



EQUITY IN
GRADUATE EDUCATION
CONSORTIUM

GRADUATE STUDENT DEBT RELIEF RESOURCE GUIDE

FALL 2022



Overview

In support of unprecedented debt relief opportunities recently announced by the Biden-Harris administration, the Equity in Graduate Education Resource Center has developed this resource guide for two purposes:

We want to help leaders get the word out to potential beneficiaries, including current students and alumni.

Financial aid systems are complex, and so can the processes be for taking advantage of loan forgiveness programs. Of greatest urgency is ensuring eligible students and alumni meet an October 31, 2022 deadline to apply for a waiver to the Public Service Loan Forgiveness Program (PSLF).

We want to begin raising awareness in the graduate education community about debt as an equity issue.

The wealth gap in the US created by centuries of structural racism means that it is more likely that Black, Latinx, Southeast Asian, and Indigenous people require loans to cover the rising costs of higher education. An [analysis by Charlie Eaton](#) at University of California, Merced estimates that of the 41 million who are eligible to benefit from debt relief measures, 20 million people could have their entire debt canceled, including 3.8 million Black borrowers. But as scholars like [Susan Dynarski](#) have [acknowledged](#), current loan forgiveness moves are not a long term solution – they are a way of rectifying a broken system.

Fast Facts

- 48% of PhD graduates and 60% of master's degree recipients have student debt. (1)
- Among PhD recipients with debt, the average debt burden was approximately \$98,000. Master's degree recipients with debt averaged approximately \$66,000 to repay. (1)
- Undergraduate and graduate/professional school debt inequalities between Black and white students more than doubled from 1996-2016. (2)

(1) National Center for Education Statistics. (2022). Trends in Student Loan Debt for Graduate School Completers. Condition of Education. U.S. Department of Education, Institute of Education Sciences.

(2) Pyne, J., & Grodsky, E. (2020). Inequality and Opportunity in a Perfect Storm of Graduate Student Debt. *Sociology of Education*, 93(1), 20–39.

Major elements of the Biden Administration's August 24, 2022 Announcement on Student Debt Relief

Student Debt Initiative	Description	Details	Action Required to Benefit
<p>Provide final extension of the student loan repayment pause</p>	<p>In response to the COVID-19 emergency, the US ED paused loan payments & set interest rates to 0% for eligible federal student loans</p>	<p>Pause will be extended for a final time through December 31, 2022, with payments resuming in January 2023</p>	<p>This is an automatic process, no action is required of borrowers</p>
<p>Provide targeted debt relief to low- and middle-income families</p>	<p>Graduate & undergraduate debt cancellation for borrowers with an individual income less than \$125,000 or \$250,000 for households</p>	<p>Up to \$20,000 for Pell Grant recipients, with loans held by the Department of Education and up to \$10,000 for non-Pell Grant recipients with loans held by the Department of Education</p>	<p>You may be eligible to receive relief automatically. The Administration will also be launching a simple application for US federal loan borrowers, and are advised to apply before November 15, 2022.</p>
<p>The Public Service Loan Forgiveness (PSLF) provides targeted debt relief for borrowers employed by non-profits (e.g., higher education institutions), the military, or federal, state, tribal, or local government for 10 years or more (even if not consecutively)</p>	<p>Time-limited changes will waive certain eligibility criteria in the PSLF program which may make you eligible to have all your student debt canceled if you borrowed US federal student loans for undergraduate or graduate school education</p>	<p>Provides flexibility and eligibility that makes it easier than ever to receive forgiveness. It allows borrowers to receive credit for past periods of repayment that would otherwise not qualify for PSLF</p>	<p>You must <u>apply here</u> before October 31, 2022. Enrollments submitted on or after November 1, 2022 will not be eligible for this benefit</p>
<p>The Department of Education is working to develop policies to make the student loan system more manageable for current and future borrowers</p>	<p>Proposes a rule to create a new income-driven repayment plan that will substantially reduce future monthly payments for lower- and middle-income borrowers</p>	<p>Pay no more than 5% of discretionary monthly income and raise the amount of income that is considered non-discretionary income. Forgive loan balances after 10 years of payments and cover the borrower's unpaid monthly interest</p>	<p>No action required at this time; policy still under development by the United States Department of Education</p>

How the Graduate Education Community Can Get Involved

There are a number of ways that PhD programs, faculty, graduate schools, and other leaders can communicate information about debt relief programs to their respective communities.

- **Make sure members of your community are aware of and apply for Public Service Loan Forgiveness (PSLF) by October 31.** You can send the [sample letter on page 3 of this toolkit](#) to students and alumni to inform them about the temporarily expanded eligibility for loan forgiveness.
- **Stay tuned for developing processes from the Department of Education**, and share information and resources with the graduate students in your sphere of influence.
- **Educate yourself and the graduate students in your community** about the financial planning services and student aid advising resources available on your campus.
- **Consider co-hosting a student-facing event with your Office of Financial Aid or Human Resources.** Many graduate students deal with the stress of debt issues in isolation, and navigating debt relief programs can be complex. An event with time for Q&A can provide a venue for graduate students to receive support navigating the loan forgiveness application processes.
- **Take time with your colleagues to revisit current graduate student funding policies.** The national conversation about the burden of student debt presents an opening for conversations across campus about graduate student financing, assistantship funding levels, and graduate student employment policies.

Additional Resources & Information

- [American Council on Education Webinar on Public Service Loan Forgiveness](#)
- [Federal Student Aid Public Service Loan Forgiveness Limited Waiver Announcement](#)
- [Federal Student Aid Limited PSLF Waiver: Toolkit for External Partners](#)
- [Federal Student Aid Public Service Loan Forgiveness FAQ](#)
- [Sample Email to Send to Graduate Students](#)
- [Student Borrower Protection Center Analysis of Biden's Student Debt Executive Order](#)
- [White House Public Service Loan Explainer](#)
- [White House Public Service Loan Forgiveness Website](#)

Research on Graduate Student Debt

[Baum, S., & Steele, P. \(2018, January\). Graduate and Professional Student Debt: How Much Students Borrow. Urban Institute. Urban Institute. Retrieved from <https://www.urban.org/sites/default/files/publication/95626/graduate-and-professional-school-debt.pdf>](#)

[Belasco, A.S., Trivette, M.J., & Webber, K.L. \(2014\). Advanced Degrees of Debt: Analyzing the Patterns and Determinants of Graduate Student Borrowing. *The Review of Higher Education* 37\(4\), 469-497.](#)

[Lippert, A. M., Houle, J. N., & Walsemann, K. M. \(2022\). Student Debt and Cardiovascular Disease Risk Among U.S. Adults in Early Mid-Life. *American Journal of Preventive Medicine*, 63\(2\), 151-159.](#)

[National Center for Education Statistics. \(2022\). Trends in Student Loan Debt for Graduate School Completers. *Condition of Education*. U.S. Department of Education, Institute of Education Sciences.](#)

[Pyne, J., & Grodsky, E. \(2020\). Inequality and Opportunity in a Perfect Storm of Graduate Student Debt. *Sociology of Education*, 93\(1\), 20-39.](#)



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