

Graduate-Professional Student Loans



NAGPS Legislative
Concerns Committee

We urge you to sponsor and support legislation that would:

- REUNIFY** the graduate and undergraduate loan rates to reverse current inequalities
- REINSTATE** the in-school interest subsidy for graduate-professional student loans

*The average cumulative debt for a Master's is **\$57,000** and is **\$75,000** for a doctoral degree. This figure increases to **\$146,000** for a professional degree, which is more than four times the average undergraduate debt load (approx. \$29,000). [1]*

Reunify Loan Rates

- Earning a Ph.D. takes an average of 7.7 years [2]. Compounding interest from unsubsidized loans further swells the debt load, increasing monthly loan payments by \$203 for students taking out the maximum Stafford Loan amount.
- According to Congressional Budget Office projections, savings associated with the removal of the **in-school interest subsidy will result in an increase of \$18.1 billion in the debt burden of graduate-professional students over 10 years.** [3]

Why This Matters

- Federal investment in doctoral education fills a critical gap that neither states nor industry can fill. State governments are often reluctant to invest in fellowships for students who might not remain in the state. Corporations may find doctoral fellowships difficult to justify when they cannot be certain that a student will join the company after attaining the degree. **When the federal government makes the investment, the entire nation greatly benefits.** [4]
- The graduate-professional student default rate is significantly lower (6.4%) than the overall default rate (18.4%), [5] making graduate-professional student loans the safest investment of all student loans.
- The high cost of student loans prohibits graduate and professional students from being active participants in our struggling economy, preventing them from buying homes and starting small businesses.
- The high cost of student loans makes postgraduate education cost prohibitive and will prevent the best and brightest from pursuing graduate or professional degrees.
- Jobs requiring advanced degrees are expected to grow by at least 20% by 2020. [6]

Federal investment

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3x

Grad/Prof are 3x less likely to default on student loans [5]

Graduate instructors

help keep undergraduate education affordable

70%+

of graduate students received some form of financial aid [7]

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References

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- [5] Budget Lifetime Default rates, based on dollars for a projected cohort life of 20 years.
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