

# Student Loan Debt and Earnings at North Carolina Universities

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## Introduction

A core purpose of North Carolina's higher education system is to serve the people of the state by providing instruction that enables graduates to lead "responsible, productive, and personally satisfying lives."<sup>1</sup> This mission requires substantial investment by students and citizens, with careful oversight to ensure that constituent schools and their academic programs provide sufficient returns to stakeholders.

Numerous degree programs throughout the UNC System equip students with the requisite knowledge and skills for meaningful careers that generate excellent returns for both alumni and the North Carolina economy. This talent pool attracts businesses and residents to the state, expanding job opportunities, further developing the labor force, and fostering economic growth.

Recent data from the Texas Public Policy Foundation on post-graduation debt and income, however, suggest that a substantial proportion of programs fail to generate satisfactory economic outcomes that reasonably enable alumni to pay back their student loan debt.

The TPPF data demonstrate the performance of more than 900 bachelor's, master's, professional, and doctoral degree programs across North Carolina. By categorizing these programs based on the debt and income of their graduates, we are able to identify those programs that are most in need of oversight, reform, or closure.

This report also allows prospective students and their families to make better-informed decisions regarding their college and later careers. Unlike resources that merely review the potential income for types of programs generally, this report provides detailed information on income and debt for *specific* programs at *specific* schools in North Carolina, providing a uniquely high-resolution picture of the financial risks and opportunities faced by UNC students today.

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<sup>1</sup> University of North Carolina System. (2022). [About us](#).

## Data

The Texas Public Policy Foundation has compiled and analyzed the U.S. Department of Education's College Scorecard data, which identifies alumni debt and income by program at each college. Specifically, TPPF uses data on early-career median income and post-graduation median debt to generate a program-level metric called *Debt as a Percent of Earnings* (DPE).

A program is defined as a specific degree offering at a particular institution. For example, a bachelor's degree in psychology at Fayetteville State University is a program, as is a professional degree in law from North Carolina Central University.

The most recent data, used here, are for students who graduated during the 2016–17 and 2017–18 academic years, taking their debt and earnings three years after graduation.

## Accountability Thresholds

This report uses the accountability thresholds recommended by the Texas Public Policy Foundation, which enables readers to compare North Carolina results with those in reports from other states.<sup>2</sup> Each academic program with sufficient data falls into one of four categories based on DPE: Reward, Monitor, Sanction, or Sunset. Notice that the Sanction and Sunset categories describe programs for which median student loan debt exceeds median annual earnings, which TPPF implies is a tipping point for program return on investment.

- Reward (DPE  $\leq$  75 percent)
- Monitor (75 percent  $<$  DPE  $\leq$  100 percent)
- Sanction (100 percent  $<$  DPE  $\leq$  125 percent)
- Sunset (DPE  $>$  125 percent)

Because the purpose of this report is to identify and increase accountability of underperforming programs, we focus on programs in Sanction and Sunset categories.

Measuring program performance with DPE has limitations. Income three years after graduation may misrepresent the financial risks of some programs, specifically those that tend to provide low earnings in the early stages of their associated careers but high earnings later. For example, while 100 percent of North Carolina law programs fall into the Sunset category, many attorneys develop lucrative careers that make their debt easy to pay in the medium to long term. For the same reason, medical school programs have been excluded from this report.

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<sup>2</sup> See, e.g., Gillen, A. (2022). [Holding Texas colleges accountable for student loan debt and earnings outcomes: 2022](#). Texas Public Policy Foundation.

Additionally, a significant amount of DPE data is suppressed for confidentiality purposes when programs have few graduates, and therefore the list of underperforming programs is not exhaustive. Investigation by officials who are entitled to the suppressed data is required to determine whether certain programs need increased oversight.

Finally, programs that financially underperform might serve other state interests. Whether these programs are best supported within the state higher education system, however, is a policy question beyond the scope of this report.

**Figure 1: Number of programs at various debt-to-earning levels**

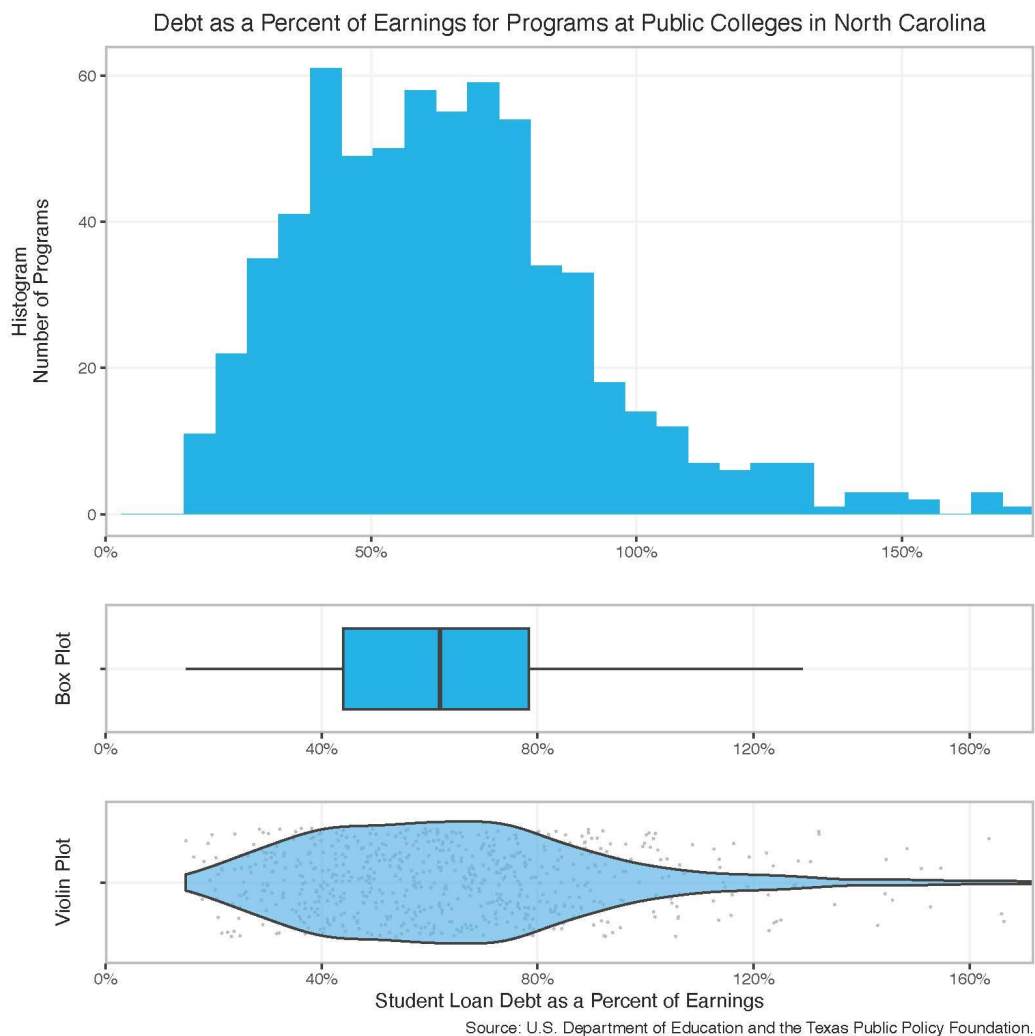


Figure 1 shows three views of DPE for two-year and four-year programs at public colleges in North Carolina. A sizable proportion of programs have DPE above 75 percent (the Monitor threshold), and a number of programs on the right tail extend well beyond 150 percent. In contrast, many programs are far below 50 percent.

## Statewide Trends

DPE values vary extensively across programs, academic fields, and credential levels. Understanding which programs are financially risky allows students and families to make smarter decisions and enables administrators and policymakers to target their reform efforts.

Aggregately, fields in which high percentages of alumni saw significant return on investment include, among others:

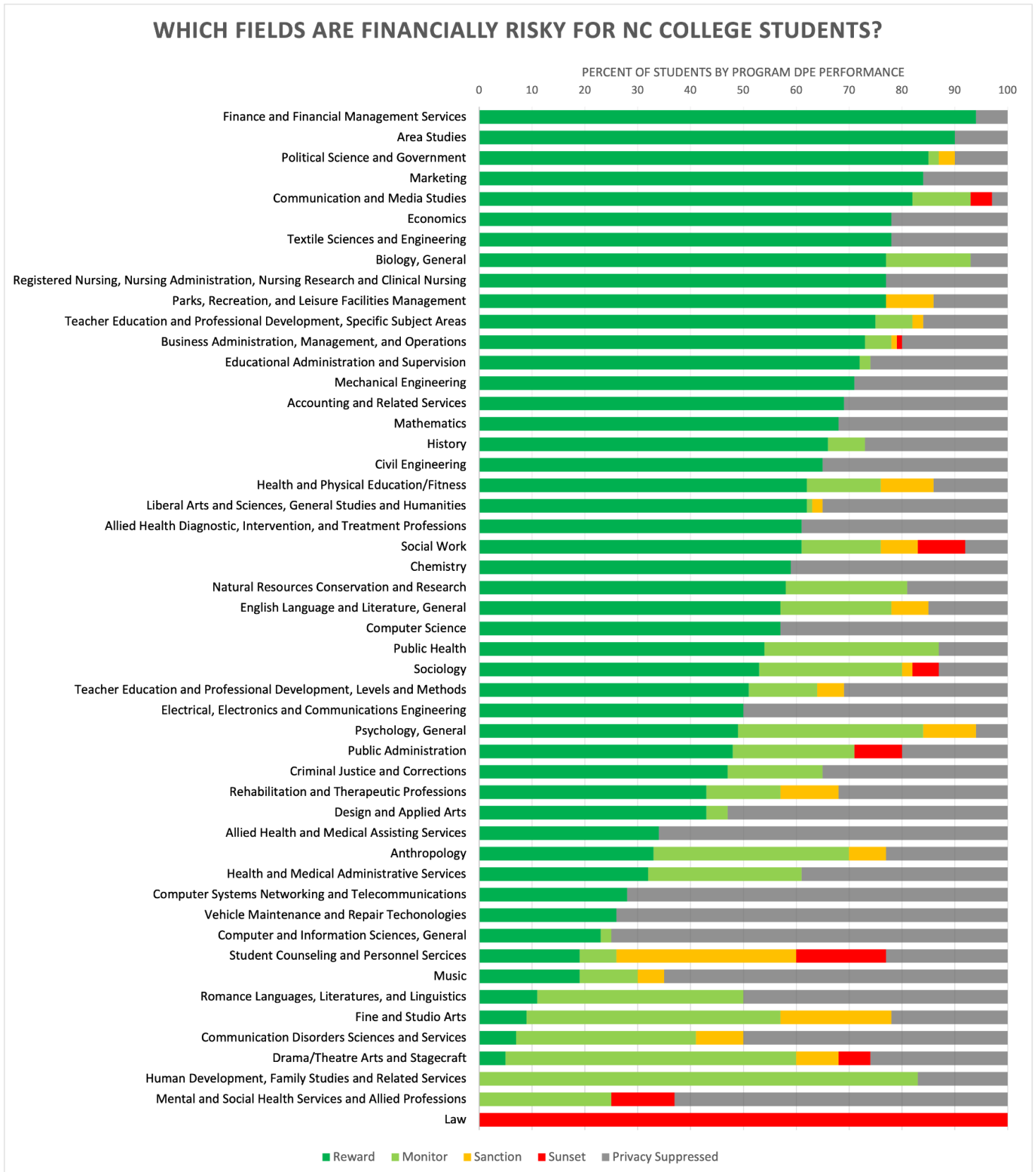
- Finance, Marketing, Business Administration, and Economics
- Biology and Chemistry
- Engineering, Mathematics, and Computer Science

Other fields proved to have significant percentages of alumni in problematic DPE categories, including but not limited to:

- Law
- Mental and Social Health Services
- Drama/Theater Arts
- Student Counseling and Personnel Services

*Figure 2 shows the percentage of students in each DPE category by academic field. Note that some fields appear lower on the list due to having a high proportion of suppressed data.*

Figure 2: DPE by field of study across North Carolina



## Performance by University

Aggregate DPE ratings by university show great variation. More than 90 percent of UNC Charlotte alumni with bachelor’s degrees graduated from programs at the top level of DPE performance, while zero students from UNC School of the Arts or from Elizabeth City State University did. North Carolina Central University had the largest proportion of alumni graduating from programs with the worst (“Sunset”) debt-to-income performance.

Figure 3 provides prospective students, administrators, and policymakers with insight into the relative performance of institutions with bachelor’s degrees in the UNC System. This low-resolution picture, though, does not show how individual programs performed.

**Figure 3: DPE by university for bachelor’s degrees**

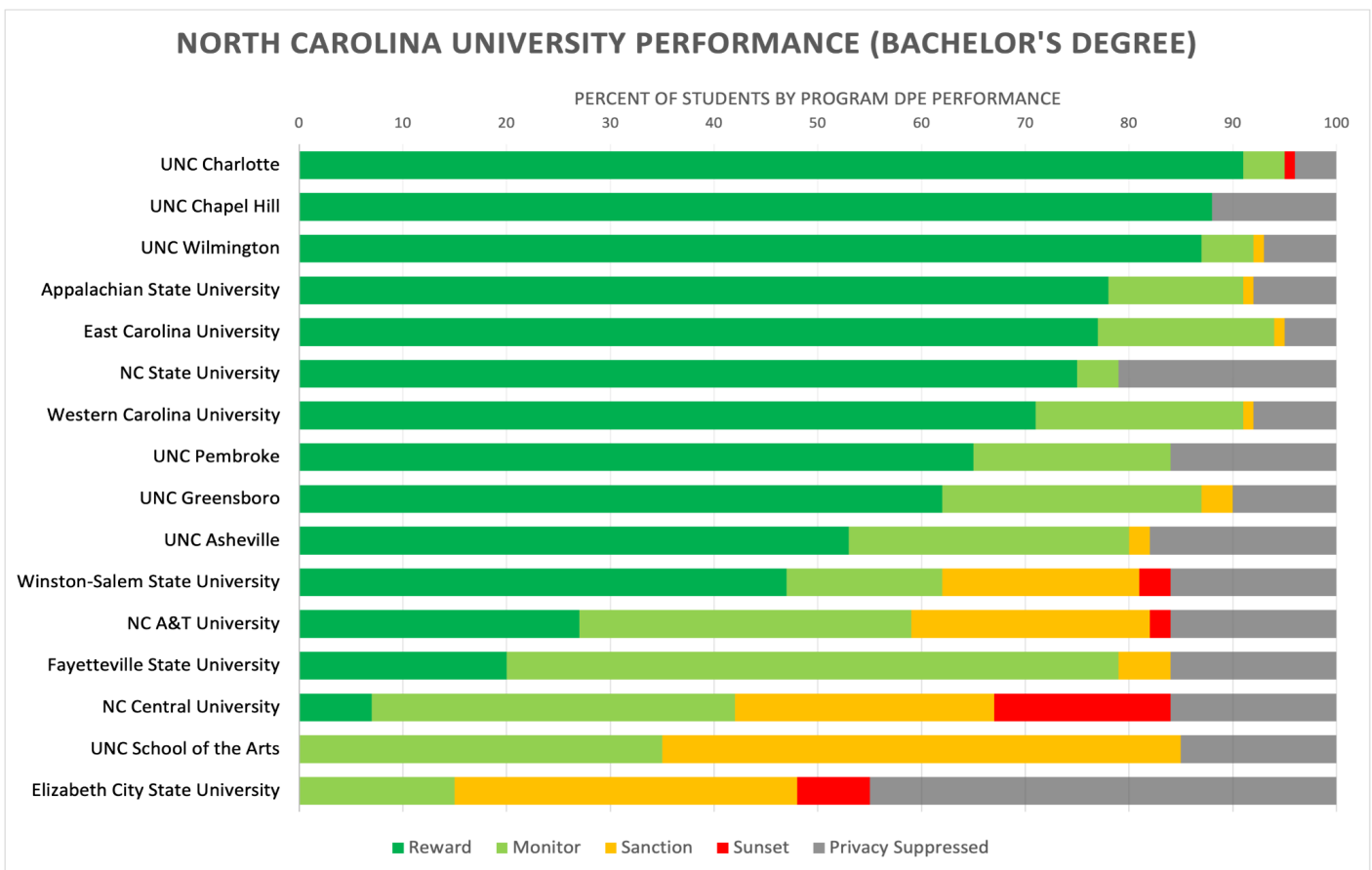
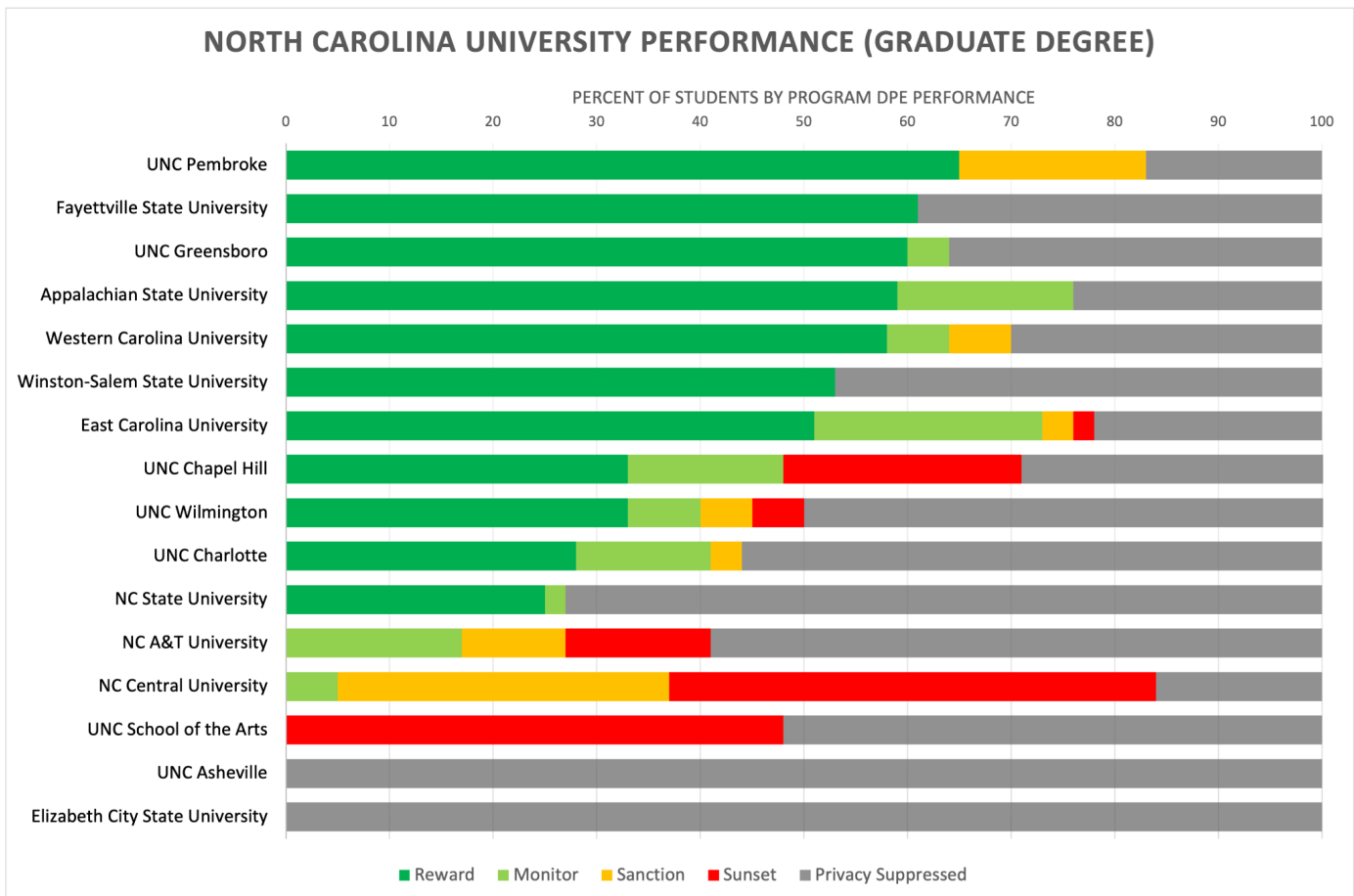


Figure 4 shows the DPE performance of UNC System schools across graduate degree programs. About two-thirds of UNC Pembroke alumni graduated from programs at the highest level of performance, while about half of UNC School of the Arts alumni graduated from programs at the lowest level of performance. The vast majority, roughly four-fifths, of North Carolina Central University graduate students finished programs in the lowest two tiers (“Sanction” and “Sunset”), suggesting that legislators and UNC System leaders might rethink NCCU’s role as an educator of graduate students or might rethink graduate tuition at NCCU.

**Figure 4: DPE by university for graduate degrees**



### Programs at Risk

The following tables show, for each university, which programs are financially riskiest. These tables enable prospective students to be warned. They also enable administrators and legislators to identify exactly which programs should be considered for sanctioning or sunset at each university in the UNC System. (Note that the U.S. Department of Education data uses generic program names that do not always exactly match the name of a program at a UNC school.)

Appalachian State University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sanction	Fine and Studio Arts	Bachelor's	104.9

East Carolina University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Interdisciplinary Studies	Master's	144.6
Sanction	Drama/Theatre Arts & Stagecraft	Bachelor's	122.7
	English Language & Literature	Master's	102.3

Elizabeth City State University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Sociology	Bachelor's	154.7
Sanction	Psychology	Bachelor's	123.6
	Health and Physical Education	Bachelor's	116.0
	Teacher Education and Professional Development (specific subjects)	Bachelor's	114.7
	Teacher Education and Professional Development (specific levels)	Bachelor's	113.6
	Business Administration, Management and Operations	Bachelor's	106.1



Fayetteville State University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sanction	Liberal Arts and Sciences, General Studies and Humanities	Bachelor's	118.9

NC A&T University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Student Counseling and Personnel Services	Master's	151.1
	Sociology	Bachelor's	144.3
Sanction	Psychology	Bachelor's	116.3
	Teacher Education and Professional Development	Master's	112.6
	Family and Consumer Sciences/Human Sciences	Bachelor's	12.6
	Health and Physical Education	Bachelor's	106.0
	Liberal Arts and Sciences, General Studies and Humanities	Bachelor's	105.6

UNC Asheville			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sanction	Music	Bachelor's	101.9

UNC Chapel Hill			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Dentistry	First Professional	152.8
	Social Work	Master's	132.2
	Law	First Professional	130.5
	Pharmacy, Pharmaceutical Sciences, and Administration	First Professional	129.1
Sanction	Rehabilitation and Therapeutic Professions	Doctoral	113.7

UNC Charlotte			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Dance	Bachelor's	143.0
Sanction	Student Counseling and Personnel Services	Master's	113.8

UNC Greensboro			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sanction	Dance	Bachelor's	115.9
	Fine and Studio Arts	Bachelor's	101.5

NC Central University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Law	First Professional	172.0
	Communication and Media Studies	Bachelor's	166.4
	Family and Consumer Sciences/Human Sciences	Master's	163.6
	Mental and Social Health Services and Allied Professions	Master's	148.4
	Public Administration	Master's	135.0
	Family and Consumer Sciences/Human Sciences	Bachelor's	128.3
	Teacher Education and Professional Development	Bachelor's	127.7
Sanction	Political Science and Government	Bachelor's	124.2
	Parks, Recreation and Leisure Facilities Management	Bachelor's	119.2
	Library Science and Administration	Master's	114.4
	Communication Disorders Sciences and Services	Bachelor's	108.7
	Business Administration, Management and Operations	Master's	107.5
	Psychology	Bachelor's	106.3
	Social Work	Bachelor's	105.8
	English Language and Literature	Bachelor's	101.5
	Social Work	Master's	100.1

UNC School of the Arts			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Drama/Theatre Arts and Stagecraft	Master's	125.1
Sanction	Dance	Bachelor's	122.9
	Film/Video and Photographic Arts	Bachelor's	100.9

UNC Wilmington			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Rhetoric and Composition/Writing Studies	Master's	145.7
Sanction	Anthropology	Bachelor's	122.4
	Psychology	Master's	102.8

UNC Pembroke			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sanction	Student Counseling and Personnel Services	Master's	104.3

Winston-Salem State University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sunset	Communication and Media Studies	Bachelor's	127.6
Sanction	Rehabilitation and Therapeutic Professions	Bachelor's	123.8
	Liberal Arts and Sciences, General Studies and Humanities	Bachelor's	118.7
	Teacher Education and Professional Development	Bachelor's	104.7
	Sociology	Bachelor's	103.1
	Health and Physical Education	Bachelor's	101.8

Western Carolina University			
<i>DPE Status</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
Sanction	Radio, Television, and Digital Communication	Bachelor's	106.3
	Student Counseling and Personnel Services	Master's	101.8

### Programs of Highest Concern

Institutional leaders, policymakers, and North Carolina lawmakers have crucial roles in keeping the higher education system accountable. As student loan debt becomes an increasingly formidable economic burden, it is increasingly important to ensure that higher education graduates are finding careers with sufficient compensation to afford their higher education debt.

From a policy standpoint, this work involves developing targeted accountability strategies aimed at repairing, overhauling, or terminating particular programs that have demonstrated an inability to justify their increasingly exorbitant costs to taxpayers, students, and other stakeholders.

Drawn from the tables above, the following table identifies the 15 worst-performing degree programs in the UNC System. This table excludes medical and law degrees, as these graduates are likely to earn substantial incomes that enable them to pay back their debts.

Programs of Highest Concern			
<i>Institution</i>	<i>Program</i>	<i>Credential</i>	<i>DPE</i>
NC Central University	Communication and Media Studies	Bachelor's	166.4
NC Central University	Family and Consumer Sciences/Human Sciences	Master's	163.6
Elizabeth City State University	Sociology	Bachelor's	154.7
NC A&T University	Student Counseling and Personnel Services	Master's	151.1
NC Central University	Mental and Social Health Services and Allied Professions	Master's	148.4
UNC Wilmington	Rhetoric and Composition/Writing Studies, UNC Wilmington	Master's	145.7
East Carolina University	Interdisciplinary Studies	Master's	144.6
NC A&T University	Sociology	Bachelor's	144.3
UNC Charlotte	Dance	Bachelor's	143.0
NC Central University	Public Administration	Master's	135.0
UNC Chapel Hill	Social Work	Master's	132.2
NC Central University	Family and Consumer Sciences/Human Sciences	Bachelor's	128.3
NC Central University	Teacher Education and Professional Development	Bachelor's	127.7
Winston-Salem State University	Communication and Media Studies	Bachelor's	127.6
UNC School of the Arts	Drama/Theatre Arts and Stagecraft	Master's	125.1

These relatively expensive, underperforming programs should be thoroughly investigated by administrators and policymakers. Improvements could include increasing academic rigor, imparting students with more valuable and relevant marketable skills, restructuring curricula in other ways, raising the standards for admission, or reforming financial aid in these programs. Alternatively, underperforming programs may be financially or otherwise sanctioned, placed on probation, or cut entirely. Programs that vastly underperform similar programs at other universities should be most aggressively targeted, since they appear to be expensive academic redundancies within the UNC System.

At the same time, these programs may have positive attributes that weigh against reforms. Students in some programs, such as those in the fine and liberal arts, are likely aware that their future earnings will make their student loan debt especially burdensome, but they may believe the tradeoff is worth it. Policymakers may or may not agree that the taxpayer's role in subsidizing such programs at public universities is warranted, considering the value that such programs might create for graduates and the state, particularly in, for example, mental health.

Again, it is important to note that some programs that score poorly on DPE three years after graduation do eventually carry their weight as graduates ramp up their earnings later in their careers.

In general, however, these 15 programs, despite their perceived value, have become much too costly. In part this is because tuition and fees have grown exponentially throughout the higher education system, beyond deficiencies that may be present in each program. Therefore, lawmakers and policymakers also should take more seriously the causes of skyrocketing tuition. Reducing the explosive cost of university administration could be one of the solutions.

## **Conclusion**

The UNC System is one of the strongest public higher education systems in the nation. Nearly all constituent schools offer undergraduate and graduate programs with significant return on investment. At some colleges, however, far too many programs leave their alumni with high debt compared to their income.

Administrators, policymakers, and lawmakers should conduct further analysis to determine why so many programs at universities including NC Central, UNC School of the Arts, Elizabeth City State, and NC A&T fail to provide a good return on investment for so many of their graduates. DPE benchmarks should be considered requirements, with few public policy exceptions. If concrete steps do not sufficiently address underlying issues, the worst-performing programs should close.

Prospective students should take into account DPE ranges when applying to colleges and selecting degree programs. Taxpayers should demand that those whom they elected require transparency and accountability from UNC System schools, to ensure that the subsidies provided to all programs at public universities are worth the cost to the state of North Carolina.

It is of grave concern that graduates of so many programs at North Carolina universities face excessive DPE ratios in spite of heavily subsidized tuition. Nearly a third of the UNC System's 10-billion-dollar budget is appropriated by the state,<sup>3</sup> helping in-state students pay considerably less in tuition.<sup>4</sup>

To fulfill its mission, state law requires the UNC System to “seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State.”<sup>5</sup> Constituent colleges should do so not only by expanding their successful programs in fields such as business, natural sciences, engineering, and mathematics, but also by reforming, tailoring, and right-sizing underperforming programs that saddle students with unreasonably burdensome debt and that waste taxpayer resources. By doing so, North Carolina, the first state to implement a public higher education system, can continue to lead in research, education, and service for years to come.

#### **About the Authors**

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#### **About the Martin Center**

The James G. Martin Center for Academic Renewal is a private nonprofit institute dedicated to improving higher education policy. Our mission is to renew and fulfill the promise of higher education in North Carolina and across the country.

We advocate responsible governance, viewpoint diversity, academic quality, cost-effective education solutions, and innovative market-based reform. We do that by studying and reporting on critical issues in higher education and recommending policies that can create change—especially at the state and local level.

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<sup>3</sup> Watkins, S. (2021, April 22). [Did You Know? Where UNC System's \\$10 Billion In Revenue Comes From](#). The James G. Martin Center for Academic Renewal.

<sup>4</sup> University of North Carolina System. (2022). [Tuition and fees](#).

<sup>5</sup> N.C. Gen. Stat. § 116-1.