



## Gainful Employment and the Acupuncture Profession

### ASA Official Statement

May 11, 2017

Dear Colleagues:

As many of you are aware, our community is undergoing a significant stressor right now surrounding the issue of Gainful Employment (GE). “Gainful Employment” refers to regulations put into place and enacted by the United States Department of Education under the Obama administration<sup>1</sup>. The purported goal of this initiative is to assure that there is a sustainable and fair debt-from-education to income-post-graduation ratio for graduates of, at present, all programs at for profit colleges, and for non-degree programs at non-profit colleges. (This may extend to all not-for-profit schools as well at some point.) These regulations affect not only Acupuncture educational institutions, but all schools that are for-profit, including culinary, cosmetology, massage, and others. Non-degree programs at public and non-profit institutions are also subject to GE, but these institutions enjoy the financial benefit of either exemption from tax and/or taxpayer subsidies.

All members of our community, from the professional associations to the colleges of acupuncture, support, in theory, the broad concept that educational programs should impart vocational skills that lead to career earnings making the investment of time and cost worthwhile. Everyone wants an education that leads to a meaningful and sustainable career.

The issue that faces our school community is that the methodology for calculating mean and median annual earnings of graduates from each program of for-profit colleges is problematic. Firstly, the USDE is looking at graduate IRS reported incomes within the first 18-36 months following graduation. For professions that have clear and plentiful employment opportunities for graduates immediately upon completion of their educational entry programs, this might be an appropriate point to measure earnings. For acupuncturists, we remain a largely self-employed workforce, and so do not achieve optimal earnings for often up to five or more years post-graduation. Additionally, the USDE gathered the earnings data from the Social Security Administration, this amount is purely the earnings of the individual and would not include other kinds of income. Some Acupuncturists have incorporated private practices and draw relatively low salaries that are supplemented by dividends and distributions. These dividends and distributions are not taxed for social security and would not be included in the “earnings”

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<sup>1</sup> <https://www.ed.gov/category/keyword/Gainful-Employment>

statistics of the USDE's study. Therefore, by virtue of how the data is gathered, it would never adequately represent the income of some acupuncturists.

The statistics measured are also skewed by many student choice-driven variables not accounted for by the USDE. These include graduates who choose to work part-time or take a leave to care for young children, ill family members, or elderly parents. Between the early earnings measurement and the failure to account for compensation some practitioners receive through dividends and distributions not taxed as ordinary income and not reported to SSA, and the many student choice variables, the conclusions from the USDE are completely unrealistic as to the state of the profession. For all of these reasons, for our profession, this metric does not provide students or the public with an adequate picture of long-term earning potential, and the overall broader career potential that actually exists.

In the 2013 National Certification Commission for Acupuncture and Oriental Medicine Job Task Analysis<sup>2</sup>, the median gross income for practicing acupuncturists was reported as \$52,000. The 1,514 respondents had been in practice from zero to 42 years with a mean of 11 years. Sixty-nine percent of the respondents were working fewer than 40 hours. Sixty-five percent of those working fewer than 40 hours provided the following reasons for doing so: have another job in AOM field, have another job in non-AOM field, personal choice, and other. The USDE, in its GE analysis, reports median net earnings ranging between \$8400 and \$24,500 per year in the data it references, which results from inclusion of all AOM graduates in the potential data set, including those working part-time by choice<sup>34</sup>. The fact that the USDE has published the median net earnings without making consideration for those in the AOM profession who choose to work part-time, renders the GE metrics misleading and highly problematic.

Second in significance, is that much of the impetus for the GE rules is to prevent student loan defaults. According to information released by the Council of Colleges for Acupuncture and Oriental Medicine (CCAOM) and calculated from publicly available data<sup>5</sup>, our industry posts very low default rates, and is not, overall, among professions and vocations that burden the federal student aid system with unpaid student loan debt. Of eleven of the schools listed for GE sanction, the combined average default rate was approximately 4.5%, well below the 15% average for the for profit sector and the 11.3 % average for all institutions of higher education, with three schools having a 0% default rate.<sup>6</sup>

Consequent to these problematic GE metrics posing what we agree to be an unfair threat to our profession, twelve acupuncture schools have joined together to file a lawsuit against the USDE to address this issue for our sector directly.<sup>7</sup> We will be in communication with this group, and await further information as their lawsuit progresses. With changes in the U.S. presidential administration, it also remains to be seen if programs and efforts under the prior administration will progress in the same manner. These growing pains for our sector will, in the long run, make us stronger. This is a beautiful

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<sup>2</sup> <http://www.nccaom.org/job-analysis/>

<sup>3</sup> [https://docs.google.com/spreadsheets/d/1d89-HuFznUMymJNfQh\\_q4bufYF5V1u8fKk9tKHxb-Y/edit?usp=sharing](https://docs.google.com/spreadsheets/d/1d89-HuFznUMymJNfQh_q4bufYF5V1u8fKk9tKHxb-Y/edit?usp=sharing)

<sup>4</sup> <https://www.ed.gov/news/press-releases/education-department-releases-final-debt-earnings-rates-gainful-employment-programs>

<sup>5</sup> <https://studentloans.net/default-rates/#tab-con-4>

<sup>6</sup> <https://docs.google.com/spreadsheets/d/1yQwIKxF7TJf7QnFaM7uQyY-q7lxGKjQ2PKg61EIDwn8/edit?usp=sharing>

<sup>7</sup> <https://www.republicreport.org/wp-content/uploads/2017/03/PIHMA-GE-Complaint.pdf>

field of healthcare, rich in wisdom and potential, and we must help to nurture it along the path of growth, through shifting climates of multiple administrations and fluctuating economic conditions.

We must realize we are a young profession, with our professional infrastructure coming into place between 1982 and 1985 when our major Commissions were founded. We certainly see greater mainstream acceptance of acupuncture<sup>8</sup>, and believe we see a growing trend for employment-based opportunities for our graduates. Nonetheless, this profession remains one that at present requires significant entrepreneurial skills and solid business acumen. We strongly encourage all sectors and organizations in the field to support the development of programs that will promote acceptance of AOM healthcare by varying payment systems, and that will enhance the business skills of our graduates. Stronger practice management skills will enable graduates to achieve more meaningful earnings, and we will be working ourselves as an association to produce such materials in the year and years to come.

Sincerely,

Your Board of the American Society of Acupuncturists

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<sup>8</sup> [http://www.nbcnewyork.com/news/health/Acupuncture\\_\\_Gaining\\_Acceptance.html](http://www.nbcnewyork.com/news/health/Acupuncture__Gaining_Acceptance.html)