

# Professional Licensure

The costs associated with preparing for a professional licensure exam should be eligible for federal student loans.

The Higher Education Act currently permits “the one-time cost of obtaining the first professional credentials” to be funded by federal loans. As currently interpreted by the Department of Education, this only includes the fees for the licensure exam itself, not preparation courses or living expenses. Federal funding for these other costs would eliminate barriers and mitigate ancillary challenges to success on a professional licensure exam, and provide additional time for study.

The fees to take a professional licensure exam are typically a small fraction of the funds needed to best ensure passage of a professional licensure exam. For example, the sheer volume of material that must be mastered by law graduates in a short amount of time requires the ability to study in a dedicated and consistent manner to have the best chance for success. For those who are at greater risk for failure, this is even more critical. The use of commercial test preparation services is essential to maximize the efficiency and effectiveness of bar study.

Providing access to federal student loans to cover expenses associated with obtaining a professional license makes policy sense on several levels.

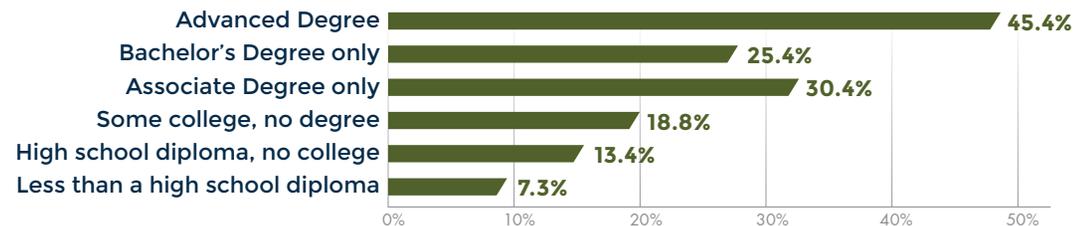
- > From a purely financial standpoint, the federal fiscal interest is not well served by the current system where the government often lends more than \$100,000 to a student to get a degree, yet leaves this new graduate with very limited (or no) choices to fund the final step in the process. A final step that, notably, will best create the means for the borrowed funds to be repaid.
- > More broadly, the purposes of the federal loan programs include: access to higher education, income and career mobility, and long-term societal improvement. These goals are frustrated by a student who graduates, yet cannot pass a licensure exam because of financial barriers that do not need to exist.

Without access to federal loans for these expenses, the options for many students without means are limited and work against exam, employment and general future economic success:

- > *Relying upon credit cards or other higher-cost alternatives to cover bar exam expenses;*
- > *Borrowing private loans, which do not provide the same benefits and protections as federal student loans;*
- > *Foregoing a bar preparation course; and/or*
- > *Working full-time during the study period.*

But it is not just law graduates who will benefit from the ability to use federal student loans to pay for licensure exam preparation costs. Nearly half of individuals with advanced degrees (master’s, doctoral or professional degrees) had a license in 2015.

Percentage of employed persons 25 years or older with a license by education level, 2018



And more than 50 percent of individuals in other critical, high-need fields such as education and healthcare have a license.

Occupations with the highest percentages of workers with a license, 2018

