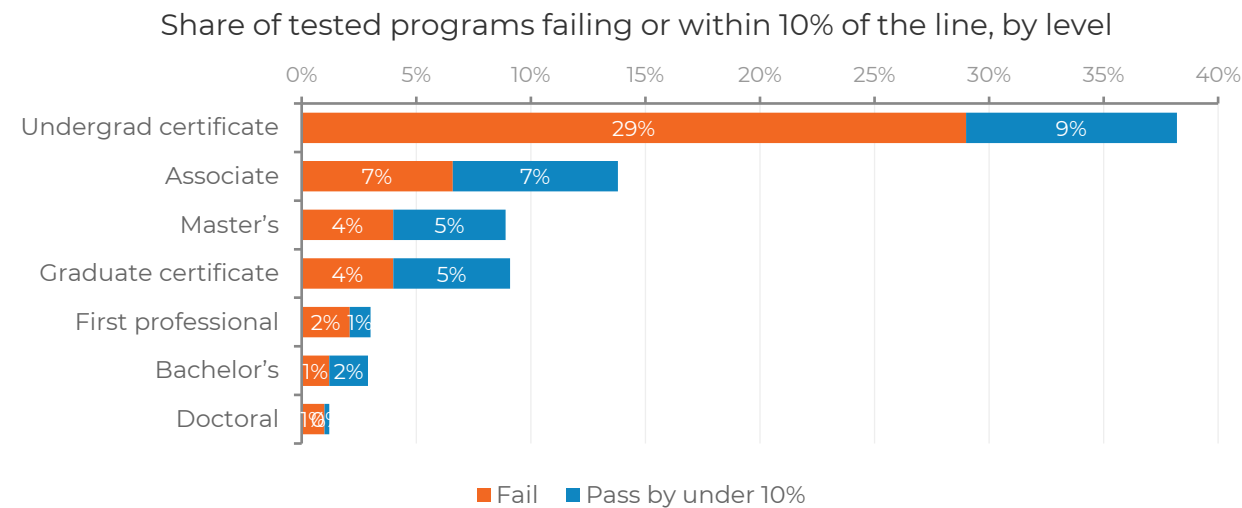


The Earnings Test: where the money is moving

What ED's preview of 49,860 programs says — and eight programs that show the way through. · October 2026

The test is narrow. For most of the portfolio it is a reporting exercise; for certificates it is a product decision.

ED’s preview, read against the OBBBA earnings test: 4-year completer medians vs. the state high-school benchmark.



Four of five students in a failing program are in a certificate or an associate. Certificates fail at 29%; bachelor’s at 1%.

The sanction is loans. 320 failing programs make none — for them the test takes nothing, and Workforce Pell is arriving.

Key Takeaway: know which programs the test can touch, then plan for those.

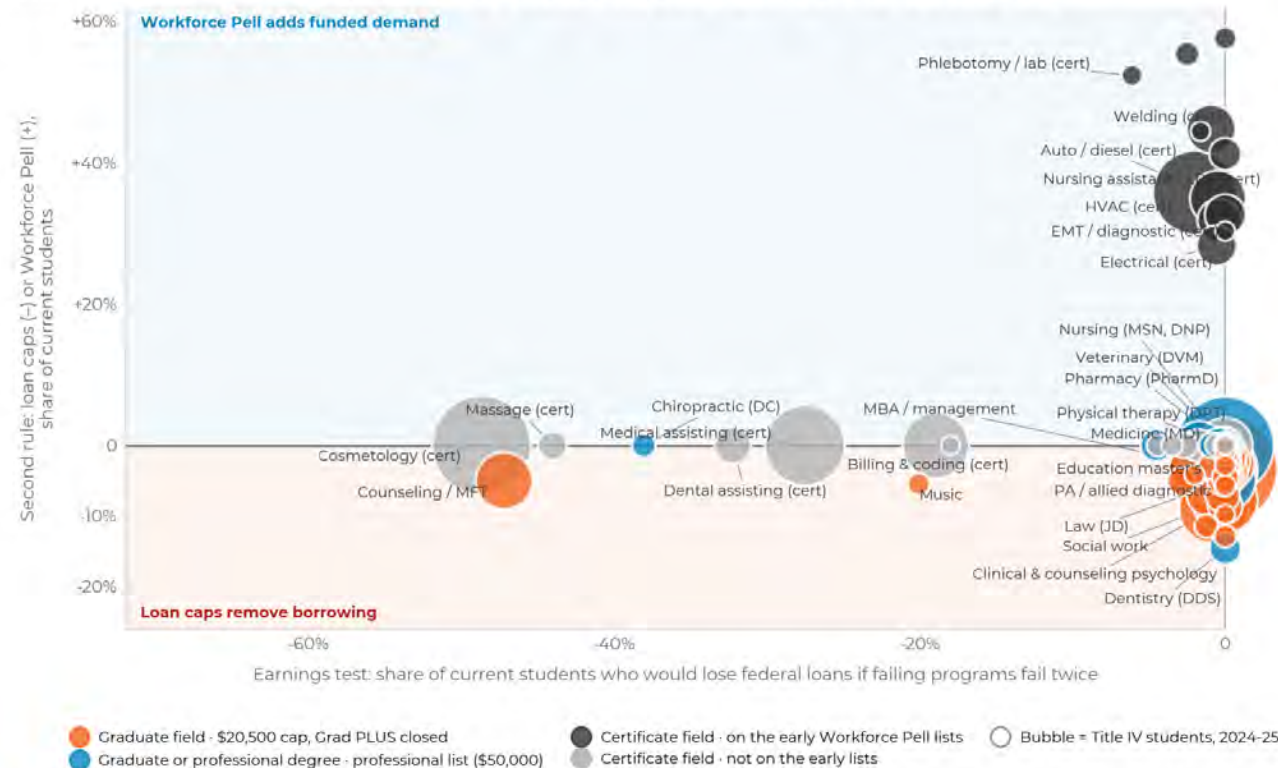
Where the test bites — and where the money is going

Three rules land at once: the earnings test, the graduate caps, Workforce Pell. Read together, most fields hold or gain.

Most fields hold or gain. A few need a plan.

Earnings-test exposure (horizontal) against the loan caps or Workforce Pell (vertical). Bubble = Title IV students, 2024-25.

Anticipated enrollment impact by field: the earnings test vs. the loan caps or Workforce Pell



Workforce Pell adds +28% to +45% of current students in welding, HVAC, electrical, auto and the nursing certificates on early state lists.

The graduate caps take 3% to 9% from education, social work, clinical psychology and PA. On the professional list, nursing, pharmacy, PT and veterinary medicine sit at zero; law (-5%), medicine (-3%) and dentistry (-15%) borrow past \$50,000.

Counseling (47%), cosmetology (49%) and chiropractic (38%) carry the earnings-test exposure; counseling and cosmetology also carry the second rule.

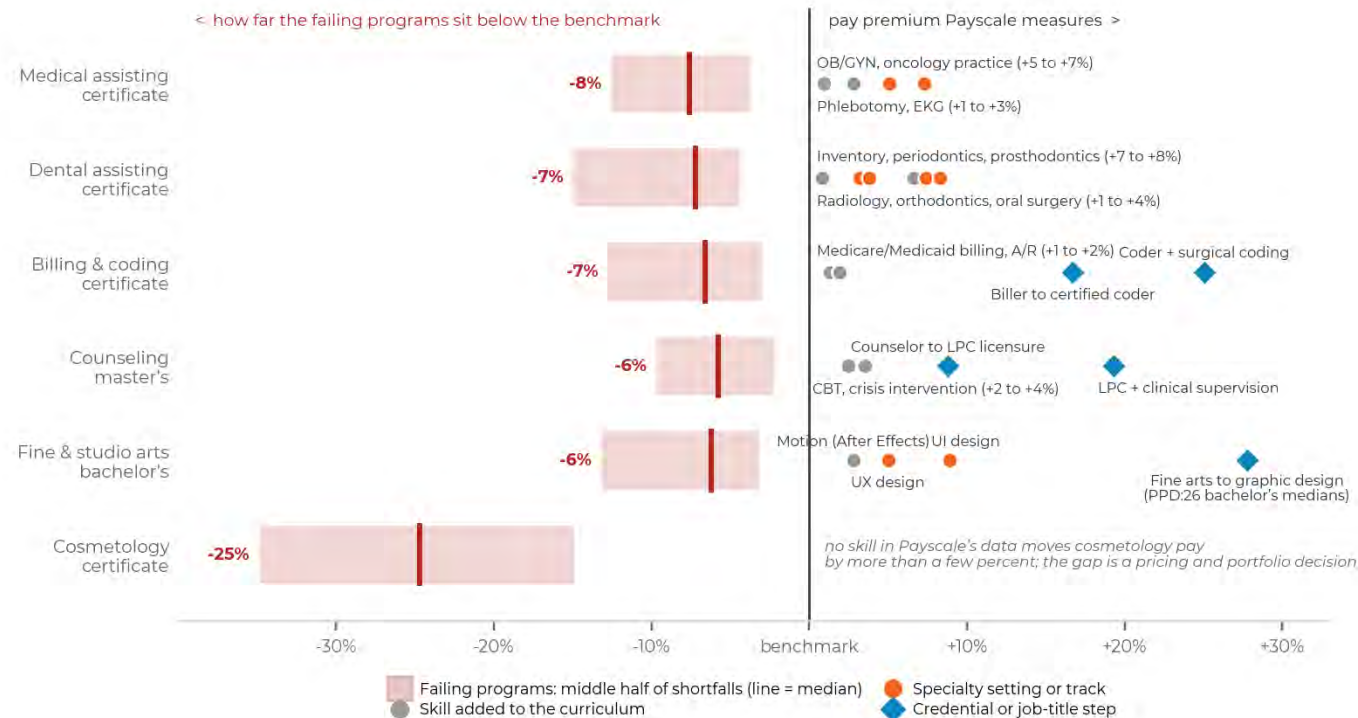
Key Takeaway: the question is not which programs to close; it is which to price for the money that is arriving.

Share of each field's 2024-25 Title IV students (41 graduate, 7 first-professional and 29 certificate CIP-4 fields with 5,000+ students and 3+ tested programs); Earnings test: federal-loan borrowers in programs failing this previous test (worst case: every failing program fails twice); loan caps: Grad PLUS users = 46% (Philadelphia Fed share of over-cap borrowers unlikely to get a private loan); professional-list fields: scaled to Grad PLUS dollars above the extra \$29,500 of room; Workforce Pell: Pell share = share of the field's certificates under one year (IPEDS 2023-24), for fields on early state lists; fields not listed set to zero. Sources: ED PPD-26; IPEDS; Philadelphia Fed (Jan. 2026); state Workforce Pell lists through Sept. 2026.

A specialty tilt or a credential step closes the median gap. A skill add-on alone does not.

Shortfall of failing programs (left) against the pay premiums Payscale measures in the matching occupation (right). 443 skills, 25+ profiles each.

What moves the number: the shortfall to close vs. the premiums available



A skill add-on: 0% to 3%. Phlebotomy, EKG, CBT, motion graphics.

A specialty setting or track: 4% to 9%. OB/GYN, periodontics, UX.

A credential or title step: 9% to 28%. Biller to coder +17%; counselor to LPC +9%; fine arts to graphic design +28%.

The median failing program is 6% to 8% short in every field but cosmetology (25%).

Key Takeaway: the median gap needs the specialty tilt; the bottom quarter needs the credential step.

Shortfall: ED PPD/26 preview, programs failing at CIP-4 (4-year median earnings vs. benchmark). Premiums: Payscale pay-by-skill pages for the matching occupation (medical assistant, dental assistant, medical biller/coder, mental health counselor/LPC, graphic designer), median pay with the skill - occupation median - 1; skills with 25+ profiles updated 2024-26. Fine arts to graphic design uses PPD/26 bachelor's medians (\$41,383 vs \$52,870). Read as scale, not forecast: premiums are cross-sectional and partly reflect who holds the skill.

Washington is calling it a floor. The data agree.

What the people who wrote and read the rule are saying about it.

“

This new framework is different. It's about ensuring that all programs meet a baseline for financial value.

— Nicholas Kent, Under Secretary of Education (Inside Higher Ed, Jan. 9, 2026)

“

[The test would] protect around 2 percent of students and close to a billion dollars a year in Pell Grant funds.

— Preston Cooper, American Enterprise Institute, on the preview data (Inside Higher Ed, Jan. 9, 2026)

“

These programs are fast, affordable, and aligned with real workforce needs.

— Linda McMahon, U.S. Secretary of Education, on the first federal Workforce Pell approvals (EdNC, Sept. 25, 2026)

“

These grants will help train the next generation of nurses, electricians, welders, and emergency responders.

— Gov. Josh Stein, North Carolina — the fifth state approved, 54 programs at 21 colleges (EdNC, Sept. 25, 2026)

Key Takeaway: framed as a floor, funded as a ladder. Programs near the line have a year to move.

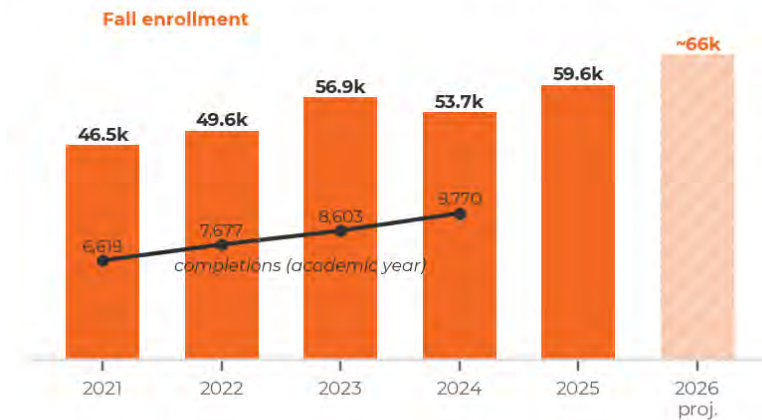
Eight programs, eight mechanisms

Counseling · Psychiatric mental health NP · Medical assisting · Nursing assistant · Liberal arts associate · Early childhood associate · Social work bachelor's · Fine arts.

Clinical mental health counseling: the fastest-growing master's meets the test. Licensure is the lever.

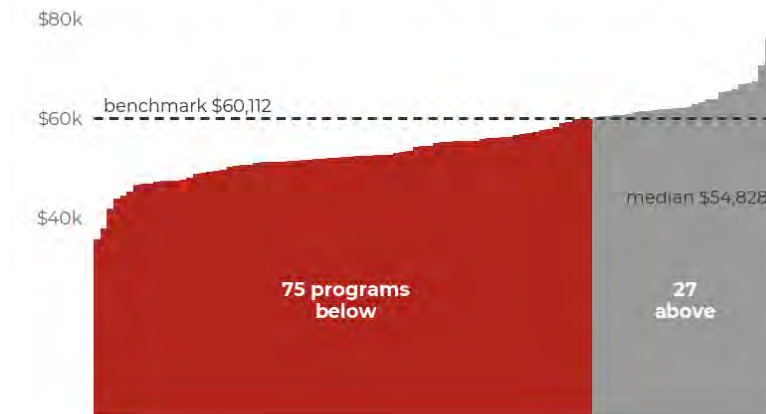
75 of 102 CMHC programs with 3-year earnings sit below \$60,112; the failing programs hold 73% of tested students.

CMHC master's enrollment: a record 59,569 in Fall 2025, +11% projected



Enrollment: CACREP-accredited CMHC master's (Vital Statistics; Fall 2025 from reported YoY growth; 2026 VI projection). Completions: IPEDS CIP 51.1508 master's. Source: VI analysis (2025-26 client reports).

Three years out, 75 of 102 CMHC programs' completers earn under \$60,112



Each bar is one CIP 51.1508 master's program: median earnings of completers 3 years out (ED PPD:26 CIP-6 supplement; 64 programs suppressed for size). The fast itself reads year 4 at CIP 51.15, where 32 of 93 fail and 35 more pass by under 10%.

TREND ANALYSIS & IMPLICATIONS

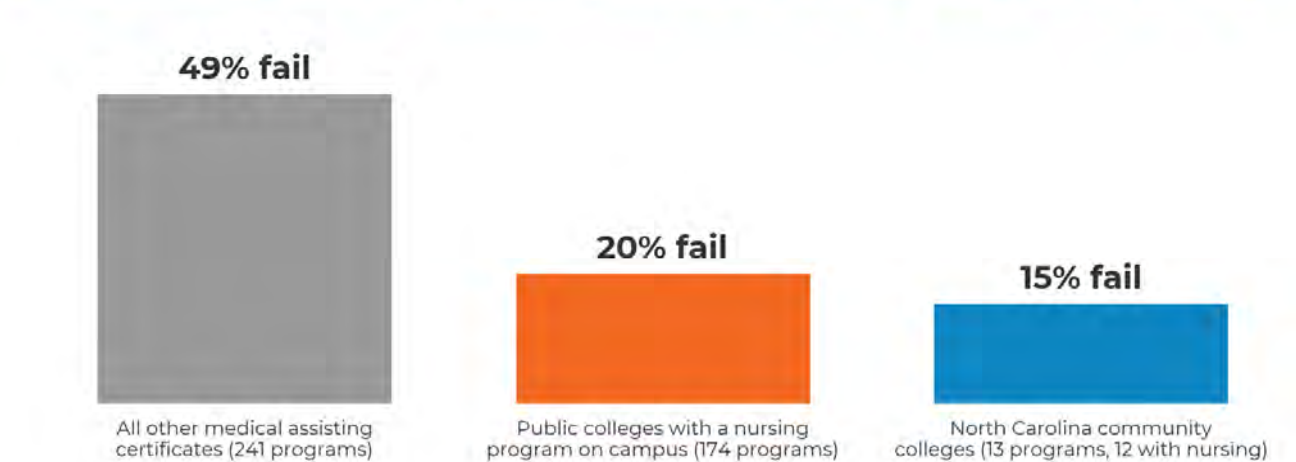
- **Demand is not the problem.** Enrollment +28% in five years; 9,770 completions against a 99,780-counselor gap.
- **The cap bites.** Median debt \$54,667 against \$20,500 a year; 472 to 897 fewer starts a year.
- **Licensure is +9% to +19%.** LPC \$62,000 vs \$57,000; with supervision \$68,000. The median failing program is 6% short.

Key Takeaway: price to \$683 a credit and shorten time to licensure.

Medical assisting: the most-failed health certificate passes where the college owns the next rung.

152 of 415 tested certificates fail; the median program sits 4% above the line.

Medical assisting passes where the college owns the next rung. North Carolina shows it.



Share of medical assisting certificate programs with reportable earnings that fail ED's preview test (CIP 51.08, w/5 tested programs). Source: ED PPD.26; VI analysis.

TREND ANALYSIS & IMPLICATIONS

- **20% vs 49%.** Public colleges with nursing on campus fail one certificate in five; everyone else, one in two.
- **The associate is the rung.** \$46,029, 27% above the certificate; 27 of 404 fail.
- **Specialty beats skill.** OB/GYN and oncology settings +5% to +7%; phlebotomy +1%. The median failing program is 8% short.

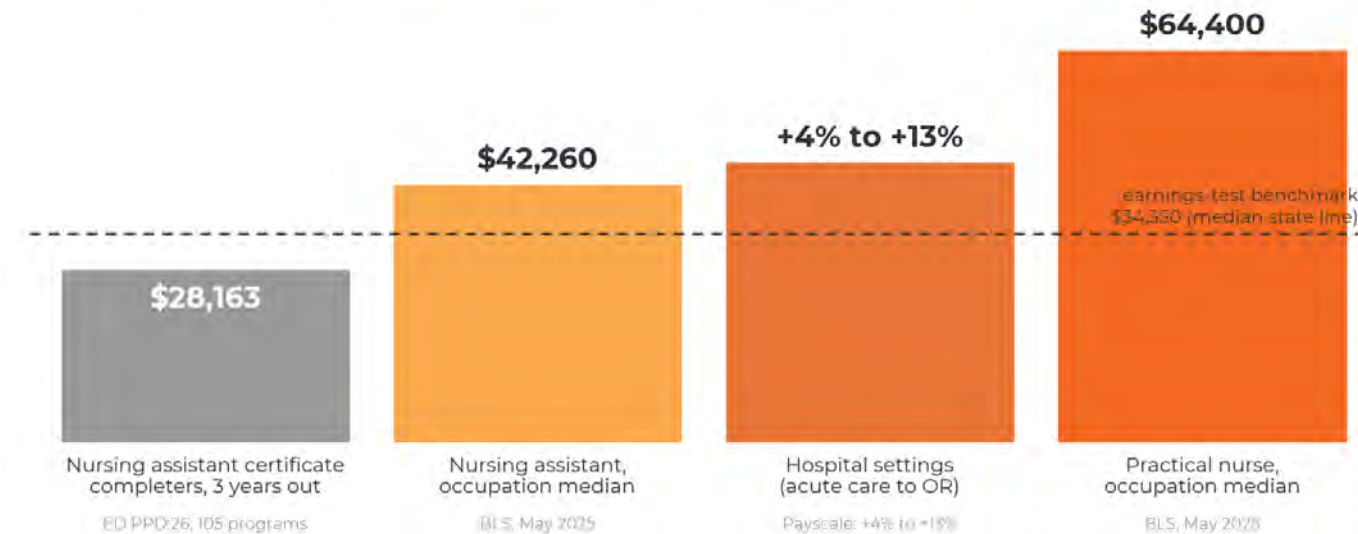
North Carolina: 2 of 13 fail, 44 of 58 colleges make no loans, first six Workforce Pell approvals in September.

Key Takeaway: price to Workforce Pell, place into specialty practices, publish the nursing seat as the next step.

Nursing assistant: fails at six digits, passes at four. Your practical nursing program is the fix.

At four digits, 15 of 105 nursing assistant certificates fail. At six, 81 of 105 sit below their state line (\$28,163 median).

The rung you train for is below the line. The next two are well above it.



TREND ANALYSIS & IMPLICATIONS

- **Practical nursing passes at 99%.** 580 of 588 programs; \$49,902 median.
- **Workforce Pell is built for this.** Aide I + II clears the 150-hour floor; the median program has \$4,688 of room under the value-added test.
- **Hospital placement is +4% to +13%** over long-term care — and where the practical nursing bridge gets hired.



For our students, this means the cost of training is no longer a reason to put their future on hold.

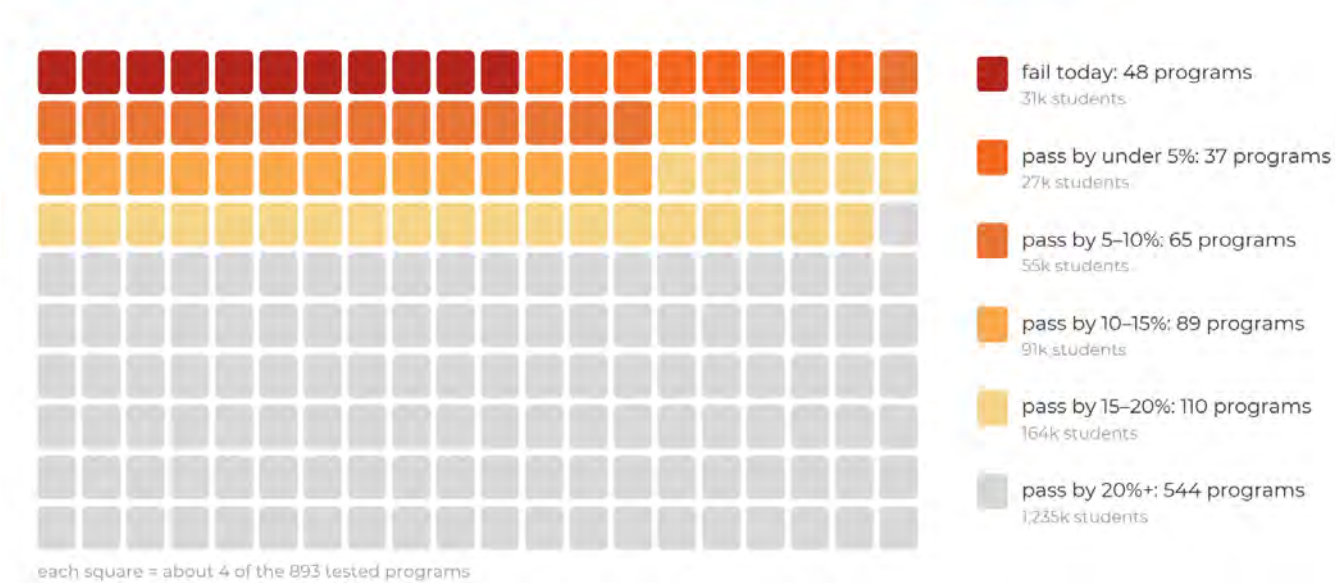
— Janet Spriggs, President, Forsyth Tech, on federal approval of Nursing Assistant I and II for Workforce Pell (EdNC)

Key Takeaway: make the aide course the first term of practical nursing and fund it with Workforce Pell.

Liberal arts associate: your transfer rate is your earnings test.

1,483 programs, 1.7M students. 845 of 893 tested pass. The test counts only graduates who are working and not enrolled.

One program in four sits within 15% of the line. Five in a hundred fail.



TREND ANALYSIS & IMPLICATIONS

- **Passing by 24% at the median.** 48 fail; 239 sit within 15% of the line with 205,000 students.
- **Drift is real.** Failing programs' earnings fell 6.9% between cohorts; passing programs' rose 5.2%.
- **The cohort is the non-transfers.** 34.1% of starters transfer; those who leave with the associate finish the bachelor's at 76% vs 57%.

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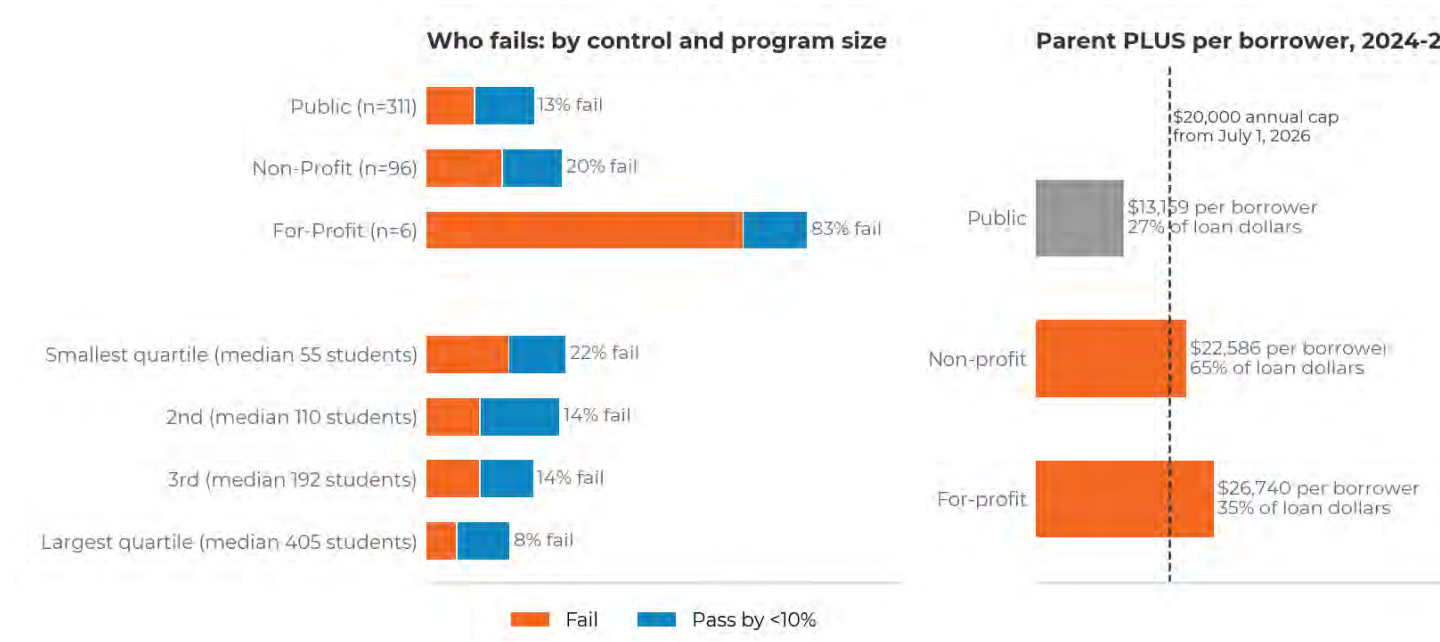
If graduates of a specific academic program do not earn more on average than same-aged peers with only a high school diploma, future students in that program will lose access to federal student loans.

— Matthew Scogin, President, Hope College (Forbes,

Key Takeaway: two products on one transcript: a transfer pathway measured by bachelor's completion, a credential measured by wage.

Fine arts: a small-cohort problem with a +28% answer next door.

Who fails among fine arts bachelor's programs, and what parents borrow against the new \$20,000 Parent PLUS cap.



TREND ANALYSIS & IMPLICATIONS

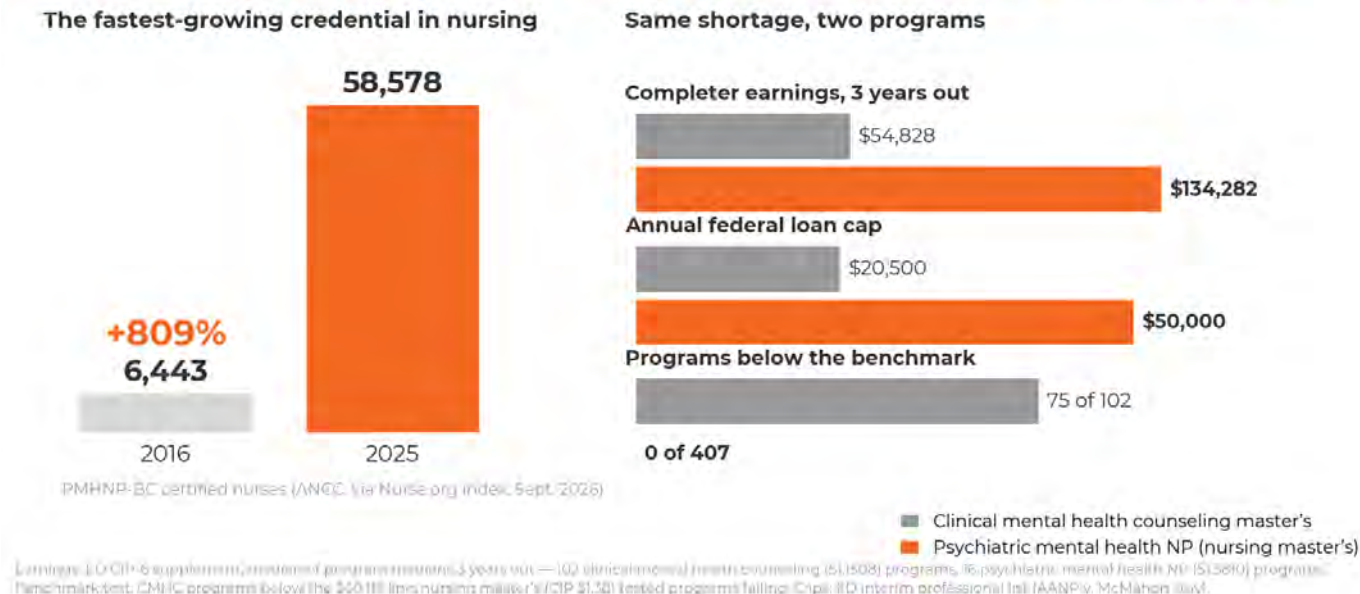
- **Size is destiny.** The smallest quartile fails at 22%; the largest at 8%. 127 of 413 sit within 10% of the line.
- **Parent PLUS hits non-profits.** \$22,586 per borrower against a \$20,000 cap.
- **The design track is +28%.** Graphic design \$52,870 vs fine arts \$41,383.

Key Takeaway: merge small cohorts, add the design track, and price the parent's share under \$20,000.

Psychiatric mental health NP: the mental-health program the rules reward.

PMHNP completers earn \$134,282; nursing master's programs fail 0 times in 407. Same shortage as counseling, \$50,000 cap instead of \$20,500.

The mental-health program the rules reward: \$134,282, a \$50,000 cap, and nothing to fail.



TREND ANALYSIS & IMPLICATIONS

- **58,578 certified PMHNPs**, up 809% since 2016. 4,378 completions in 2023-24, 2,061 of them post-master's certificates.
- **The list is the risk, not the test.** If nursing leaves the professional list (Dec. 4), the cap drops to \$20,500; median debt \$41,379 fits two years of it.
- **Clinical sites are the constraint**, not demand.

“

We were surprised by the degree to which PMHNPs are the de facto mental health prescribers in parts of the country.

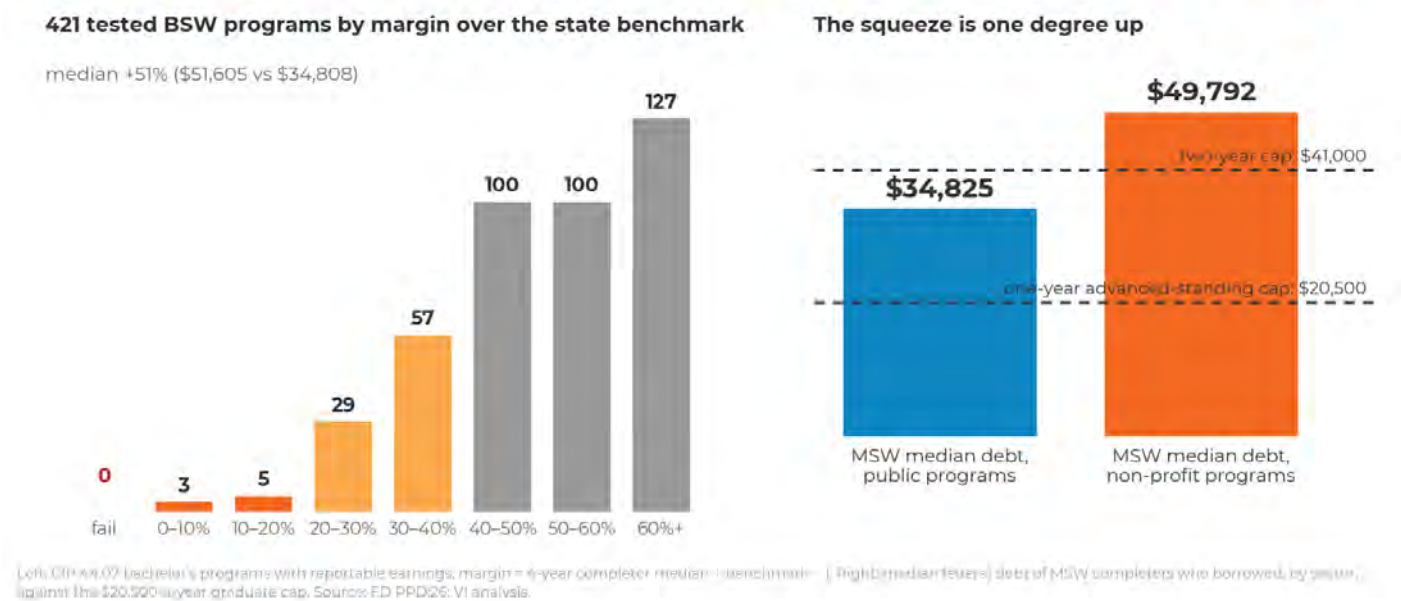
— Michael Barnett, Harvard T.H. Chan School (Health Affairs study: PMHNPs +162%, psychiatrists -6% in Medicare, 2011-19)

Key Takeaway: build the post-master's certificate first and price the master's at \$683 a credit so it clears either cap.

Social work bachelor's: the safest degree in the file. The squeeze is one degree up.

0 of 421 tested BSW programs fail; the median passes by 51%. Non-profit MSW completers borrow \$49,792 against a \$41,000 two-year cap.

The BSW passes by 51%. The squeeze is the MSW cap — and the BSW is the ticket under it.



TREND ANALYSIS & IMPLICATIONS

- **Nothing to fix at the BSW.** Margins run +41% to +62%; the weakest passes by 7.5%.
- **The MSW is the number.** Public debt \$34,825 fits the cap; non-profit \$49,792 does not. 22% of MSW borrowers used Grad PLUS.
- **Advanced standing fits.** One year, BSW required — the only MSW under \$20,500 at non-profit prices. 13,045 BSW graduates a year are the pool.



NASW won't stop here. We will continue to fight for the recognition social workers deserve.

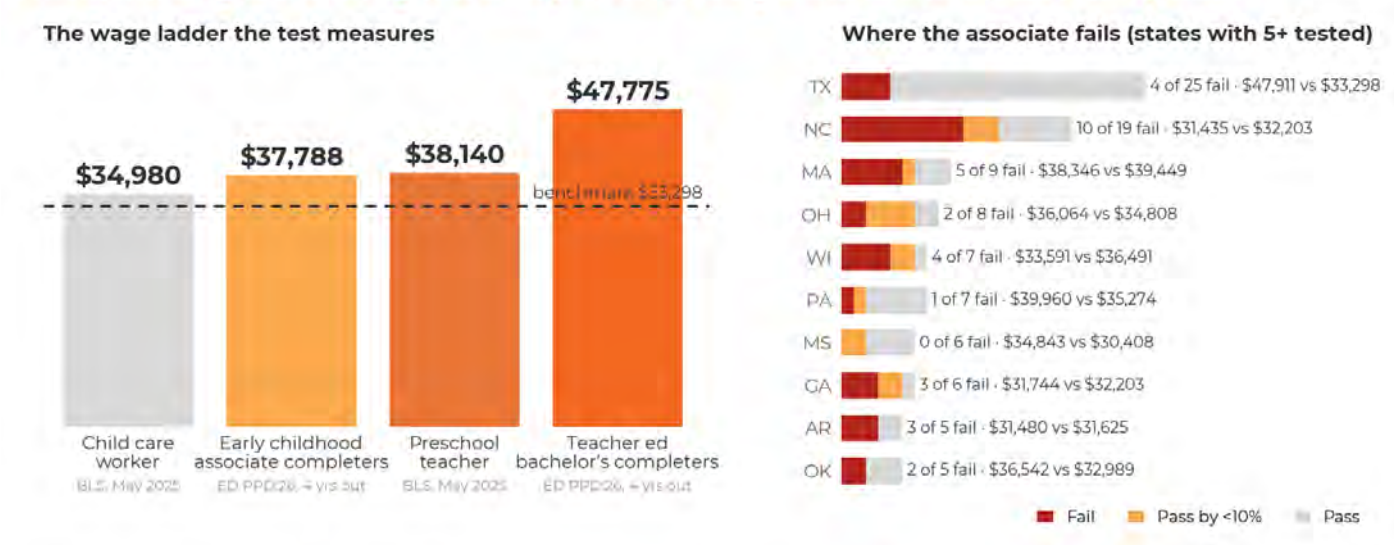
— Anthony Estreet, CEO, NASW, after ED declined to add social work to the professional-degree list (May 1, 2026)

Key Takeaway: sell the BSW as the ticket: a 4+1 with advanced standing, priced under \$20,500 in year five.

Early childhood associate: the test measures child-care wages, and the state sets them.

44 of 148 tested programs fail (30%), the median by 9%. Completers earn \$37,788, above the \$34,980 child-care median; the teacher-ed bachelor's passes at \$47,775.

Child-care wages are set by the state, not the college. The ladder above them passes.



CIP 13.12 associate programs with verifiable earnings (tested) = fail; completers' medians = pass out (ED PPD26 2017-19 cohort: \$3025); local minimum median BLS DOH May 2025; Benchmark = median state highschool line applied. Source: ED PPD26; BLS; VI analysis.

TREND ANALYSIS & IMPLICATIONS

- **North Carolina is the epicenter:** 10 of 19 fail at \$31,435 against \$32,203.
- **The sanction is small; the signal is not.** 2,660 borrowers in failing programs out of 95,196 students; 66% on Pell.
- **The supplement is most of the gap.** NC's WAGE\$ pays \$1,227 per six months; turnover 13% vs 38%.



It's not going to fix the problem, but it would stop the bleeding.

— Henrietta Zalkind, Down East Partnership for Children, on expanding WAGE\$ to all 100 NC counties (EdNC, Oct. 30, 2025)

Key Takeaway: guaranteed admission to the bachelor's, WAGE\$ built into the program, and ED's disclosure as the wage-supplement argument in federal print.

So what

Three implications for the budget you are building now.

So-What — three implications

What the eight cases have in common.

1

Read your six-digit line before ED does

The preview runs at four digits; the determination runs at six, in early 2027. Nursing assistant goes from 15 to 81 failing programs when the code changes. Pull the CIP-6 supplement for every certificate this term.

2

Price to the money that is arriving

Graduate: \$20,500 a year is \$683 a credit over 60 credits. Certificate: Workforce Pell's value-added test is tuition $\leq$ 3-year earnings – \$23,475, with no loan to lose.

3

Build the rung above

Medical assisting to nursing, aide to practical nurse, associate to bachelor's, BSW to advanced-standing MSW, counselor to LPC or PMHNP, fine arts to design. Publish the ladder on the program page; measure placement by rung.

Key Takeaway: the test rewards colleges that already own a ladder. Most do. The work is pricing and publishing it.

Downstream: the test sees the big programs, and the sanction lands on the sector that lends most.

Two second-order effects that follow from the rule's mechanics and the shape of the file.

The test sees 49,860 of 209,321 programs



Programs with 30+ completers in the pooled cohort to be reviewed.

Borrowers in failing programs, by sector (thousands)



Two of three borrowers in failing programs at a 400-mile range.

One effect we checked and dropped. High-benchmark states (CO, WA, MA) do not fail more certificates: fail rates run 28% to 30% across low-, mid- and high-benchmark states, because completer earnings track the local wage floor. The test is not a tax on high-wage states.

Growth pulls you into view. 76% of programs are too small to measure. The year a certificate graduates 30 completers is the year it is tested.

Demand moves across town. Two of three borrowers in failing programs are at for-profits. When loans end in 2028-29, students go to the public program in the same CIP nearby.

Key Takeaway: read the merged median before you consolidate; map the failing for-profit programs within commuting distance.

Downstream: six more things that happen next.

Second-order effects of the earnings test, the caps and Workforce Pell.

3 Tuition becomes a function of graduate pay

Workforce Pell's value-added test and the \$683-a-credit cap both index price to earnings. The median nursing assistant program can charge \$4,688; 30 of 105 can charge nothing.

4 The 599-hour certificate is the default design

600+ clock hours carry loans and the earnings test; 150 to 599 carry Workforce Pell. Cosmetology, at 1,000 to 1,500 state-mandated hours, cannot shrink.

5 Hours count as much as wages

Nursing assistant completers earn \$28,163; the occupation's median is \$42,260. The gap is mostly hours and setting. Full-time placement becomes a reportable outcome.

6 The transfer clock is an earnings-test variable

An associate graduate who finishes the bachelor's inside four years returns to the cohort with bachelor's earnings; one still enrolled stays out.

7 The warning is the sanction

A first failure in early 2027 puts a federal warning in front of fall 2027 applicants, a year before any loan is lost. 1,995 programs pass by under 10%.

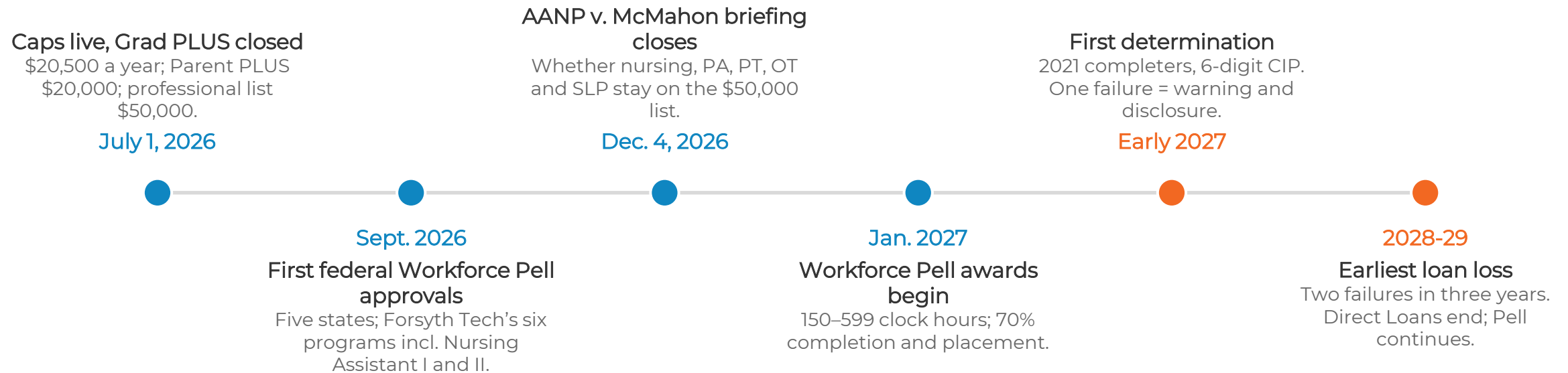
8 The 70% is the test that bites community colleges

Where the college makes no loans, the earnings test takes nothing. Workforce Pell requires 70% completion and placement, verified.

Key Takeaway: written as a test; felt as a redesign of price, program length, placement reporting and the code map.

What to watch

Six dates between now and the first sanction.



Key Takeaway: the only date you control is the term before early 2027 — when you read your own six-digit numbers.

Let's read your numbers before ED does.

VI runs the earnings test, the caps and Workforce Pell against your program file and hands back the ladder. ·

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