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## Attracting Graduates by Helping Pay Their Debt

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Criminal investigators. Lawyers. Intelligence analysts. Engineers: The U.S. government wants you, and federal agencies are offering student loan repayments to attract and keep these highly qualified employees.

The FBI, for example, spent nearly \$17 million on student loan repayment benefits for 1,900 employees in fiscal 2006. The recipients at the FBI included 901 special agents, 317 intelligence analysts and 166 employees who specialized in investigations, inspections and related work. The Defense Department was second to the FBI in making the job perk available. The Pentagon provided more than \$4.6 million in student loan repayments to 1,383 employees, including 198 mechanical engineers, 128 nuclear engineers and 94 electronics engineers.

A report recently sent to Congress on the federal student loan repayment program showed that spending for loan repayments has grown by tenfold since the program's rules were revamped in late 2001.

Under the program, agencies may provide up to \$10,000 a year to employees who sign an agreement to remain at their agencies for at least three years. The lifetime maximum that can be provided an employee is \$60,000.

The report, prepared by the Office of Personnel Management, showed that 34 agencies in fiscal 2006 spent about \$35.9 million on the benefit, providing an average loan repayment of \$6,245 to 5,755 employees. Compared with fiscal 2005, that represented a 31 percent increase in the number of employees in the program and a 28 percent increase in spending.

"It's great news to see federal agencies increasing the use of student loan repayments," said Max Stier, president of the nonprofit Partnership for Public Service. Still, he added, "We need to see more use of the authority. A relatively small number of agencies are using it extensively now."

Among the government employees receiving the benefits were 921 criminal investigators, 441 lawyers, 335 intelligence employees, 204 mechanical engineers and 217 analysts at the Government Accountability Office, a congressional agency.

Most of the criminal investigators were FBI agents, most of the lawyers worked at the Securities and Exchange Commission and the Justice and Housing and Urban Development departments, and most of the intelligence employees worked at the FBI or for the Defense or State departments.

The Veterans Affairs Department told the Office of Personnel Management that it provides student loan reimbursements through a separate program. For 2006, the VA said it made more than \$2 million in payments on behalf of 574 employees -- mostly registered nurses, pharmacists, doctors and licensed practical nurses.

"I think it is very important that the government provides this kind of help," said Gabriel J. Alvarez, a recent graduate of the H. John Heinz III School of Public Policy and Management at Carnegie Mellon University. "Any help you can give a young person to pay back their student loans is very good," he said.

Alvarez attended graduate school on a Peace Corps scholarship, but it covered only half of his tuition, so he financed the rest through government loans. He described himself as "totally immersed" in student debt but said he has no regrets about attending graduate school. He works for the Partnership for Public Service and hopes to land a federal job in international development.

Kristen Jensen is on track to graduate this month with a master's degree in public administration from George Washington University. Although she has worked while in college and says she was frugal in her spending, she had to borrow money to cover her college costs. She says she will leave college with about \$70,000 of debt.

She plans to move to Ohio, her home state, after graduation. Her primary interest is in working for either local or state government agencies, but Jensen said the student loan reimbursement program is an incentive that would entice her look at a federal job. "It is tough," she said of the debt that students take on.

David Ellwood, dean of the John F. Kennedy School of Government at Harvard University, called the federal loan repayment program "absolutely vital."

Debt plays a strong role in the career choices of students, he said. At the Kennedy School, 92 percent of students graduating with master's degrees and with no debt go into public service or work for a nonprofit organization, he said. In contrast, only 45 percent of graduates with master's degrees and more than \$90,000 in debt go into public service.

Offering student loan repayments, Ellwood said, "is a powerful way to get the best people to serve in government."