April 14, 2011

The Honorable Harry Reid
Senate Majority Leader
Washington, DC 20510

The Honorable John Boehner
House Speaker
Washington, DC 20515

The Honorable Daniel K. Inouye
Senate Appropriations Committee Chair
Washington, DC 20510

The Honorable Jerry Lewis
House Appropriations Committee Chair
Washington, DC 20515

The Honorable Tom Harkin
Senate HELP Committee Chair
Washington, DC 20510

The Honorable John Kline
House Education & the Workforce Committee Chair
Washington, DC 20515

The Honorable Mitch McConnell
Senate Minority Leader
Washington, DC 20510

The Honorable Nancy Pelosi
House Minority Leader
Washington, DC 20515

The Honorable Thad Cochran
Senate Appropriations Committee Ranking Member
Washington, DC 20510

The Honorable Norm Dicks
House Appropriations Committee Ranking Member
Washington, DC 20515

The Honorable Michael B. Enzi
Senate HELP Committee Ranking Member
Washington, DC 20510

The Honorable George Miller
House Education & the Workforce Committee Ranking Member
Washington, DC 20515

Dear Senate and House Leaders, Appropriations Committee Leaders, and Education Committee Leaders:

As Congress negotiates funding for fiscal years 2011 and 2012, we write to urge you to retain the in-school interest subsidy on Federal Stafford loans for graduate and professional students.

The Bureau of Labor Statistics estimates that by 2018 more jobs will require people with advanced degrees; specifically, an 18% increase in jobs requiring a master’s degree and a 17% increase in jobs requiring doctoral degrees. Graduate and professional education provides students with advanced knowledge and specialized skills beyond the foundational knowledge and work skills acquired in undergraduate education. Our nation’s future prosperity and leadership in the global economy will depend in part on highly trained individuals.

The Administration in its FY12 Budget has proposed eliminating the in-school interest subsidy on Stafford loans for graduate and professional students as part of its proposal to find savings for the Pell Grant over the next 10 years. We are committed to finding ways to addressing the growing costs of the Pell Grant and maintaining the maximum grant of $5,550, but we strongly believe that taking benefits away from graduate and professional students to help undergraduate students will have a negative impact on the nation in the short-and-long term. We are concerned that this proposal will discourage talented undergraduate students from pursuing advanced graduate studies because of the significant additional costs of borrowing and has the potential to delay completion at the very time that we need more students to undertake and complete advanced degrees as part of our national innovation strategy. Moreover, eliminating the subsidy would have a disproportionate impact on minority, socioeconomically-disadvantaged students, and first generation students, especially for those who already carry undergraduate debt when they begin graduate school. On average, the cumulative loan debt of
master’s students is over $50,000 while those with doctoral degrees graduate with about $77,000 in debt. Approximately 67% of Ph.D. students and 73% of master’s students graduate with debt. The average graduating educational debt for medical and dental students ranges between $160,000 and $186,500, with over 87 percent of graduates reporting indebtedness.

We believe it is important that Congress take steps to reduce federal spending and address the nation’s growing debt. But we need to do this in a prudent way that allocates spending in a manner that gives us the best chance of improving our future. Increasing the costs of graduate and professional education will harm our nation’s ability to cultivate and develop highly skilled individuals who would be future leaders in business, government, medicine, science, and technology.

We hope to work with you to retain the in-school interest subsidy or some portion of it on Stafford loans for graduate and professional students. Thank you for your consideration of our views.

Sincerely,

Access Group, Inc.
American Academy of Podiatric Practice Management
American Association of Colleges of Nursing
American Association of Colleges of Osteopathic Medicine
American Association of Colleges of Podiatric Medicine
American Dental Education Association
American Podiatric Medical Association
American Podiatric Medical Students' Association
Association of American Law Schools
Association of American Medical Colleges
Association of American Universities
Association of American Veterinary Medical Colleges
Association of Chiropractic Colleges
Council of Graduate Schools
Law School Admission Council
National Association of Graduate Admissions Professionals
National Association of Graduate-Professional Students
National Association of Independent Colleges and Universities