



# NATIONAL ASSOCIATION OF GRADUATE-PROFESSIONAL STUDENTS

June 27, 2013

Majority Leader Harry Reid  
522 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Reid,

I am writing on behalf of the National Association of Graduate-Professional Students (NAGPS) to express our support for legislation that will reduce the student debt burden of our nation's students. NAGPS represents more than 600,000 graduate and professional students from over 95 institutions across the United States. We are an entirely student-run, volunteer organization and all of our board members are graduate and professional students themselves.

NAGPS members face significant burdens from student loan debt, particularly since they also carry debt from their undergraduate studies. We stand with our undergraduate student colleagues to seek a solution that considers all students and does not raise interest rate caps for one set of students to help offset another.

## **Graduate and Professional Students' Debt Burden is Rising**

For graduate and professional students, the challenge of student debt has grown in recent years. During 1995–2007, the percentage of graduate and professional students who borrowed to finance their degree increased from 26% to 42%. During this same time, the average annual amount borrowed among graduate and professional students increased from \$11,100 to \$18,500 [1]. The extra debt burden added by this change is in addition to the debt already accrued by a student pursuing a doctoral degree, which has also risen over the past two decades. From 1995 to 2007 the average cumulative amount borrowed by graduate and professional students who also borrowed to finance their undergraduate degree increased by 125% from \$18,900 to \$42,600 [1]. Overall, the elimination of the Stafford subsidized loan for graduate and professional students will add more than \$18 billion to graduate and professional students' debt burden over the next 10 years [2].

## **Current Proposals Allow the Government to Profit at the Expense of Students**

Several solutions have been proposed in both the House and the Senate. According to the Congressional Budget Office, most proposals currently being considered would lower rates in the short term but significantly increase borrowing rates in the long term for both undergraduate and graduate students [3]. Though we appreciate all of the efforts being made to work to prevent a student interest rate increase and minimize student debt, many of these proposals would hurt students in the long run. As a result the federal government stands to make billions of dollars at the expense of students seeking higher education to increase their opportunities and better our economy. These profits are in addition to the \$51 billion in profits the federal government is estimated to make off of student government loans in 2013 [4]. These are not long-term solutions that help our nation achieve success.

## **Graduate Student Debt Hurts the Economy**

Our rising debt burden has a significant impact on our nation as a whole and our economy. As our nation's young people strive to repay higher education loans, they inevitably must forgo other significant economic investments. Our organization frequently hears from students who lament their incapacity to buy a home, purchase a car, or save money in a long term retirement account due to the monthly burden of their student debt repayment schedule. A recent report from the Consumer Financial Protection Bureau notes these many burdens and impacts drawing particular attention to homeownership and retirement funds [5].

### **NAGPS member schools:**

Arizona State University  
Arkansas State University  
Armstrong Atlantic State University  
Auburn University  
Baylor University  
Bentley University  
Boston University  
Bryn Mawr College  
Carnegie Mellon University  
Case Western Reserve University  
Chatham University  
Colorado School of Mines  
Colorado State University  
Columbia University  
Cornell University  
Drexel University  
Duke University  
East Carolina University  
East Tennessee State University  
Eastern Illinois University  
Emerson College  
Florida Atlantic University  
Florida International University  
Florida State University  
George Mason University  
Grand Valley State University  
Harvard University  
High Point University  
Johns Hopkins University  
Kent State University  
Loyola University Maryland  
Massachusetts Institute of Technology  
Missouri University of Science and Technology  
North Carolina State University  
Northern Arizona University  
Northwestern University  
Ohio State University  
Oklahoma State University  
Old Dominion University  
Pennsylvania State University  
Regent University  
Rice University  
Southern University  
St. Cloud State University  
St. Louis University  
Stony Brook University  
Syracuse University  
Texas A&M University  
Texas Tech University  
Tufts University  
University of Akron  
University of Alabama, Birmingham  
University of Alabama, Tuscaloosa  
University of Arizona  
University of Arkansas, Little Rock  
University of California  
University of California, Davis  
University of California, Irvine  
University of California, Merced  
University of California, San Diego  
University of Central Florida  
University of Cincinnati  
University of Colorado  
University of Florida  
University of Georgia  
University of Louisville  
University of Maryland, Baltimore County  
University of Maryland, College Park  
University of Miami  
University of Mississippi  
University of Missouri  
University of Missouri, St. Louis  
University of Montana  
University of Nevada, Las Vegas  
University of Nevada, Reno  
University of New England  
University of New Haven  
University of North Texas  
University of Notre Dame  
University of Oklahoma  
University of Pittsburgh  
University of Puerto Rico Rio Piedras Campus  
University of South Dakota  
University of South Florida  
University of Southern California  
University of Tennessee Knoxville  
University of Toledo  
Virginia Commonwealth University  
Washington State University  
Washington University in St. Louis  
Western Michigan University  
Xavier University

Though there are a number of loan repayment options on the table for both graduate and undergraduate students, these programs have significant time horizons and consequently delay major life decisions that affect the the economic well-being of our nation.

### **We Seek Solutions**

**We encourage you to consider students' input and to draft legislation for student loan interest rates that does not increase the current rates, and considers rates for both graduate and undergraduate students.** We oppose actions that raises the rates of one group of students to offset the costs for others. All students are challenged by debt and deserve a solution that works for all people seeking higher education.

We look forward to working with you on this important topic. Thank you for your consideration.

Sincerely,



Meredith Niles  
PhD Candidate, University of California, Davis  
Director of Legislative Affairs, National Association of Graduate-Professional Students

CC: Members of the Senate Committee on Health, Education, Labor, And Pensions

- 
- [1] National Center for Education Statistics. National Postsecondary Student Aid Study. 2010. <http://nces.ed.gov/pubs2010/2010180.pdf>
  - [2] "Grad Students to Lose Federal Loan Subsidy". March 14, 2012. US News and World Report. <http://www.usnews.com/education/best-graduate-schools/top-graduate-schools/paying/articles/2012/03/13/grad-students-to-lose-federal-loan-subsidy>
  - [2] Congressional Budget Office. 2013. Options to Change Interest Rates and Other Terms on Student Loans. <http://cbo.gov/sites/default/files/cbofiles/attachments/44318-StudentLoans-1Column.pdf>
  - [3] "Obama Student Loan Policy Reaping \$51 Billion Profit". May 14, 2013. Huffington Post. [http://www.huffingtonpost.com/2013/05/14/obama-student-loans-policy-profit\\_n\\_3276428.html](http://www.huffingtonpost.com/2013/05/14/obama-student-loans-policy-profit_n_3276428.html)
  - [4] Consumer Financial Protection Bureau. 2013. Student Loan Affordability. [http://files.consumerfinance.gov/f/201305\\_cfpb\\_rfi-report\\_student-loans.pdf](http://files.consumerfinance.gov/f/201305_cfpb_rfi-report_student-loans.pdf)