The William & Mary Educational Review

Volume 6 | Issue 1 Article 1

6-2018

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Student loans are like a dark cloud looming above roughly 41 million Americans (Perna, Kvall, & Ruiz, 2017). This cloud of student debt has been a growing topic in the news, political conversations, and in the literature. There is no denying that the cost of higher education has skyrocketed in the last decade, sending students deeper and deeper into debt (Johnston & Roten, 2015). Going into significant debt to obtain a degree is more or less considered *normal* in today's society, as many students and parents view the cost of a degree to be an investment for the future (Razaki, Koprowski, & Lindberg, 2014). What kind of future are college graduates supposed to have when they are \$20,000, \$30,000, or more in debt the day they walk across the stage and are handed their college diploma?

Most conversations about student debt, student loans, and the student debt crisis (Roots, 2000) focus on recent college graduates and the realities of entering, or trying to enter, the working world while also starting to repay student loans. Less of the conversation focuses on how student debt continues to loom over college graduates long after they have received their diplomas. There is a need to shift the conversation regarding student debt, a need to look at the long-term effects that these massive student loans are having on graduates, and a need to develop effective ways to educate and prepare graduates on how to manage their student debt.

Through an analysis of relevant literature combined with research participants' personal accounts, we explore if and how student debt has altered the lives of not only current students/recent graduates, but also the lives of those who graduated five or more years ago. In this paper, we first present an overview of the study from which these participant quotes have come. Next, in effort to frame the conversation, we discuss a brief history of student loans and address what we know from the data and literature about the burden of student debt. We then address the factors that contribute to the student debt crisis and the effects of student debt. Finally, we conclude with potential solutions and a call for action.

Overview of the Study

The qualitative excerpts presented in this paper are part of an ongoing study aimed at exploring college graduates' experiences and perspectives of the post-university transition. In the original study (Perry, 2012), twenty young, recent graduates, who were broadly representative of their (U.S.) university's student population in terms of degree, gender, and race, were selected through snowball recruitment. *Young graduates* were defined as those who attended university immediately after high school and were transitioning into a full-time, non-academic environment for the first time. *Recent graduates* were defined as those who had graduated within the previous year. These twenty individuals engaged in monthly in-depth interviews and self-reflective journaling for six consecutive months in 2009–2010, soon after graduating from a mid-sized, public institution. The data was analyzed using qualitative procedures informed by interpretivism, symbolic interactionism, naturalistic inquiry, and narrativity. Results indicated that the participants shared common perspectives of the post-university transition, and those findings were grouped into four primary themes: shifting identities, searching, unmet expectations, and stabilizers (*see Perry, 2012, for full study details and discussion of findings*).

In 2015, six years after college graduation and five years after the initial data collection period concluded, these individuals were interviewed again in effort to collect longitudinal data, and they specifically shared their personal experiences with student debt. The participant excerpts presented in this paper were from these 2015 follow-up interviews when the participants were approximately 27–29 years old.

History of Student Loans

The U.S. Congress passed the National Defense Education Act in 1958. This act provided low interest rates on loans to advance education in science, math, and language (Cornelius & Frank, 2015). The Higher Education Act, passed in 1965, expanded federal financial aid across the disciplines and also led to the authorization of need-based grants (e.g., Pell Grants) (Cornelius & Frank, 2015). Several years later, in 1972, the federal government created the Student Loan Marketing Association (e.g., Sallie Mae, which has since been privatized), making student loans more readily available

(Howard, 2011). Choi (2014) noted that the burden of student debt has been growing at a steady rate since the 1980's. This is confirmed by a Federal Reserve Bank of New York's report, which revealed that student debt rose from $241 million in 2003 to $1.08 trillion in 2013, signaling a growth rate of 328% over these ten years (Johnston & Roten, 2015).

Burden of Student Debt

Over 41 million Americans reported debt from student loans (Perna et al., 2017) with the average amount resting around $30,000 (Keith, 2015). Nasirpour and Kirkham (2013) reported that within two years of graduation, 10% of student loan borrowers will be in default. This number grows to roughly 14% within three years of graduation. According to Cornelius and Frank (2015), defaulting—when a borrower neglects and/or fails to make a payment for 270 days or more—is the "most serious issue related to student debt" (p. 37). Dynarski (2015) reported that nearly seven million student loan borrowers were in default. Defaulting on student loan payments is an all too common experience for graduates. One of our research participants shared her experience, saying, "I got set back really bad with my student loans… they were garnishing my paycheck." Another research participant stated, "I did a lot of deferments… I'm [currently] not paying enough to keep up with that ballooning payment."

Douglas-Gabriel (2015) reported that, according to New York Federal Reserve data, 65% of student loans are held by Americans under the age of 39. The burden of student debt is weighing heavily on college graduates years after graduation. One of our research participants, six years after graduation, shared, "I'm just now getting to a point where I feel like my head is above water a little bit, and I'm making some smart financial choices… but it has impacted everything." Another research participant stated, "It's kind of pathetic to me that I graduated college six ago, and I'm still paying for that education I received. And it was a great education, but my god, why am I still paying for it!"

Contributing Factors to the Student Debt Crisis

Numerous articles have mentioned a lack of financial literacy as being a major component to the student debt crisis. Nonis, Hudson, Philhours, and Hu (2015) noted the importance of making students aware of both the long- and short-term costs and benefits of debt. Many of our research participants talked about their lack of financial literacy, and one stated:

> I just wish there had been more education in college about financial literacy, because I just didn't know anything. I was a first-generation college student, my family was poor so I qualified for lots of loans. I saw it as free money, and I took it… but I didn't need it.

Andruska, Hogarth, Needles Fletcher, Forbes, and Wohlgemuth (2014) stated that, "Many students' lack of experience with credit or loan terms and features only magnifies [the] complexity" (p. 125). The lack of financial literacy among college students has been a major contributing factor in the student debt crisis.

In addition to financial literacy, it is important to note that institutional demands have also played a large role in the student debt crisis. Cornelius and Frank (2015) discussed how decreased state funding to public institutions has created a never-ending cycle of increased budget cuts that lead to a rise in tuition costs. Additionally, Razaki et al. (2014) brought to light the fact that higher education institutions are under an immense amount of pressure to meet and increase enrollment numbers. Thus, institutions may be encouraging students to take out loans regardless of their perceived ability to pay them back (Razaki et al., 2014). Multiple research participants discussed that when taking out student loans, they did not fully comprehend the impact those loans would have in the years following graduation. "I totally didn't understand that at least six years later I'd still be paying [my student loans], and that in another five years, I'll probably still be paying for them." Another research participant gave the example, "Oh you're going to give me $5,000 right now? …Sure let's do that! There's not the understanding that ten years from now, the $5,000 is $10,000 because of all the interest."

Razaki et al. (2014) also highlighted the fact that many financial aid offices at colleges and universities are understaffed, and therefore are not able to provide debt counseling or keep thousands of students up-to-date about their individual payment and loan circumstances. The lack of communication about students' financial circumstances is further brought to light by Burdman (2005), who explained that between high school officials, admissions departments, and various campus offices, there is no one office to ensure that a student has the financial information they need. Additionally, Burdman (2005) noted that the only time a student is *guaranteed* financial counseling, regarding student loans, is through a mandatory process after the student has already decided to take out a student loan.

Effects of Student Debt

The effect that student debt repayment is having on college graduates goes far beyond just being another bill to pay each month. Taking student loans while working towards a degree and being in debt after graduating is affecting students' career choices and their decisions as consumers, and it has played a role in the number of individuals filing for bankruptcy (Cornelius & Frank, 2015). Keith (2015) reported that in the years following graduation, college graduates are putting off marriage and buying homes because of their student debt. A study done by My Bank Tracker found that 53% of college graduates were putting off big life decisions because of their student debt (McGrath, 2015). Major life decisions included: 19% of graduates putting off marriage, 29% putting off buying a car, and 30% putting off buying a home (McGrath, 2015). Additionally, the My Bank Tracker study of 200 participants found that 43% would be willing to sell half of their possessions if doing so would relieve them of student debt (McGrath, 2015).

Delaying life decisions was a theme that many of the research participants touched on. In terms of career choices, one participant stated:

> I've got $35,000 knocking on my back door that says I can't take that one job that doesn't pay very much but provides amazing opportunities… I need to have that consistent income, and unfortunately student loans are a huge part of that discussion… and it's a larger one than it should be.

Another participant discussed the impact student loans had on their decisions to get married, "Getting married was a big challenge, because I had to tell somebody all of these things [about my debt], and as a rule, no one knew any of that stuff." Another said, "I had no idea when I took out loans every year that it would end up being almost $400 of my income every month, and that it was going to affect my husband."

Potential Solutions and Call for Action

Over the last few years, the student debt crisis has become a relevant topic in political campaigns. Several state and federal political candidates have pitched lower interest rates on student loans, refinancing options for students, and even the idea of free public higher education (Keith, 2015). Countless news outlets have also reported various solutions for the student debt crisis, including the need for higher education to be more affordable (Keith, 2015). These ideas are all relevant and worthy of discussion, but the reality of the student debt crisis is much deeper than a political issue or news story. It is necessary to determine if and how successful these ideas will be, and what the implementation of these types of programs will mean to students and higher education as a whole.

Overhauling student loan repayment options has also been a solution suggested by politicians, news outlets, and academics alike. Johnston and Roten (2015) noted that income-based repayment plans have been in place since 2009. These income-based payment plans are usually capped at 10 to 15% of the borrowers' discretionary income. Public service loan forgiveness plans are also in place; these plans forgive borrowers' loans who work in government, non-profit, and public service positions for a set number of years (Johnston & Roten, 2015). Although these efforts are an attempt to address the problem, it begs the questions- how successful are these programs currently, and what will the effect of an overhaul be?

Educating students about student loans, debt repayment plans, and overall financial literacy is becoming a much bigger reality, and thus priority, for university administrators. The amount of education a student has regarding student loans, along with their attitudes about debt, has been known to play a significant role in students' borrowing decisions (Nonis et al., 2015). One research participant said:

> I wish I would have known, because I didn't have anyone in my personal life to guide me. I wish the university would have done it, because I'm still paying so much on my student loans, and it's ridiculous. I have tons of loans that I didn't need to take that I'm still paying out.

Providing students with this information and education seems to be the first and most imperative step in lessening the burden that student loans have on graduates and on future generations. Questions to move this conversation forward include: How can all college administrators play a role in this educative process for our students? …and not only our under-staffed Financial Aid officers? Are there specific strategies, interventions, or best practices already in place that have empirical data which can be shared across institutions?

For many Americans, the idea of going to college is ingrained in us from a very early age (De

Young, 1989). We are told that earning a college degree will open doors and lead to a successful life (Razaki et al., 2014). Is this still the case given the burden that student loans are putting on graduates? It is time to not only fix this problem on a national and societal level, but it also time for university administrators to make this an institutional priority at each college and university. It starts with us. It starts for them. It starts with education. And it needs to start now.

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