

# New student loan limits could change who gets to become a professor, doctor or lawyer

Rodney Coates, Professor of Critical Race and Ethnic Studies, Miami University

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As millions of student loan borrowers settle into the school year, many are stressed about how they'll pay for their degrees. These students may find that the One Big Beautiful Bill Act, the big tax and spending bill that President Donald Trump signed into law over the summer, could limit how much they can borrow.

Until recently, graduate students could take out two types of federal loans: Direct Unsubsidized Loans, which had a lifetime limit of US\$138,500, and Grad PLUS loans, which allowed students to borrow up to the full cost of attendance, minus financial aid.

But Grad PLUS loans will be eliminated next summer, with a three-year transitional period for current borrowers. That will leave only the capped loans for new borrowers, and those loans have new lifetime borrowing limits: \$200,000 for students pursuing certain professional degrees, and \$100,000 for nonprofessional graduate programs.

If you add both undergraduate and graduate loans, there's a new lifetime limit of \$257,500 per person.

That seems modest to me. Consider that the annual average costs for an undergraduate degree range from \$24,920 for in-state public universities to \$58,000 for private universities. That means we're looking at up to \$224,000 for a bachelor's degree. If we add three years of law school, we're looking at an additional \$132,000 to \$168,000, respectively. Alternatively, completing four years of medical school will set you back another \$268,000 to \$363,000. It's not easy to make those numbers add up to less than \$257,500.

As I reflect on these numbers and my journey to becoming a college professor, specializing in race and ethnic studies, one thing becomes clear: I would never have been able to earn my bachelor's degree, two master's degrees, and Ph.D. under these new rules.

Adjusting for inflation, I took out nearly \$300,000 in student loans, and I paid them all off within a decade of starting my college teaching career. For me, the system worked. I wonder how today's aspiring professionals, especially those from less prosperous backgrounds, will manage.

## **The future of professionals**

Professional students already graduate with a lot of debt – often far more than the new loan caps will allow. In 2020, more than a quarter of graduating medical students and nearly 60% of graduating dental students had borrowed more than the new limits would allow, author Mark Kantrowitz, who is an expert on student loans, has found. In 2024, nearly a quarter of medical school graduates left school with more than \$300,000 in debt.

The new borrowing limits will likely hit minority students especially hard. While about 61% of all graduate students take out student loans, the share is much higher for Black students compared with white students, 48% to 17%.

While some might be able to supplement their federal loans with private ones – which tend to have much worse terms for borrowers – I fear that many others will be forced to end their educations prematurely.

That, in turn, would worsen the already severe shortage of doctors serving the Black community. As pointed out in a 2023 report of the Journal of the American Medical Association, the shortage of Black primary care physicians is directly related to overall lower population health and ultimately higher mortality rates within the Black community. As of 2023, fewer than 6% of U.S. doctors were Black, versus 14.4% of the population.

Research has suggested that student loan relief would help diversify the medical workforce. Adding new restrictions would likely have the opposite effect, making the profession more homogeneous and significantly undermining Black public health.

Or consider attorneys. Law school costs have risen more than 600% over the past two decades. The average 2020 law school graduate left with \$165,000 in student debt.

Black law students face unique challenges, graduating with approximately 8% more debt on average than white students and facing significant wage disparities once they enter the legal workforce. Making it harder for Black students to afford law school could reduce the number of Black attorneys, which has held steady at about 5% of active lawyers over the past 10 years.

Reducing access to federal student loans risks disproportionately affecting women, since they hold roughly two-thirds of all student debt.

## **What comes next**

Supporters of the change say that capping graduate student borrowing will encourage universities to rein in tuition hikes. They also say private student loan providers will step in to help students. I am skeptical, but the true test will come next year.

In the meantime, professional students might want to familiarize themselves with the many scholarship opportunities available. Many organizations offer a range of medical school scholarships, including those targeting women and minorities. The same is true for students interested in law school. A helpful starting point is this list of scholarships with approaching deadlines and these opportunities for women and people of color.

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