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Think the New Earnings Test Penalizes Public Service? Think Again.



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Starting next summer, colleges will have to demonstrate that their programs lead to higher typical earnings than graduates could expect without the degree to maintain access to federal student loans. A bachelor's degree program, for example, must prove

that most graduates earn more than someone with just a high school diploma. A master's program will need to show that most of its graduates earn more than someone with a bachelor's degree in the same field of study. This change has raised questions about its impact on programs that prepare students for public service professions, which can have lower salaries than those in the private sector. Fortunately, the data do not support those anxieties. Programs that prepare students for careers in teaching, nursing, social work, and religious ministry perform very well on the earnings test. By catching the few outliers in these fields, the new measure will help direct students to programs where they can earn a degree that pays off—without blocking them from pursuing their public service vocations. Moreover, states and institutions are leading the way in taking steps to lower costs for students entering these career paths through innovative partnerships and funding models.

Education

Of the more than 2,300 education programs across the country, just four are expected to fail the earnings test. That means that well over 99% of all education programs will pass. Aspiring teachers will continue to have their pick of high-quality programs to attend using federal loans. Teacher professional development programs that prepare teachers to work with specific grade levels and teach specific subjects and methods also perform exceedingly well. Over 98% of these programs will pass the earnings test.

If institutions or states are still concerned about the costs of these programs, they can also seek ways to reduce educational costs. For example, they could implement teacher apprenticeships that pay individuals while they learn from a teaching mentor and gain classroom experience. North Carolina recently funded a teacher apprenticeship model, and other states have implemented similar programs.[1] For states looking to reduce educational costs and grow their teacher workforce, this option could be a worthwhile investment.

Social Work

There has been a lot of online chatter about the earnings test "banning" social work degrees, but that could not be further from the truth. Social workers play a critical role in society, and students will still be able to readily pursue these degrees, as more than

99% of social work programs across the country will pass. Just eight of the more than 1,500 programs across all degree levels are expected to fail. Social work programs help students achieve stronger earnings outcomes than many people realize.

Some institutions have also launched initiatives to make tuition more affordable for students pursuing social work. For example, Fordham University's Graduate School of Social Service established a partnership with The Audacia Foundation to cover the full cost of tuition, books, and fees for 100 students who commit to working with underserved communities for three years after graduation.[2] As of this fall, Washington University in St. Louis has committed to fully funding Master of Social Work students' required practicum internships and providing a monthly living stipend.[3] Other institutions with sufficient resources may consider similar initiatives to demonstrate their commitment to lowering the cost of attendance for students and helping them secure good jobs after graduation.

Nursing

Across the board, nursing programs perform very well on the earnings test. Over 99% of programs pass the threshold. There are a variety of nursing credentials that students can pursue—from certificate to doctoral degrees—and they deliver strong outcomes for graduates. Students looking to attend the few programs that fail the test can reliably consider other nearby options. In a previous analysis, we found that 93% of failing programs have at least one alternative within the same commuting area, and 87% have more than one.[4] Students will still have plenty of opportunities to pursue a career in nursing through programs that prepare them to succeed and offer a strong earnings boost.

Some institutions are also investing in fully funded nursing programs to support students and address workforce shortages. The University of Rochester offers a tuition-free accelerated Bachelor of Science in Nursing (BSN) for students who agree to work at a URochester Medicine hospital after graduation.[5] And this year, the University of Texas Health Houston launched a fully funded accelerated BSN program for in-state students.[6] At a time when our workforce needs more nurses, the earnings test *does not* limit nursing degrees or stop students from pursuing this career path. Rather, it

affirms that nursing programs lead to strong outcomes and, for the few outliers that leave students worse off, ensures students can pursue better options.

Religious Studies

Religious studies programs fare much better on the earnings test than the public may assume. Of the more than 1,800 religion programs that exist today, 99% pass. Concerns about religious programs have arisen because people do not pursue these careers for financial reasons, but rather out of a deep personal vocation. Fortunately, these degrees still perform well on the earnings test overall, indicating that the vocational programs that participate in federal financial aid consistently equip their students to receive steady earnings while pursuing personally meaningful work after graduation.

Some theological institutions have also implemented financial aid policies so that their students do not take on a lifetime of debt to pursue their religious calling. Asbury Theological Seminary is phasing out federal loans and will provide more scholarships, and Union Presbyterian Seminary covers at least 80% of tuition for degree-seeking students.[7] Hebrew Union College invests over $5 million in student supports each year, helping students cover tuition costs with need- and merit-based aid.[8] The Association of Theological Schools (ATS) has also advanced the conversation about religious leaders' debt through its Economic Challenges Facing Pastoral Leaders (ECFPL) program, which awarded grants to institutions to research and develop strategies to provide financial literacy and direct aid to students to help them pay off debt. Taken together, these initiatives represent a broader movement to reduce financial burden for religious leaders as they pursue their vocation. Institutions can explore similar offerings if they are worried about the earnings threshold, though the overwhelming majority of these programs will pass the new test.

Conclusion

If you assume programs that prepare students for public service are doomed to fail the earnings test, think again. Individuals do not usually pursue these programs and careers for the money, but rather because they feel a calling to care for others. Fortunately, these two impulses are not always in conflict. The policy's threshold is a low bar, making it a commonsense measure to hold bottom-of-the-barrel programs

accountable for student outcomes. While a small number of programs in each sector will be affected, students will maintain broad access to thousands of programs that will allow them to pursue their public service vocations and passions.

ENDNOTES

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