

Drowning in DEBT

Today's college students are graduating with more student loan debt than any generation before. Can anything be done about it? BY JOE BUBAR

When she was a senior at High Point University in North Carolina, Brittany Gentilhomme dreamed of renting an apartment and living on her own after graduation in 2017. Instead, she had difficulty landing a job in her chosen field, communications, and had to move back into her parents' home in Milford, New Hampshire, for three years

so she could try to make a dent in the \$65,000 she borrowed in student loans. Gentilhomme, now 24, says living with her parents made her feel "like my life was on hold. I didn't feel like an adult." She's far from the only college graduate saddled with debt. About two-thirds of seniors at four-year colleges are carrying student loans. In 2017, the average was more than \$29,000, according to the Institute for College

Access and Success, a nonprofit group advocating affordable higher education. That's up from \$13,000 in 1996, when adjusting for inflation.

"This generation of students is the most debt burdened ever, and it's a huge problem for them," says Mehra Baradaran, a law professor at the University of California, Irvine, who specializes in banking law. "I do think you're going to have a generation of students whose main concern, instead of finding a partner they love and coming up with a career, they have this huge part of their psychological and emotional toll being about the servicing of these debts."

The Soaring Price of an Education

Americans spend more on college than almost anyone else in the world, according to the Organization for Economic Cooperation and Development.

But college in the U.S. didn't always cost so much. Thirty years ago, average tuition and fees for a public university

were less than \$5,000 per year in today's dollars. Now the average is more than \$10,000. The cost of attending a private college has also doubled in that time, from about \$18,000 a year to more than \$36,000 today (see graph, below).

At the same time that college tuition has soared, wages in the U.S. have barely risen, after accounting for inflation. That has made it harder for parents to shoulder the tuition by themselves, and students are increasingly turning to loans.

Why has college gotten so expensive? Economists point to the increasing costs of technology, dorms, and other facilities, as well as to the rising salaries of professors and administrators. For many public universities, they've had to raise tuition because states have cut funding—down, on average, by about 16 percent from a decade ago.

School officials point out that they offer financial aid, and a large proportion of students don't actually pay full price for college. But for many students, the aid still isn't enough, and they have to take out loans to supplement it.

After graduation, it can take them years to pay off their debt. A 2017 study of Wisconsin universities found that it takes about 20 years on average for graduates to pay off a bachelor's degree.

\$1.6 Trillion
TOTAL U.S. student loan debt owed by 44.7 million Americans

69%
PERCENTAGE of college students in the class of 2018 who took out loans

SOURCES: THE COLLEGE BOARD; STUDENT LOAN HERO

Entry-level jobs often don't pay enough for recent graduates to make much of a dent in their loan payments. After Roman Long, 28, graduated from Framingham State University in Massachusetts in 2014 with about \$50,000 in student loan debt, he had to work 80 hours a week at three jobs and move back in with his mom in Falmouth, Massachusetts.

"Having student loans of \$800, \$1,000 a month was really intimidating," he says. "That's what people pay in rent. It's a lot of your budget when you're first getting out of college."

Tuition-Free College?

The soaring price of college has become a big issue on the campaign trail, with the Democratic candidates for president sparring over the best way to handle it. Senator Elizabeth Warren of Massachusetts,

and Senator Bernie Sanders of Vermont, have proposed canceling existing student loan debt, and making public and community college tuition-free for all students. Pete Buttigieg, the former mayor of South Bend, Indiana, has suggested making public and community college free for middle- and low-income students—which New York began doing in 2017. But many schools argue that they wouldn't be able to offer the same quality of education if they didn't charge tuition.

The Trump administration has floated other policy proposals, such as limiting student loan borrowing. The thinking is that schools will have to stop raising tuition if students aren't able to borrow as much money. But some experts argue that there's no guarantee that schools will cap tuition, so the plan might backfire.

While these debates rage on, Gentilhomme is left wondering if going to college was worth it.

"My loans are something I'm always thinking about," she says. "It feels like a burden that's always there."

According to many economists, however, it still pays off to get a college degree. Full-time workers with college degrees earn about \$24,500 more per year than workers with only a high school diploma, according to the Bureau of Labor Statistics. And today, with more people graduating from college than ever

before, many people believe that the only way to be competitive in the job market is to have a college degree.

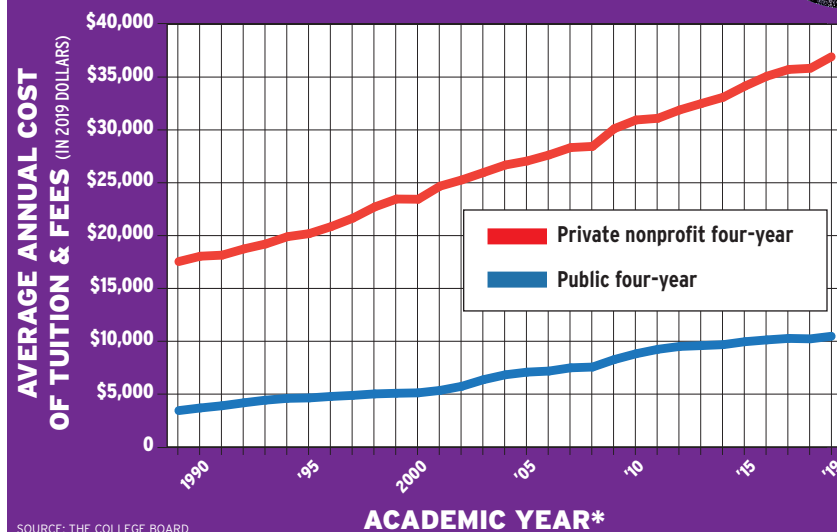
That reality leaves many students with little choice but to take out loans, though.

"Students are put in a real bind, in that everything says it's good to go to college, that you'll have a better life, a better job, you'll be a better citizen," says John Thelin, a professor of higher education and public policy at the University of Kentucky. "So it's pretty difficult for students to say 'no' to loans." •

With reporting by Audra D. S. Burch, Alan Blinder, and Ron Lieber of the Times.

EXPENSIVE EDUCATIONS

Over the last 30 years, the cost of going to college has soared



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