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May 20, 2026

U.S. Department of Education  
Office of Postsecondary Education  
400 Maryland Avenue, SW  
Washington, DC 20202

**RE: Accountability in Higher Education and Access Through Demand-Driven Workforce  
Pell: Student Tuition and Transparency System (STATS) and Earnings Accountability  
Docket ID ED-2026-OPE-0100**

Dear Under Secretary Kent:

On behalf of the members and supporters of the American Association of University Women (AAUW), I write to urge the U.S. Department of Education to strengthen, not weaken, accountability protections for students and taxpayers. Since its founding in 1881, AAUW has championed gender equity in education and the workplace. We know from decades of research, advocacy, and direct investment in women's education that higher education can be one of the strongest pathways to economic security — but only when students can access high-quality programs that lead to meaningful earnings, manageable debt, and credentials that hold real value in the labor market.

AAUW supports the Department's goal of ensuring that federal student aid supports programs that provide students with a meaningful return on their investment. Students should not be encouraged to spend limited time, money, Pell Grant eligibility, or borrowed dollars on programs that leave them worse off. The proposed rule implements the earnings accountability framework established by the One Big Beautiful Bill Act (OBBBA) and, in doing so, the Department has exercised regulatory discretion in how it structures that framework. AAUW's comments focus on that discretion — specifically, the Department's choice to eliminate the debt-to-earnings (D/E) metric entirely, rather than retain it alongside the earnings premium as a complementary safeguard. That choice would be especially harmful for women, women of color, low-income women, and student parents, who face the combined burdens of student debt, gender and racial pay gaps, racial wealth disparities, caregiving responsibilities, and occupational segregation<sup>i</sup>.

AAUW urges the Department to revise the proposed rule by: retaining the D/E metric; strengthening, rather than weakening, the earnings premium metric; ensuring that failing gainful employment programs lose eligibility for all Title IV funds, including Pell Grants; publishing a gender, race, wealth, and field-of-study analysis of program outcomes under the Student Tuition and Transparency System (STATS); and preserving the data infrastructure needed to evaluate whether the rule protects students as intended.

**AAUW's Interest and Expertise: Student Debt Is a Women's Economic Security Issue**

AAUW has long worked at the intersection of higher education access, student debt, pay equity, and women's economic security. Our research documents a consistent pattern: because of the gender pay gap, women who borrow for college face a harder repayment path than men with comparable credentials. These burdens are compounded for women of color, who face both racial wealth disparities and persistent labor-market discrimination.<sup>ii</sup>



AAUW's *Deeper in Debt* found that women take on greater student debt than men, and that when women graduate, student loan payments collide with the gender pay gap, placing a disproportionate strain on women's budgets.<sup>iii</sup> The 2021 update found that women who borrowed for undergraduate education held an average of \$31,276 in debt one year after graduation, compared with \$29,270 for men — and that Black women carried the most substantial debt burdens among women of color.<sup>iv</sup> Women's expected first-year earnings after receiving a bachelor's degree were \$35,338, or 81 percent of men's expected earnings.<sup>v</sup>

This is not only a question of individual borrowing decisions. It is a structural issue. Women and women of color often enter repayment with lower earnings, less family wealth, and greater caregiving responsibilities. Urban Institute research similarly finds that Black women carry disproportionate student debt burdens, have lower incomes than both Black men and white women, and face greater difficulty repaying student loan debt because of the interaction between debt, income, and wealth disparities.<sup>vi</sup>

For these reasons, AAUW has a direct interest in ensuring that the Department's accountability framework measures both earnings and debt affordability. Eliminating the D/E metric would remove the accountability measure best suited to identifying whether the debt required to complete a program is manageable in light of graduates' actual earnings.

### **Earnings Premium and Debt-to-Earnings Are Complementary, Not Interchangeable — and Eliminating D/E Creates a Structural Blind Spot for Women**

The Department should retain the D/E metric because it measures something the earnings premium cannot: whether the debt a student takes on to complete a program is affordable relative to what that program actually pays. These two metrics answer fundamentally different questions. The earnings premium test asks whether graduates earn more than a comparison group — that is, whether the program produces value relative to not attending. The D/E test asks whether the debt required to access that credential is manageable given graduates' actual earnings. A program can pass the earnings premium and still leave students with unaffordable debt. Eliminating D/E does not simplify accountability; it weakens the framework's ability to protect students.

This distinction matters because of a structural problem the Department's proposed framework does not adequately address. Women — and particularly women of color — face persistent, documented labor-market disadvantages that shape their earnings after graduation regardless of program quality. U.S. Census Bureau research found that the gender wage gap persists even among graduates at the same credential level and from programs of comparable quality, including certificate, associate, and bachelor's degree programs.<sup>vii</sup> Women with certificate degrees earned 71.2 cents for every dollar earned by men with certificate degrees, with field of study, occupation, and industry all contributing to the gap.<sup>viii</sup>

This creates a catch-22 that an earnings-only framework cannot resolve. If women's earnings are suppressed by labor-market discrimination, a program that primarily serves women may fall below an earnings benchmark even if it delivers genuine educational value — and may face loss of Direct Loan eligibility not because it is a poor-quality program, but because its graduates face a discriminatory labor market. Conversely, a program could produce a modest earnings premium and still leave women with debt burdens they cannot sustain, because their post-graduation earnings — depressed by the gender pay gap — are not sufficient to absorb both loan payments and basic living costs. D/E is the metric that



catches the second scenario. Removing it means the accountability framework will miss programs that pass the earnings test but impose unaffordable debt on the students least positioned to absorb it.

The proposed rule would eliminate the D/E metric and rely on the earnings premium measure to determine whether a program is a low-earning outcome program. Under the proposed framework, a program whose median graduate earnings fall below the applicable comparison group in two out of three award years would be deemed a low-earning outcome program and would lose eligibility for Direct Loans.<sup>ix</sup> That framework is an incomplete safeguard for the students this letter describes. The debt burdens, earnings gaps, and wealth disparities documented in Section I above do not disappear because a program passes an earnings premium test — and D/E is the metric that would catch them.<sup>x</sup> Urban Institute research confirms that Black women face particularly acute repayment challenges precisely because of the interaction of higher debt, lower income, and limited family wealth.<sup>xi</sup>

The Department should retain the D/E metric as a core accountability measure for gainful employment programs. Removing it would allow programs to pass accountability review while still leaving students with debt they cannot afford.

### **Strengthening, Rather Than Weakening, the Earnings Premium Metric**

AAUW supports earnings accountability. Students deserve protection from programs that do not lead to meaningful economic returns. But the earnings premium metric must be calibrated so it does not misclassify programs because of labor-market discrimination affecting their graduates.

The Census Bureau’s findings on the gender wage gap across credential levels make the calibration challenge concrete. The earnings gap among certificate graduates is not primarily a product of program quality differences; it reflects field-of-study concentration, occupational segregation, and factors researchers classify as “unexplained” — a category that encompasses labor-market discrimination.<sup>xii</sup> Students facing that discrimination need stronger protections from low-quality programs, not weaker ones. The metric should be designed to catch programs that fail their students — not to flag programs whose graduates face a discriminatory labor market.

AAUW urges the Department to strengthen the earnings premium metric — not weaken it — and to preserve D/E as the complementary safeguard that captures whether the cost of the credential is justified by what it pays.

### **Failing Gainful Employment Programs Should Lose Eligibility for All Title IV Funds, Including Pell Grants**

The Department should ensure that gainful employment programs that fail the earnings metric lose eligibility for all Title IV funds, including Pell Grants, not only Direct Loans. A program that fails to prepare students for gainful employment should not continue to receive federal aid simply because that aid is provided through grants rather than loans.

This is especially important for women, women of color, low-income students, and student parents. The proposed accountability framework limits consequences to the loss of Direct Loan eligibility. But Pell Grants are often the primary federal investment for the students most at risk from low-quality programs. Women and low-income students are more likely to rely on grant aid than on loans, and less likely to have family resources to absorb the financial harm of an inadequate credential. A framework that removes



Direct Loan access but leaves Pell Grants untouched does not fully protect the students most vulnerable to program failure.

The stakes are heightened by the Department’s Workforce Pell final rule, which establishes Pell Grant eligibility for short-term workforce programs of 150–599 clock hours that take at least eight but fewer than fifteen weeks to complete.<sup>xiii</sup> With Workforce Pell expanding the universe of programs eligible to draw on Pell funds, the Department must ensure that failing programs do not consume grant aid that should support high-quality short-term credentials. For students who rely primarily on Pell rather than loans — disproportionately low-income women and women of color — a framework that removes only Direct Loan access leaves the most consequential federal investment unprotected.

Strong accountability must protect both borrowed dollars and grant aid. AAUW urges the Department to ensure that gainful employment programs that fail the earnings metric lose eligibility for all Title IV funds, including Pell Grants.

### **The Department Should Publish a Gender, Race, Wealth, and Field-of-Study Analysis of Program Outcomes Under STATS**

AAUW does not urge the Department to exempt programs from accountability because they enroll women, women of color, low-income students, or student parents. Those students have the greatest need for strong protections from low-quality programs. But the Department must understand how its accountability framework operates in a labor market where women and workers of color are still paid less, where women are concentrated in historically undervalued fields, and where racial wealth gaps shape who must borrow and how much.

The Department should conduct and publish a gender, race, wealth, and field-of-study analysis of program outcomes under the STATS final rule. This analysis should include, at minimum, program pass/fail outcomes by credential level, field of study, sector, institution type, geography, Pell status, and available race and gender composition. It should also examine whether eliminating D/E would obscure programs that pass the earnings premium but still leave students with high debt relative to income.

Urban Institute research on master’s degree programs illustrates why this analysis matters: high debt-to-earnings ratios are concentrated in certain fields, including social work, counseling, and mental health, while fields that policymakers often worry about — such as teaching and nursing — are less likely to produce high D/E ratios.<sup>xiv</sup> These findings demonstrate that D/E can distinguish between programs that are genuinely high-risk for students and those where earnings alone tell an incomplete story. Without a comparable analysis under STATS, the Department will not know whether the revised framework is identifying low-value programs, creating unintended barriers in fields that serve women and communities of color, or both.

A strong equity analysis would not weaken accountability. It would strengthen the Department’s ability to protect students by identifying both low-value programs and the structural conditions shaping graduates’ outcomes.

### **The Department Must Maintain the Data Infrastructure Needed to Implement This Rule Fairly**



High-stakes accountability requires high-quality data. The Department should not finalize a framework that attaches funding consequences to program outcomes without committing to preserving the longitudinal data systems needed to evaluate whether those consequences are falling where they should.

Program-level earnings snapshots cannot, by themselves, answer the questions this rule raises. Understanding whether the STATS framework protects students — or creates unintended barriers for programs serving women and students of color — requires longitudinal data on how debt, repayment, earnings, and labor-market conditions interact over time. Federal postsecondary sample studies, including the National Postsecondary Student Aid Study (NPSAS), the Beginning Postsecondary Students Longitudinal Study (BPS), and the Baccalaureate and Beyond Longitudinal Study (B&B), have provided exactly that kind of evidence for more than 30 years.<sup>xv</sup> In 2023, AAUW joined nearly 50 organizations and researchers in urging the Department to preserve these studies.<sup>xvi</sup>

The need for that infrastructure is now more urgent. In 2025, the Department announced a reduction in force affecting nearly 50 percent of its workforce,<sup>xvii</sup> and a broad coalition of organizations has warned Congress that recent federal actions have undermined postsecondary data systems that policymakers depend on.<sup>xviii</sup> If accountability determinations are going to have real consequences for program eligibility, the Department has an obligation to maintain the staff capacity and data systems needed to make those determinations fairly and accurately.

AAUW urges the Department to preserve and restore NCES longitudinal postsecondary studies, including B&B, and to publish a gender, race, wealth, and field-of-study analysis of the rule's implementation and effects. Without that foundation, the framework risks penalizing programs based on incomplete evidence — with the greatest harm falling on students who can least afford it.

## Conclusion

AAUW urges the Department to strengthen the proposed rule so that it protects students from programs that leave them with unaffordable debt, limited earnings, or credentials that do not advance economic security. The Department should retain the debt-to-earnings metric as a critical safeguard; strengthen, rather than weaken, the earnings premium metric; and ensure that failing gainful employment programs lose eligibility for all Title IV funds, including Pell Grants.

These protections are especially important for women, women of color, low-income women, and student parents. The D/E and earnings premium metrics are not duplicative — they are complementary safeguards that answer different questions about whether a program is worth its cost. Removing one does not streamline accountability; it leaves a gap. Students deserve programs that open doors — not programs that deepen economic insecurity.

Sincerely,

Meghan Kissell, MSW  
Senior Director, Policy & Member Advocacy  
American Association of University Women

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<sup>i</sup> U.S. Department of Education. (2026). *Accountability in higher education and access through demand-driven Workforce Pell: Student Tuition and Transparency System (STATS) and earnings accountability; proposed rule*. 91 Fed. Reg. 21088. The



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Department proposes to “remove the D/E rate metric and use only an earnings premium measure.” ([Federal Register](#)). The Department’s decision to eliminate D/E entirely, rather than retain it alongside the earnings premium as a complementary safeguard, reflects a regulatory choice made in harmonizing the existing GE framework with the OBBBA. The gainful employment requirement in HEA §§ 101 and 102 provides the statutory basis for applying the earnings premium to GE programs, including undergraduate certificate programs not covered by the OBBBA directly. 20 U.S.C. 1001, 1002. AAUW’s comments address how that discretion should be exercised.

<sup>ii</sup> American Association of University Women. (2021). *Deeper in debt: 2021 update*. AAUW. ([AAUW](#))

<sup>iii</sup> Id.

<sup>iv</sup> Id. at tbl. 1 (reporting average debt of \$31,276 for women vs. \$29,270 for men one year after graduation, with Black women carrying the highest average debt burden among women of color).

<sup>v</sup> Id. (reporting women’s expected first-year earnings of \$35,338, or 81% of men’s expected first-year earnings of \$43,599).

<sup>vi</sup> Hardy, B. L., Logan, T. D., & Parman, J. (2024). *Pathways to upward economic mobility and wealth building for Black women: Six policy areas and recommendations for federal policy action*. Urban Institute. ([Urban Institute](#))

<sup>vii</sup> Houghton, K., Binder, A. J., Eng, A., & Foote, A. (2024, February 22). *Gender pay gap similar among certificate degree graduates and those from highly selective bachelor’s degree programs but reasons why differ*. U.S. Census Bureau. ([Census.gov](#))

<sup>viii</sup> Id. (finding that women with certificate degrees earned 71.2 cents for every dollar earned by men with certificate degrees, with field of study, occupation and industry, labor supply, and unexplained factors all contributing to the gap).

<sup>ix</sup> U.S. Department of Education. (2026). *STATS and earnings accountability; proposed rule*. 91 Fed. Reg. 21088. Under the proposed framework, a program whose median graduate earnings fall below the applicable comparison group in two out of three award years would be deemed a low-earning outcome program and would lose Direct Loan eligibility. ([Federal Register](#))

<sup>x</sup> American Association of University Women. (2021). *Deeper in debt: 2021 update*. AAUW.

<sup>xi</sup> Hardy, B. L., Logan, T. D., & Parman, J. (2024). *Pathways to upward economic mobility and wealth building for Black women*. Urban Institute. ([Urban Institute](#))

<sup>xii</sup> Houghton et al. (2024). ([Census.gov](#))

<sup>xiii</sup> U.S. Department of Education. (2026). *Accountability in higher education and access through demand-driven Workforce Pell: Pell Grant exclusion relating to other grant aid; and Workforce Pell Grants; final rule*. The final rule establishes Workforce Pell Grants for eligible workforce programs of 150–599 clock hours, or equivalent credit hours, lasting at least 8 weeks and less than 15 weeks to complete.

<sup>xiv</sup> Delisle, J. D., & Cohn, J. (2022). *Master’s degree debt and earnings: New federal data expose risks for students and the government*. Urban Institute. ([Urban Institute](#))

<sup>xv</sup> National Center for Education Statistics. (n.d.). *Baccalaureate and Beyond Longitudinal Study (B&B)*. U.S. Department of Education, Institute of Education Sciences. ([NCES](#))

<sup>xvi</sup> Institute for Higher Education Policy. (2023, December 12). *Nearly 50 organizations, researchers urge the Department of Education to preserve crucial postsecondary sample studies*. IHEP. ([IHEP](#))

<sup>xvii</sup> U.S. Department of Education. (2025, March 11). *U.S. Department of Education initiates reduction in force*. ([U.S. Department of Education](#))

<sup>xviii</sup> Institute for Higher Education Policy. (2025, March 10). *Nearly 90 higher ed organizations and researchers urge Congress to protect postsecondary data*. IHEP. ([IHEP](#))