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Re: Comment Regarding “Reimagining and Improving Student Education”¹

We submit the following comment on the proposed rule, Reimagining and Improving Student Education, issued by the Office of Postsecondary Education within the Department of Education. As currently drafted, the rule is likely to reduce the ability of prospective health professions students to complete their training and may shift those who do complete their programs toward higher-paying career paths that do not prioritize care for populations at elevated risk of adverse health outcomes, including individuals who are uninsured, experiencing homelessness, living in rural areas, or managing chronic conditions. In addition, the accompanying regulatory impact analysis appears to understate the rule’s potential fiscal effects.

1. Introduction

The One Big Beautiful Bill (OB BB) enacted significant changes affecting the delivery of financial aid for graduate and professional students. Among its provisions are a cap on lifetime federal loans of \$100,000 for graduate students (\$20,5000 annually) and \$200,000 for professional students (\$50,000 annually). To determine eligibility for graduate and professional programs, Congress directed the Department of Education to define “professional degree” for purposes of the federal student loan program through the negotiated rulemaking process. The Department’s current rulemaking seeks to implement these statutory revisions and careful attention is warranted to ensure that the regulatory definitions faithfully reflect congressional intent while minimizing unintended consequences for students and the general public.

Our analysis of the Reimagining and Improving Student Education (RISE) committee’s deliberations and the proposed rule’s framework raises concerns regarding both the negotiation process and substance of the proposed rule. In particular, the proposed definition of “professional degree” appears to reflect only limited consideration of the public interest, despite Congress’s express intent that negotiated rulemaking incorporate the perspectives of affected stakeholders and produce consensus-based regulations. The proposed rule also lacks clarity on why Advanced Practice Registered Nurse (APRN) and Physician Assistant (PA) programs are treated as “graduate degrees” for purposes of the revised federal student loan framework, notwithstanding their licensure requirements, distinct labor market roles,

¹ This comment reflects the views of the authors and does not represent an official position of George Washington University or any of its affiliated centers.

and treatment elsewhere in federal policy. Absent clearer reasoning and evidence, the proposed rule risks undermining access to training in APRN and PA programs, with likely adverse consequences for the primary care workforce at a time of persistent shortages.

2. There is an inconsistent treatment of Nursing and PA Programs based on the Agency’s Stated Criteria

The OBBB incorporates by reference the definition of “professional degree” in 34 CFR § 668.2, which defines the term as a “degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required.” Following the negotiated rulemaking process, the Department of Education proposed limiting the definition of professional student to degrees that “signif[y] both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree, where professional licensure is also generally required.” The text further notes that a professional degree may be awarded to any of the following fields: Pharmacy, Dentistry, Veterinary Medicine, Chiropractic, Law, Medicine, Optometry, Osteopathic Medicine, Podiatry, Theology, and Clinical Psychology programs.

Although the legislative text does not clearly articulate Congress’s objectives in modifying the statute, agency participants noted during the RISE Committee proceedings that “the Department's position...[is] concerned about runaway graduate debt and that we are particularly concerned with programs that do not provide appropriate return on investment.”² This language suggests that the agency’s goal is to reserve professional degree status for programs where state or federal licensure requirements are tied to educational attainment and where graduates have a demonstrated capacity to repay their student loans in full and on schedule. To assess whether this rationale justifies the proposed classification, we analyze the cost of graduate education across the eleven programs currently eligible for professional degree status and compare those costs to APRN and PA programs. Table 1 presents the results of this analysis.

Based on our assumptions of a 7.94% interest rate and 20% of annual earnings devoted to repayment, APRN and PA programs take on average 3.23 years to repay. In contrast, the professional degree programs under the current proposed rule take on average 12.91 years to repay. In other words, APRN and PA programs exhibit substantially lower debt burdens, lower debt-to-earnings ratios, and shorter repayment horizons than many programs currently classified as professional degrees.

Under a repayment capacity-based framework, the rationale articulated by the Department of Education during the proceedings was that programs with shorter repayment horizons pose less risk to both borrowers and the federal loan portfolio. Notably, APRN and PA programs outperform several degrees the Department of Education recognizes as professional under the proposed rule, and even achieve repayment timelines comparable to or faster than medicine due to markedly lower borrowing requirements. Classifying these programs as graduate rather than professional degrees would therefore subject low-risk borrowers to more restrictive loan caps or potentially high-interest private market loans

² U.S. Department of Education, Office of Postsecondary Education. (2025, October 3). 2025 Negotiated Rulemaking – Reimagining and Improving Student Education (RISE): 10/3/25 PM session (Proceedings). <https://www.ed.gov/media/document/2025-rise-transcript-thurs-11-6-am-112570.pdf>

while preserving expanded lending authority for higher-risk programs, a distinction that cannot be justified on the Department’s own terms.

Table 1. Comparison of Existing Professional Programs and Primary Care-Focused Degrees

Profession (CIP Code)	Average Debt at Graduation	Median Salary	Debt-to-Salary Ratio	Est. Amortization Period (Years)
Professional Degree Programs under the Proposed Rule				
Pharmacy (51.20)	\$171,000	\$137,480	1.24382	6.49
Dentistry (51.04)	\$312,700	\$179,210	1.74488	10.85
Veterinary Medicine (1.8)	\$169,000	\$125,510	1.34651	10.52
Chiropractic (51.01)	\$196,057	\$79,000	2.48174	53.28
Law (22.01)	\$121,000	\$144,040	0.84004	5.12
Medicine/Osteopathic Medicine (51.12)	\$233,664	\$239,200	0.97686	4.58
Optometry (51.17)	\$191,794	\$134,830	1.42249	9.71
Theology (39.02-39.99)	\$39,489	\$59,695	0.66151	3.85
Clinical Psychology (42.28)	\$66,039	\$95,830	0.68913	4.04
APRN and PA Programs				
Nurse Practitioners (51.38)	\$53,725	\$129,210	0.41580	2.28
Physician Assistant (51.09)	\$112,000	\$133,260	0.84046	4.81
Nurse Midwife (51.38)	\$53,725	\$128,790	0.41715	2.29

Notes: For explanation of the data sources and methods used to calculate repayment period, see Section 6.1 in the Appendix.

3. Since the Proposed Rule’s Release, Congress has expressed its intent of a wider range of Professions to be included in the Rule

On December 15, 2025, Representative Mike Lawler (R-NY-17) introduced the Professional Student Degree Act (HR 6718) which would expand the definition of professional student under the Higher Education Act (HEA) to include, among other degrees, PAs and APRNs. Representative Lawler notes that the goal is “to further clarify congressional intent” by “codif[ying] the definition currently in regulation” and then “add[ing] the existing list of examples to enumerate more programs that meet the standards set in the definition. In addition to programs already identified, the bill lists nursing, physical therapy, occupational therapy, ministry, social work, audiology, physician assistant, public health, business administration and management, accounting, architecture, secondary education, and special education.”

Congressional action introducing the Professional Student Degree Act provides a signal that the definition under the proposed rule may not fully reflect legislative intent. Even though the bill has not yet been enacted, it reflects a belief of how the statutory framework should operate and clarifies that lawmakers view licensure-oriented master’s-level programs as falling within the intended scope of professional degree classification. In administrative law terms, such expressions of legislative intent can appropriately inform agency interpretation where statutory language is ambiguous, particularly when the agency’s rulemaking is ongoing and the costs of delay are nontrivial.

Under the Administrative Procedure Act, agencies have an obligation to ensure that their statutory interpretations remain consistent with the statute they administer as well as with reasonably discernible congressional intent.³ Where subsequent legislative activity clarifies how Congress understands the scope of a statutory provision, that information becomes part of the context against which the agency’s rule should be evaluated. In practice, this means that the Department’s definition of “professional degree” is not fixed at the moment of proposal but instead should be seen as part of an evolving statutory environment, requiring reassessment to determine whether the regulatory text continues to reflect the best reading of the underlying law.

4. The Department of Education previously described nursing as a professional career. Reclassifying APRNs and PAs as a graduate degree for administrative purposes suggests that the improper criteria are being used for classification purposes

In November, the Department of Education released a document titled “[Myth vs. Fact: The Definition of Professional Degrees](#),” in which it noted that classifying nursing programs outside the category of “professional degrees” does not reflect a judgment about whether nurses are professionals. In responding to concerns, the Department stated that the professional degree definition is an internal administrative distinction used solely to differentiate programs eligible for higher federal loan limits and that it “has no bearing on whether a program is professional in nature or not.” This characterization underscores that the Department itself is uncertain about whether it views nursing as a professional career even while assigning it to the “graduate degree” category for loan eligibility purposes. Reclassifying nursing on the basis of an internal administrative guidelines without reconciling that framework with

³ 5 USC § 706

licensure requirements nor the Department’s own public statements, suggests that criteria unrelated to the characteristics of professional training are driving the classification decisions.

If the professional degree designation is not intended to reflect the professional nature of the occupation, the Department must explain why this internal administrative definition is an appropriate criteria for implementing Congress’s revised loan framework, which is intended to be based on the professional nature of the occupation. In its current state, the proposed rule does not provide such an explanation. Nor does it reconcile the use of a purely administrative classification with the Departments’ prior treatment of nursing as a licensed profession or with stakeholder proposals advanced during the negotiated rulemaking process that emphasized functional and licensure-based criteria. As a result, the final definition appears to rest on criteria that were not clearly articulated through the rulemaking process.

5. Impacts of the Modified Definition

5.1 Health Professions Education is Expensive Compared to Potential Payoffs and Restricting Government Loans may push students into the Private Market, creating a significant financial burden that could push students out of the health professions pipeline

While the [Department of Education](#) notes that “95% of nursing students borrow below the annual loan limit and therefore are not affected by the new caps”, data from APRN and PA student associations suggest a different picture. Data from the Physician Assistant Education Association’s (PAEA) 2022 end-of-year survey indicates that 95.7% of matriculating students reported more than \$25,000 in outstanding loans, with 52.4% reporting \$100,000 or more. For graduating students, 96.9% reported \$25,000 or more in outstanding loans, with 60.0% reporting \$100,000 or more.⁴ A similar survey by the American Association of Colleges of Nursing (AACN) reported similar findings to PAEA, finding that in 2016, the median debt for APRN students was \$25,000-\$39,999 (\$33,760-\$53,956 in current dollars), however, the majority of students take out more than \$40,000 in loans.⁵ The data from PAEA and AACN both indicate that the majority of PA and graduate-level Nursing students take out more than the \$20,000 loan cap to finance their education, with a significant number of students taking out more than double the cap.

This has significant implications for prospective APRN and PA students. Historically, loans made available through the federal government have significantly lower interest rates (7.94% for Direct Unsubsidized loans and 8.94% for Direct PLUS loans) than those from the private sector (up to 18%).⁶ Over the lifetime of a \$50,000 loan paid off over 10 years, a borrower would pay between \$22,606 and \$25,810 in total interest under federal rates, compared to \$36,082 at a private loan rate of 12% or \$58,111 in interest at an 18% private loan rate, more than double the cost of borrowing from the federal government.⁷ Even at a comparatively modest private market rate of 12%, interest payments are substantially higher than federal graduate loan options.

A large empirical literature finds that increases in the price of postsecondary education lead to sizable declines in applications and enrollment. Evidence from [Sá \(2014\)](#) suggests that the tuition

⁴ The 2022 graduating year is the most recent year of data available. Data used to calculate loan amounts can be found in Table 40 of the Data from the [2022 Matriculating Student and End of Program Surveys](#).

⁵ Data on loan amounts can be found in Figure 10 of AACN’s [Financing Graduate Nursing Education report](#).

⁶ Student Loan Equity Project, Literature Review, <https://action-lab.org/student-loan-equity>.

⁷ For explanation of methods used to calculate interest amounts, see Section 6.2 in the Appendix.

increases in the United Kingdom associated with the 2012 English tuition reforms reduced university applications by approximately 25% and reduced first-year enrollment by 33%, with larger declines concentrated in fields with weaker post-graduation earnings. In the U.S. context, [Hemelt and Marcotte \(2011\)](#) find that large increases in public university tuition significantly reduce enrollment at four-year public institutions, shifting students toward lower-cost alternatives and reducing overall attendance among price-sensitive students. Complementing this evidence, survey-based analysis of graduate admissions decisions by [Pjesky, Spaulding, and Wood \(2018\)](#) shows that the cost of attendance is a statistically significant determinant of whether admitted graduate students enroll, with higher costs increasing the likelihood that applicants delay or forgo matriculation altogether. Taken together, these studies suggest that increases in net educational costs are likely to reduce enrollment at the margin. Applied to APRN and PA programs, shifting students from federal lending to higher-cost private credit can therefore be expected to reduce attendance despite strong labor market demand, narrowing the health professions pipeline in ways inconsistent with stated workforce objectives.

5.2 Restricting the Supply of PAs and Nurses may Impose High Costs on Taxpayers by pushing individuals to seek care through higher cost providers

Reducing the supply of PAs and APRNs does not reduce the demand for care. It only changes who delivers the care. PAs and APRNs currently deliver a substantial share of primary care services, with research showing that Nurse Practitioners (NP) and PAs together provided about 25.6 % of all outpatient visits by 2019, up from 14 % in 2013. In addition, among adults with at least one visit, approximately 41.9% had at least one encounter with a PA or NP, and these providers are especially important for lower-income and rural patients who are more likely to rely on them for routine care ([Patel et al., 2023](#)). The same study found that lower-income, rural, and disabled individuals were the most likely groups to receive care from PAs and NPs. In these settings, PAs and NPs routinely provide services that are clinically comparable to those provided by physicians, including preventive care, chronic disease management, and routine diagnostics. When PA and APRN supply tightens, health systems shift toward physician-delivered care rather than reducing utilization ([Donelan et al., 2013](#)). Scope-of-practice rules and team-based care models make this substitution feasible in most settings, meaning shortages result as compositional changes in the workforce rather than service reductions. This substitution has direct implications for healthcare spending, particularly for public payers.

Physician services are reimbursed at higher rates than services delivered by PAs and APRNs under Medicare and Medicaid fee schedules, so shifting routine care upward in the provider hierarchy mechanically increases public spending. Under Medicare's Physician Fee Schedule, evaluation and management services billed directly by PAs and APRNs are generally reimbursed at 85 percent of the physician rate, whereas the same services delivered by physicians are reimbursed at 100 percent of the fee schedule amount ([MedPAC, 2019](#)). For Medicaid, the rate varies between 75% to 100% ([KFF, 2020](#)). Because the services affected by this substitution are often routine primary care or follow-up visits, the higher reimbursement reflects provider category rather than greater clinical complexity or added value.

Medicare beneficiaries receive on the order of 208 million primary care evaluation and management visits annually. If even 10 percent of these visits were shifted from PA- or NP-delivered care to physician-delivered care as a result of workforce constraints, public spending would increase by

approximately \$312 million per year, assuming an average allowed charge of \$100 per visit.⁸ Consequently, financing policies that constrain the PA and APRN workforce can raise total public healthcare expenditures by reallocating care toward higher-cost providers, even if they reduce federal exposure in the student loan portfolio. These effects represent cost shifting rather than cost containment.

5.3 Those who do enter the Health Workforce may opt for Higher Paying Roles, Cutting off Healthcare Access in Lower-Income and Rural Areas

Even among students that continue through APRN and PA training despite tighter loan limits, increased reliance on private credit is likely to alter post-graduation labor decisions. Economic theory predicts that higher fixed debt obligations increase sensitivity to earnings differentials across jobs, inducing workers to prioritize higher-paying roles over those that offer non-pecuniary benefits, such as service to underserved populations ([Rothstein & Rouse, 2011](#)).⁹ In the context of health professions education this implies that higher borrowing costs will not only reduce entry into PA and APRN programs but will also inform the career choices of those who remain in the pipeline.

A substantial body of empirical evidence supports this prediction in the health workforce. Consistent with the work of Rothstein & Rouse (2011), [Phillips et al \(2014\)](#) conducted a retrospective analysis of 136,232 physicians from 1988 to 2000 and found that as debt levels increased, the probability of practicing in family medicine or primary care declined, both specialties that pay below the all-physician average but are crucial to maintaining community health. Similarly, national data on PAs indicate that those with higher debt are significantly more likely to choose non-primary care specialties and to prioritize higher starting salaries, clinicians entering primary care are more likely to rely on loan-repayment incentives to offset lower compensation ([Kozikowski et al. 2025](#)). This same study found that clinicians that are typically underrepresented in medicine are more likely to incur higher debt, which is the same group of clinicians more likely to accept Medicaid, uninsured, non-English speaking, and homeless patients ([Marrast et al., 2014](#)).¹⁰

6. Recommendations

6.1 Use Professional Student Definition Previously Proposed by the Negotiators during the Rulemaking Process which is based on State or Federal licensure requirements and whether the degree is terminal to practice in the field

During the RISE Committee Proceedings, negotiator Jenna Colvin submitted a [proposal](#) that would add three additional four-digit CIP codes that “receive similar treatment as the list of 10 and PsyD

⁸ According to [Barnett et al., \(2022\)](#), the Medicare beneficiaries have on average 3 primary care visits each year. As of 2025, total Medicare enrollment stood at 69.6 million ([CMS, 2025](#)), yielding 208 million primary care visits.

⁹ According to [Rothstein & Rouse \(2011\)](#), in the presence of credit constraints, workers cannot fully smooth consumption, so higher debt induces substitution toward higher-paying occupations. Empirical evidence from a natural experiment eliminating student loans at an elite university confirms this mechanism. Instrumental-variables estimates show that an additional \$10,000 in student debt reduces the probability of working in nonprofit, government, or education jobs by approximately 5-6 percentage points. These estimates imply that higher debt shifts graduates away from lower-paying, service-oriented careers toward higher-salary employment.

¹⁰ According to multiple studies including [LaVeist et al. \(2023\)](#), health disparities could cost between \$421 to \$451 billion annually. These findings are backed by [Davis et al., \(2022\)](#) who finds that disparities could cost in upwards of \$320 billion annually.

in other statutes and regulations, including PA's (51.09), Nurse Practitioners (51.38), certified nurse midwives (51.38), and Public Health (51.22).” This definition is preferable to the definition provided in the proposed rule for several reasons. First, the current definition relies on the requirements for professional accreditation, as well as the terminality of the degree in the field. However, the requirement for the inclusion of only doctoral degrees is a largely arbitrary distinction that was not clearly explicated by the agency. Indeed, the list of degrees proposed for inclusion by Ms. Colvin is sensible to include because not only are the services they provide often functionally supplemental to those of the current list but they are also terminal for their respective field of practice. PAs and NPs, for example, extend physicians' capacity by delivering routine and preventive care, managing chronic conditions, and improving care continuity in team-based settings, thereby allowing physicians to focus on more complex cases. Certified nurse midwives similarly complement obstetricians by expanding access to maternal care, particularly in underserved areas, while having clear referral pathways for higher-acuity needs. Public health professionals, although less patient-facing, support the clinical workforce by strengthening prevention, surveillance, and population-level interventions that reduce downstream demand for acute services. Together, these roles enhance the reach and efficiency of the professions already included, rather than substituting for them. Importantly, this would not violate Congress's intent for the law. While the current list of professions is aligned with the list provided in the law passed by Congress, the drafters of the law made clear that the list was non-exhaustive. It is thus fair to assume that supplementary professions, such as APRNs and PAs, would fall within the intended scope of the statute where their inclusion advances the same underlying objective of expanding care capacity and enabling physicians and other currently included professions to deliver more coordinated and accessible services, rather than altering the statute's core purpose. The use of this definition would also correspond to Congress's intended definition, as has been expressed by the Professional Student Degree Act.

6.2 Clarify how workforce needs were considered in the determination of professional degrees

The Department should provide a clear explanation of how workforce considerations were incorporated into the determination of which programs qualify as professional degrees. The rulemaking record does not indicate whether projections of labor market demand or broader human capital needs across sectors were formally evaluated when establishing the classification framework. Because the statutory changes directly shape the financing of fields tied to licensed professions and transparency regarding the criteria used, such as reliance on workforce projections or cross-agency planning priorities, is necessary to assess whether the definition aligns with broader economic and workforce planning goals. Moreover, the Department should clarify how loan eligibility determinations may influence entry into occupations with existing shortages, as well as the potential impacts on the supply of skilled professionals. Without such analysis, it is not possible to assess whether the proposed rule appropriately balances concerns about federal lending exposure with the downstream implications for labor supply and productivity.

6.3 Expand the Regulatory Impact Analysis (RIA) to Consider Broader Economic Effects of the Proposed Regulation including those related to Medicare Trust Fund Solvency and Household Financial Impacts

As it is currently written, the RIA quantifies the following economic impacts: annualized transfers, paperwork burden, updated to government systems, and staffing, yielding a net budgetary impact of negative \$439.7 billion. This analysis focuses exclusively on partial equilibrium effects, which

are those that are those impacts confined directly to affected markets, holding broader price adjustments and economy-wide behavioral responses constant. Our analysis suggests that this level of analysis may be insufficient. By our estimates, the failure to include costs associated with the Medicare Trust Fund could underestimate the costs associated with the rule by approximately \$312 million per year. There are also substantial household-level costs stemming from reduced access to primary care and the resulting increases in chronic and emergency health expenditures. Without quantifying these impacts, it is unclear whether the cost savings estimates provided in the original RIA in fact do in fact exceed the positive economic benefits associated with assigning professional degree status to APRNs and PAs. Furthermore, failing to quantify these impacts goes against the extensive literature historic practices by the Department of Education in which student and workforce impacts were monetized.¹¹ If these impacts are not monetized, then the agency should provide a rationale for why they were not and how the analysis conforms with the Office of Management and Budget’s Circular A4.

7. Conclusion

In sum, the proposed definition of professional degree does not appear to align with the Department of Education’s stated objectives, congressional intent, or national workforce goals. By limiting access to federal financing for APRN and PA programs despite their strong repayment capacity and critical role in primary care delivery, the rule risks producing unintended fiscal and public health consequences. A revised definition based on licensure requirements and workforce needs would better reflect the statutory intent. It would also strengthen both the legal durability and the economic rationale of the Department’s approach.

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¹¹ See, e.g., Income-Driven Repayment Plans, 88 Fed. Reg. 43,820 (July 10, 2023) (Regulatory Impact Analysis) (estimating substantial fiscal transfers and modeling borrower earnings and repayment behavior, noting that “Department estimates the net budget impact to be \$156.0 billion in increased transfers among borrowers, institutions, and the Federal Government”); Financial Value Transparency and Gainful Employment, 88 Fed. Reg. 70,004 (Oct. 10, 2023) (analyzing program eligibility based on graduates’ debt-to-earnings outcomes and quantifying compliance and transfer effects, explaining that “Annualized transfers between institutions and the Federal Government through borrowers are estimated to be \$1.2 billion at a 7 percent discount rate and \$1.3 billion at a 3 percent discount rate in reduced Pell grants and loan volume.”)

8. Appendix

8.1 Loan Amortization Data and Calculations

To calculate the wage for theology, we took the average wage of clergy (\$60,820/year) and religious workers (\$58,570/year). Salary data comes from the 2024 Bureau of Labor Statistics Occupational Employment and Wage Statistics. Data on median debt for existing professional programs comes from the sources in Table 2:

Table 2. Data Sources and Graduation Year of Data

Profession (CIP Code)	Data Source	Graduation Year
Pharmacy (51.20)	American Association of Colleges of Pharmacy	2023-2024
Dentistry (51.04)	American Dental Education Association	2023-2024
Veterinary Medicine (1.8)	American Veterinary Medicine Association	2023-2024
Chiropractic (51.01)	College Scorecard	2023-2024
Law (22.01)	American Bar Association	2023-2024
Medicine/Osteopathic Medicine (51.12)	American Association of Colleges of Osteopathic Medicine	2022-2023
Optometry (51.17)	U.S. Schools and Colleges of Optometry	2022-2023
Theology (39.02-39.99)	College Scorecard	2023-2024
Clinical Psychology (42.28)	College Scorecard	2023-2024
Nurse Practitioners (51.38)	College Scorecard	2023-2024
Physician Assistant (51.09)	College Scorecard	2023-2024
Nurse Midwife (51.38)	College Scorecard	2023-2024

We opted to use industry debt data for the majority of occupations because the College Scorecard suppresses data for the majority of programs. We used College Scorecard when industry estimates were unavailable; however, we found that industry and College Scorecard estimates were similar in magnitude. Data on median debt represent the graduation year 2023-2024 unless otherwise reported. Estimates are weighed by enrolled students. Estimates are collapsed across degree types. Podiatry was excluded due to a lack of data in the College Scorecard. The estimated repayment period is calculated by dividing the estimated total educational debt by the assumed annual repayment amount. The annual repayment amount is modeled as a fixed share of post-graduation earnings, calculated as a percentage of the median annual salary for each profession. Formally, the repayment period equals estimated debt divided by the product of median annual salary and the assumed repayment share. In this table, the implied repayment share is

approximately 16.5 percent of annual earnings, producing a standardized estimate of the number of years required to fully repay the debt under a simplified, constant-payment assumption.

8.2 Loan Interest Repayments between Federal and Private Interest Rates

To illustrate the financial implications of private versus federal student loan rates on borrowers, we calculate total repayment costs using standard fixed-rate loan amortization. Monthly loan payments are calculated as:

$$M = P \cdot \frac{r(1+r)^n}{(1+r)^n - 1}$$

Where P is the loan principal, r is the monthly interest rate (annual rate divided by 12), and n is the total number of monthly payments. Total interest paid over the life of the loan is calculated as $(M * n) - P$.