

April 14, 2011

The Honorable Harry Reid  
Senate Majority Leader  
Washington, DC 20510

The Honorable Mitch McConnell  
Senate Minority Leader  
Washington, DC 20510

The Honorable John Boehner  
House Speaker  
Washington, DC 20515

The Honorable Nancy Pelosi  
House Minority Leader  
Washington, DC 20515

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

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

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

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

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

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

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

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