AccessLex Institute's New Report Refutes Criticisms of the Grad PLUS Loan Program

Just as the Trump Administration and others propose limiting graduate borrowing, AccessLex Institute released a new report, *Examining Grad PLUS: Value and Cost*, that shows the primary criticisms of the Grad PLUS loan program—rising tuition prices and the potential cost to the federal government—are either nonexistent or significantly overstated. Because of this, calls to severely limit or eliminate Grad PLUS are misguided at best and, if implemented, would likely result in severe negative unintended consequences for the neediest students.

As Congress begins its negotiations on the reauthorization of the Higher Education Act, it is critical that it is armed with accurate context, data and the potential effects of proposed policy changes.

Key takeaways from this report include:

- The Grad PLUS program plays an important role in providing access to graduate education, and the benefits gained by the individual and, more importantly, society writ-large from a more educated workforce must be maintained. Eliminating or limiting Grad PLUS will be harmful to the fundamental purpose of the HEA: expanding access.

- There is no evidence to suggest the introduction and existence of the Grad PLUS program has caused a significant increase in the cost of graduate and professional education. Concerns about higher education costs inflating, specifically at the graduate and professional level, because of readily available federal funds (the so-called Bennett hypothesis), are not supported by data.

- For academic year 2015-16, we estimate that fewer than 1 in 10 graduate degree recipients would be eligible for any substantial time-based forgiveness if enrolled in an income-driven repayment plan. The small number and proportion of graduates that are potentially eligible for meaningful forgiveness suggests concerns about future costs are exaggerated. Moreover, the Government Accountability Office's analysis of supplemental federal data suggest that even our modest estimation may be too high.

This report is the first in a two-part series to be released in full in early 2019. In the next report, we examine who would be impacted by proposed changes to federal graduate lending, why the private market is an inadequate substitute for federal loans and how the changes would substantially hinder access to advanced education for those who need it most.