



Controlling Costs and Optimizing the Value of Graduate Degrees

Action Agenda and Recommendations





Introduction

Since the introduction of the G.I. Bill in 1944, the United States has continuously invested in graduate education as a strategy for economic and workforce development and its value is clear. For individuals, graduate degrees are portals to valuable, well-remunerated middle-class careers, which are seen by those who hold them as highly satisfying, meaningful, and stable. For example, the Georgetown Center for Education and the Workforce estimates a lifetime earnings premium for master's degree holders at \$400,000 over those with bachelor's degrees and \$1.2 million for those who earned doctorates (Carnevale, Cheah, and Wenzinger, 2021). The Bureau of Labor Statistics, likewise, consistently reports lower unemployment rates for graduate degree holders (BLS, 2024). Beyond these individual benefits, however, graduate education is also of crucial value to the broader society. It is essential to economic competitiveness and innovation, critical to national security, and imperative for protecting the health and safety of American citizens. U.S. graduate programs have served as incubators for new technologies, inventions, and research that have improved every aspect of American lives.¹ These successes have inspired other leading global economies to emulate the educational and research powerhouses located in the United States and to send their students to the U.S. for graduate study.

Any factor or trend that threatens the quality of the graduate enterprise undermines our capacity – as communities and as a nation – to develop the knowledge and cutting-edge technologies that will make business and government more efficient and effective, keep U.S. citizens safe from both natural and manmade disasters, and improve the quality of life for all. At the current moment, the rising costs of graduate education—both to individual students and to universities— is one such factor, threatening continued access to and success in both master's and Ph.D. education for all current and prospective students with the ability, curiosity, and motivation to pursue them. By most estimates², the sticker price of graduate education is rising faster than the rate of inflation that is affecting us all. These rising costs contribute to the growing skepticism about the value proposition of graduate

¹ The link between graduate training at a U.S. institution and innovative research accomplishments is reflected in the fact that the U.S. continues to top the list of countries where the largest number of Nobel laureates completed their Ph.D. or MD (Schlagberger et. al., 2017).

² Hanson, Melanie. "College Tuition Inflation Rate" EducationData.org, September 9, 2024, <https://educationdata.org/college-tuition-inflation-rate>

education among prospective students, legislators, and the public at large. Questions such as, “Will I ever economically recoup the time and tuition I invested in pursuing a graduate degree” or “Why should taxpayer dollars be used to subsidize advanced degrees when there are plenty of well-paying jobs that do not require even a 4-year college degree?” dominate legislative hearings and press coverage of higher education. Reports on graduate student debt load and return on investment are usually flawed and exaggerated. Data upon which they rely frequently conflates undergraduate, graduate, and professional school debt, for example. Likewise, they often ignore less tangible, but no less important and real, personal benefits of graduate education such as job satisfaction. Even more often, they disregard the public benefits of investments in graduate education in fields of crucial importance, but with modest salaries, such as social work, school counseling, and secondary math and science education. Nevertheless, it is unequivocal that the cost of a graduate degree – to students, taxpayers, and universities – is rising and it is unlikely that new revenue streams can keep pace, particularly considering current political pressures to reduce government spending.

A central challenge that our country faces today is how to use finite resources to optimize the balance between access, affordability, program quality, and student success. For this reason, in October 2023, the Council of Graduate Schools (CGS) formed the Cost of Graduate Education (CGE) taskforce to study this complex issue. This report and accompanying toolkit build on the extensive experience of taskforce members, who, as graduate deans, are working daily to address these issues. The taskforce also relied on the expertise of a diverse group of CGS members and other outside experts.

The work of the taskforce was grounded in the vision of providing affordable access to the high-quality graduate education that our students deserve and that our nation needs. The vision, in turn, rests on three core values.

► **Student-Centered Education:** Graduate programs succeed when they provide learning experiences and opportunities that align with students’ academic interests and career goals.

► **Access and Inclusion:** The quality of a graduate program depends upon the voices and inclusion of students from ALL backgrounds and perspectives.

► **Transparency:** Graduate programs have the responsibility to provide current and prospective students with readily available, clear information about costs, career pathways, and other less tangible but no less important outcomes of graduate education.

Informed by this vision and these values, the goal of the taskforce was four-fold.

The first goal was to develop a research and policy agenda and a call to action for key graduate education stakeholders, including legislators, federal funding agencies, employers, university leadership, graduate deans, graduate faculty, and students. These groups will need to work together to ensure that graduate programs are accessible, responsive to workforce needs, and designed to support student success. The next section of this report outlines our call to action and recommendations to different groups with deep investments in the outcomes of graduate education. This work is just beginning, and CGS is committed to supporting it.

Second, the taskforce sought to understand the drivers of educational costs to current and prospective students, graduate programs, and universities, and to explore cost containment strategies currently adopted by CGS member universities. In the toolkit associated with this report, we offer models for estimating the full costs to universities of delivering graduate education. These models help to demystify institutional costs – instructional costs, but also necessary investments in libraries and other research facilities, graduate student financial support, including tuition scholarships or waivers, and graduate student support services. Ultimately, understanding costs is an essential piece of the calculus required to analyze the tradeoffs associated with proposed increases in tuition or graduate student financial benefits and access to high-quality graduate education. These tools may also be useful in analyzing the costs and revenues needed to successfully launch new, high-quality graduate programs or make the investments necessary to improve the quality of existing ones. Grounded in the values outlined above, the taskforce first and foremost defined program quality in terms of graduate students' academic and career success.

The third goal of the taskforce was to understand the revenue streams that support graduate education. These include tuition dollars, of course, but also philanthropic gifts, fellowships, federally funded research assistantships and traineeships, and employer support. The taskforce investigated models for distributing resources that are both equitable and supportive of student success. Our toolkit provides a number of examples of how CGS member institutions are approaching issues such as the distribution of tuition waivers and scholarships across master's programs to maximize access, work with employers to provide tuition benefits and other incentives for employees to pursue a graduate degree, and how the type of financial support (e.g., teaching assistantships, research assistantship, traineeships, corporate internships, and fellowships,) can be sequenced over the course of graduate study to optimize academic and career success.

Our fourth goal was to highlight best practices in making graduate program costs and career outcomes readily available for prospective students at both the master's and doctoral levels. Costs to students are not always evident: the same graduate degree program may vary in cost (and associated levels of student debt) depending on several variables. For example, tuition costs are driven by faculty and staff salaries, regional variations in the cost of energy and facilities, and the market value of a program's reputation and prestige. For students, the cost of housing, food, and childcare in the community is an additional cost driver. In a market economy like that of the U.S., student consumers should and do have the right to make decisions about which program to attend, consistent with their educational and career goals and aspirations. However, they can only do so when they have a full understanding of the immediate and long-term financial implications of the decisions they are making to pursue a graduate degree.

As an organization, CGS is committed to helping members effectively steward the resources necessary to support access and success in graduate education. We urge universities to use this report and associated toolkit to advocate for cost-effective practices in graduate education with partners on your campus, including graduate students, and to collaborate with policymakers, funders, and employers to develop practices that support graduate student success.



Action Agenda and Recommendations

Optimizing the return on investment of graduate degrees requires collaboration between different groups, including universities, policymakers, employers, and graduate students themselves. Addressing the financial and structural challenges facing graduate education also requires a multifaceted approach that includes research, institutional action, and federal policy reforms. Sustainable funding models, transparent costs, and supportive policies are critical to ensuring that graduate education remains accessible and effective. The following action items outline key areas for research, institutional improvements, and legislative advocacy to strengthen graduate education and expand student opportunities.

U.S. Graduate Schools

The nation's graduate schools can enhance graduate student success by ensuring that prospective students are provided with the necessary information about the cost of an educational program before enrollment. It is important for students to "know before they go." Information about cost and fees, available financial support, time-to-degree, potential career pathways, and employment opportunities should be available and accessible to prospective and current graduate students. Transparent cost structures help students plan financially, clear degree timelines prevent unnecessary delays, and robust support services contribute to overall well-being and academic achievement.

CGS Encourages the Nation's Graduate Schools to:

► **Increase Cost Transparency:**

Provide detailed breakdowns of tuition, fees, and expected costs on institutional websites. Offer financial planning resources, including estimated living expenses and funding opportunities. Provide annual loan counseling to graduate students to discuss debt load, repayment options, and career opportunities.

► **Enhance Transparency in Financial Support Offers:** In addition to clear cost of education information, provide accepted students with a clear, detailed explanation of the type, duration, and terms of the financial support they are being offered. Ensure this information is presented in an accessible, easy-to-understand format to help students make informed decisions.

► **Ensure Clear Expectations about Time-to-Degree:** Support a timely path to degree completion by offering clear guidance on degree requirements, regular progress check-ins, and opportunities for mentorship. Encouraging faculty advisors to provide ongoing support can help students navigate their programs effectively while allowing flexibility for individual goals and circumstances.

► **Enhance Graduate Student Services:** Explore expansion of mental health support, career development resources, and professional networking opportunities. Improve access to childcare, housing assistance, and other health-related services to graduate students.

As part of its ongoing efforts to assess and improve the cost of graduate education, CGS will support members in these efforts through the following activities in 2025:

▶ **CGS Sponsored Webinars:** Issue-specific webinars will provide CGS graduate deans with the opportunity to engage in substantive discussions about issues such as graduate student stipend levels, funding modalities, sequencing of funding and its relationship to academic progress.

▶ **CGS Blog Posts:** Invitations to graduate deans and education leaders to contribute to a monthly CGS blog post on the financing of graduate education and its impact on students and graduate schools.

▶ **CGS Study/Research:** CGS will seek federal and/or philanthropic funding to analyze the effects of reduced graduate cohort sizes on the workforce, particularly in STEM fields. We will also assess how shifts in graduate student funding impact innovation and economic *growth*.

▶ **Cost Transparency Initiative:** CGS and the graduate education community will work to develop a College Cost Transparency (CCT) initiative for graduate education. The CCT initiative developed by the National Association of Student Financial Aid Administrators (NASFAA) will serve as a model for a graduate-focused initiative. The goals of this initiative will be 1) clarify the costs of graduate study for graduate students; and 2) clarify what is included in financial support offers

▶ **National Conversation about Funding Graduate Education:** CGS and the membership will spearhead a conversation that addresses and explores alternative funding structures for graduate education, particularly at the doctoral level.

Federal Government and 119th Congress

The federal government provides essential federal funding to support graduate education and graduate students. Federal funding for graduate education and training is supported by several federal research agencies, including the U.S. Departments of Education, Energy, Defense, the National Institutes of Health, the National Science Foundation, the National Endowment for the Humanities, etc.

CGS encourages the presidential administration and Congress to invest in graduate education and research programs. During the 119th Congress, CGS encourages the passage of legislation to:

- ▶ **Expand Pell Grants to Graduate Education:** In the last three congresses, bipartisan legislation was introduced to expand the Pell Grant program to graduate education. This legislation would allow graduate students who received Pell Grant support as undergraduates to apply unused Pell support towards their graduate studies. Moreover, expand Pell Grant support from 12 months to 18 months, which would cover graduate education programs.

- ▶ **Sustain the Graduate PLUS Loan Program:** The Trump administration and Congress are encouraged to invest in the Federal Direct Loan programs, such as the Graduate and Parent PLUS Loan programs. These programs provide essential loan support to aspiring graduate students. Federal policymakers should also support legislation that would reduce the interest rates paid by graduate student borrowers for these loans.

- ▶ **Support Loan Forgiveness Programs:** Support the implementation and expansion of public service loan forgiveness programs, specifically Public Student Loan Forgiveness (PSLF), already enacted by Congress and request Congress and the administration explore additional loan forgiveness initiatives.

- ▶ **Eliminate Capitalized Student Loan Interest and Origination Fees:** Support bipartisan legislation that removes capitalized interest and origination fees from student loans.

- ▶ **Support Employer Tuition Assistance:** Support the passage of bipartisan legislation concerning employer tuition assistance. Employer tuition assistance programs provide essential financial support for employees seeking to further their education, benefiting both individuals and the broader economy. Currently, employers can offer up to \$5,250 in tax-deductible tuition assistance per employee, but this provision is set to expire on December 31, 2025. If not extended, many workers may lose access to crucial educational benefits, limiting opportunities for career advancement. Advocating for an extension of this tax deduction will help ensure that employers continue investing in workforce development.

- ▶ **Support Mandatory Loan Counseling for Graduate Students:** Current and prospective graduate students need to understand the financial implications of the loans they take out as well as the repayment terms. Requiring universities to provide such counseling will support student financial decision-making.

Funders

- ▶ **Research on Shrinking Graduate Cohorts and Outcomes:** Support research examining the causes and consequences of shrinking graduate student cohorts. Understanding enrollment trends, degree completion rates, and workforce outcomes will help inform policies and programs that sustain a strong pipeline of advanced-degree holders critical to innovation and economic growth.
- ▶ **Support Research on Cost-Effective Funding and Delivery Models:** Research is also needed on the impact of stipend levels, funding types (e.g., TA, RA, fellowship, traineeship) on academic and career success, and on the effectiveness of new degree models.
- ▶ **Support Initiatives and Convenings:** These gatherings will be aimed at developing models to manage graduate education costs, enhance the value of graduate degrees, and establish shared principles for transparency in graduate student financial support offers.

Employers

- ▶ **Advocate for Investments in Graduate Education in the U.S. Workforce:** Employers are in a strong position to advocate for the value of graduate degree holders to their industries and to the U.S. economy and workforce. CGS encourages employers to communicate the skills and knowledge needed to successfully compete in their industries and to explicitly identify what skills and knowledge are provided by graduate degree programs.
- ▶ **Advocate for Policies that Incentivize Employer Tuition Assistance Programs:** Employers are encouraged to advocate for policies that provide a financial incentive to companies and organizations that support their employees' career advancement by providing tuition assistance
- ▶ **Explore Opportunities to Provide Funded Internships to Current Graduate Students:** In many fields, experiential learning provides an important complement to the graduate curriculum provided by universities. We encourage employers to contribute to learning and training programs, such as the Accelerate to Industry (A2i) model at North Carolina State University, which benefits employers, universities, and students.

Current and Prospective Graduate Students

► ***Seek Information About the Return-on-investment Of Different Degree Types in The Fields Where They Will Pursue Graduate Study:*** In April 2025, CGS is relaunching a debt-to-salary calculator for prospective graduate students on its GradSense website. Students are encouraged to explore this interactive resource, which is designed to help students understand the median debt levels of degree holders in different fields as well as the salary range of individuals in the occupations they may wish to pursue.

► ***Request Information About Career Outcomes and Time-to-degree From the Universities to Which They Are Applying:*** National data are important for understanding educational and career outcomes. However, outcomes vary by institution. We encourage students to request this information from the universities where they are considering pursuing a degree.

