



Biden student debt relief plan poised to pay off loans for lucrative graduate school degrees

By Susan Ferrechio - The Washington Times

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President Biden's student loan forgiveness plan is expected to pay off billions of dollars in loans for graduate school degrees that help borrowers earn lifetime salaries up to \$3.1 million higher than those who do not attend college.

Loan debt accrued by graduate school borrowers qualifies for the relief plan Mr. Biden announced on Aug. 24, and most people who borrowed for postgraduate education are eligible for the same \$10,000 in relief as undergraduate borrowers.

Those with graduate degrees tend to earn on average far more money over their lifetimes, especially compared with people who have never attended college, said Neal McCluskey, director of the libertarian Cato Institute's Center for Educational Freedom.

Those with a master's degree earn \$1.6 million more, and a doctoral degree raises a lifetime salary to \$2.4 million more than those with only high school diplomas, Mr. McCluskey said. He based his calculations on data from the Georgetown University Center on Education and the Workforce.

Professional postgraduate degrees, such as those held by doctors and lawyers, increase the lifetime earning advantage to \$3.1 million over those without any college education.

"It is important to note that this is the average, so there are lots of people who do worse than this," Mr. McCluskey told The Washington Times. "The question is, does that justify mass cancellation? And it doesn't. Because on average, these people do very well."

The debt forgiveness program has spurred backlash, particularly among those who never attended college or already paid for their higher education.

Critics were quick to point out that significant amounts of taxpayer funding will end up paying off postgraduate education and not just the bachelor's degrees that Mr. Biden emphasized when he announced the program.

"Under 40% of Americans have four-year college degrees," said Rep. Debbie Lesko, Arizona Republican. "Only 13% of Americans have graduate degrees. Over half of student loan debt is held by people who attended graduate school. Yet President Biden wants working-class Americans to shoulder their debt."

In an address announcing the plan, Mr. Biden focused on people who accumulated debt while pursuing four-year degrees.

“The cost of education beyond high school has gone up significantly,” Mr. Biden said. “The total cost to attend a public, four-year university has nearly tripled in 40 years. Tripled.”

He did not specifically address graduate school debt, which has increased significantly over the past decade.

During the 2020-2021 academic year, 46% of student loans went toward graduate school education, up from 33% a decade ago.

Mr. McCluskey said the average of all graduate student loan debt is probably about 40%, less than the figure cited by Ms. Lesko and other critics but still a significant chunk of the outstanding loans that qualify for Mr. Biden’s relief plan.

Mr. Biden’s loan forgiveness program excludes people earning more than \$125,000 annually or households earning more than \$250,000, based on adjusted gross income.

Salary estimates suggest many Ph.D. holders would qualify for loan forgiveness.

Payscale.com lists an annual salary range of \$89,000 to \$122,000 for someone with a doctoral degree in sociology, for example, while the average annual pay for a senior research scientist with a Ph.D. in biotechnology is \$106,000.

A lawyer’s average annual salary in 29 states is less than \$125,000, according to the Bureau of Labor Statistics.

The average annual pay for a truck driving job, which requires no degree, is about \$50,000, depending on the state.

Critics say truck drivers and other non-degree workers will be paying for student loan debt relief that, according to Mr. Biden, all but the top 5% of income earners will qualify to receive.

“The White House keeps saying 43 million people will see relief from this,” Mr. McCluskey said. “If that is true, then that actually is everybody because according to the federal data, there are 43 million borrowers.”

Graduate degree holders who took out big loans say Mr. Biden’s program does not go far enough to bail them out of seemingly endless debt.

Kathleen Cole, a Minneapolis-based college professor and liberal activist, said compounding interest has ballooned her \$140,000 in graduate school debt to \$170,000, although she has paid down \$60,000 over the past few years.

Mr. Biden’s debt relief plan limits when the interest rate can be capitalized, but the changes are not retroactive.

The president’s plan “at this point, doesn’t help much,” Ms. Cole tweeted.

Mr. Biden said much of the debt relief will go to lower-income earners who qualified for Pell Grants. They will be eligible for up to \$20,000 in debt relief.

He said nearly 90% of debt cancellation will go to borrowers earning less than \$75,000. The program will cancel the entire student debt balance for nearly 20 million borrowers.

Mr. Biden's statistics were of little consolation to workers building houses and performing sewer maintenance.

Mike Rowe, who hosted the television show "Dirty Jobs" and now promotes skilled labor through a nonprofit foundation, called the debt forgiveness program "without question, the biggest pre-Labor Day slap in the face to working people I've ever seen."