

# Examining Grad PLUS: Value and Cost

## Report Key Takeaways

### Graduate education is valuable to both individuals and society as a whole

- Employers increasingly want or require employees to have advanced degrees.
- Individuals with graduate degrees tend to earn higher salaries, which also increases tax revenue to support other federal programs.
- Services provided by advanced degree holders – such as doctors, teachers and prosecutors – play a critical role in citizens' everyday lives and enhance the wellbeing of our communities.

### Median earnings for full-time workers at least 25 years old.



### The Grad PLUS program plays a critically important role in providing access to graduate education

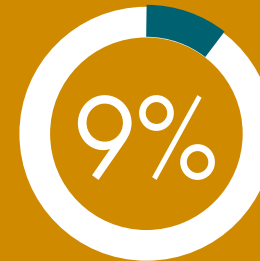
- Access, by way of federal financial aid, is the cornerstone of the federal investment in higher education.
- Policymakers must be guided by data and research and a commitment to access when considering any changes to federal student loans. Failure to do so could result in unintended consequences, including restricting access.

### Grad PLUS cost projections are likely inflated

- Only about nine percent of the over 810,000 graduate degree recipients in Academic Year 2015-16 had Grad PLUS loans and a federal student debt load of over \$100,000.

### Grad PLUS does not increase the cost of tuition

- A common critique of the Grad PLUS program is rooted in the so-called Bennett hypothesis, which suggests that providing federally guaranteed funds to students will incentivize institutions to significantly and recklessly raise tuition prices.
- However, since the Grad PLUS program was created in 2005, though graduate tuition has increased year over year, it has not skyrocketed – in fact, increases have held steady across public and nonprofit law schools, as well as medical and business schools.



OF GRADUATE DEGREE RECIPIENTS HAD Grad PLUS LOANS AND OVER \$100,000 IN DEBT