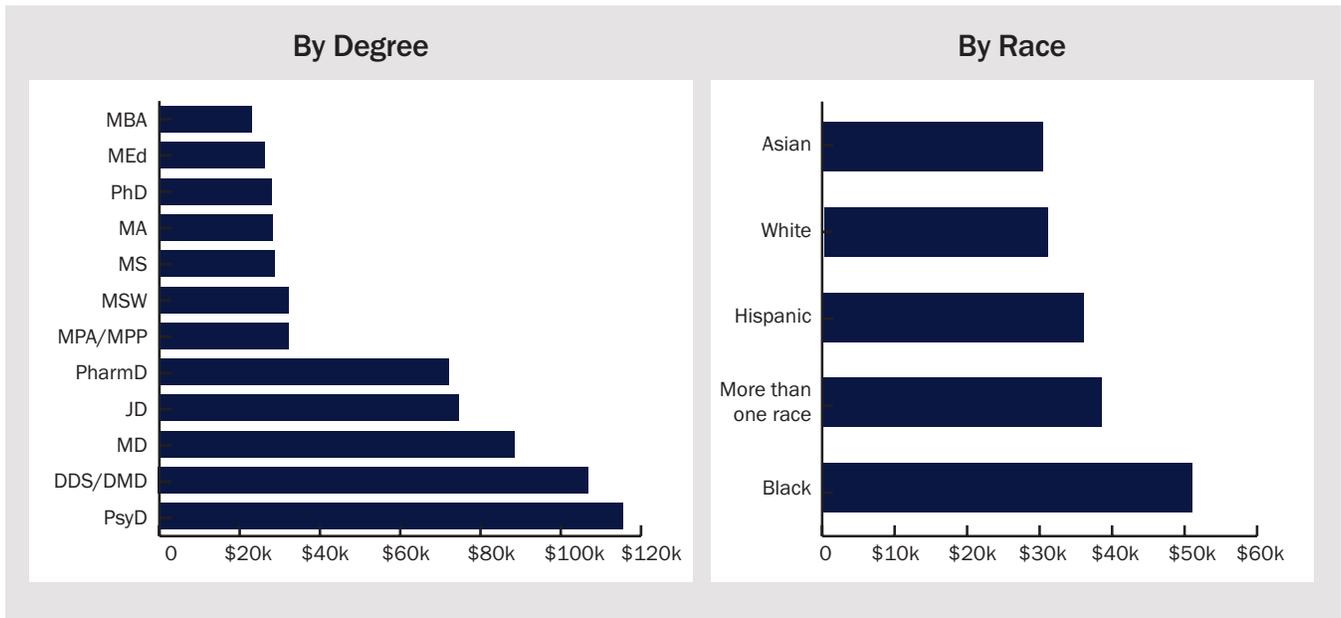


FAST FACTS

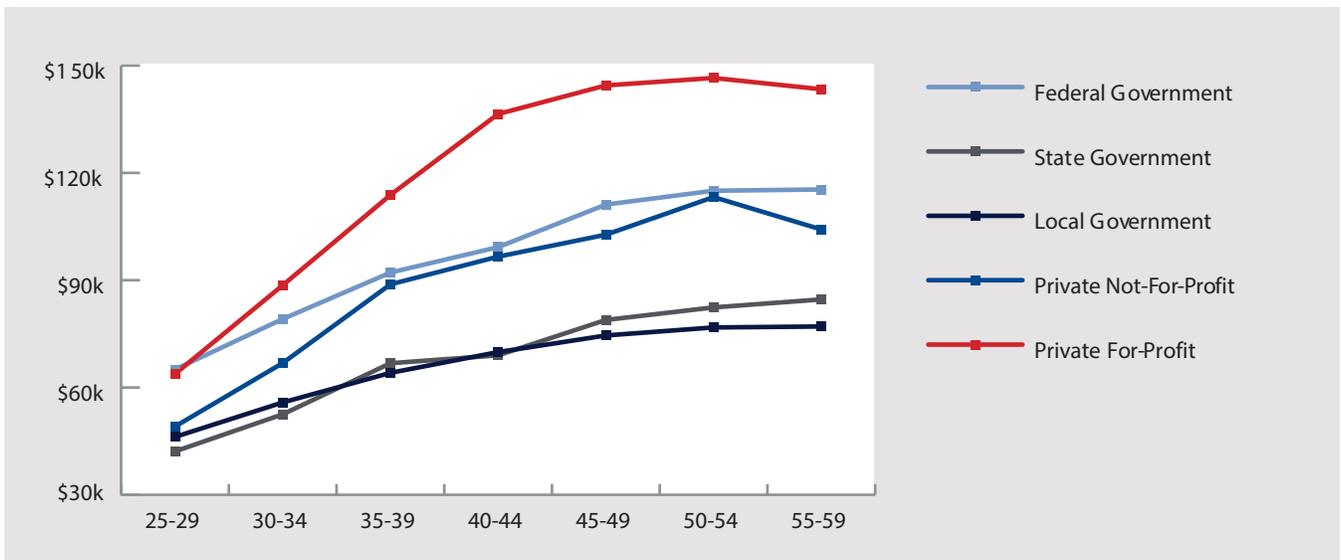
Public Service Loan Forgiveness

1 How Much Are Graduate and Professional Students Borrowing?

Graduate and professional borrowing is appropriately correlated with various factors, including program and expected income after graduation.

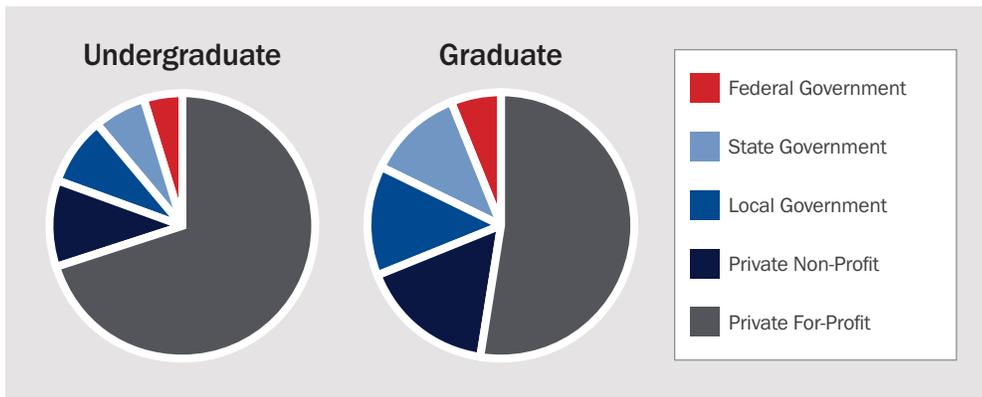


2 How Much Do Advanced Degree-Holders Earn?



3 Who is in the Public Sector?

Proportionally, people with graduate degrees are more likely to be in the public sector relative to those with only undergraduate degrees.



What kinds of occupations do they hold?

- **36%** are in education, training, and library occupations
- **12%** are in healthcare occupations
- **9%** are in community and social services occupations

5 Although graduate and professional students are borrowing appropriate amounts for private sector jobs, repaying student loans is more difficult for those who choose to give back by working in the public sector.

The average wage gap between the public and private sector for individuals with graduate degrees is about \$15,000 per year for individuals aged 25–29. This might not seem like much, but it grows over time, reaching over \$50,000 per year for workers aged 55–59.

And this adds up: someone working from 25 to 59 will earn \$1,500,000 less than their private sector counterpart over the course of their career!

4 PSLF helps close this wage gap and is affordable for the government.

Consider a graduate student who borrows \$50,251 in Federal Student Loans at a 5% interest rate, starts repaying her loans at age 28, and earns the average salary for a public sector employee her age for the next 10 years.

If she enrolls in Income-Based Repayment immediately, and earns Public Service Loan Forgiveness after 10 years, she will have made \$45,854 in payments—nearly as much as she initially borrowed! The federal government will forgive \$25,051 in student loan debt—most of which is interest.

Data on sector of employment, occupations, and wages is from the 2014 American Community Survey (ACS) and data on borrowing levels is from the 2004, 2008, and 2012 National Postsecondary Student Aid Study (NPSAS). All National Postsecondary Student Aid Study values were generated using by National Center for Educational Statistics TrendStats.

All employment, occupation, and wage analysis in this factsheet excludes the following groups: self-employed in own not incorporated business, professional practice, or farm; self-employed in own incorporated business, professional practice or farm; working without pay in family business or farm; and unemployed and last worked 5 years ago or earlier or never worked. The data are additionally restricted to individuals aged 25–59 working 35 or more hours per week and 48 or more weeks per year, and are weighted using ACS person weights.

All loan amount analysis is based on the outstanding loan amount of actively enrolled US citizen and resident alien graduate students in NPSAS, and does not represent cumulative lifetime borrowing for individuals with graduate degrees. Furthermore, the loan amounts calculated do not include Parent PLUS Loans. The calculations include students who have \$0 outstanding.

Figure 4 assumes that the borrower earns the average public service wages for employees with graduate degrees for her age starting at age 28 (calculated using the ACS under the assumptions above), she borrows the average amount for graduate students who have student loans (calculated from the 2012 NPSAS), all loans are unsubsidized, all loans have a 5% annual interest rate with monthly compounding, she is single with no dependents, and the poverty line is \$11,800 (the 2016 Health and Human Services poverty line for single individual families). The simulation assumes the borrower is making all scheduled payments for a 20 year income-driven repayment plan.