

Higher Education, Student Loans and Public Investment

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Student loans and the rising cost of higher education has been a topic of discussion for many years now. In the 1980's Pell Grants covered 80% of tuition. Now, they cover less than 5% at some institutions. The average college tuition and fees have increased 1200% since 1980, while inflation is only up 236%. Wages have only increased about 17%.

20% of student loan debt is held by those over 50 years of age. There are 44 million Americans with student loan debt. And this debt falls heaviest on communities of color, especially African American women. The average cost of a private four year college degree is \$140,000. Even public college tuition has increased 571% since the mid-1980s.

There is currently \$1.75 trillion dollars in US student loan debt. Students and parents borrowed an estimated \$95.9 billion during the 2020-2021 academic year. 48% of borrowers who attended a for-profit college default within 12 years, compared to 12% of those who attended public college.

Even during college, rising tuition costs keep students struggling. 45% of college students struggle with hunger and 17% experience homelessness. Student loans are not the answer. A four year degree is more expensive than buying a home, and at times, a worse investment. Student loan agencies, many now privatized, have been able to sell loans at exorbitant rates, locking people into 40 year loans that equal mortgages. Plus, with minimal screening, student loan agencies have failed to screen out schools which offer no education to borrowers, instead locking borrowers into payments of an education that did not exist.

Pell grants, work-study and other funding sources used to pay for higher education. Students from low income households could afford college, room and board. They did not have food pantries in colleges, like they do now. These grants have stagnated, or dried up, leaving low income students with no ability to pay for their education and their food or housing.

At the same time, Community colleges, which used to be near free, have become prohibitive for many. Community colleges allow for first generation college students, those living in poverty and other non-traditional students to obtain the education they so desperately need. Community colleges still can cost upwards of \$35,000 for a four year degree, and this does not include housing, food or other expenses. As of January 2021, there are 936 public community colleges. In the past ten years, there has been a total decline in enrollment of community colleges of more than two million students.

In the past, a high school diploma was enough to guarantee you a living wage. This has not been the case in some time. At the same time that college degrees became more necessary to support oneself, government reduced its investment in community colleges, trade schools and vo-tech institutions

What needs to be done?

We need to rethink student loans, both past and present. We need to create forgiveness plans for those whose educational institution overpromised and underdelivered. Forgiveness plans so that people can

use their income for better purposes, such as living expenses and reinvestment in the community. Student loan agencies have reaped the benefit of high interest rates and overextending credit.

Interest rates on student loans should be capped. Student loans agencies should be governmental, as they used to be. Bankruptcy discharge and forgiveness, once an option for student loan debt, should be reconsidered in certain circumstances. Public service loan forgiveness (the ability to have some or all of your student loan forgiven by working for a not-for-profit or government agency) should be broadened, and more accessible.

All of these options allow for a more equitable student loan system. They allow for those students to repay their loans in a fair and equitable manner. They also take the profit out of the industry. The ability to obtain a degree, so one may then earn a living wage, should be so overburdening as to cripple one for decades.

We also need to reinvest in community colleges, and trade schools. Community colleges serve 41% of all undergraduates, 43% of African American undergraduates, 53% of Latino(a) undergraduates and 56% of Native American undergraduates. For every dollar that taxpayers invest in community colleges, they reap a return of over two dollars. By reinvesting in those institutions, we are investing in our communities. Community colleges also need to stay more accessible to lower income students. They need to employ intensive counseling to help students graduate.

By stabilizing the funding for community colleges, we can then work to increase investments in other public colleges and universities, thus allowing higher education to be more accessible.

Trade schools and vo-technical schools need to return to the educational system. We currently have a lack of a skilled labor force in the United States. Most trade schools and technical colleges have shrinking enrollments, even though the cost of education is smaller than a four year college, with a higher return on investment for most.

By renewing the discussion in high school about the trade school option, demand will increase. Trade schools are infrequently discussed in high school. Four year colleges are seen as the default option. But many high schoolers will succeed in trade school and for many reasons, will not be able to obtain a baccalaureate degree. Trade schools are better equipped to teach students with different intelligences.

What can you do?

Support Public Education. Support Trade Schools. Support Student Loan Forgiveness.

D048, a resolution to come before General Convention this year, supports public investment in post-school education and training. It supports fair student loan forgiveness. It supports increased investment in post-secondary education. We ask that you vote in favor of this resolution.

Get involved in your local school politics. See how your tax dollars are spent on education in your area. Mentor students who are considering post-secondary education. Donate to your local community college. Support educators. Educate yourself about student loan debt, student loan borrowing and the rising cost of education.

No matter where you sit on the loan forgiveness discussion, community college investment or trade school debate, something must be done. We can no longer afford for college to be a luxury, for public

investment to stagnate, and for student loan interest rates to increase. More and more, people need higher education to come out of poverty, homelessness and hunger. We are at an education crisis.