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January 26, 2012

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NBCC to Department of Education: “We Told You So”
Minority Organization Expresses Disappointment Over Miscalculation in Gainful Employment Rule

WASHINGTON: In response to reports that the U.S. Department of Education re-released the controversial “Gainful Employment” rule yesterday following major miscalculations surrounding the number of African American students affected by the rule, Harry Alford, president of the [National Black Chamber of Commerce](#) (NBCC) issued the following statement:

“The Department of Education’s calculation error confirms our initial concerns that the ‘Gainful Employment’ rule would unfairly harm minority students at proprietary colleges and universities. The department has failed time and again to recognize that repayment rates at proprietary schools are based heavily on demographics – and it has now been forced to re-release the ‘Gainful Employment’ rule based on incorrect interpretation of the statistical results. Had the Department of Education conducted a Minority Student Impact Assessment – as the National Black Chamber of Commerce and other minority leaders had [called for in May of 2011](#) – we would not be facing this issue.

“The ‘Gainful Employment’ rule should be overturned once and for all. It is clear that the entire process has been unfairly biased by the Administration, Congress and third party groups against proprietary colleges. If the regulation is not overturned, these biased opinions will cause the Administration to hurt educational opportunities and job training prospects for thousands of low-income and minority students.”

In the corrected rule, the Federal Register reads, “In the preamble of the final regulations, we used the wrong data to calculate the percent of total variance in institutions’ repayment rates that may be explained by race/ethnicity. Our intent was to use the data that included all minority students per institution. However, we mistakenly used the data for a subset of minority students per institution.” The Department originally estimated that race explained only 1 percent of the overall total variance in repayment rates across schools subject to the regulations, however the corrected data reveals that race actually explains 20 percent of the variance.

About NBCC

The NBCC reaches 100,000 Black owned businesses. There are 1.9 million Black owned businesses in the United States. Black businesses account for over \$138 billion in annual sales. African Americans have over \$1 trillion in expendable income each year according to the US Bureau of Census. The National Black Chamber of Commerce is dedicated to

economically empowering and sustaining African American communities through entrepreneurship and capitalistic activity within the United States and via interaction with the Black Diaspora.

For more information, please call NBCC at (202) 466-6888 or visit www.uneducatedpolicy.com.

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