The Critical Role of Public Service Loan Forgiveness

WHAT IS PSLF?

PSLF is a loan repayment program that incentivizes higher education graduates to choose careers in public service, especially those that had to borrow federal student loans to pay for school. Recipients must complete 120 qualifying loan repayments, while working in a non-profit or government setting, often earning lower salaries than in the for-profit sector. Their work meets critical national needs, including in mental and behavioral health fields.

WHO IS ELIGIBLE FOR PSLF?

Borrowers who have taken out federal Direct Loans to pursue postsecondary study and who are working in public service are eligible and may benefit from PSLF. Many entry level health professions, including in psychology, require a graduate degree. Occupations that require a postsecondary credential are projected to grow faster than occupations that do not require postsecondary education for entry.

WHAT DO THESE PROFESSIONS HAVE IN COMMON?

These professionals, including many early in their career, provide important services to communities that contribute to the nation’s health, the economy, and the needs of its citizens. They are working in neighborhoods and communities providing mental and behavioral health services, conducting critical research, improving education, and addressing safety needs. They are working for state and local governments, in hospitals, schools, laboratories, and institutions of higher education.

SNAPSHOT OF THE NON-PROFIT WORKFORCE

- Over half of all non-profit jobs in the U.S. are in the healthcare field.
- 15% of all non-profit jobs in the U.S. are in educational services.
- 12% of all non-profit jobs in the U.S. are in social assistance. This includes individuals working in family services, community food services, housing services, vocational rehabilitation, and child day care.

The average wage gap between the public and private sector for individuals with graduate degrees is about $17,000 per year for individuals aged 25–29, which grows over time, reaching over $53,000 per year for workers aged 55–59. For an individual working from age 25 to 59, they will earn $1,500,000 less than their private sector counterpart over the course of their career.

“HRSA projects a national shortage of 14,300 psychologists by 2030 to address unmet behavioral health needs.”

(U.S. Department of Health and Human Services, 2018)

In the U.S., a postsecondary degree is required to become a:

- Psychologist
- Teacher
- Doctor
- Caseworker
- Prosecutor
- Nurse
- Engineer
WHAT IS THE ROLE OF PSYCHOLOGY IN PUBLIC SERVICE?

The PSLF program is effectively recruiting highly educated workers to commit to non-profit or government careers without letting loan debt and lower pay deter them from a career of helping others through public service. Psychologists hoping to participate in the PSLF program have committed to working in a non-profit or government setting for a minimum of ten years. These psychologists work in hospitals, Veteran’s Medical Centers, Community Health Centers, prisons, children’s hospitals, laboratories, the military, and on the front lines in the fight against COVID-19. They are working in public, charter, and private schools with our nation’s children, addressing issues like bullying and social and emotional learning, with the goal of improving educational outcomes. They are also teaching and conducting research at colleges and universities.

SUPPORTING PSLF ADDRESSES NATIONAL NEEDS

REFERENCE:
