

# 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

- The 2013-14 school year was the **first time in history** that graduate-professional students were charged a different rate than undergraduates for unsubsidized Stafford loans. This policy continues into the 2015-2016 school year.

## Federal investment

in doctoral education fills a critical gap that neither states nor industry can fill [10]

## Reinstate In-School Interest Sidsidy

- Earning a Ph.D. takes an average of 7.5 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, 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]

# 13%:77%

Grad/Prof students:  
13% of loans;  
77% of net profit [9]

## Why This Matters

- When the federal government invests in graduate-professional education, the entire nation greatly benefits. [4]
- Graduate student loans are the safest investment of all student loans with a significantly lower default rate (6.4%), which is 3X smaller than the overall rate (18.4%). [5]
- 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. [6]
- Domestic enrollment in graduate education has seen a decline over the past several years. [7]
- Jobs requiring advanced degrees are expected to grow by at least 20% by 2020. [8]

## Graduate instructors

help keep undergraduate education affordable

# 70%+

of graduate students received some form of financial aid [11]

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