

Student Loan Survey: The Impact of the Budget Control Act on Graduate Center Students

This survey regarded doctoral student use and need for financial support while enrolled at the Graduate Center (GC). As the enactment of the Budget Control Act (BCA) would eliminate doctoral students ability to take out subsidized federal loans, the aim of this survey is to examine this impact on GC doctoral students.

There were a total of 108 students who participated in the survey. The majority of the respondents (74.1%) reported taking out loans during their GC tenure, with the majority of students taking out more than \$5,000 on average per year (see Figure 1) and predominantly spending the loan money on living expenses (see Figure 2).¹ It should also be noted that common 'other' responses to the spending loan money included medical expenses and conference travel and attendance.

These students also provided the types of funding sources that they have used while being enrolled at the GC. This is presented in Table 1 and those funding sources that were used by at least 20% of the respondents are highlighted. Subsidized federal loans were found to be the most frequently used source of funding. Respondents also ranked the funding sources that provided them with the bulk of their financial support. The ranking of the funding sources used by at least 20% of the sample are presented in Figure 1, where the rankings range from 1 to 8 with 1 indicating the funding source that provided the most financial support. As can be seen, subsidized federal loans are not only the most frequently used source of funding by students (see Table 1), but are also ranked as providing the most financial support to students (see Figure 3).

In terms of what impact current financial strain is having on students, 17.6% of the sample indicated that they have taken a leave of absent at some point during their GC education and of these respondents 68.4% indicated that lack of financial support played a part in this decision. When asked if they would need to take out loans for the 2012-2013 year (if continuing as a student at the GC), 47.2% of students anticipated having to do so. These students were then asked to anticipate how much money they would need to take out for the year (see Figure 4) and to rank how this money would predominately be spent (see Figure 5). Again, this data demonstrates that students will still need loans to finance their living expenses while continuing to pursue doctoral education. Additionally, common 'other' responses for spending loan money again included conference travel and attendance.

When asked how the enactment of the BCA would affect their future enrollment status (see Figure 6), 38% of students reported that it may or probably will affect their future enrollment. Two percent of students reported that they would likely be forced to drop out. When asked how it would affect their financing during their doctoral education (see Figure 7), a large proportion reported that they would need to replace subsidized loans with unsubsidized, private loans, and part-time employment. Taking on part time employment will delay students' time to degree and private and unsubsidized loans will increase the amount of debt students will face upon completing their degree. With many students already having to take leaves of absence due to financial strain, the added injury of taking away subsidized loans may even make it more difficult for students to complete their doctoral education. This was confirmed in the free response comments made by respondents (see Appendix A). All respondents who left a comment articulated what a tremendous burden the enactment of BCA will have on their education (or

¹ It can be noted in Figure 2 that next largest item loan money was spent is fees; we believe the reason why many students did not report spending much of their loan money on tuition is because many students (29.6%) of respondents received tuition awards.

would have had were they not graduating before the enactment of the BCA). Many also indicated that funding at the GC is not enough to support students and that subsidized loans are the only feasible means of support while pursuing higher education.

Respondents were also asked what they would do if they were not in graduate school, but graduating college students. They were asked how the enactment of the BCA would affect their decision to pursue doctoral education (see Figure 8) and how it would affect their decision to pursue their education at the GC (see Figure 9). Only 17% of respondents reported that the BCA would have no effect on their decision to pursue doctoral education and 53% reported that the fellowship package offered would impact their decision to matriculate at the GC and 28% reported that they would matriculate at an another institution of equal or lesser reputation if they provided more competitive fellowships.

Taken as a whole, this data indicates that the enactment of the BCA and inability to borrow subsidized federal loans will negatively impact doctoral students ability to pursue their education. Subsidized were used by a majority of the respondents and provided the bulk of their financial support. The majority of respondents reported that the loss of this source of financial support would affect their future enrollment and ability to finance their living expenses. Of those who reported that the BCA would have no effect on them, many reported that this is because they would be graduating before its enactment; these respondents pointed out that were they not graduating, that the BCA would negatively impact them.

Attaining a doctoral degree can be an arduous process; it requires significant time commitment and intellectual effort for many years. This is difficult in itself without the extra burden of financial strain. Graduate students do not have time to take on extra jobs (full time or part time) and indeed many doctoral programs forbid this. Doing so detracts from focus on the education and delays time to degree completion. This makes loans the only feasible method for supporting oneself during graduate school. By taking away subsidized loans, graduate students will face large and unmanageable debt upon degree completion. The data from the current survey indicate that many current and future GC students will suffer negatively with the enactment of the BCA in July of 2012.

Table 1. Funding used by students while enrolled at the GC

Funding Source	%
Subsidized federal loans	63.9
Adjuncting	53.7
Unsubsidized federal loans	50.0
Part-time work not at the GC	38.9
Grad Assistant B	34.3
Tuition Awards	29.6
Savings	25.0
University Fellowships	23.1
Financial support from parents	16.7
Writing Fellowship/Grad Assistant A	15.7
CUNY Graduate Teaching Fellowship/Grad Assistant C	14.8
Financial support from spouse	13.0
Full-time work not at the GC	11.1
Part-time work at the GC	9.3
Outside fellowships (e.g. Fulbright)	7.4
Other	7.4
Student Employment Program	6.5
CUNY Science Scholarship Multi-year Award	4.6
Dissertation Year Awards	4.6
Named Awards for First-year and Intermediate-year students	4.6
Presidential MAGNET Fellowship Multi-year Award	4.6
Employer-sponsored tuition reimbursement from somewhere other than the GC	3.7
Employer-sponsored tuition reimbursement from the GC	1.9
Private loans (from a bank or other commercial enterprise)	1.9
Science Fellowship Multi-year Award	1.9
Capital gains	0.9
Communications Fellowship at Baruch	0.9
CUNY Instructional Technology Fellowship	0.9
Trust fund	0.9
Full-time work at the GC	0.0

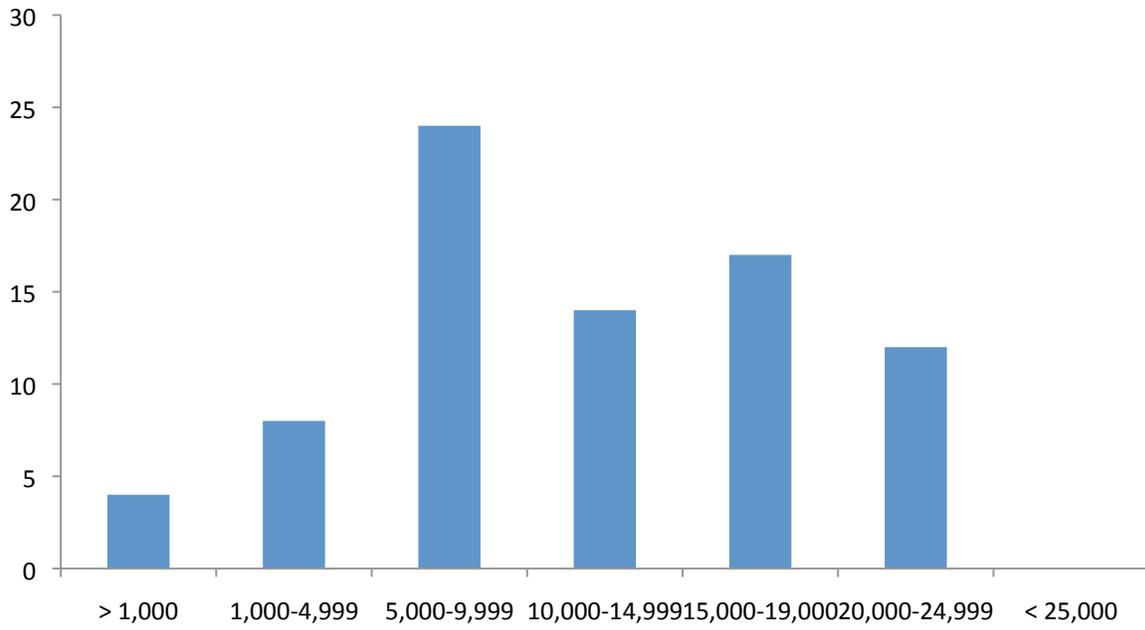


Figure 1. Average amount of money borrowed per year

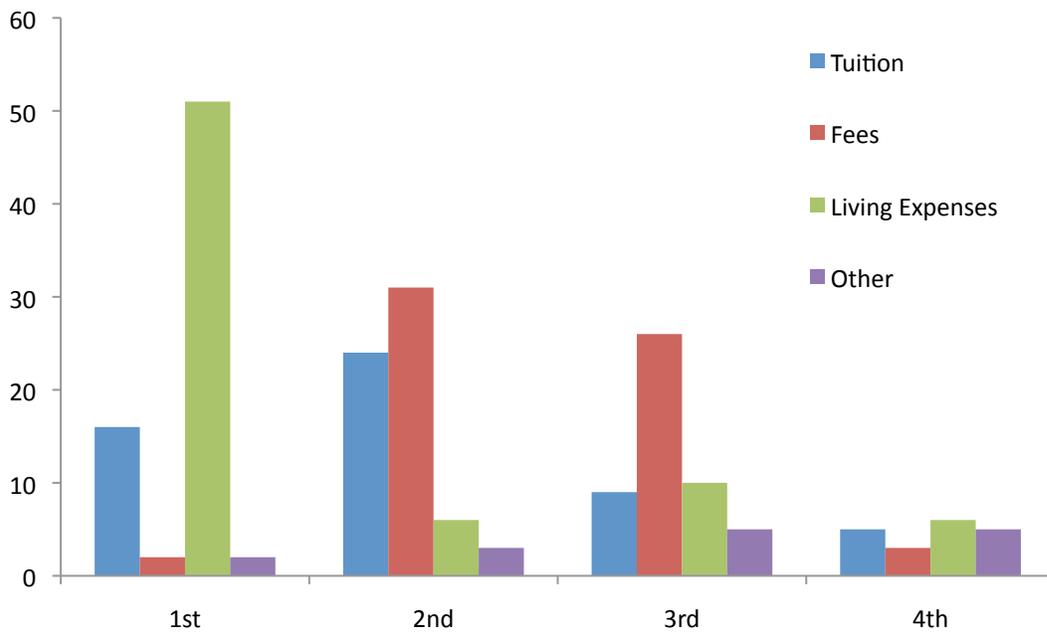


Figure 2. Ranking order of how loan money was spent by students

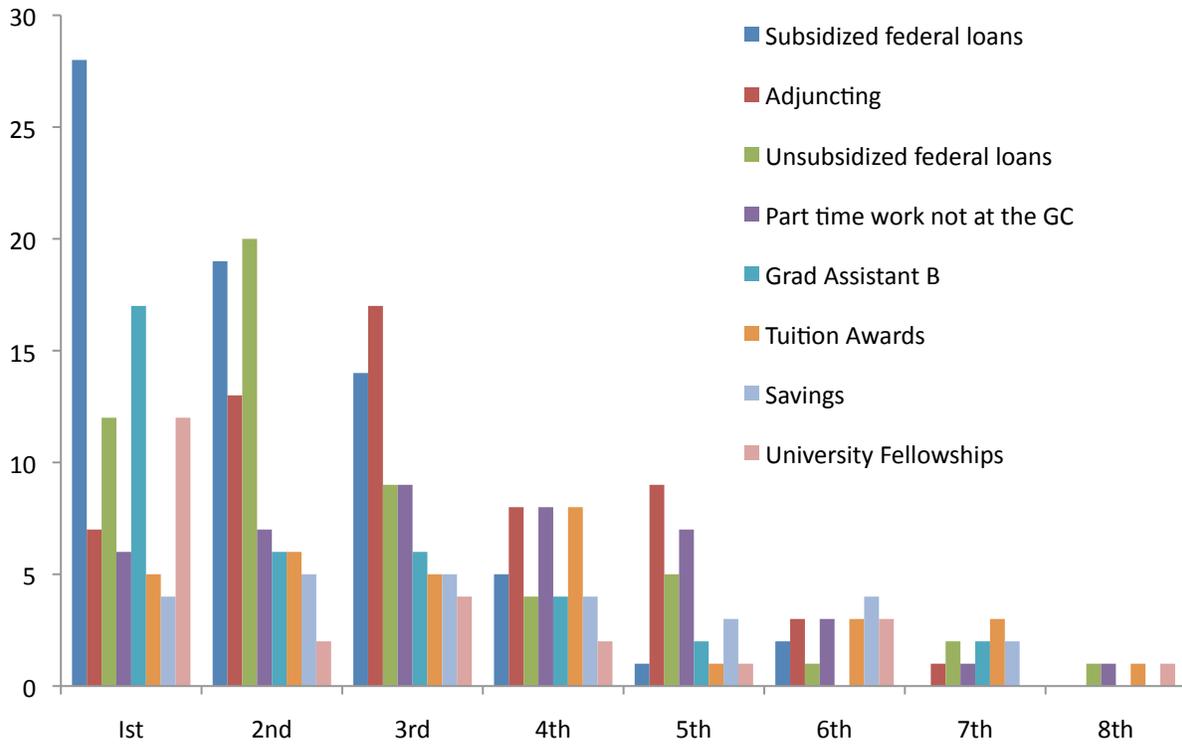


Figure 3. Ranking of importance and reliance on source of funding

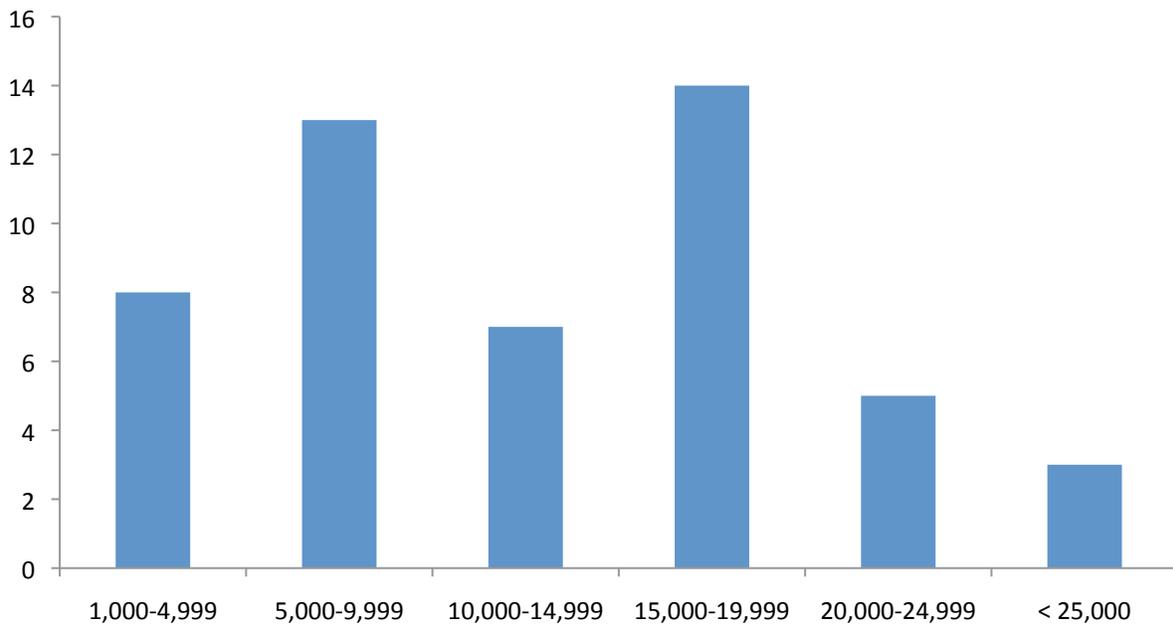


Figure 4. Average amount of money anticipated to be borrowed

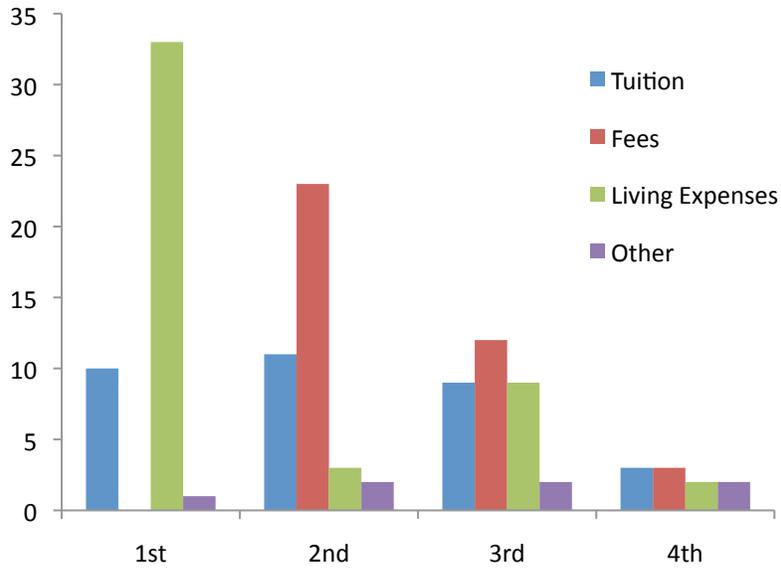


Figure 5. Anticipation of spending future loan money

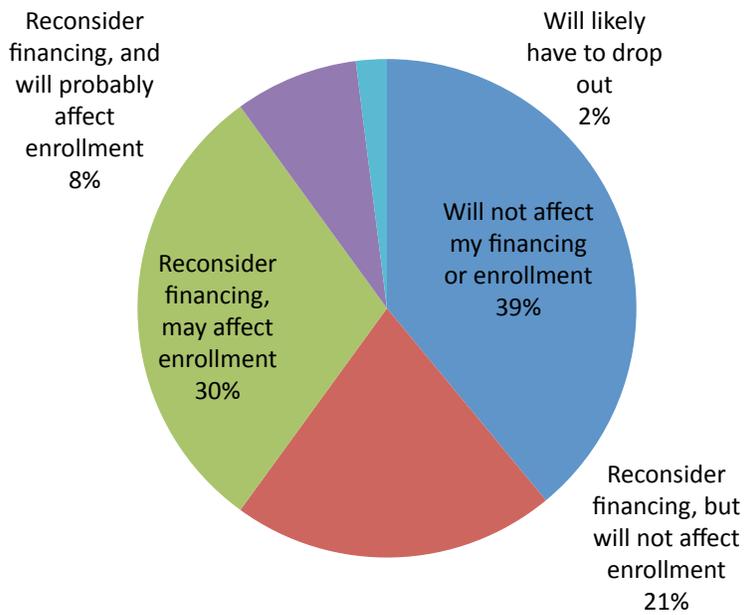


Figure 6. The impact of the Budget Control Act on students' future enrollment

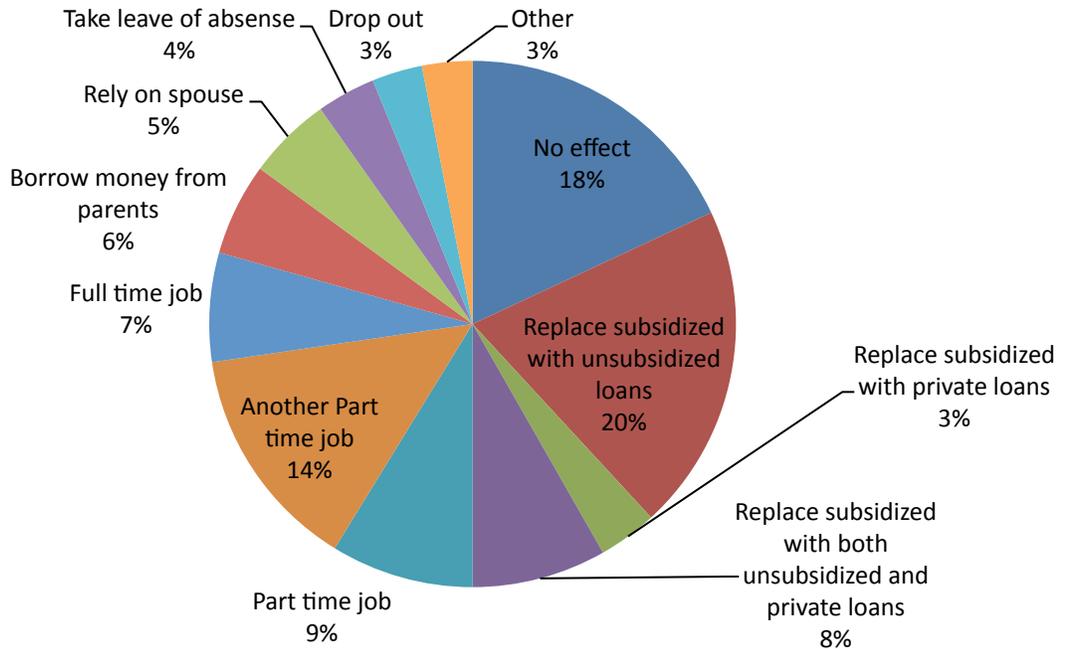


Figure 7. The impact of The Budget Control Act on students' future financing of education

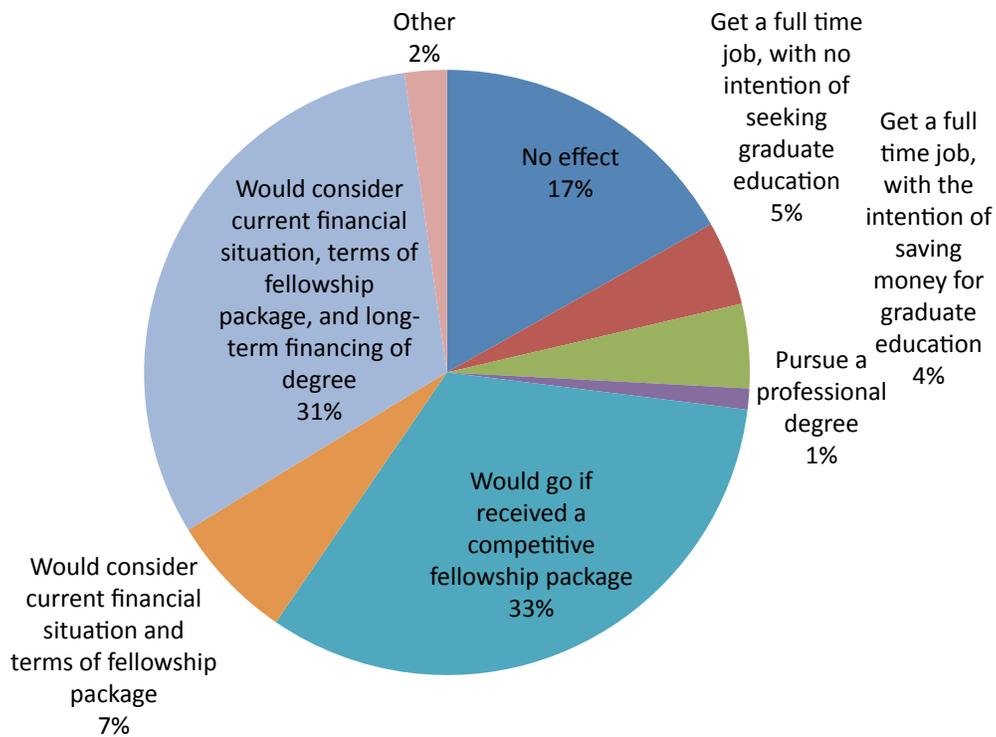


Figure 8. The impact of the Budget Control Act on decisions to pursue doctoral education

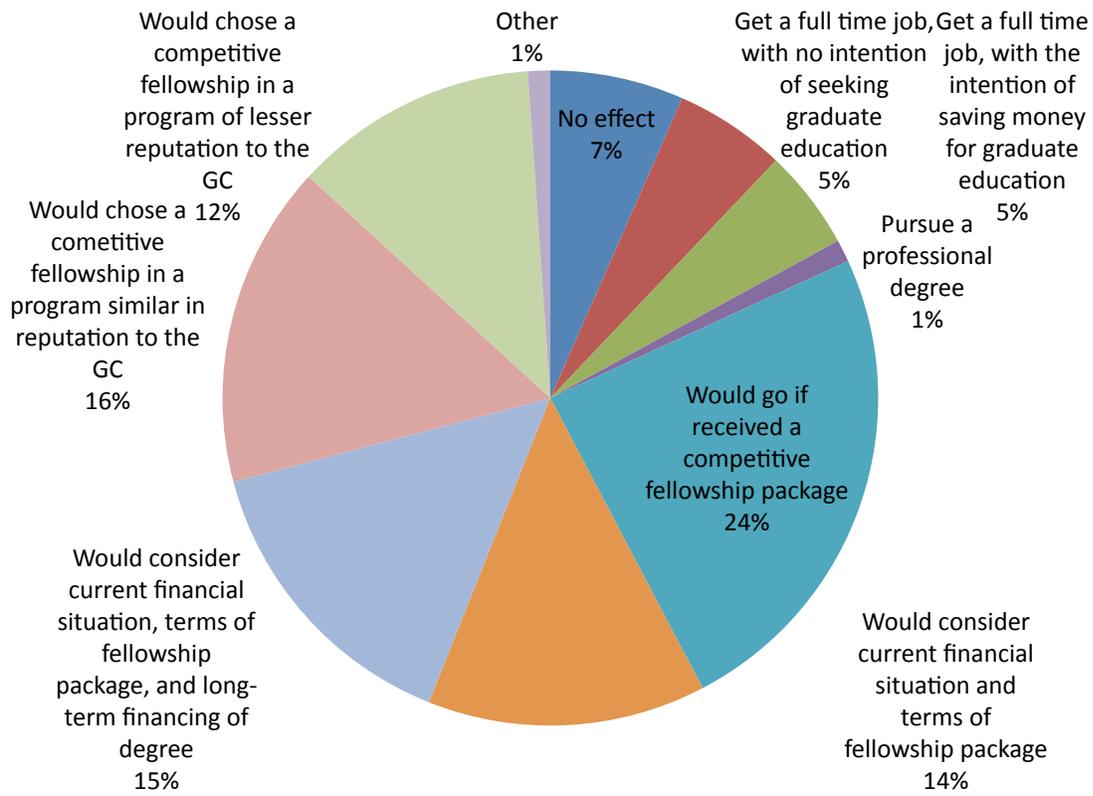


Figure 9. The impact of the Budget Control Act on decisions to matriculate as a GC student

Appendix A

Free Response Comments of Respondents

1. The continuing and accumulating burden our elected officials have been placing on those seeking higher education augurs poorly for our society as a whole and our future leaders, teachers, and productive members of society, which deeply saddens me.
2. I am largely immune to the concerns other students have about funding their degree. But that is because I have a privileged background. This fact should be extremely troubling to legislators and administrators, as it is to me.
3. Ph.D. students already live on the tightest of budgets and have to sacrifice much to make progress toward their degree, especially within New York City, where the cost of living is high. That students now will be stripped of the option to apply for subsidized loans is shocking.
4. I moved to NYC from out of state to attend graduate school. Federal subsidized loans helped cover living expenses so that I could focus on coursework rather than working full time. I am quite sure that without that option I would not have been able to afford living in NYC as a grad student.
5. We are barely hanging on here. Please help. We can't make it without a commitment of resources. Especially, as a low-income, first-generation college student doing a graduate degree, I am really struggling and cutting these programs will disproportionately affect underrepresented groups in grad school
6. Lack of financial support and the ways in which the CUNY Administration tries to push students out as quickly as possible, enforcing rules that don't take students progress into account as individuals or members of particular disciplines required that I take a leave of absence to prepare for my Orals in order to still meet the Administration deadline.
7. We need WAY MORE funding for students in their 6th year and beyond, especially since the requirements of our current "fellowships" amount to part-time employment (and pay so little that those of us without the privilege of parental support must work additional part time jobs -- essentially, we work full time while in school full time, delaying our progress).
8. I stopped taking loans and started working the equivalent of full-time in part time jobs when I realized how much debt I was accruing in my fifth year at the GC. It started with having to pay out of state tuition.
9. Is there any way to fight this or can the GC somehow make up for it? This will affect my finances in a very significant and negative way
10. For those funded and not beyond their 5th year, the survey doesn't ask to project what you will do. Many programs at the GC have average completion times that are 7 or more years. After your funding is up and tuition wavers are harder to come by, loans are relevant to a larger proportion of students than otherwise.

11. If that law had been passed before I met my partner it would have meant the end of my grad school career! I am graduating in the nick of time
12. The tuition keeps going up, making me feel like I should reconsider pursuing an advanced degree in my field. I took the leave to work on my own toward the second exams so I wouldn't have to pay \$2500 even while not taking classes.
13. Well, I tried to get at this in answer to an earlier question, but the major issue for me seems to be how the various changes to the timeline of the funding I get would have changed decisions I made along the way.
14. It is terrible.
15. Even with all of the funding that I have been provided (the subsidized loans have been very important) I will not be able to pay for my rent this coming Fall. I have been depending on the subsidized loans to pay this rent. Can someone tell me why banks get to borrow 7.7 Trillion at no interest and I have to borrow at 5%?
16. Progress has been incredibly hampered by the meager financial funding I have received
17. If getting a PhD was a choice between loans or not getting it, I would not enter the program. At this point of my progress I am finishing so the situation does not apply. Had I been starting the PhD now, I would not have chosen CUNY as the funds as they are now are not up to living wage level anyway and I would not resort to loans for more school than I need to get a job.
18. Some of us who are pursuing a doctoral degree are supporting others (spouses, children) while attending school. Many students don't have outside familial resources to rely on (including parents) for financial support.
19. I was able to take loans for one year only, until I became a NY state resident and qualified for the tuition award. Being able to take loans only for one year was an important factor in my decision to come to the GC, and I presume that it is a crucial time period for many who are considering the GC.
20. Adjuncting at CUNY cannot provide decent money for a living and as an international student we have very limited other ways to fund your studies.
21. Especially when most of the fellowship programs are insufficient in light of the cost of living in New York City, decent loan programs and adequate work opportunities are essential.
22. One of the main reasons I could come to CUNY was because there were other CUNY-based scholarships/fellowships that I could apply for. Now many of those are no longer available (the writing fellowship, e.g.) and if loans are not available either, it will make coming to CUNY much much more difficult.
23. The lack of fellowships and non-loan funding at CUNY has been very disappointing. I had been under the impression when I enrolled that various funding sources (grants, etc.) would be more accessible. However, there are few funding opportunities to even apply for. In addition, adjuncting pays so little for so much work I had to stop in order to finish my degree in the foreseeable future.

24. I am on an Enhanced Chancellor's Fellowship. It is not enough to pay for my living expenses, and I'm by no means profligate. The GC has a great faculty (in philosophy) but the teaching requirements and stipend lag dramatically behind virtually every other US philosophy graduate program. If the GC is to advance in rank and attract quality graduate students, these are the first things that have to change.
25. funding packages for entering students should be the same for the first three years of classes. you should not be given funding your first year only to realize later that you may not reapply for the same funding (grad B) during your second or third year. There is currently no in-built process.
26. It is a heavy load and an incredible financial burden. I'll be paying back these loans for the rest of my life.
27. The GC should increase stipends and wages for doctoral students with multi-year fellowships such as the Enhanced Chancellor Fellowship. I have a wife and a four year old child. I presently work part-time, 20 hours a week on top of what I am receiving from stipends. Although I am grateful for all of my earnings, it simply is not enough.
28. Nothing that wasn't addressed by this survey, but I wanted to be clear - there are VERY few fellowships for Criminal Justice that aren't funded by government agencies that expect specific areas of research to be conducted. My research area has NO fellowship opportunities that would have been available to me as a new PhD student. I made it just under the wire of this law, having recently obtained a fellowship to fund the remainder of my PhD, but if I hadn't, the law would have forced me to either quit school entirely or find a full time job to support my education. I was living primarily on student loans for much of my graduate career, because I work 60-70 hours a week on teaching and research obligations. This law would have killed or seriously slowed down my progress toward my career goals.