

NATIONAL ASSOCIATION OF SOCIAL WORKERS

Issue: Support Loan Forgiveness for Social Work Students and Graduates

BACKGROUND

NASW promotes student loan forgiveness as part of its ongoing effort to improve working conditions, salaries, and other benefits for social workers and to ensure that consumers have access to qualified professionals. As many as 37% of public four-year school graduates have too much debt to manage on a social work salary. According to the Council on Social Work Education's report, *2013 Statistics on Social Work Education in the United States*, 81% of baccalaureate graduates, 80.5% of master's graduates, and 65.5% of doctoral graduates have loan debt. The mean amount of loan debt ranged from \$31,880 to \$42,149.¹ According to the Bureau of Labor Statistics, a social worker's median salary is only \$45,500.² While there are at least three federally authorized loan forgiveness programs available to social workers, additional resources are required.

Students and graduates have shared their stories of loan debt with NASW. Here are two that illustrate the issue faced by students and graduates.

I am a mother of four, who decided to go back to school after having a family member in hospice. I knew after this experience I wanted to pursue a career in social work. I finished up my bachelor's degree in 2010 and my master's in 2012. I currently am employed at a wonderful nonprofit hospice in Ohio, and am working as the bereavement coordinator. Unfortunately, nonprofit organizations quite often do not have the ability to pay as much as larger, for-profit organizations. I currently owe over \$100,000 in student loans. The amounts they wanted for payment were way out of my range and I have recently signed up for a lower payment. Even with a lower payment, it will be a financial trial for me and my family to fulfill, and I will most likely be paying on this well into my retirement.

—Maria in Ohio

I currently decided to return to obtain my Masters in Clinical Social Work at the University of Mississippi because I work as a Public Health Social Worker in an area that is considered to be a much-impooverished area. My desire to get this degree was to better myself professionally by enhancing my social worker skills, abilities and knowledge based for our changing society. I started school back in August 2011 and graduated this May 2014. I do not regret the decision to return to school, but I am now faced with another debt and yes, I was aware of the loan issues when I returned to school. I was hoping that the agency that I work for would somehow see the value in the degree that I obtained and provide some form of repayment with agreed future years of services with the agency. I currently make roughly \$3,000 per month and I have two dependents that I take care of. My loans were

for a total of 8 semesters this included summer sessions for two years. My current loan amount is \$39,531 I worked to obtain as less as possible to get this degree however, with the interest my total amount scheduled for repayment is \$58,125 due starting next month.

—Linda in Mississippi

CURRENT STUDENT LOAN FORGIVENESS OPTIONS ARE LIMITED FOR SOCIAL WORKERS

College Cost Reduction Act of 2007: This act established a new Public Service Loan Forgiveness program that discharges any remaining educational debt after 10 years of full-time employment in public service, including government and nonprofit agencies. Although this law is a step in eradicating student loan debt, the 10-year service requirement, during which loan repayment must be made, may be difficult for social workers. It is challenging to meet these requirements due to the combination of low salaries and the rising cost of education.

National Health Service Corps Loan Repayment Program: This program allows licensed clinical social workers \$50,000 to repay student loans in exchange for two years of serving in a community-based site in a high-need designated Health Professional Shortage Area.

Higher Education Act: The 2008 reauthorization included expanded loan forgiveness provisions. However, the debt cancellation program, though authorized, has never been funded by Congress.

POLICY SOLUTION

- » Reauthorize the Higher Education Act Loan Forgiveness provisions and appropriate funding to support their use and implementation for social workers.
- » Ensure the future of the Public Service Loan Forgiveness Program for social workers.

¹Council on Social Work Education. (2013). *2013 statistics on social work education in the United States*. Retrieved from www.cswe.org/File.aspx?id=74478

²Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2016-17 Edition*, Social Workers. Retrieved from www.bls.gov/ooh/community-and-social-service/social-workers.htm

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