

**Statement on the proposed elimination of the in-school interest subsidy
for graduate and professional students
July 28, 2011**

A robust system of graduate education is essential to producing the highly skilled workforce necessary to enhance U.S. competitiveness in the global economy and to the creation of new knowledge, industries and associated jobs. Future leaders in a wide range of fields from health care to education are prepared in our nation's graduate and professional schools. A new report from the U.S. Department of Education Institute for Education Sciences notes that more of these students took out Stafford loans than any other type of loan.

Organizations that represent graduate and professional students are supportive of the wide range of federal programs that provide federal funding for students to pursue higher education at the undergraduate and graduate levels. The proposed elimination of the in-school interest subsidy for graduate and professional students discriminates among classes of students and student borrowers within higher education and would be the first time in the history of the federal student loan program that an existing borrower benefit would be eliminated for a particular group of students.

The highly-skilled talent that is developed in U.S. graduate schools is increasingly necessary to enhance our economic, social, and creative capacity. The Bureau of Labor Statistics estimates that between 2008-2018 about 2.5 million new jobs will require an advanced degree; those requiring a master's degree are predicted to increase by 18% during this time period and those requiring a doctoral degree by about 17%.

Increasing the cost of attendance for graduate and professional students via the elimination of the in-school interest subsidy will not be in the best interest of the nation and we urge federal lawmakers to continue including graduate and professional students in the federal Stafford subsidized student loan program.

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