

How the Elimination of Grad PLUS Loans and Classification of Professional Degrees Harm Women and Students of Color

*By Sandra Perez, Senior Higher Education Research Analyst and
Brianna Huynh, Andrew Howard Nichols Research Fellow*

Introduction

Among other crucial provisions that have been eliminated by the Trump administration in the One Big Beautiful Bill Act ([OBBA](#)) is Graduate PLUS loans — which currently allow students to borrow up to the full cost of attendance, allowing them to obtain their graduate degree. The bill also imposes strict borrowing caps: \$20,500 per year and \$100,000 total for most graduate students, and \$50,000 per year and \$200,000 total for students enrolling in programs that the Department of Education deems “professional.”

In addition, OBBBA imposes a new \$257,500 lifetime limit on all federal student loans, including those used for undergraduate education. This means that many students —particularly those from low-income backgrounds and first-generation students, who rely heavily on federal loans to complete their bachelor’s degrees — may reach their borrowing limit before completing their graduate degree. This shift may force students toward private lenders or derail their educational pathway altogether.

Federal officials claim that recent changes to graduate-student borrowing rules will help “[drive down tuition](#).” But behind that rhetoric is a far more troubling reality and a bleak future.

In short, the bar to achieve a graduate degree just got higher — and for some students, pursuing higher education will become completely out of reach. Under previous federal regulations, “professional degrees” were defined broadly as graduate-level credentials that prepared students for entry into a licensed profession and required more advanced training than a bachelor’s degree. The previous [regulation](#) listed examples such as medicine, law, and theology — but did not require programs to be doctoral-level, six years in length, or tied to specific Classification of Instructional Programs (CIP) code groups, as the [new proposal](#) does.

This is not a technical policy update. This is another chapter in what EdTrust calls the [Great American Heist](#) — a sweeping theft of the resources and supports that schools, communities, and students need to succeed.

This new policy begs certain questions: Who gets left out? Which programs are impacted? Which students bear the burden? And what does this mean for the future of our most essential professions? In this brief, we break down the details.

Programs that would be prohibited from higher loan limits

Among the list of programs excluded under this new definition are professions that are essential to the functioning of our schools, hospitals, and communities. Graduate nursing pathways, teacher and counselor preparation programs, social work degrees, and other service-oriented fields all require advanced training, clinical practice, and state licensure.

These professions make up society's watchdogs: frontline caregivers, mandated reporters, and community protectors who serve — and save — children, families, and vulnerable populations. Yet under these borrowing rules, the students preparing for these careers would face lower loan caps and greater financial barriers at a time of nationwide shortages.

To qualify as a professional degree under the proposed rule, a program must:

- **Be in one of the following fields:** Pharmacy, Dentistry, Veterinary Medicine, Chiropractic, Law, Medicine, Optometry, Osteopathic Medicine, Podiatry, Theology, or Clinical Psychology **OR** be in the same four-digit CIP code group as one of these fields
- Prepare students for entry into a licensed profession and require skills beyond the bachelor's level
- Generally be at the doctoral level **AND** require at least six years of higher education, including two years of post-baccalaureate coursework
- Generally require professional licensure to begin practice

Read the formal language [here](#).

To better understand what is at stake, we identified a set of “programs of concern” representing fields that are foundational to the functioning of schools, healthcare systems, and communities. These programs — now deemed non-professional — span education, counseling, social work, public health, nursing, and other clinical-service-oriented professions, which are essential to community well-being and typically require graduate-level preparation. (A full list of these programs is available [here](#).)

What Gender and Racial Equity Gaps are Created?

Graduate programs excluded from the “professional” degree classification overwhelmingly comprise of women and students of color. These fields collectively produce tens of thousands of new professionals each year, and the demographics of their graduates offer a clear picture of who would be most affected by reduced borrowing limits.

Women account for more than 70% of graduates in programs excluded from the higher borrowing limits

Women already contend with lower family wealth, lower average earnings, and higher caregiving responsibilities. Many women rely on graduate loans not only for tuition but for rent, transportation, and other basic living costs. When financial aid falls short, women are more likely to reduce their enrollment intensity — and because federal loans will soon be prorated for part-time students, this further reduces the amount of financial aid available to them. Limiting borrowing in fields where women make up the vast majority of graduates risks compounding these barriers and narrowing pathways into professions they already disproportionately staff.

The racial equity implications are just as striking

Programs with some of the highest shares of graduates of color — public health, social work, and registered nursing — now fall outside the “professional” degree classification. IPEDS completion data from 2023 shows that more than 40,000 students of color graduate from these programs each year, compared with approximately 21,000 from programs classified as professional. This means the strongest pathways for diversifying the healthcare and human-services workforce are the very ones that would face reduced loan access.

Limiting borrowing in these pathways would magnify longstanding inequities and constrict the pipeline into roles that depend on diverse talent in professions like healthcare. A strong workforce pipeline is critical for patient and community [outcomes](#). [Research](#) consistently finds that a diverse healthcare workforce improves trust, communication, and satisfaction, especially when providers share patients’ racial or ethnic backgrounds. These pressures are emerging at a time when health systems are already under attack — with [proposed](#) federal cuts to Medicaid and the likely lapse of enhanced Affordable Care Act (ACA) subsidies threatening coverage for millions of Americans and forcing hospitals to absorb steep losses. Further reducing access to the programs that produce graduates from diverse backgrounds risks weakening an already strained workforce and widening disparities across systems that rely on it.

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What sectors are most affected?

Because the Department of Education has limited “professional degrees” to a small cluster of fields, the vast majority of graduate degrees that students pursue do not qualify for the higher borrowing caps. According to the National Center for Education Statistics (NCES), in 2021-2022, more than 600,000 (69%) of all master’s degrees conferred were in only five fields — none of which fall under the newly designated “professional” category. At the doctoral level, aside from medicine and law, the largest doctoral fields like education, engineering, and biological sciences also fall outside the narrow definition of professional degrees, meaning most doctoral students, likewise would not qualify for the expanded borrowing limits.

TOP FIVE FIELDS OF STUDY FOR MASTER'S AND DOCTORAL DEGREES

Master's	Doctoral
1. Business (205,800 degrees, 23%)	1. Health Professions and Related Programs (87,800 degrees, 44%)
2. Education (151,700 degrees, 17%)	2. Legal Professions and Studies (36,400 degrees, 19%)
3. Health Professions and Related Programs (147,000 degrees, 17%)	3. Education (14,800 degrees, 7%)
4. Computer and Information Sciences and Support Services (51,300 degrees, 6%)	4. Engineering (12,100 degrees, 6%)
5. Public Administration and Social Services (50,100 degrees, 6%)	5. Biological and Biomedical Sciences (8,600 degrees, 4%)
Total Degrees Conferred: 880,200	Total Degrees Conferred: 203,900

Source: U.S. Department of Education, National Center for Education Statistics. (2024). *Graduate Degree Fields. Condition of Education*. U.S. Department of Education, Institute of Education Sciences.

In fact, less than 5% of graduates in the most awarded advanced degree fields would qualify for the “professional” loan caps. As a result, the strictest borrowing caps are placed among the largest sectors of graduate education. This is especially consequential, because many of these fields are licensure-driven, where students must not only enroll in accredited graduate programs, but must complete required clinical practice hours, and pass state licensure exams, which can rely on student loans to finance costs. These extended requirements mean that education, nursing, social work, and allied healthcare are at higher risk of hitting those low annual and lifetime borrowing caps before even completing the credentials required to enter their fields.

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How much do students borrow in graduate programs?

The new lifetime caps on student loans for graduate programs fail to match with the reality of what students actually pay. According to the Association of American Medical Colleges (AAMC) [2025 Medical School Graduation Questionnaire](#), over 38% of respondents reported a total medical school debt of over \$200,000 at graduation, with the median total education debt for nearly 16,000 respondents reaching \$220,000. The American Bar Association's

[Selected Findings from the 2024 ABA Young Lawyers Division Student Loan Survey](#), reported that the median total loans borrowed fall around \$147,000 for men and \$159,000 for women. While this falls below the \$200,000 graduate borrowing limit, the annual \$50,000 limit is [exceeded at 90 out of nearly 200](#) law programs when only considering the annual tuition and fees and no additional costs like books, housing, or transportation. Because many programs discourage or even prohibit their students from working while training, it is essential that the graduate student loans are not limited to these low caps to provide enough funding to cover the cost of living.

For students enrolled in graduate programs outside the “professional” category, the financial gap is even more severe. In 2020, the median student budget for graduate students in fields outside the “professional” degree classification was \$29,072, already well above the \$20,500 annual loan limit. That means students would need to find more than \$8,500 (about 42% above annual loan limit) per year from other sources like private loans, which typically carry higher interest rates and fewer borrower protections. Today, that median cost is likely even higher. Under OBBBA, a student in one of these “non-professional” health programs could hit the \$100,000 graduate borrowing cap before finishing a three-year degree, with no access to Grad PLUS to cover the remaining cost.

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Essential watchdog professions are disproportionately cut

According to the U.S. Department of Health & Human Services’ [Child Maltreatment 2023 report](#), over 70% of all child-abuse and neglect reports came from professionals, with 48.4% of all reports specifically originating from educators, healthcare workers, social-service providers, and mental-health personnel. Ironically, many of these very occupations fall into degree pathways that the Department of Education does not classify as “professional” for loan-limit purposes. [Many states identify](#) social workers, nurses, mental health clinicians, teachers, school counselors, and child-care providers as mandated reporters. These occupations work on the frontlines, interacting with individuals, children, and families during some of the most intimate, stressful, and vulnerable moments of their lives. Because of this sustained closeness, they are often the first people outside the immediate family to notice early indicators of abuse, neglect, or serious risk. These signs might otherwise be overlooked by friends or extended family relatives because of personal ties or limited day-to-day contact.

The American Association of Colleges of Nursing (AACN) recognizes the need for advanced nursing degrees, noting that graduate-prepared nurses serve as “independent providers, system leaders, and researchers who deliver critical care and drive innovation.” This essential leadership supports nursing — one of the biggest healthcare occupations in the country — and equips them with the clinical judgement and observational skills needed to recognize signs of abuse or neglect in their patients. While physicians are also mandated reporters, they only represent a small fraction of the professionals legally responsible for identifying and reporting maltreatment.

MEDIAN (NON-ZERO) ANNUAL PROGRAM COSTS FOR GRADUATE STUDENTS OUTSIDE PROFESSIONAL-DEGREE PROGRAMS, 2020

Program	Tuition and Fees Paid	Total cost of required course materials (student reported)	Non-tuition expense budget (attendance adjusted)	Student budget (attendance adjusted)
Post-baccalaureate or post-master's certificate	\$4,950.00	\$475.00	\$10,682.00	\$17,090.00
Master of Education or Teaching	\$7,023.00	\$520.00	\$11,559.00	\$19,963.00
Doctor of Education (Ed.D.)	\$7,399.00	\$600.00	\$14,000.00	\$21,959.00
Doctor of Business or Public Admin	\$9,144.00	\$1,100.00	\$11,858.00	\$22,273.00
Master of Public Admin or Policy	\$7,886.00	\$550.00	\$13,689.00	\$22,717.00
Master of Business Administration (MBA)	\$9,969.00	\$600.00	\$12,116.00	\$23,181.00
Master of Arts (MA)	\$9,039.00	\$500.00	\$13,934.00	\$23,704.00
Master of Science (MS)	\$10,746.00	\$500.00	\$13,872.00	\$25,780.00
Other masters degree program	\$10,041.00	\$600.00	\$13,960.00	\$25,805.00
Master of Social Work (MSW)	\$14,193.00	\$700.00 !	\$17,376.00	\$30,027.00
Master of Public Health (MPH)	\$12,987.00	\$820.00	\$17,696.00	\$32,257.00
Other Doctor's Degree	\$13,580.00	\$790.00	\$17,228.00	\$35,012.00
Master of Fine Arts (MFA)	\$17,898.00 !	\$375.00 !!	\$20,505.00	\$38,670.00
Doctor of Philosophy (PhD)	\$17,477.00	\$450.00	\$20,719.00	\$39,400.00
Doctor of Science or Engineering	\$16,845.00	\$400.00	\$17,816.00	\$39,410.00
Median	\$11,637.00	\$600.00	\$15,851.00	\$29,072.00

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Graduate Students (NPSAS:GR).

! Interpret data with caution. Estimate is unstable because the standard error represents between 30 percent and 50 percent of the estimate.

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Conclusion

The proposed changes by the Department of Education deliberately and unfairly underfund the degrees that staff hospitals, clinics, schools, and community organizations. It makes it easiest to finance programs already associated with prestige and wealth — like medical and legal degrees — while making it hardest to afford the degrees that train healthcare workers and frontline professionals who safeguard children and communities. The dearth of graduates in these critical fields will put millions of Americans at risk of not receiving the care they need. What's more, the proposed changes have a disparate impact on women in advanced degree fields that are essential to families and communities, at a time when the administration has already [gutted](#) efforts aimed at addressing systemic barriers facing women. The specific language chosen to label these programs as non-professional also sends a message about the perceived worth of their work. These titles and classifications shape public views and influence whether prospective students believe their chosen careers will be respected, supported, and allowed to grow. In short, they reveal what kinds of work our nation is willing to invest in.

Beyond symbolism or semantics, many of these fields are already experiencing severe workforce shortages. Nursing vacancies, high turnover in social work, and ongoing challenges retaining teachers will only worsen under tighter financial constraints. The notion that reducing aid will force graduate programs to lower tuition assumes a direct causal relationship [that has little evidence behind it](#). It also overlooks that many students borrow well beyond tuition to afford rent, food, transportation, and other essentials. Those costs will not fall simply because aid is constrained.

If we want a stable, well-trained workforce to safeguard our communities, then federal financial-aid policy must support — not undercut — the students who choose these vital careers. Major professional organizations such as the American Nurses Association ([ANA](#)) and the American Association of Colleges of Nursing ([AACN](#)) have already issued public statements and mobilized petitions warning that the proposed loan limitations jeopardize the nursing workforce and threaten patient care.

The stakes are too high to not act. EdTrust calls on the public to join the growing number of professional organizations already raising awareness about the impact of these proposed changes.

Letters/Calls to Action

American Association of Colleges of Nursing: [AACN Alarmed Over Department of Education's Proposed Limitation of Student Loan Access for Nursing](#)

Association of American Universities: [Statement of AAU President Barbara R. Snyder on the Association's Legal Filing Challenging the \\$100,000 H-1B Visa Petition Fee | Association of American Universities \(AAU\)](#)

Association of Cancer Care Centers: [ACCC Voices Opposition to Revised Definition of Professional Degrees](#)

Association of Governing Boards of Universities and Colleges: [AGB Policy Alert: Graduate Student Loan Limits - AGB](#)

American Institute of CPAs: [AICPA, State CPA Societies Urge Department of Education to Recognize Accounting Programs as Professional Degree Programs | News | AICPA & CIMA](#)

American Nurses Association: [Department of Education's Loan Proposal Puts Nursing Workforce and Patient Care at Risk](#)

American Physical Therapy Association: [Statement | DOE Proposal Threatens Physical Therapy Recognition and Health Care Workforce | APTA](#)

American Physical Therapy Association – Maryland: [U.S. Department of Education Proposal Jeopardizes Physical Therapy Professional Recognition and the Future Health Care Workforce – APTA Maryland](#)

National Association of State Boards of Accountancy: [NASBA Responds to Federal Reclassification of Accounting Degrees as "Non-Professional" - NASBA](#)

National League for Nursing: [NLN Strongly Opposes Department of Education Refusal to Classify Nursing as a Professional Discipline](#)

New York Academy of Medicine: [Response to Stripping "Professional Status" as Proposed by the Department of Education - New York Academy of Medicine](#)