



GradsHaveDebt2

Giving voice to graduate and professional students

Campaign Overview

Goals: Inform and educate Members of Congress, and increase public awareness about graduate-professional student loan issues, in order to accomplish the following:

- Reduce interest rates and caps on federal student loans available to graduate-professional students
- Unify the undergraduate and graduate rates to reverse the current inequalities
- Restore graduate-professional student eligibility for subsidized Stafford loans

Campaign Outline:

These goals will be reached through three key components:

1.  Social Media
2.  Call-Congress Events
3.  Letters from Graduate-Professional Student Organizations*

We need your help to make these goals a reality!

The following pages will help you and your constituents become a part of the student loan conversation and participate in the GradsHaveDebt2 movement.

Check out <http://gpc.missouri.edu/GradsHaveDebt2/> for updates and new material

With your help we can make a difference.

**Sample letter can be found here: <http://gpc.missouri.edu/GradsHaveDebt2/>*

NOTE: Sample resolution in support of the GradsHaveDebt2 campaign can also be found on the website.



NAGPS

National Association of
Graduate-Professional Students



Social Media

Petitions are good, but wouldn't it be more impactful to capture the stories behind each of those signatures?

The [GradsHaveDebt2](#) Facebook page allows students and graduates to share their stories, giving voice to their individual experience while contributing to the collective message about graduate and professional student debt.

It also acts as a central repository for:

1. Personal Testimony
2. Information
3. Relevant News Articles

The GradsHaveDebt2 page provides Journalists and Law-Makers, like Senator Barbara Boxer (D-CA), an archive of personal testimony to better advocate on our behalf.

Help Law-Makers hear the student debt stories and concerns from graduate and professional students at your school. We need your help spreading the message so that your constituents can be a part of the student loan conversation.



Boxer advocates for graduate-professional students and quotes NAGPS on U.S. Senate Floor

<https://www.facebook.com/photo.php?v=657116571316>

Check List

- “Like” and “Share” the GradsHaveDebt2 Facebook page to increase awareness (*updates are posted several times a week*)
- Share the page with your constituents (*tip: use promotional material to help*)
- Post a link to GradsHaveDebt2 on your organization’s website
- Post your graduate student debt story or concern on the GradsHaveDebt2 page

For the Latest GradsHaveDebt2 Promotional Material:

<http://gpc.missouri.edu/GradsHaveDebt2/>

We are constantly creating and sharing new items, so visit often.



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Call-Congress Event

Congressional staff and professional lobbyist advise that 10 calls in a day on an issue is the threshold to gain it legitimate attention.

10 Calls per Office = Legitimate Attention

This Tool Kit and How-To Video will guide your organization on how to successfully carry out the event.

Visit gpc.missouri.edu/GradsHaveDebt2/
to watch the How-To Video

Carrying out the Event:

Before the event

- Issue Press Release
- In addition to your state's two US Senators, decide which US Representatives will be called during the event as well
- Print out: Sample Call Scripts and Contact List
(visit gpc.missouri.edu/GradsHaveDebt2/ for these documents)
- Keep track of calls - use multi-colored Post-it notes
- Count out stacks with 10-15 Post-its for each Member of Congress
- Write down the Member of Congress' name on each Post-it note in the stack



Call-Congress How-To Video
<http://gpc.missouri.edu/GradsHaveDebt2/>

During the event

- Assign phone calls by handing out the Post-it notes
- Callers write their name on the Post-it note after each call
- Stick the Post-it notes on a wall so that it resembles a bar graph
(Event coordinators and callers can keep track of the calls made while providing a good visual for press and publicity.)
- Take pictures of the Post-it bar graph and participants
- Post photos on the [GradsHaveDebt2](#) Facebook page



Save The Date:

Nationwide Call-Congress Day
December 4th, 2013

Typical Congressional Office Operational Hours: 9am-5pm Eastern Time (6am-2pm PT)

US Senate Office Phone Numbers:

www.senate.gov/general/contact_information/senators_cfm.cfm

US Representative Office Phone Numbers:

www.house.gov/representatives/

Jesse W. Kremenak
gpc.legislative@missouri.edu

National Legislative Issues Coordinator | University of Missouri Graduate Professional Council
Regional Director of Legislative Affairs | National Association of Graduate-Professional Students



Graduate Loan Fact Sheet

The Issues and Background

During the summer of 2013, Congress proposed several bills aimed at preventing the doubling of the subsidized loan rate from 3.4% to 6.8%. Meanwhile, graduate students have been forced to borrow at the higher rate because their eligibility to access subsidized Stafford loans was removed in 2012, as a result of the Budget Control Act of 2011. In the process of trying to prevent the student loan interest rate from getting too high, Congress affixed the interest rates to the 10-year Treasury note and cap them at 8.25% and 9.5% for undergraduate and graduate student loans, respectively. The 2013-14 school year is the first time in history that graduate students are charged a different rate than undergraduates to take out unsubsidized Stafford loans.

These interest rates shift away from need based to discriminating based on the level of education by adding 2.05% to the 10-year Treasury note rate for undergrads and adding 3.6% for grads. The new rate provides only short-term relief for graduate-professional student borrowers. The Office of Management and Budget (OMB) projects that the graduate interest rate will surpass the pre-2013 rate of 6.8% by 2015 and continue to increase toward the 9.5% cap as the economy improves. [1]

Increased borrowing rates come at a time when available research funding has been significantly reduced due to the federal budget sequestration. Several of our constituents are currently supported by federal research grants. Due to the shortage in research funding, more of our constituents will be forced to rely on federal student loans in order to complete their degrees. In addition, the reduction in available research assistant positions places additional strain on our university's departments as they accommodate research assistant furloughs with teaching assistant positions.

The upcoming reauthorization of the Higher Education Act presents an opportunity to reexamine these issues. NAGPS supports the reinstatement of subsidized Stafford loan eligibility for graduate and professional students, the lowering of student loan interest rates, unifying undergraduate and graduate rates to reverse current inequalities, and reverting to pre-sequestration research funding levels. In order to maximize the social, economic, and academic benefits offered by graduate and professional students, these issues must be remedied.

Facts about Graduate and Professional Student Loan Debt

Loan Rate Inequality:

1. The 2013-14 school year is the first time in history that graduate students are charged a different rate than undergraduates to borrow unsubsidized Stafford loans.

	Rate for 2013-14	Current Rate Plan	Cap
Grad/Prof Students (Unsubsidized Only)	5.41%	10 year T-Note + 3.6%	9.5%
Grad Direct Plus	6.41%	10 year T-Note + 4.6%	10.5%
Undergrad Students (Subsidized and Unsubsidized)	3.86%	10 year T-Note + 2.05%	8.25%

2. The average cumulative debt for a Master's is **\$52,000**; for a doctoral degree, **\$72,000**; and for a professional degree, **\$113,000**, which is nearly five times the average undergraduate debt load (approx. \$24,000). [2]

3. Graduate and professional students are no longer eligible for subsidized Stafford loans that defer interest while the student is in school.
 - This further compounds the higher borrowing costs for graduate and professional students.
 - According to Congressional Budget Office projections, this federal saving will result in an increase of **\$18.1 billion** in the debt burden of graduate and professional students.
 - This results in an increased monthly loan payment of approximately \$203.

Graduate and Professional Students:

Graduate and professional students face unique challenges that make loan debt difficult.

1. They are likely to have families.
2. They are not likely to be financially supported by their parents.
 - All graduate students are independent for purposes of federal financial aid, so their eligibility for need-based aid depends only on their own income and assets for most programs.
3. They often enter school with debt from undergraduate degrees.
 - Increasing undergraduate education costs have increased this debt load.
4. Considering that a Ph.D. takes an average of **7.7 years** [3], the compounding interest from the unsubsidized loans further swells the debt load.

Why Action is Needed:

Graduate and professional students face unique challenges that make loan debt difficult.

1. The graduate-professional student default rate, as reported for the 2010 cohort, is significantly lower (**6.1%**) than the overall default rate (**17.6%**), [4] making graduate-professional student loans a safe financial investment for the federal government.
2. Graduate and professional students play an important role in the successful operation of a university.
 - Graduate instructors help keep undergraduate education affordable.
3. Graduate and professional students play an important role in innovation and economic development in the U.S.
 - Making graduate and professional school unaffordable will prevent the best and brightest from pursuing graduate or professional degrees.
 - The high cost of student loans prevents graduate and professional students from contributing to the economy.

What NAGPS Supports:

NAGPS supports actions that would:

1. Reduce interest rates and caps on federal student loans available to graduate-professional students
2. Unify the undergraduate and graduate rates to reverse the current inequalities
3. Restore graduate-professional student eligibility for subsidized Stafford loans

References:

- [1] Fiscal Year 2014, Mid-Session Review, Budget of the U.S. Government. Office of Management and Budget. www.budget.gov
- [2] Average cumulative student debt at graduation (2012-13 academic year). Analysis by Mark Kantrowitz, FinAid.org.
- [3] NSF/NIH/USED/USDA/NEH/NASA, Survey of Earned Doctorates. www.nsf.gov/statistics/sed/2011/start.cfm
- [4] Budget Lifetime Default rates, based on dollars for a projected cohort life of 20 years. Source: U.S. Department of Education.