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DEFAULT RATES FOR CERTIFICATE PROGRAM GRADUATES ON PAR WITH COLLEGE DROPOUTS, NEW DATA SHOW

The programs tend to be far less expensive than a bachelor's degree

By Melissa Korn
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More adults **are enrolling in certificate programs** to beef up their credentials and brush up on skills without leaving the workforce for lengthy periods.

But when certificate candidates take out student loans, they often struggle to pay those loans back, according to federal data released Thursday.

Certificates, offered mainly by community colleges and for-profit schools, generally take one to two years to complete, and can prepare individuals for work in fields including cosmetology and medical office billing. They tend to be far less expensive than a bachelor's degree.

But undergraduate certificate program graduates who started their programs in the 2003-04 year owed a median \$3,700 in student debt, including principal and interest, a dozen years after starting the programs, the new data showed. That is substantially less than the \$13,800 median sum that those who graduated with associate degrees owed, and the \$11,700 median sum owed by graduates of programs awarding bachelor's degrees or graduate degrees.

Even so, 44 percent of undergraduate certificate program graduates who borrowed in the 2003-2004 year had defaulted by 2015, according to the figures, which come from the U.S. Department of Education's data arm, the National Center for Education Statistics. In comparison, the default rate was 45 percent among college dropouts, 22 percent among graduates who earned associate degrees, and 8 percent for those who earned at least a bachelor's degree.

Ben Miller, senior director for postsecondary education at the liberal Center for American Progress, says there is a clear connection between the high default rates for graduates of certificate programs and their overall quality.

"We really need to take a closer look at what's being awarded there," he said of the programs, which had gained support in recent years as a decent, career-focused alternative to pricey bachelor's degrees. "We're all too willing to let the minority of standout certificates dwarf the far larger number that appear to not have much value."

Certainly, some certificate programs in a field like manufacturing have strong outcomes as measured by their graduates' ability to land jobs. Roughly 30 million jobs paying an average \$55,000 annually don't require a bachelor's degree, according to Georgetown University's Center on Education and the Workforce. That includes jobs requiring certificates, associate degrees or other credentials.

Separately, the new report showed the extent of the crisis in loan defaults among students who attended for-profit colleges. Roughly 34 percent of those who borrowed in 1995-96 to go to for-profit schools defaulted within 12 years; for the 2003-04 entering cohort, more than half had defaulted by 2015.

Students at community colleges and public and private four-year schools also defaulted on their loans at slightly higher rates over that time. In the wake of the recession, more students borrowed larger sums and some graduates struggled to make ends meet.

Roughly one-third of for-profit college borrowers from that older cohort paid off all their loans, without defaulting, within 12 years. By the 2003-04 entering cohort, when enrollments at such schools had started to explode and online offerings were picking up steam, just 13.8 percent of borrowers managed to repay their federal loans within 12 years, well below the rates for students at other types of schools.

The Obama administration's crackdown on what it deemed to be high-cost, low-quality for-profit college programs led to a retrenchment in that sector. Enrollments plummeted, and two major chains, **ITT Technical Institute** and Corinthian Colleges, closed. The Education Department currently is sifting through tens of thousands of claims by borrowers alleging they were defrauded by the schools and shouldn't be responsible for repaying their outstanding loans.

Almost nine in 10 for-profit college students who began school in 2003-2004 took out federal loans to attend, up from 68 percent for the cohort that started school in 1995-96.

Nearly half of community college students in the more recent cohort borrowed, while 68 percent of public university students and 75 percent of students at private, nonprofit schools did.

Write to Melissa Korn at melissa.korn@wsj.com