	Standard IX.D: The institution establishes and implements written policies and procedures that provide effective means to regularly assess, document, and validate the quality of the education and training services provided relative to completion and placement rates, as applicable. Institutions offering vocational programs provide job placement assistance to graduates and document the results to enhance the effectiveness of the training services provided.	70% (heightened reporting); 56% (programmatic probation)
	Accrediting Council for Independent Colleges and Schools (ACICS) <sup>21</sup>	Institutions that offer programs in professional, technical, and occupational fields	169	172,102	Yes (all programs and institutions)	Yes	Standard 3-1-110: For the Campus Effectiveness Plan, the following elements, at a minimum, shall be evaluated and reported for achievement of outcomes, at both the campus and program levels: retention rates; placement rates; graduation rates; the level of student satisfaction; the level of graduate satisfaction; the level of employer satisfaction; and student learning outcomes.  Standard 3-1-704: Each campus shall routinely provide reliable information to the public on its performance, including student achievement information, that includes, at a minimum, retention, placement, and licensure examination pass rates (where applicable). The information provided shall be for the entire campus and for each program as reported to ACICS in its most recent Campus Accountability Report.	70% (heightened reporting), 60% (compliance warning), 50% (adverse action)
	Council on Occupational Education (COE) <sup>22</sup>	Career and technical education programs	393	130,751	Yes (all programs)	No	Standard 3.5: The institution submits accurate and verifiable program placement data each year to the Commission for comparison with required benchmarks.  Standard 10.18: The institution provides placement services for all program completers.	70% (compliance warning)
	National Accrediting Commission of Career Arts & Sciences (NACCAS) <sup>23</sup>	Postsecondary schools and departments of cosmetology arts and sciences	777	102,289	Yes (all institutions)	No	Standard 1.D.5: The institution is responsible for the achievement of expected and acceptable outcomes, regardless of mode of educational delivery, including a 60% placement rate of graduates.	60% (heightened monitoring or loss of accreditation)

\*The number of institutions and students are from the National Advisory Committee on Institutional Quality and Integrity (NACIQI)'s May 2018 accretor dashboard (<https://sites.ed.gov/naciqi/files/2018/05/NACIQI-May-2018-Accretor-Dashboards.pdf>). These counts only include institutions participating in Title IV federal financial aid programs with at least one branch currently operating according to the March 2018 release of College Scorecard. Beyond footnoted sources, this table was also informed by conversations with accrediting agency staff.



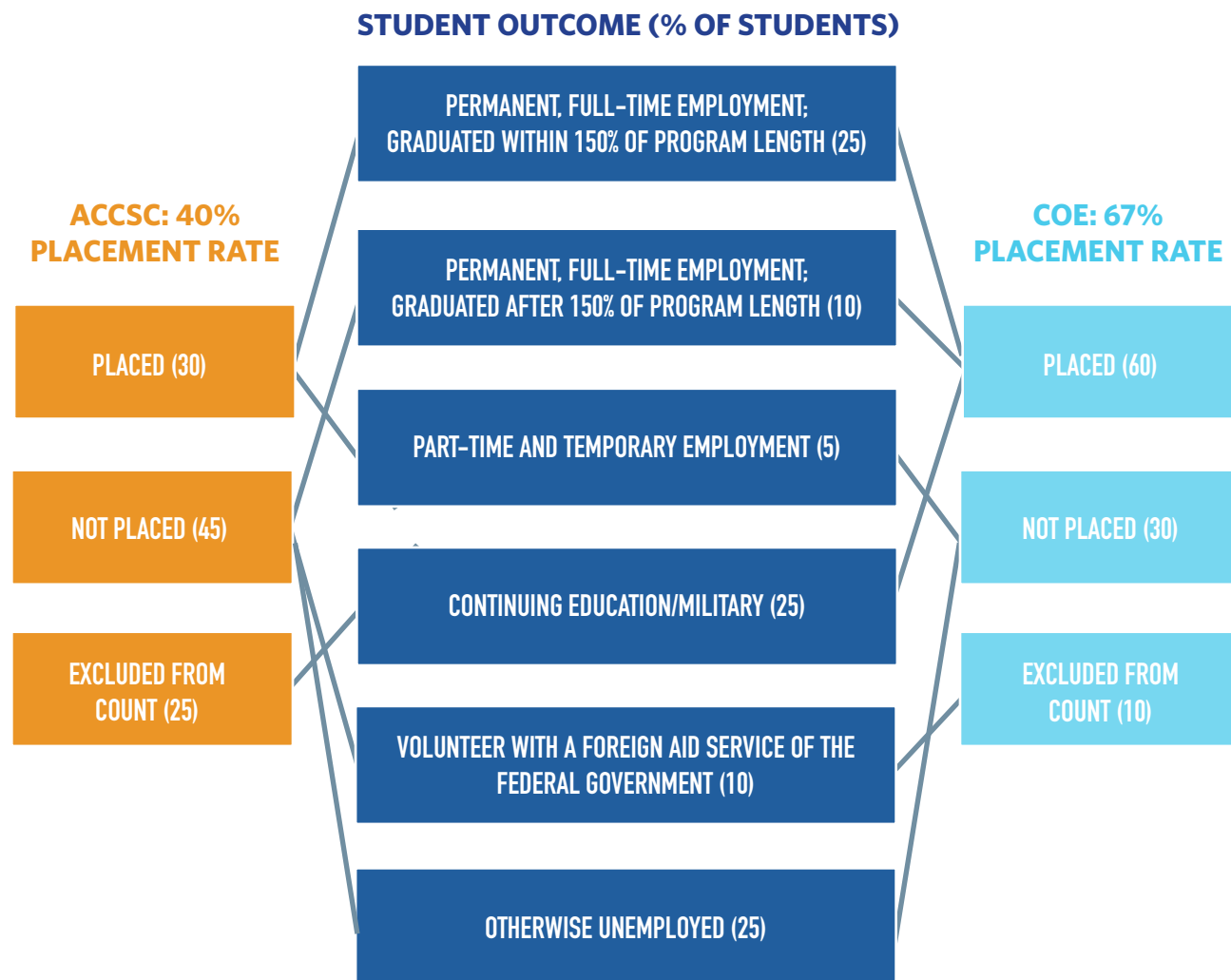
**TABLE 2: JOB PLACEMENT METRIC DEFINITIONS ACROSS NATIONAL ACCREDITING AGENCIES**

Element Needing Clarification		ACCSC <sup>25</sup>	ACCET <sup>26</sup>	ACICS <sup>27</sup>	COE <sup>28</sup>	NACCAS <sup>29</sup>
Cohort	<b>Class:</b> Are cohorts based off of starting classes or completing classes? If starting, how long after a cohort's start is job placement measured?	Students who graduated from the program within "150% of the stated program length"	Students who graduated from the program within "100% of the published length of the program"	Students who completed the program during the reporting year	Students who completed the program during the award year, including those who graduated as well as those who left before graduation for related employment	"Students scheduled to graduate from the institution during the reporting year who graduated, regardless of the exact graduation date"
	<b>Exclusions:</b> Are certain subsets of students excluded? E.g. those unable to seek employment due to continuing education, military duty, visa restrictions, incarceration, medical conditions, or death. What about those who are not seeking employment?	"Death, incarceration, active military service deployment, or the onset of a medical condition that prevents continued enrollment" as well as those "that continue on with education in an accredited institution of higher education (postsecondary) on at least a half-time basis"	Death, incarceration, active military duty, serious medical illness, or relocation out of the area as well as those who waived placement assistance	"Pregnancy, death or other health-related issues, continuing education, military service, visa restrictions, enrollment in English as a Second Language program, and incarceration"	(1) Those "unavailable for unemployment because of situations such as pregnancy, other serious health-related issues (physical/mental/behavioral), caring for ill family members, incarceration, death, etc.;" (2) graduate completers who, instead of securing traditional employment, are volunteering with a foreign aid service of the Federal government, such as the Peace Corps, or who are participating on an official church mission"; (3) those who refused employment i.e. "failed to keep interview appointments, enrolled in the program of instruction strictly for personal use, or simply refused an employment offer in the field of instruction"; OR (4) are waiting to take licensure exams or for exam results	Those deceased, with a permanent or indefinite disability, deployed for military service/duty, who studied under a student visa and are ineligible for employment in the United States, and who are continuing their education at an institution under the same ownership
Job	<b>Breadth:</b> Must graduates be employed in an occupation directly in the field for which they were trained, in a related occupation, or in any comparably or better paying occupation?	"The employment is directly related to the program from which the individual graduated [and] aligns with a majority of the educational and training objectives of the program"; may include self-employment; may include continuing employment where the program served as a catalyst for maintaining or advancing the position	"Supporting documentation, including the job description of a program graduate, must demonstrate that the placement is training-related and consistent with the vocational objectives, content, and length of the graduate's program"; if continuing or self-employment, graduates must attest that they are satisfied and making training-related income	A position in the list of SOC job titles published by the institution for which ED approved the program; primarily requiring skills listed in the institution's published program description as documented in the employer's job description; or in continuing employment where the program served as a catalyst for maintaining or advancing the position	Those (1) "employed in the field of education pursued or in a related field" which may include self-employment, (2) continuing education, OR (3) enlisted in the military	"Employed in a field for which their training prepared them (i.e., in a position within the beauty and wellness industry that directly relates to their field of training)"
	<b>Intensity:</b> Is all work counted or only full-time, full-year work? What about temporary work?	Paid	Paid; if part-time or temporary, graduates must attest that they are satisfied and making training-related income	Paid	Paid, full time, permanent	Paid, permanent
	<b>Timing:</b> How long after program completion must a graduate gain employment? Must they be employed for a certain duration?	"Employment is for a reasonable period of time...and can be considered sustainable"	Employed for 30 days within 120 days after graduation	Employment must be "intended to be continuing and sustainable"	Within a 12-month reporting period selected by the institution	By November 30 of the year following the reporting period
Data	<b>Verification:</b> How must data be verified?	(1) Written documentation from the employer or the graduate OR (2) signature of school staff attesting to verbal verification with the employer or the graduate" in non-self-employment and non-continuing-employment cases where the "school can show diligent efforts have been made to secure such written documentation without success"; require third party verification of a random sample of data	Must document "method of verification (e.g. employer signature, telephone verification with employer, telephone verification with student, email with student or employer)"	Must be verified through the Placement Verification Program which may require documentation	Must be verified by employer or, if self-employed, via tax documentation	Must document such as via surveys, telephone logs, signed self-certification, emails including documentation that the email belongs to the employer/employee, or social media screenshots
	<b>Sample Size:</b> What share of graduating students need to be included in calculations?	All	All; cohort exclusions of more than 15% "will result in adjusted waiver and placement rates and will be reviewed by the Commission"	All	All	All

Beyond footnoted sources, this table was also informed by conversations with accrediting agency staff.

As an illustration of the impact of differences in how accreditors require schools to calculate job placement rates, Figure 2 compares how the reported job placement rate of the exact same set of hypothetical students would vary between schools governed by two different national accreditors: the Accrediting Commission of Career Schools and Colleges (ACCSC) and the Council on Occupational Education (COE). The result is an astonishing 27 percent difference in job placement rates. While the school would report a placement rate of 40 percent for the hypothetical cohort of students to ACCSC, the school would report a placement rate of 67 percent to COE for the exact same set of students.

**FIGURE 2**



Finally, some career programs within institutions receive separate program-level accreditation through one of many programmatic, or specialized, accreditors that may have their own employment requirements.<sup>30</sup> These programmatic accreditors range from the Commission on Massage Therapy Accreditation to the American Bar Association. While programmatic accreditors often set higher standards for particular programs, this system creates further confusion for students as it is possible for a program to be part of a school with national accreditation but lack the relevant programmatic accreditation, leaving students who complete the program unable to land a job in their field of study.

In part because the U.S. Department of Education (ED) is explicitly prohibited from specifying, defining, or prescribing any specific standards, the definitions and requirements for reporting job placement rates are left entirely up to accrediting agencies.<sup>31</sup> One result is the tremendous amount of inconsistency between accreditors regarding the calculation and reporting requirements. A second and equally problematic issue is that job placement rates are self-reported by institutions and have proven subject to manipulation and gaming by unscrupulous schools. National accreditors have been accused of failing to adequately audit reporting of job placement rates and multiple institutions have also been forced to pay millions of dollars to settle claims that they inflated or lied about job placement rates, as further discussed below.

## **State Governments**

In addition to accreditors, states governments also approve and regulate higher education institutions that operate within their jurisdictions.<sup>32</sup> States are increasingly using employment metrics in postsecondary funding and oversight decision-making. However, like accreditors, states use widely varying definitions.

Many states have developed, or are developing, state longitudinal data systems that match reported post-secondary education data with state workforce data to calculate employment outcomes, discussed in the next section. A few states also require that certain programs meet specific job placement or completion benchmarks to receive approval to operate within their state.<sup>33</sup>

A few states actually tie a portion of state funding to employment metrics. Historically, states have allocated funds largely based on historical patterns or inputs such as enrollment, often referred to as incremental budgeting. In recent decades, however, an increasing number of states have begun including student outcomes in their calculations, referred to as outcomes-based funding (OBF). As of fiscal year 2018, half of all states award at least some amount of higher education funding via OBF, including the seven states detailed in Table 3 that specifically use some type of labor market metric for this purpose.<sup>34</sup> Other states, such as Texas, use related earnings metrics.<sup>35</sup> However, as with accrediting agencies, such measures differ across states. For instance, Florida uses a threshold earnings rate that only counts jobs that pay at least \$25,000, while Louisiana only counts those in certain occupations.

**TABLE 3: EMPLOYMENT METRIC REQUIREMENTS ACROSS STATE OUTCOMES-BASED FUNDING MODELS**

State	Institutions	Employment Rate Metric			
		Standard	Data Source	Funding	Publicly Disclosed?
Florida	State University System (4-Year) <sup>36</sup>	Percent of bachelor’s graduates continuing their education or employed and earning \$25,000 or more one year out (level and improvement)	State unemployment insurance (UI) data	1 of 10 equally weighted metrics tied to over \$500 million of OBF	x
	College System <sup>37</sup>	Percent of graduates employed or continuing education one year out (level and improvement)		1 of 4 equally weighted metrics tied to \$60 million of OBF	
Louisiana <sup>38</sup>	Publics	Number of completers in programs leading to “4 or 5 star jobs”	Not specified	1 of 10 metrics tied to 17.5% of higher education funding	
Minnesota <sup>39</sup>	State Colleges and Universities	Whether or not there was a 5 percent increase in the “related-employment rate”	Not specified	5% of higher education funding is held back until the school meets 3 of 5 goals	
Missouri <sup>40</sup>	2-Year	Total degree and certificate completers competitively employed, serving in the military, attending a two- or four-year institution, or found in state wage records following graduation (level and improvement)	Not specified	1 of 6 equally weighted metrics generally tied to the majority of new higher education funding; although metrics were tabulated, no OBF funding was allocated in FY18 and FY19	
	Technical	Job placement 180 days out (level and improvement)	Not specified		
	4-Year	Students employed full time, participating in a volunteer or service program, serving in the military, or enrolled in continuing education in the six months following graduation (level and improvement)	National Association of Colleges and Employers First Destination Survey		
New York <sup>41</sup>	City University of NY (2-Year)	Number of students who are employed following degree or certificate completion	State UI data	Not specified	
Tennessee <sup>42</sup>	Public 2-Year	The number of placeable graduates from the spring, summer, and fall terms within a calendar year who obtain employment in a related field through June 30 of the following year	Not specified	5-15% of OBF, which represents about 80% of higher education funding	x
Wisconsin <sup>43</sup>	Technical College System	The number of graduates who report they are working in jobs related to their program of study divided by the total number of respondents who are employed (both in related and non-related jobs)	Graduate follow-up survey data	1 of 10 metrics tied to over \$26 million of OBF	x

Institutions may also need to report employment metrics to states under the Carl D. Perkins Career and Technical Education Improvement Act, which provides \$1.1 billion in federal funding to career and technical programs and high schools and colleges.<sup>44</sup> Reauthorized in 2018, the Perkins Act gives state agencies the power to allocate funds to institutions according to state-defined core indicators, including the percentage of career and technical education completers who are, among other outcomes, “placed or retained in em-

ployment.” Although some parameters are specified by the federal government—for instance, employment must be assessed “during the second quarter after program completion”—others are left up to states to determine.<sup>45</sup>

While states are increasingly looking to employment metrics, particularly job placement rates, in making decisions about where to allocate both state and federal higher education resources, variation in the criteria that individual states use has led to data that cannot be compared across states.

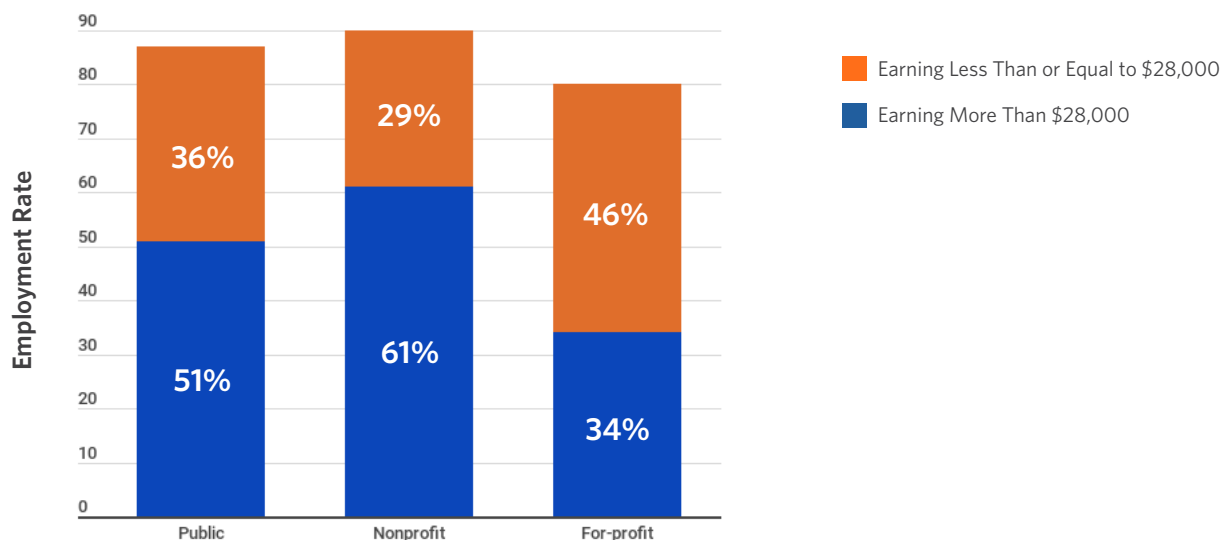
### The Federal Government

Finally, the federal government requires its own array of employment metrics across multiple federal efforts, including the College Scorecard, the gainful employment regulation, the Workforce Innovation and Opportunity Act (WIOA), and Title IV requirements for short-term programs.

The most comprehensive, easily available employment information at the federal level was the threshold earnings rate formerly available on ED’s public-facing College Scorecard tool. Together with the median earning rate, this metric provided new insights to consumers. The institution-level threshold earning rate measured the share of former students who received federal financial aid who earned at least \$28,000 six years after entering college. The income threshold was based on earnings among 25- to 34-year olds who self-reported high school as their highest level of education. Stating concerns about the utility and validity of the income threshold, ED removed the threshold earnings rate from the public facing tool in September 2018.<sup>46</sup> This eliminated a key source of easily accessible information for students and others.

ED does still make the threshold earnings rate data available for download, including eight and ten years after students entered college. It also makes available for download—but never published on the consumer-facing Scorecard tool—an overall employment rate that measures the share of student aid recipients employed and not employed six, eight, and ten years after entering college. Figure 2 shows the six-year employment rates by school level for the most recent cohort. Overall employment rates—calculated as the share of former students with any positive earnings in a given year—range between 80 and 90 percent across sectors. However, only 34 to 61 percent of students are earning more than \$28,000 six years after entry.

**FIGURE 3: SHARE OF FORMER TITLE IV STUDENTS EMPLOYED 6 YEARS AFTER ENTRY**



Data are for the pooled cohort who enrolled during the 2007-08 and 2008-09 academic years  
 DATASOURCE: College Scorecard, Department of Education (2018)

Current Scorecard data are available at the institution-level due to data availability at the time it was created; however, both the previous and current Administration stated intentions to disaggregate data by program.<sup>47</sup> Program-level data are critical to decision-making, as there is substantial program-level variation in employment outcomes.<sup>48</sup>

Similarly, ED originally used entry cohorts due to concerns about the accuracy of graduation data reported by institutions, but it has since worked to resolve these concerns.<sup>49</sup> Many students do not choose their programs until partway through their studies, making program data collected at entry less meaningful. Moreover, as students from the same entry cohort often graduate at different times, comparisons across exit cohorts are easier to understand. Finally, using exit cohorts allows for more immediate comparisons. ED began collecting information on the program students are enrolled in during the 2014-15 award year, meaning it can already compute employment outcomes for students one year after program completion, but it will not be able to compute employment outcomes for students six years after program entry until 2021.<sup>50</sup>

A second federal policy that utilizes employment metrics is the Gainful Employment regulation (GE regulation). Under the HEA, higher education programs must either lead to a degree at a public or nonprofit institution or “prepare students for gainful employment in a recognized occupation” in order to receive Title IV federal student aid funds.<sup>51</sup> In 2014, as part of its regulatory effort to define what was required to demonstrate that a school’s graduates were prepared for gainful employment, ED required schools to “report job placement rates at the program level if the institution is required by its accrediting agency or state to calculate a placement rate” as well as disclose these rates “to enrolled and prospective students.”<sup>52</sup>

The GE regulation applies to non-degree programs at any institution and all programs at for-profit institutions except certain bachelor’s degrees in liberal arts.<sup>53</sup> Under the regulation all non-degree programs at any institution and all programs at for-profit institutions that are nationally accredited (except certain bachelor’s degrees in liberal arts), must both disclose job placement rates and must provide those rates to prospective students. Notably, ED has proposed eliminating these GE disclosure requirements as early as January 2019.<sup>54</sup>

Because GE rules only require institutions to report job placement rates that they are already required to report to states and accrediting agencies, even when fully implemented, definitional and calculation inconsistencies at the state and accreditor level persist. For example, the website for a vocational nursing certificate at Brightwood College’s location in San Antonio, Texas reports that according to the state’s required calculation, 62 percent of program graduates were placed, whereas according to the accreditor’s (ACICS) required calculation only 33 percent of graduates were placed.<sup>55</sup> This discrepancy is particularly troubling given the fact ACICS lost its status as an accreditor over concerns that it failed to ensure that institutions under its control were in fact preparing students for gainful employment and accurately reporting job placement rates.

Another federal employment metric is set out in the Workforce Innovation and Opportunity Act of 2014 (WIOA). WIOA requires states to strategically align six federally-funded workforce development programs: employment and training programs for adults; employment and training programs for dislocated workers; employment and training programs for youth; employment services; adult education; and vocational rehabilitation. These programs are required to report, among other “common measures,” the share of former students employed two and four quarters after program exit.<sup>56</sup>

A final federal employment metric applies to short-term programs between 300 and 600 clock hours. For students attending these programs to receive Title IV aid, 70 percent of program completers must have held a job in their field, or a related one, for at least 13 weeks within 180 days of program completion.<sup>57</sup> Due to limitations in existing federal data, the number or share of short-term programs that elect to pursue federal loan eligibility and are thus affected by this requirement is unknown.

Overall, federal employment metrics, similar to state and accreditor metrics, fail to provide comparability. While the College Scorecard’s threshold earnings provided important new information that was comparable nationwide, the recent elimination of this information represents a step backwards.

## CURRENT EMPLOYMENT METRICS ARE NOT ACCURATE, COMPREHENSIVE, AND VERIFIABLE

Beyond comparability challenges across accrediting, state, and federal agency requirements, the accurate collection and verification of employment metrics—and job placement rates in particular—remains a serious concern. In addition to being consistently defined across programs and schools, employment metrics must be verifiable and accurate to be useful. When employment metrics are inaccurate, they not only fail to help students but can cause substantial harm by misinforming students drowning out other, more accurate metrics; and ultimately influencing students to invest in and devote time to a program on the premise that their odds of employment are much higher than they actually are.

As summarized in Table 4, employment metrics can be collected and verified using one of three main methods—institutional surveys, a state data match, and a federal data match—each of which has its own strengths and weaknesses when it comes to the accuracy and verifiability.

TABLE 4 : DATA COLLECTION OPTIONS			
Option	Mechanism	Strengths	Weaknesses
<b>Institutional</b>	Query students for documentation potentially including survey responses, business directory listings, websites, business cards, written statements from the student’s employer, state and federal income tax forms, evidence of Social Security payments, etc.	<ul style="list-style-type: none"> <li>- Flexible data collection capabilities including variables collected and frequency of data collection</li> <li>- Can collect data on all students, regardless of whether they move states after attending school</li> </ul>	<ul style="list-style-type: none"> <li>- Weak enforcement and verification, creating high potential for incorrect data, misrepresentation, and fraud</li> <li>- Low student response rate</li> <li>- Greater administrative and financial costs for institutions</li> </ul>
<b>State</b>	State longitudinal systems that link postsecondary and UI system workforce data	<ul style="list-style-type: none"> <li>- Data is collected quarterly</li> <li>- Lower administrative and financial costs for institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Do not always include students who move out of state, work out of state, or are ineligible for state UI</li> <li>- Most do not include all schools in the state</li> <li>- Most do not track occupations</li> <li>- Only keep only a few years of historical data</li> </ul>
<b>Federal</b>	Federal system that links postsecondary and federal workforce data (e.g. LEHD, NDNH, SSA, or IRS data)	<ul style="list-style-type: none"> <li>- Lower administrative and financial costs for institutions</li> <li>- Can collect data on all students, regardless of whether they move states after attending school</li> <li>- Potentially decades of historical data</li> </ul>	<ul style="list-style-type: none"> <li>- Currently limited only to students who borrow to attend college</li> <li>- Does not comprehensively record employment intensity, occupation, and many variables needed to calculate cohort exclusions</li> <li>- Data is only collected annually, making it difficult to determine employment timing</li> </ul>

## Strengths and Weaknesses of Institutional Collection of Employment Metrics

The first way to calculate employment metrics is for institutions to directly survey their alumni, and possibly verifying information via business directory listings, websites, business cards, or some other method. Many institutions use such methods to comply with national accrediting agency requirements. However, surveys generate large administrative and financial costs to institutions. One 2004 study on WIOA evaluations found follow-up surveys cost approximately \$13.25 per participant compared to only \$0.05 per participant via automated data-matching.<sup>58</sup>

Moreover, surveys have a large potential for deliberately or intentionally inaccurate or misleading data. Unscientific alumni surveys may exhibit reporting bias, underscoring the importance of getting good response rates or testing for nonresponse bias. For instance, employed individuals may be more likely to respond.<sup>59</sup>

Some institutions that are required to report employment metrics and meet certain thresholds may also mischaracterize employment rates given limited resources or perverse incentives. While some private sector companies offer third party placement rate verification for institutions, it is unclear how expensive or effective these services are.<sup>60</sup>

In recent years, job placement rates have become notorious for being inaccurate or misleading. In 2012 an ED working group concluded that “state and federal investigations have found that several institutions have provided false job placement rates to consumers, presumably to persuade consumers to enroll in the program.”<sup>61</sup> And in the 2014 GE regulation, ED noted that “several state Attorneys General have sued for-profit institutions to stop...fraudulent marketing practices, including manipulation of job placement rates.”<sup>62</sup>

For example, in 2013, Career Education Corporation (CEC), a large for-profit education company that operated multiple different online and campus-based colleges and enrolled over 100,000 students, agreed to pay \$10.25 million in a settlement with the New York State Attorney General following allegations that it routinely and systematically inflated job placement rates. The school was accused of counting work at one-time, one-day health fairs, some of which were held at the request of the school, as employment and counting retail sales jobs as in-field placements for graduates of criminal justice programs.<sup>63</sup> At the CEC-owned California Culinary Academy in San Francisco, “former students alleged that the college’s admissions representatives and catalog boasted a job placement rate of 97 percent, but that the college did not tell applicants that the statistics included graduates working as baristas, prep cooks, line cooks and waiters, jobs for which no degree was necessary.”<sup>64</sup>

In a separate matter, ED found that Corinthian Colleges, Inc.’s Heald College engaged in widespread misleading and deceptive conduct in reporting placement rates, including paying temporary agencies to hire its graduates to work at short-term, temporary jobs at its own campuses and counting these graduates as placed. The company also counted placements that were clearly not within the student’s field and counted as placed graduates whose employment began prior to the graduate’s attendance at Heald.<sup>65</sup>

Similarly, DeVry, Inc. claimed that 90 percent of graduates actively seeking employment found jobs in their field within six months of graduation and that their graduates’ incomes one year after graduation were 15 percent higher than those of graduates from other colleges or universities. An investigation by the Federal Trade Commission (FTC) found these claims were misleading and obtained a settlement of \$100 million.<sup>66</sup> The FTC also alleged that DeVry made false claims about graduates it counted as placed in the field of study. These included “a graduate from the technical management degree program working as a mail carrier”, “a business administration graduate working as a waiter at the Cheesecake Factory”, “a business administration graduate working as a secretary at a prison”, and “a technical management graduate working as a sales associate at Macy’s.”<sup>67</sup>



Table 5 documents investigations of a dozen for-profit colleges nationwide that resulted in millions of dollars paid by colleges to settle cases involving allegations that they deceived and mislead prospective students about job placement rates.

<b>TABLE 5: EXAMPLES OF SETTLEMENTS RELATED TO MISLEADING OR FALSIFIED JOB PLACEMENT RATES<sup>68</sup></b>			
<b>Year</b>	<b>School</b>	<b>Settlement Amount</b>	<b>Allegations Related to Job Placement</b>
2009	Alta Colleges (Westwood College) <sup>69</sup>	\$7 million	Misrepresented compliance on job placement reporting requirements to the state
2012	Alta Colleges (Westwood College) <sup>70</sup>	\$4.5 million	Misrepresented job placement to the public by counting freelance jobs that only lasted a few days as employment
2013	Career Education Corporation (Le Cordon Bleu, Brown Mackie, Colorado Technical University, American Intercontinental University) <sup>71</sup>	\$10.25 million	Misrepresented job placement to the public by (i) counting work at single one-day health fairs, some of which were held at the request of the school, as employment and (ii) counting retail sales jobs as in-field placements for graduates of criminal justice programs, among other improper methods. Disclosed rates of 55-80% when actual rates were 24-64%.
	ATI Enterprises <sup>72</sup>	\$3.7 million	Fraudulently maintained Title IV eligibility by misrepresenting job placement rates.
	Sullivan and Cogliano Training Centers <sup>73</sup>	\$425,000	Misrepresented job placement to the public by counting jobs in fast food and big box stores as in-field placements for a program that trains for work in medical offices. Disclosed rates of 70-100%, when actual rates were less than 25%.
2014	Education Management Corporation, Inc. (Art Institutes, South University, Argosy University, and Brown-Mackie College) <sup>74</sup>	\$4.4 million	Misrepresented job placement to the public: among other improper methods, they "(i) falsely represented the existence of a job with an employer despite evidence the student was not so employed; (ii) falsified job titles; (iii) counted jobs that were not in the students' field of study; (iv) counted short-term jobs as permanent...(vi) used incorrect verification forms and (vii) counted jobs graduates held before graduating from, or even enrolling in, NEIA". Disclosed rates of 89-98%, when actual rates were 26-60%.
	Premier Education Group (Salter College) <sup>75</sup>	\$3.75 million	Misrepresented job placement to the public by characterizing temporary jobs, part-time jobs, and jobs outside the field of study as full-time in-field employment.
2015	Education Affiliates <sup>76</sup>	\$13 million	Misrepresented job placement to the public.
	Lincoln Education Services Corporation (Lincoln Technical Institute) <sup>77</sup>	\$1 million	Misrepresented job placement to the public by characterizing temporary jobs, part-time jobs, and general retail jobs as in-field placement for graduates of a criminal justice program.
2015-16	Corinthian Colleges, Inc. (Everest and Heald) <sup>78</sup>	\$1.1+ billion	Misrepresented job placement to the public and accrediting agencies and failed to comply with applicable state and federal regulations and accreditor standards. Disclosed rates were up to 85 percentage points higher than actual rates.
2016	DeVry Education Group (Now Adtalem Global Education, Inc.) <sup>79</sup>	\$100 million	Misrepresented job placement to the public, such as by characterizing jobs as in-field when they were not and excluding some students actively seeking employment from their cohort.
2017	Flatiron School <sup>80</sup>	\$375,000	Misrepresented job placement to the public by characterizing apprentices, contract workers, and self-employed freelance workers, some of which were employed for less than 12 weeks, as employed.

## Strengths and Weaknesses of State Level Reporting of Employment Metrics

A second method to accurately collect and verify employment data is through a state data match in states with sufficiently robust data systems. State and federal data matches rely on administrative data, which is collected by governmental agencies to administer specific programs. Under a state data match, state postsecondary data is linked with state workforce data, often through a state longitudinal data system (SLDS). These workforce data are generally from state unemployment insurance (UI) records, which are collected quarterly from employers and include wage and industry information that is not available through federal data.

The Educational Technical Assistance Act of 2002 was created to award states grants of up to \$20 million to build SLDSs, and has been called the “single biggest driver” in state data system development over the past 10 years.<sup>81</sup> A 2018 survey conducted by State Higher Education Executive Officers (SHEEO) found that 35 states specifically link postsecondary and workforce data while another seven are planning a linkage.<sup>82</sup> Similarly, a 2016 survey of state agencies by the Workforce Data Quality Campaign found that 28 states report specifically matching state UI data with student data to calculate employment metrics.<sup>83</sup> Moreover, most states take the additional step of disaggregating matched data to calculate the wages of graduates of each program. However, the Trump Administration’s Fiscal Year 2019 budget proposed eliminating the program, which is currently funded at about \$32 million annually.

State data matches face their own weaknesses. Many states do not currently include data on private schools. Indeed, only nine states currently have SLDSs with program-level employment outcomes for all institutions, as detailed in Table 6.<sup>84</sup> Additionally, state UI systems generally maintain fewer years of historical data than federal workforce datasets. Although some keep data for over 10 years, others keep data for as little as three years.<sup>85</sup>

State UI systems also do not continue to track graduates who move out of state; work in a state different from where they live; or are ineligible for state UI, such as those who are self-employed, federal employees, or in the military.<sup>86</sup> These limitations are significant given that over 2.5 million employed Americans moved from one state to another between 2016 and 2017 alone,<sup>87</sup> and another estimated 5 million Americans commuted out of state in 2011.<sup>88</sup> Overall, up to 18 percent of the civilian labor force alone was not employed in UI-eligible jobs as of 2010.<sup>89</sup> Discounting such individuals is particularly problematic as research finds that educational outcomes and interstate mobility are correlated, and those with more education may be more likely to move between states. Thus, only counting former students who stayed in state may underestimate employment metrics.<sup>90</sup>

Many SLDSs do not include useful variables such as occupation, credential completion date, employment status by quarter, or employment intensity, which may be necessary for computing certain definitions of employment. For instance, state UI agencies tend to collect industry data (e.g., North American Industry Classification System or NAICS codes) and not occupation data (e.g., Standard Occupational Classification or SOC codes). Although industry and occupation often align, many occupations are spread across industries, such as those in computer science. Similarly, only eight states collect hours or weeks worked through their UI systems, and only five include hours worked in their longitudinal data systems.

One of the most critical ways in which state systems could help to improve the accuracy and verifiability of job placement rates is through the increased use of SOCs as part a state’s UI wage records. The GE regulation requires that all covered programs must provide ED a list of “occupations that the program prepares students to enter if the student completes this program of study,” as well as the SOC codes associated with each of these occupations.<sup>91</sup> Thus, state SOC data could be used to compute the number of program graduates employed and earning wages in occupations for which they were trained and thus creating a new means of verifying job placement rates. Currently only Nevada, North Dakota, Oklahoma, and Virginia include occupational codes in their SLDSs. However, these states generally collect these data through

burdensome means such as surveys. Alaska and Louisiana are currently collecting occupation codes as part of their UI wage records. While neither includes these in their SLDSs, the DOL's Bureau of Labor Statistics is also currently conducting a data-sharing pilot program that will analyze the utility of Alaska and Louisiana's expanded records.<sup>92</sup>

Federal and state pilots may enable the measured expansion of state UI systems. While experts recently concluded that states and employers are not currently prepared to add variables to UI wage records nationwide, in fact approximately half of all states report they are adding, or have the capacity to add, variables to their UI records. Increased federal and state investments would facilitate and speed such development.

**TABLE 6: DATA ELEMENTS COLLECTED BY STATE LONGITUDINAL DATA SYSTEMS<sup>93</sup>**

State	Data System	Types of Institutions Covered				Postsecondary Data				Labor				
		4-Year Public	2-Year Public	Private, Nonprofit	Private, For-Profit	SSN	Degree or Certificate Awarded	Date Awarded	Program/Major	Wages Earned	Hours Worked	Quarter Employed	Year Employed	SOC Code
Alabama		x	x	x			x	x	x					
Alaska		x				x	x	x	x					
Arizona		x	x			x	x	x	x	x		x	x	
Arkansas		x	x	x		x	x	x	x					
California	CCC		x			x	x	x	x	x		x	x	
	CSU	x				x	x	x	x	x		x	x	x
	UC*	x				x	x	x	x	x		x	x	
Colorado		x	x	x	x	x	x	x	x	x	x	x	x	x
Connecticut		x	x	x		x	x	x	x	x		x	x	
Delaware														
Florida	Division of Colleges	x	x			x	x	x	x	x		x	x	x
	DOE*	x	x			x	x	x	x	x	x	x	x	x
	BOG*	x				x	x	x	x	x				
Georgia		x				x	x	x	x	x		x	x	
Hawaii		x	x			x	x	x	x	x		x	x	
Idaho		x	x				x	x	x	x		x	x	
Illinois		x		x	x	x	x	x	x	x		x	x	
Indiana		x	x			x	x	x	x	x			x	
Iowa	BOR	x	x				x	x	x	x		x	x	
	DOE		x							x		x	x	x
Kansas		x	x			x	x	x	x	x		x	x	
Kentucky		x	x	x		x	x	x	x	x		x	x	
Louisiana		x	x			x	x	x	x	x		x	x	
Maine		x				x	x	x	x	x				
Maryland		x	x	x		x	x	x	x					
Massachusetts		x	x	x	x	x	x	x	x	x		x	x	
Michigan			x											
Minnesota	MNST	x	x			x	x	x	x	x			x	
	MOHE	x	x	x	x	x	x	x	x	x	x	x	x	
Mississippi		x				x	x	x	x					
Missouri		x	x	x	x	x	x	x	x	x		x	x	
Montana		x	x			x	x	x	x	x		x	x	
Nebraska		x	x				x	x	x					
Nevada		x	x			x	x	x	x	x		x	x	x
New Hampshire	CC		x				x		x					
	DOE	x	x											
New Jersey		x	x	x	x	x	x	x	x					
New Mexico		x	x	x	x	x	x		x					
New York	CUNY	x	x			x	x	x	x	x		x	x	
	NYSED*	x	x				x	x	x					
	SUNY	x	x			x	x	x	x					
North Carolina	CC*		x			x	x	x	x	x		x	x	
	UNC	x				x	x	x	x	x		x	x	
North Dakota		x	x			x	x	x	x	x		x	x	x

**TABLE 6: DATA ELEMENTS COLLECTED BY STATE LONGITUDINAL DATA SYSTEMS<sup>93</sup>**

State	Data System	Types of Institutions Covered				Postsecondary Data				Labor				
		4-Year Public	2-Year Public	Private, Nonprofit	Private, For-Profit	SSN	Degree or Certificate Awarded	Date Awarded	Program/Major	Wages Earned	Hours Worked	Quarter Employed	Year Employed	SOC Code
Ohio		x	x	x	x	x	x	x	x	x		x	x	
Oklahoma		x	x	x		x	x	x	x	x		x	x	x
Oregon		x	x		x	x	x	x	x					
Pennsylvania*							x	x	x					
Rhode Island		x	x			x	x	x	x	x		x	x	
South Carolina		x	x	x	x	x	x	x						
South Dakota		x					x	x	x	x		x	x	
Tennessee		x	x	x	x	x	x	x	x	x	x	x	x	
Texas		x	x	x	x		x	x	x	x		x	x	
Utah		x	x			x	x	x	x	x		x	x	
Vermont	VCS	x	x			x	x	x	x					
	UVM*	x	x				x	x	x					
Virginia	SCHEV	x	x	x		x	x	x	x	x		x	x	x
	CC		x							x		x	x	x
Washington	OFM	x				x	x	x	x	x	x	x	x	
	SBTC*	x	x			x	x	x	x	x	x	x	x	
	WSAC	x	x			x				x	x	x	x	
West Virginia		x	x			x	x	x	x	x	x	x	x	
Wisconsin		x	x			x	x	x	x					
Wyoming	CC*		x			x	x	x	x	x		x	x	
	UWYO*	x				x	x	x	x					
Number of States		47	42	18	12	40	48	46	47	34	5	32	33	8

As described in Table 7, several initiatives have attempted to bridge such gaps in state databases, but holes remain. The DOL operates the Wage Record Interchange System (WRIS) and similar WRIS2, which facilitate wage record data-sharing between states. However, only state agencies operating WIOA programs may use the system, these data may only be used for performance reporting if this reporting is mandated by law, data are limited to just a few variables and just the past two years of information, and seven states do not participate in WRIS2.<sup>94</sup> Some states have also joined regional data-sharing agreements, such as the Western Interstate Commission for Higher Education Multistate Longitudinal Data Exchange (WICHE MLDE) supported by the Bill & Melinda Gates Foundation. WICHE MLDE is currently being expanded from four states to ten states, but it remains far from nationwide.<sup>95</sup>

Beyond interstate systems, 43 states and the District of Columbia participate in DOL's Federal Employment Data Exchange System, which connects state agencies with Department of Defense (DoD) and Office of Personnel Management (OPM) data on federal and military employees, enabling the inclusion of these cohorts of employees in state UI datasets.<sup>96</sup> However, this system is currently suspended, as DOL "reassesses the feasibility" of the system.<sup>97</sup>

Finally, most states submit state UI data to two federal datasets. First, states submit data to the U.S. Department of Commerce Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) systems.<sup>98</sup> LEHD combines state UI data with federal census, survey and administrative data to analyze employment and is a promising tool for improving labor market data. The University of Texas System recently partnered with LEHD to publicly provide comprehensive program-level employment outcomes on its graduates.<sup>99</sup> LEHD will also soon be releasing employment outcomes for certain institutions, such as public colleges in Texas and Colorado.<sup>100</sup> Similarly, states provide data to the U.S. Department of Health and Human Services' National Directory of New Hires (NDNH), which combines various datasets to assist state child support agencies in locating parents and enforcing child support orders.<sup>101</sup> However, currently both LEHD and NDNH strictly limit data usage and sharing agreements must be individually negotiated.<sup>102</sup>

There are many ways the federal and state governments can close data gaps among systems that facilitate secure data-sharing across state UI systems and between these systems and federal datasets. States can opt into regional data-sharing agreements for WRIS data. The federal government can use WIOA regulations to allow education agencies to use WRIS and WRIS2. It can also build processes whereby states and institutions can access linked federal datasets, such as the University of Texas and LEHD partnership. Similarly, previously introduced legislation would allow specified federal agencies and their designees to use NDNH data for research associated with assessing positive labor market outcomes.<sup>103</sup>

**TABLE 7: SYSTEMS THAT AUGMENT STATE UI SYSTEMS<sup>104</sup>**

<b>System</b>	<b>Mechanism</b>	<b>Additional Scope</b>	<b>Industry Codes?</b>	<b>Data Availability</b>
Wage Record Interchange System (WRIS and WRIS2)	DOL facilitates data exchange between state UI systems	UI-eligible workers in 39 states, DC, and Puerto Rico (WRIS2) and nationwide (WRIS)	Y	Exchanges data for past 2 years
Regional Data-Sharing Systems e.g. WICHE MLDE	States facilitate data exchanges between their UI systems	Currently 4 states (WICHE MLDE)	Y	Specific cohorts
Federal Employment Data Exchange System (FEDES)	DOL facilitates data exchange between state UI systems, DOD, and OPM	Federal and military employees, except US Postal Service workers, in 43 states and DC	N	Exchanges data for past 2 years
National Directory of New Hires (NDNH)	OCSE combines state UI data with federal data to assist state child support agencies	Federal and military employees nationwide	N	2 years
Longitudinal Employer-Household Dynamics (LEHD)	Census combines state UI data with federal census, survey, and administrative data	Civilian federal and self-employed employees nationwide	Y	Over a decade, continually augmented

Overall, serious gaps remain in state UI records and SLDSs. However, with additional investments to address the inclusion of new cohorts, addition of SOC codes, and gaps in data sharing between states and between states and the federal government, these databases offer promising opportunities to improve the accuracy, verifiability, and accessibility of employment data.

### Strengths and Weaknesses of Federal Level Reporting of Employment Metrics

A third employment data collection option is a federal data match, whereby federal postsecondary data is linked to federal workforce data, most likely from LEHD, NDNH, the Social Security Administration (SSA), or the U.S. Department of Treasury Internal Revenue Service (IRS). A federal student-level data network could further streamline a federal data match by facilitating secure data agreements across agencies.

The SSA collects data for tax records on employees from businesses through the W-2, while the IRS collects data on self-employed individuals through Form 1040. SSA and IRS data are shared between the two agencies: these agencies' relative analytic capacity has impacted which agency has participated in past data matches with ED.<sup>105</sup> For instance; institutions calculate GE-mandated debt-to-earnings ratios by providing a list of program completers to the SSA to be matched with wage data.<sup>106</sup> Meanwhile, the College Scorecard uses federal education and workforce data matched by the Treasury. However, federal SSA and IRS data are only collected annually and do not record employment intensity, occupation, and a number of other variables needed to calculate cohort exclusions, making it difficult to determine employment timing.

## CURRENT EMPLOYMENT METRICS ARE NOT SUFFICIENTLY ACCESSIBLE OR TRANSPARENT

Even if they were comparable and accurate, employment metrics cannot influence student decisions unless they are transparent and easy to access. To meet their potential, employment metrics must be easily accessible on a public platform and prominently disclosed by colleges.

Research on public disclosures finds that in order to be useful, there must be widespread and consistent compliance in disclosing required information, without posing an undue burden on the discloser. Additionally, disclosures must be featured prominently in material and appear useful and relevant to readers; be clear and understandable, and avoid overwhelming consumers with information; be presented when consumers are acting or be memorable; and facilitate action, such as by guiding consumers on how to use disclosed information.<sup>107</sup> Consumer testing and standardized guidance—as done by the U.S. Food and Drug Administration for nutrition labels—can help achieve these goals.<sup>108</sup>

Currently many states and accrediting agencies that require institutions to report employment metrics do not require them to publicly disclose these metrics. The GE rule requires that institutions publicly disclose job placement rates for career education programs, ED has proposed eliminating it.

One way such requirements can be met is by publishing employment metrics on a central public platform, such the College Scorecard. States with outcomes-based funding typically publish institution-level outcomes and resulting funding, and some have more robust consumer reporting systems such as the Florida Education & Training Placement Information Program.<sup>109</sup> Today, 23 states report publishing their own college scorecards for students and workers, and some states and accrediting agencies also create centralized databases of job placement disclosures.<sup>110</sup> However, because the information has been removed from the federal Scorecard, there is currently no single platform that provides this information in a usable format.

Only when requirements for the disclosure of this information by institutions at the national level are carefully written and enforced, are they fully useful. Currently, required disclosures are often buried or are disclosed in ways that are easy to overlook, vague, or not fully accurate. For instance, a 2011 survey of disclosures required by HEA at 152 public and private four-year schools found that at least 17 percent of schools were not in compliance with job placement disclosure requirements. Although half of surveyed institutions collected all disclosures on a single, standard page, these pages “were rarely accessible directly from the college’s homepage.” The other half had no central page, making the information even less accessible. Moreover, some schools only posted anecdotal success stories or the share of students who intend to obtain—but not necessarily follow through in obtaining—a job.<sup>111</sup>

Some states attempted to address this problem by creating statewide databases of GE disclosures. For instance, the Texas Higher Education Coordinating Board publishes GE data on its Texas Higher Education Data portal.<sup>112</sup> And some accrediting agencies include links to disclosures in their directories of institutions.<sup>113</sup> However, such systems are exceptions and not the norm.

Overall, the public does not have consistent access to clear and accurate employment metrics. Systematic changes are needed to empower students and others to make better decisions.

## EMPLOYMENT METRICS CAN PROVIDE KEY INFORMATION

Although students and their families consider many factors when deciding whether and where to attend college, they consistently rank future employment outcomes as among the most important. A 2016 survey of incoming freshmen at four-year colleges found that 84 percent identified the ability to get a better job as a very important factor in their decision to attend college, a larger share than for any other factor cited.<sup>114</sup> Similarly, 41 percent of American adults believe the most important factor in choosing between colleges or universities is the share of graduates who are able to get a good job.<sup>115</sup> Beyond students and families, other decision-makers need to be able to evaluate and compare colleges and programs when deciding where to allocate limited higher education resources.

No single metric is perfect, and employment metrics are no exception. Employment metrics do not capture the intangible benefits of learning, life enrichment, and civic engagement that are often important goals of



postsecondary education. Moreover, some students may not enroll in higher education for economic reasons at all. In such cases, employment metrics are not an accurate way to measure whether these students reach their goals.

Additionally, like many metrics, employment metrics do not capture the added value a higher education program provides, but rather the overall success of its former students. Employment metrics are influenced by a number of variables other than the performance of the college. Similarly, employment metrics do not measure whether or not a program “pays-off” or provides a positive return on investment, like other metrics that incorporate the costs of higher education or compare a student’s earnings before and after enrollment. Additionally, some credentials that may lack direct labor market value are a stepping stone to additional degrees that do carry labor market value. For example, an associate’s degree in liberal arts or transfer studies may lead to lower returns in the workforce than other credentials, but can increase the likelihood of completing a bachelor’s degree with substantial economic value.<sup>116</sup>

Also, as with any data, information alone is not always sufficient to alter behavior. Choices about where to attend college are sometimes limited by proximity: a recent study found that one third of Americans do not live within 50 miles of a public college.<sup>117</sup>

Finally, specific employment metrics may have additional drawbacks. Job placement rates may only make sense for programs that prepare students for certain occupations. Threshold earnings measures have their own drawbacks. Because cost of living ranges so dramatically across the country and between urban and rural locations, economic outcomes in one part of the country may not represent the same level of success that they might in another part of the country.<sup>118</sup> Additionally, the threshold earnings rates risks disincentivizing students from certain fields such as early childhood education or nursing assistant programs which may offer substantial income increases for students and value to society, but may not meet or exceed a fixed income threshold.

Nonetheless, employment metrics can provide key insights that complement other common labor market metrics and help fill existing information gaps. Unlike earnings metrics—such as mean or median earnings, the difference in earnings before or after enrollment, or returns on investment—employment metrics measure the share of students meeting a basic threshold of success. Additionally, unlike student loan metrics—such as repayment or cohort default rates—employment metrics are not necessarily limited to those who borrow federal student loans. Furthermore, as employment increases the chance of successful student loan repayment, employment metrics can be an early and good predictor of student loan repayment outcomes.<sup>119</sup>

Overall, employment metrics that are clear, accurate, and transparent have the potential to help students, families, policymakers, and other stakeholders make more informed decisions about where and when to invest time and resources in higher education. But in order to provide this benefit, the employment metrics must be consistently defined, collected and verified in a comprehensive and trustworthy manner, and easily accessible by students and other decision-makers. Students are relying on colleges, accreditors, and state and federal policymakers making this a reality.

## RECOMMENDATIONS

Current employment metrics can and should be made more consistent, accurate, and accessible. In particular, both job placement rates and threshold earnings rates have tremendous potential to help students, policymakers, and others understand the share of students succeeding at various programs, yet neither employment metric can currently be used for this purpose. In order to maximize the potential of both metrics, several policy changes should be undertaken.

## Job Placement Rates

First, more accurate and comparable job placement rates are a critical tool when considering programs geared toward preparing students for a specific occupation. Such rates can tell students and others how often students from a program secure jobs in the specific occupation. But current job placement rate definitions vary wildly across accrediting agencies, state, and federal regulators, including which students are counted in the placement rates, how long they must be employed, how much they must work and what occupations are within the field of study of the program.

In order to establish a standardized, robust, and consistent definition for job placement rates across the triad, Congress should authorize ED to set standards for accreditors. The HEA currently places restrictions on the ability of the federal government to set such standards. Only if the federal government is able to take the lead in bringing state and accrediting bodies together to establish consistent criteria, is it likely that a standardized job placement definition can be established. Some accreditors additionally establish benchmarks for job placement rates to evaluate specific institutions, and should continue to do so for that purpose.

Establishing a robust and consistent definition of job placement rates makes important strides towards allowing job placement rates to be verified. Table 8 at the end of this section lays out one such rate. The GE regulation required that all career and technical programs must establish a list of “occupations that the program prepares students to enter if the student completes this program of study,” as well as the SOC codes associated with each of these occupations.<sup>120</sup> By correlating programs with matching codes in state UI databases it will become increasingly possible to provide verified job placement rates that demonstrate if a student is employed in occupations for which they were trained by matching the students’ occupation codes and programs. While just two states are currently matching occupation codes and an additional four states collect the SOC codes, these investments have the potential to dramatically improve the quality of information available to students and policymakers.

Additional improvements to state databases are also critical to improving job placement rates. States are increasingly matching information between records of students who attend colleges in the states with the wage information in state UI databases. However, state database matching systems can still be dramatically improved including adding variables necessary for the calculation of accurate job placement rates — not just occupation codes — but also program information, program completion date, employment status by quarter, employment intensity, and occupation. States should also continue to address gaps in state data systems by incorporating more students, including those not attending a state’s public colleges. Similarly, states have the ability to calculate wage information not just on an annual but on a quarterly basis. Finally, states should continue to work towards limiting restrictions on the sharing of this data between states, and between states and the federal government. Increased funding can help in this goal.

Experts have called the Educational Technical Assistance Act of 2002, a program that awards states grants of up to \$20 million to build their longitudinal data systems, the “single biggest driver” in state data system development over the past 10 years.<sup>121</sup> However, the Trump Administration’s Fiscal Year 2019 budget proposed eliminating the program, which is currently funded at about \$32 million. Only by further investing in this program, is it possible to ensure that state data systems continue to develop tools to better calculate employment metrics including job placement rates. Investments by both the federal government and by individual states can substantially reduce reliance on job placement rates reported by institution and eventually allow for directly matching education and workforce data to determine rates of employment.

Finally, comparable and accurate job placement rates are of little use if they are not easily accessible. The GE regulation mandated the use of a standardized disclosure template to ensure that information regarding job placement rates was provided online and individually in a manner that was clear and understandable to prospective students.<sup>122</sup> However, ED has proposed eliminating job placement rates from the GE disclosure template as early as January 2019.<sup>123</sup> While many accreditors separately require some level of disclosure of

job placement rates to students, ED should restore the GE job placement rate disclosures, while also improving enforcement and accessibility to ensure that consistent information is provided in an accessible and transparent manner.

To improve job placement rates we recommend that the federal government take the lead in creating standardized, verifiable job placement rates for use by accrediting agencies, state and federal regulators for career education programs by:

- a. Adopting a specific, standardized robust definition of job placement for use by federal, state, and accrediting agencies;
- b. Building state data system capabilities to improve the calculation and verification of job placement rates through state data matches; and
- c. Maintaining and improving job placement rate disclosures.

### **Threshold Earnings Rate**

While job placement rates must be maintained and improved by moving towards state verification, job placement rates are most helpful in determining the share of students succeeding in career programs. Ideally, students and others would have access to a metric that enables them to easily make meaningful comparisons of student success across all degree programs in higher education nationwide.

The best way to calculate a threshold earnings rate for individual programs is by matching graduates' data with wage information at the federal level. However, to create such a comprehensive, comparable, and transparent threshold earnings rate requires the policy changes detailed below.

Perhaps most critically, in order to facilitate a more complete, efficient, and accurate calculation of nationally comparable program-level employment metrics, Congress should authorize the creation of a secure federal student-level data network (SLDN), as proposed in the College Transparency Act.<sup>124</sup> The HEA currently prohibits ED from developing and maintaining a comprehensive student-level postsecondary education data infrastructure. A federal SLDN would substantially improve existing information, regarding the earnings rates of students, by including the more than 25 percent of students who are not currently captured because they receive no student loans or grants.<sup>125</sup> An SLDN would also empower federal agencies to systematically compute nationally comparable metrics on scale without relying on institutions to report large quantities of data. It would allow for the easy disaggregation of data by completion status and student characteristics and would facilitate transparency and research, while ensuring the underlying student-level data remains securely protected.

More immediately, ED should restore the threshold wage earnings rates for institutions to the College Scorecard, the public facing accessible platform created in 2015. This rate is detailed in Table 8. In September 2018, ED removed this information from the College Scorecard (although it is still currently available through the College Scorecard dataset available to researchers). This information is critical to help prospective students understand not just how much students attending a school could earn, but also how many students were (and were not) earning above the threshold. While important existing information might demonstrate that graduates were earning a median amount of \$50,000 a year, a threshold earnings rate can provide the additional context that perhaps only 60 percent of those graduates were earning more than \$28,000.

While Scorecard data are valuable on an institution by institution basis, it is more valuable when provided for each program offered by a school. For example, the threshold earnings rates might look very different for a program in political science than for one in computer science, and an institutional level measure is impacted by these differences. Although its inclusion is a stated goal of both the current and former

Administrations, program-level data are still not available via the College Scorecard.<sup>126</sup> These data are critical to decision-making, as there is substantial program-level variation in employment outcomes, and should be made available both on the public facing College Scorecard and the downloadable College Scorecard dataset.<sup>127</sup>

Additionally, while creation of an SLDN would make the existing data sharing agreements to calculate threshold earnings more complete and less complicated, the federal government should also explore additional data sharing agreements in order to enhance the information available, including capturing state level data.

Ultimately, to improve threshold earnings rates we recommend that the federal government create and publish a nationally comparable, program-level threshold earnings rate through a federal data match by:

- a. Restoring important information regarding the wages earned by graduates above a certain threshold to the public facing College Scorecard tool;
- b. Reporting College Scorecard employment metrics by program; and
- c. Authorizing a federal student-level data network to improve the calculation of federal employment metrics.

**TABLE 8: EMPLOYMENT METRIC RECOMMENDATIONS**

	<b>Element Needing Clarification</b>	<b>Threshold Earnings Rate*</b>	<b>Standardized Job Placement Rate**</b>
	<b>Scope:</b> Should this rate be calculated at the institution- or program level? What institutions or programs should this rate be calculated for?	All institutions eligible for federal financial aid. Eventually shift to all such programs.	All career education programs.
<b>Cohort</b>	<b>Class:</b> Are cohorts based on starting classes or completing classes? If starting, how long after a cohort's start is job placement measured?	Federal student aid recipients who started the school six years prior. Eventually shift to those who completed the program one year prior	Students who completed the program during the award year.
	<b>Exclusions:</b> Are certain subsets of students excluded? E.g., those unable to seek employment due to continuing education, military duty, visa restrictions, incarceration, medical conditions, or death. What about those who are not seeking employment?	Excludes those continuing education, as verified by a student-level data network or approximated by having a federal loan that is in in-school deferment status for at least 30 days during the measurement year	Excludes those documented as not available for employment due to death, disability, active military duty, visa restrictions, or continued education.
<b>Job</b>	<b>Breadth:</b> Must a graduate be employed in an occupation directly in the field for which they were trained, in a related occupation, or in any comparably or better paying occupation?	Any individual with earnings exceeding the median wage of workers ages 25 to 34 who self-identify high school as their highest level of education (currently \$28,000). Earnings are defined as the sum of wages and deferred compensation from W-2 and Schedule SE forms in a given year.	Either (1) a position in the list of SOC job titles for which ED approved the program or (2) a position in the program's industry with a starting salary equal to or exceeding the 25th percentile of salaries reported for the highest paid SOC code approved for the program.
	<b>Intensity:</b> Is all work counted or only full-time, full-year work? What about temporary work?	Any work that meets the above criteria.	Work must be for at least 32 hours per week.
	<b>Timing:</b> How long after program completion must a graduate gain employment? Must they be employed for a certain duration?	Six years after program entry, which is estimated from federal aid filings.  Eventually shift to one year after program completion.	Within 180 days of completing the program or graduating from the program the completer or graduate has been employed for at least 13 weeks.  If a license or certification is required or generally requested for positions in the occupation, then within 180 days after the results are available from the first exam that the completer/graduate would have been able to take after completing the program.
<b>Data</b>	<b>Verification:</b> How must data be verified?	Data must be from a federal data match between data on federally aided students and earnings data from administrative tax records.	Data must be from a state longitudinal data system if possible. Otherwise, documentation must include written communication from the source including who the source is. If information is obtained verbally, the institution must send the source and maintain a confirming letter to the provider of the information setting-forth in specific detail the information provided and the date it was provided.
	<b>Sample Size:</b> What share of graduating students need to be included in calculations?	All those included in the federal data match.	If using a state longitudinal data system, all those included in the state data match. Otherwise, at least 50 percent, and if between 50 and 80 percent, data must be assessed for nonresponse bias.

\* <https://collegescorecard.ed.gov/assets/FullDataDocumentation.pdf>; <https://collegescorecard.ed.gov/assets/UsingFederalDataToMeasureAndImprovePerformance.pdf>

\*\* This rate is based off a rate proposed during GE negotiations: <https://www2.ed.gov/policy/highered/reg/hearulemaking/2012/21jobplacement-rate-as-disclosure93013.pdf>

## CONCLUSION

The United States invests over half a trillion dollars in higher education each year. Yet student outcomes vary immensely between institutions and programs. In such a world, it is critical that students, policymakers, and other decision-makers have access to clear, accurate, and accessible information. Employment metrics can be particularly meaningful measures of educational outcomes for students that, alongside other important metrics, can help others evaluate the relative returns of different institutions and programs. However, the large variation in current definitions and requirements mandated by federal, state, and accrediting agencies has resulted in a status quo where employment rates are not comparable, accurate, or accessible.

To address this, policymakers should align and improve job placement rates as well as create and publish nationally comparable, program-level threshold earning rates. Job placement rates that are consistently defined across programs and accurately calculated through state data matches can be a meaningful tool for students and others to assess career and technical programs, particularly those programs that offer economic advancement in low wage occupations. Threshold earnings rates that are measured by including all graduates and all earnings, additionally offer valuable information on the employment outcomes of graduates across all higher education degrees and programs. Together, improving job placement and threshold earnings rates will help pave the way to a world where students and others have access to a more robust system of clear and accurate information that helps empower them to make the best decisions about their futures, and where policymakers have more clear guidance on how to best direct scarce resources to support students.

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