Graduate Education Requires Increased Federal Investment
The federal government provides support to graduate students in the form of fellowships, traineeships, and research assistantships. Funding for graduate programs in the major science- and education-related agencies should be increased to help meet the nation’s need for highly-skilled Americans who will become the next generation of scientists, scholars, and leaders in government, business, and industry.

Specifically, support for traineeship and fellowship programs at the National Institutes of Health (NIH) and the National Science Foundation (NSF) should rise at least commensurately with their agencies’ budgets. The President's FY06 budget would do so for NIH: research training funds would increase by $2 million to $764 million, and NIH would be allowed to raise stipends by 4 percent for postdoctoral trainees with one-to-two years of experience and to increase the stipend range for postdoctoral fellows based on their years of experience. Additionally, individual postdoctoral fellows would receive an increase of $500 in their institutional allowances to cover rising health benefit costs. For NSF, however, funding for Graduate Research Fellowships would rise by only $100,000 to $88.6 million. AAU supports a $2 million increase for the NSF fellowships.

AAU supports a $50 million appropriation for the Graduate Assistance in Areas of National Need (GAANN) program and a $17 million appropriation for the Jacob K. Javits Fellowship program in the Department of Education. These increases of $19.6 million and $7.2 million over the FY05 levels, respectively, would support approximately 1,200 students in GAANN and 400 students in Javits at a maximum award level of approximately $41,600 ($30,000 stipend and $11,600 institutional allowance). Funding at these recommended levels would, thus, reverse the decline in recent years in the number of students supported. The Administration proposes level funding for both programs.

The Federal Role in Graduate Education
The nation’s unique system of combining graduate education with cutting-edge research strengthens the American education system. U.S. research universities educate about 75 percent of the nation's Ph.D.s. These institutions produce virtually all of the advanced degrees awarded in rapidly changing fields such as molecular biology, nanotechnology, and computer science. They also generate new knowledge and act as incubators of innovative ideas that drive new technologies and create novel ways to address societal, health, security, and economic needs and problems.

Federal investment in graduate education fills the same crucial funding gap that federal support provides for basic research. Talented students with a master’s or Ph.D. degree are a highly mobile national resource. For that reason, states are reluctant to invest in graduate education. When the federal government makes the investment, the nation reaps the dividends regardless of where the recipient of the assistance ends up working.

Many graduate students have borrowed heavily to finance their undergraduate education. Without support from the federal government, many of these students cannot afford to complete a master’s or Ph.D. degree. Administration and Congressional support for improving and expanding federal programs that support graduate education is essential to cultivating American talent and to keeping the U.S. the leader in graduate education and research.