WHAT MATTERS MOST

Drowning in Debt to Get a Degree

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Higher education in America is caught in a vise of competing realities. While not the only road to success, access to higher education is vitally important for individuals to be able to participate in today's changing economy and for the United States to maintain its global competitiveness. Indeed, the number of Americans with a college degree has reached a new high. Yet structural disinvestment in higher education jeopardizes both quality and access. And skyrocketing costs have put postsecondary education out of reach for many people, which threatens to exacerbate America's already vast economic divide.

Colleges, universities and community colleges are centers of innovation, cultural hubs and engines of economic growth. In short, they are a tremendous public good. But years of inadequate public financing have shifted the costs associated with these public institutions to individual students and their families.

Public investment in higher education is at its lowest point in more than a quarter-century in inflation-adjusted terms, causing deep cuts to vital academic programs and student support services. It has also altered the academic workforce—more than 70 percent of professors at our public institutions are inadequately compensated contingent faculty who, despite their commitment to providing the highest-quality education to their students, often lack the professional supports to do so.

While we should celebrate the growing number of students attending college, we must also support them. Nearly half of all students who enroll in an institution of higher education do not receive a credential within six years. The figures are even starker for African-American and Latino students. Risk factors for noncompletion range from inadequate income and home support, to work and child care obligations, to insufficient academic preparation. Decimation of programs that support at-risk students has aggravated these challenges. The AFT and our members are working to change this—by both pressing for supports in college and working to transform the preK-12 education system so that all students are prepared to pursue college and career. But the issue of crushing student debt remains.

Over the past decade, tuition and fees for in-state students at public four-year colleges and universities increased at an inflation-adjusted average rate of 5.2 percent per year. Yet there has been a steady decline in need-based financial aid, making it harder for middle-class students—and especially low-income, first generation, and other deserving but disadvantaged students—to afford college without accruing huge debt.

Congress should act to prevent college debt and interest rates from skyrocketing.

For a growing number of students, loans have become the primary or only means of paying for their education. Student loan debt exceeds $1 trillion—bypassing credit card debt. Yet graduates are entering one of the weakest labor markets in recent history: 1 of every 2 recent graduates is either unemployed or underemployed.

For many people, this slams the door shut on their dream of pursuing—much less completing—a college education. For others, it can mean decades of crippling debt. Many defer starting a family, buying a home or saving for an economic emergency. Easing the debt burden of current borrowers would boost the struggling economy by freeing up consumer dollars that are currently servicing this debt.

Yet, very soon, things could get even worse. The interest rates on many federal student loans are set to double on July 1. Congress should act quickly to pass the Student Loan Affordability Act introduced by Sens. Jack Reed (D-R.I.), Tom Harkin (D-Iowa) and Harry Reid (D-Nev.), which would extend the current interest rate and prevent millions of students from seeing their loan debt and interest rates skyrocket. Sen. Elizabeth Warren (D-Mass.) has pointed out that banks, including financial institutions that profit from servicing student loans, already can borrow money at considerably lower interest rates than those for student loans.

I've talked with many young people who say their worries about how to pay for college are never far from their minds. I recently joined hundreds of students and educators calling on Sallie Mae, the nation's largest private student lender, to increase transparency about its lobbying, such as its opposition to bills that would provide consumer protection for student borrowers.

Our colleges and universities are a public good and must be adequately publicly funded. While students should assume their share, Congress must act to ensure that runaway costs don't rob them of their dreams.

Photo: Michael Campbell

Weingarten with students protesting rising student debt.

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