A Student’s Story:

The Stats and Real Life Stories Behind College Debt

By Tyler McDaniel

www.nea.org/degreesnotdebt
The National Education Association is the nation’s largest professional employee organization, representing over 3 million elementary and secondary teachers, higher education faculty and staff, school administrators, retired educators, and students preparing to become teachers.

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“There are no lobbyists for kids with student loans!”

About the Author

Tyler McDaniel is a rising Junior at the University of Utah and is studying Mathematics and Sociology. He grew up in Asheville, North Carolina and moved west for college to feed his snowboarding desires. More importantly, Utah was the most economically feasible option from the schools where he was accepted. Tyler gets his interest in education from his mother, who teaches high school Spanish. Tyler currently has $6,500 in federal loans and is likely to have much more upon graduation. He looks forward to potentially interning abroad next summer and would like to participate in the Peace Corps before thinking about graduate school. However, with his student debt comes pressure to enter the job market or stay in school.
Foreword from Nilka Julio
Organizational Specialist, NEA

Education was the road to exploring the world, the road out of poverty, and the path for the next generation to do better than the previous one. As an immigrant to the United States, I knew that, although I did not have a trust fund, what I had was an education. My grandmother often said that, “No one can take away what is in your head.” My mother was an educator and instilled in me the foremost value of a good education. I was the beneficiary of Pell grants; I went to school at the University of Hawai’i at Manoa on grants. I then continued on to graduate school on loans, but it was different. I can run down the reasons about why it is different, but why? You and I know there is something structurally wrong in our education system today.

When I sat down with Tyler about how to make his internship experience at the National Education Association (NEA) one that will help him, as well as advance the Degrees Not Debt campaign, I asked to get his story. Personal stories are why we organize. There is no more powerful story than your own. This project began with a conversation and a story. Because we knew there were so many others, we decided to try to capture them through surveys and interviews.

Tyler approached this project with a sense of purpose, speaking to as many people inside and outside of NEA as possible. The variety of voices is testament that student debt is the crisis of our times.

I hope each of you finds these stories illuminating and joins NEA in calling for Degrees Not Debt.

Preface

College is increasingly unattainable for students, and existing student debt exceeds an astounding $1.2 trillion. There are approximately 40 million people in the U.S. who have student debt.

Student debt averages $29,400 per person.

It’s time to take action and reduce student debt! This fall, the NEA launches NEA Degrees Not Debt, an informational campaign to help NEA members, students, and their families learn about their options to make college more affordable.

Join others who want Degrees Not Debt.
Visit www.nea.org/degreesnotdebt.
Welcome to Degrees Not Debt. If you’re just learning about our campaign, I hope you invest a little time looking through this collection. When I started interning for the National Education Association this summer, I had a very limited perspective of student loans. I can remember the pain I felt when I received acceptances and scholarships from private schools that were still laughably unaffordable. My sister and I each chose institutions that offered robust first year scholarships but gave little promise of further financial aid. I knew that we would each graduate with debt, but I had no idea how it might impact our lives.

The truth is, it’s hard to talk about student loans. There is a stigma attached to every variation of aid package. It’s rude to ask someone how much money they owe, and why they owe it. But that’s exactly what I did. I interviewed students, graduates, educators and policy makers. The following pages show how student loans can affect our lives. They also show ways that we can change our circumstances. With more than 40 million Americans carrying student loans, the power must return to the people. We want lower institutional costs. We want payment that is dependent on our income. We want degrees, not debt.
“State legislators are balancing their budgets on the backs of students.”

Katy Barnett
Former Student Body President of Eastern Oregon University
Katy’s Story

I went to a state school for college. I actually went out of state, but I was really lucky in choosing my college because they had in-state tuition for all students, which made it really affordable. I unfortunately did have to take out some loans at the end of my time there. I graduated in 2009 right into the recession, so instead of looking for a job and sleeping on my parents’ couch, I decided to go back to school and get a graduate degree. I thought this would help me get a better career, get a better job, and have better prospects while also providing some buffer in between the recession. That’s really where I incurred most of my debt.

The total amount of my debt is about $60,000 for graduate school and my few undergrad loans. [This included] about $25,000 in private student loans. Unfortunately there’s no deferral for private student loans, so the moment I graduated, they wanted their money back. I’ve been able to pay down some of the loans. I actually sold my car to my cousin to pay down one of the loans. The issue that I’m coming across is that I’m paying more in interest than in principle because I’ve deferred my loans for so long. I deferred them for about two years after graduating from grad school. The interest has increased dramatically. I’ve paid about $750 off the principle and more than $2,000 in interest. It’s going to be a long road to paying them off.

Katy’s total student debt is $67,500. In four years of graduate school and deferment, her federal loans accrued almost $10,000 in interest.
I asked survey respondents how their lives would be different if they did not have to worry about student loans. Then I mapped data according to when respondents began their higher education. Half a century ago, about half the students did not have to worry about student loans in the slightest. For about 15%, avoiding loans was such a high priority that they were willing to attend their second or third choice institutions to do so.

We are now at a point where the percentage of people prioritizing loan concerns over institutions has equaled the percentage unaffected by loans. The younger generation is viewing higher education in a way that is fundamentally different from generations past. Kate received in-state tuition for her undergraduate degree, but she still finished graduate school with more than $60,000 in debt. More students than ever are giving up on their dream schools because costs are too high.
I work with three-and-a-half and four-year-old students. I love working with them; I’ve been doing it for 32 years.

I have grown kids, and they’ve had student loans. They’re paying student loans off now. They’ve been paying student loans for years and still have a lot more to pay. I’ve been trying to help them pay their student loans, and then with myself having to pay mine, it’s just been hard.

I’ve been going to school, and I definitely want to finish up. I want a college degree! But the way that student loans are right now, I don’t know if I can afford it. I’ve been trying to get a second job, to pay my way basically myself. I don’t think I can afford to do another student loan. It’s just too much. But I do intend on finishing; I want to finish school.
Student debt often affects multiple generations of a single family. After hearing Carolyn, I asked parents how they advised their children around taking out loans, and I graphed their answers by the age of their youngest child to attend college. Because recent college-goers are generally younger, this represents change over time. For parents with the youngest students, nearly the same amount were discouraging and encouraging borrowing. In other words, parents have some conflicting views. Like student attitudes toward loans, this issue is close to a tipping point – what will happen when the majority of students would rather be at a different institution, or the majority of parents discourage borrowing?
“I downsized. I got a smaller house, because now it’s just my mom, who is disabled; my uncle, who has Down syndrome; my niece, and me. We all live together. I’m just a teacher; I’m working as an adjunct at a university, and I work part-time for a federally funded program, but that’s still not enough. Honestly, I’m afraid of what’s going to happen within the next few months.

I’m not married. And I’m trying to hold back tears when I say this because I want to be married. I want to have kids. I want a family. I want all of that. And I don’t have that because of student loans, and I can’t expect anyone to want to marry me being in a situation like this. I just can’t. It would be unfair to them. I work very hard, very hard. And I just don’t know . . . I’m 32 years old, and I’m still young, but I want a life of my own. I think that this is dictating the future that I have ahead of me.”

Tia Mills, PhD
President, East Baton Rouge Parish Association of Educators (EBRPAE)
Baton Rouge, LA
Student debt really can impact life decisions such as starting a family. But what about families that already exist? I divided our parent responses into three socio-economic categories. More than half of those in the "middle class" encouraged their children to take out loans, while less than 28% discouraged this. Can they afford it? Maybe. It is worth noting that the $60,000 – $100,000 is not an accurate depiction of the middle class in America, where the median income is just about $51,000 (U.S. Census Bureau). Even so, it is concerning that this “middle class” group seems more eager to take out student loans than the “upper class” group. The “lower class” group was least likely to encourage children to take out loans but also most likely (33%) to want more information on college financing.
“I didn’t know all of what was offered to me. I knew there was a standard ten-year payback, but I didn’t know about Pay As You Earn or Income Based Repayment, which are great options for folks who aren’t making a lot of money.

More responsibility needs to be put on universities to make it clear what all of your options are. Also, when universities increase their tuition, they tell you right before you’re getting ready to go into the next semester. So students aren’t able to plan financially. When you come in as a freshman, you don’t necessarily know that tuition is going to rise every single year. I didn’t. Most of the students I went to school with didn’t.”

Dexter McCoy
Student Body President
Boston University
Dexter’s Story  
The Road Often Traveled

Bogalusa, the town in Louisiana where I was born, is not the most salient example of success and upward mobility. With high unemployment and abject poverty, the only option for getting out of that community is education.

I was born to a teenage mother who, despite having a child when she was still a child herself, worked hard to have more than was possible in Bogalusa. Though she was fortunate to have hard-working parents who supported her and she earned a scholarship to attend Louisiana State University, my mom still had to take on significant student loans. My stepfather, a son of a schoolteacher and an electrician, found himself having to take out sizable loans as well. Years later, I was fortunate that my parents made sacrifices that took me from Bogalusa to Houston, where exposure to opportunity was endless.

Going to college was seen as mandatory in my family. When looking at just how much this would cost, the zeal my family had in sending me to get my degree was dampened. Simply put, the $52,000 in tuition and fees at Boston University, the school I loved and wanted to attend, was too much for my parents to pay. Even with a partial scholarship, the education I sought was unaffordable for us. Like many middle class Americans, my parents did not make enough to pay for my school out-of-pocket but earned too much for me to get enough financial aid. So, I had to take out student loans.

I was blessed to have parents who helped pay for my education, despite still paying off their own student loans. I was also fortunate to work at on-campus jobs that helped alleviate the financial burden on my family. It was a lot to manage on top of being very active in campus leadership and having a rigorous course load, but somehow we found a way to make it work.

My time in college did not come without its share of problems, though. I had medical issues arise that required test upon test and hospital visit upon hospital visit in search of answers. Perhaps unsurprisingly, the mounting financial burden became huge: my family was forced to decide if I would get the treatment I needed or continue paying for school. This choice is not one that any family should have to make. Mine had to, and I am still dealing with those ailments today.

We are told from an early age that college is the commodity necessary to have a stable, solid lifestyle and to be contributing members of society. The reality is, though, that college expenses are so great that many, including myself, will have to work that much harder for years to get ahead of the tens of thousands of dollars we’ve had to take out in loans. It is a sobering thought but one that we must face.

What other choice do we have?

Dexter L. McCoy graduated from Boston University in May 2014. He recently attended a conversation on college affordability with Sec. Arne Duncan and Dr. Jill Biden where he discussed his experiences with student loan debt.
Dexter illustrated a huge problem for students trying to get a college degree: information on tuition and student loans is often not readily available or easy to interpret. Our survey revealed that this problem is class-specific. Students from low income families are especially in the dark when it comes to college financing. It turns out their educators are too. I asked the teachers we surveyed to estimate the average family income of their students. Those serving in schools where family incomes were below $30,000 were more than twice as likely as either of the other groups to say “I wish I had more information about college financing.”
“White students are able to be employed at a higher rate than minority students, and the only way to close this gap is through education. A white high school dropout is more likely to be employed than a black student who received their high school diploma. At every stage, white adults are more employed, but the gap closes as educational attainment for African Americans increases.”

Jasmine Hicks
National Organizing and Education Manager
Young Invincibles
Jasmine’s Story

I was one of those students who did a lot of research. I found every scholarship opportunity that I could find. I knew my family couldn’t afford it, and I was a first-generation student to go to college. I was extremely nervous, but I was lucky enough to find a lot of programs that reached out to students like me. There are a lot of programs out there, but if you don’t have a good support system or folks who are in your corner guiding you to this information, then it’s easy to miss. Even though I went to a very expensive private school, I still wasn’t getting the information I needed to make a good decision for my family. We were extremely low income and had no means for me to attend college.

An advisor let me know about a scholarship for people in public housing in Boston, so I was able to go to school tuition-free. I did acquire some room and board loans, and again there was an education issue. I didn’t quite understand that I would be paying $130 a month just for a year of living. I’m not in as bad a situation as a lot of people, but if there was more education in place about loans and not accepting all your loans and how it works, that would have been helpful. It’s a burden every day to pay back student loans, pay your interest, and not default.
### Average Amount of Scholarships/Grants Received

#### 2000-2015
- 4-year private university
  - (N=48)

#### 2000-2014
- 4-year public university
  - (N=115)

#### 1940-2000
- 4-year private university
  - (N=47)

#### 1940-1999
- 4-year university
  - (N=130)
STUDENT LOANS

Average Amount of Student Loans Received

- **2000-2015**
  - 4-year private university
    - (N=48)

- **2000-2014**
  - 4-year public university
    - (N=115)

- **1940-2000**
  - 4-year private university
    - (N=47)

- **1940-1999**
  - 4-year public university
    - (N=130)
Jasmine’s story led me to wonder about how private and public schools think about student loans differently. I compared the scholarship and loan amounts that students receive each year of their particular degree program. It should be no surprise that public and private schools differ quite a bit, but what surprised me was when they differ — specifically when we look at scholarships in years three and four. For those who began school before 2000, scholarships generally increased throughout their college careers, or at least stayed constant. After 2000, students began school with fairly large scholarships of around $4,000 on average for both public and private schools. These scholarships and grants did not increase. In fact, the average amount of year 4+ scholarships and grants given to private school students after 2000 was only $404 more than the average amount for private school students before 2000.

We know that student borrowing is skyrocketing, but when are students accruing these loans? It appears that a student’s final year or years are marked with increased borrowing, with private school students taking out more than $17,500 (perhaps in a single year!). This should be troubling news for educators. How can a student explore majors and electives when taking an extra year means exponentially increasing your borrowing, with little scholarship money to balance loans? It may be in a student’s best interest to graduate quickly, but this mentality does not make for a quality education.
B. Michelle Harris
Associate Professor and NEA Higher Education Member
University of the District of Columbia

“For my program – nutrition and dietetics – students need to do an internship when they finish, and most of the internships are not free. Students pay anywhere from $7,000 to $20,000 for a nine-month program. If they have a huge student loan from their academic program, it may make it less likely that they are going to be able to immediately go into an internship program where they have to spend money. That’s a problem for students of all socio-economic backgrounds: to not be able to fully realize their professional goal of becoming registered dietitians because they have a huge student loan debt or they have to borrow money to be able to pay for that internship. In my profession, fewer than 4% of the registered dietitians are African Americans. Because of that financial barrier of student loans … they often times are marginalized and don’t get to have those credentials.”
B. Michelle’s Story

For my undergraduate school, I ended up paying my student loans off within ten years. That was a priority for me. Then for my first master’s degree, that was a state university, I paid as I went. Sometimes I used a credit card, but I paid that off soon afterwards. It was affordable. Then for my second master’s degree, I got a fellowship that paid half my tuition. My student loan was paid off within ten years of my leaving. I joined the Peace Corps, so that was two years. I kept paying, so I wouldn’t have all that extra interest accruing. For my doctorate degree, I was a graduate assistant. That paid my living expenses, and I didn’t have to pay for classes, but I did have to pay for my research study.

My student loan debt is more than my mortgage. That is restrictive because I’m a very generous person when it comes to supporting my students. We don’t have enough funds for what we need for our classrooms, so, like K-12 teachers, I’m buying stuff like that. When students go to conferences and so forth, I give some money. Sometimes students have emergencies with their light bills or something like that, and I will help out with that. Most schools have something called non-interest loans for students, but we don’t really do that. To keep them from leaving, I’m helping, but that can’t be sustained because of this huge student loan. I’m finding it hard, and at times I get a little resentful. My debt is huge. My student loan debt is for my doctorate degree. I had a family crisis, so I didn’t have the resources to write for grant money to support my research study. So I used student loans not so much to live on, but to fund my research study.

I have also administered a scholarship program for students of disadvantaged backgrounds in my program and other health professions programs. It’s nice to support students, and I want to support students, but I’m not getting out of this hole of debt myself. It shouldn’t be an “either or.” I love my job, but it’s really rough when you have this cloud of student loans over you. I do not want to be a senior citizen holding student loans.
Jasmine mentioned that race is an important factor when considering college and career success. I asked people to tell us their loan repayment rates, and an interesting trend emerged. For this particular question, respondents 78% identified white and 22% identified as people of color. After making sure that the year students began college was not a factor, I noticed that whites were generally overrepresented in the more desirable (lower) student loan rates. Naturally, this meant that people of color were overrepresented in high interest rates. More than a third of people with interest rates between 8% and 9% were non-white. However, these groups were relatively small (between 29 and 92), so to prove this point we may need a larger sample.
“Since 2008, all but two states have cut their higher education funding. The way to fix the problem of higher tuition is to get states to invest more.”

Justin Yeater, State Outreach Coordinator
Young Invincibles
Within student debt, “The most urgent thing that needs to happen is to actually address the price of the education. College has become unaffordable for a lot of students and families. And the biggest cost driver in higher education is state disinvestment.”

On Parent PLUS loans: “There’s no income-based repayment or pay as you earn for [Parent PLUS] loans … For low-income parents, it’s a very dangerous loan. They can borrow unlimited amounts, and there’s nothing giving them the ability to discharge those debts.”
Rachel’s Story

I went to the University of Wisconsin for undergrad, and I graduated in 2007. I took a little higher than what the average debt was back then. I pretty much maxed out all my student loans. My loan repayment was about $230 a month. I was actually very lucky in that my parents helped me out with my student loan payments because they were in a position in which they could. I lived in Chicago for a couple years, and I worked very hard at a job where I did not make much money because it was the height of the recession. I started a job right before the recession started, and then I saw my wages decline the entire time I was at that job. It was just a tough time to be entering the workforce, and that’s a story you’re going to hear from many people, especially in the millennial generation – it doesn’t mean that we’re not going to land on our feet, it’s just a tougher get-go. Initially, I thought I wanted to go to law school. I was working in a law firm the entire time during the recession.

I decided that law wasn’t really for me; instead I decided to go into higher education policy, which was another interest of mine. I went to Harvard, and it was a one-year program – I tried to minimize the amount of years I was there. It was like, worst comes to worst if I’m only making $30,000 for the rest of my life … at least I’ll have Income Based Repayment (IBR). It won’t bankrupt me. It was insurance on my student loan debt. That helped soothe the pain of taking out $40,000 for grad school. It still was difficult, and I tried to minimize as much as I could and I worked two jobs while I was in grad school. I came out with a total debt of about $62,000 combined from undergrad. I went through the whole process of consolidating my loans, because at that point I had like 15 loans. It was crazy.

Of course I’m very savvy because I majored in Higher Ed Policy, so I know all about these programs. But still it was difficult – I do have to say it was difficult to get all the paperwork in order, to go through the consolidation process, and then once going through the consolidation process, to go on IBR. Since then, there’s always a hiccup with my IBR application; every single year I experience a problem when I reapply. I think that’s the newness of the program, and I think that it needs to get better.

If you had told me three years ago that my student loan payments would be less and less a burden as time goes on, I wouldn’t have believed it. Income Based Repayment has definitely allowed me to make my loan payments more affordable and has allowed me to actually save money. I only just opened a savings account maybe a year ago. I just started saving for my retirement maybe three years ago.

Eventually, I should get Public Service Loan Forgiveness because I work in a non-profit. It’s amazing for me to think that in about six years I won’t have any more loans.
GRADUATE SCHOOL SCHOLARSHIPS / GRANTS

Average Amount of Scholarship/Grant money Received

$2,500.00
$2,000.00
$1,500.00
$1,000.00
$500.00
$-

During year 1  During year 2  During year 3  During year 4+

1940-1999  
(N=102)

2000-2015  
(N=101)
During year 1  During year 2  During year 3  During year 4+

GRADUATE SCHOOL LOANS

Average Amount of Loans Taken

- $18,000.00
- $16,000.00
- $14,000.00
- $12,000.00
- $10,000.00
- $8,000.00
- $6,000.00
- $4,000.00
- $2,000.00

2000-2015
(N=101)

1940-1999
(N=102)
Rachel was one of many who accumulated the majority of their debt in graduate school. Sometimes this makes sense, because those with more degrees generally make more money. But many of the people I interviewed have yet to catch up on their student debt, even though they hold advanced degrees. So has graduate school financing changed over the years? From those that I surveyed, it appears that grant and scholarship money has actually decreased in graduate schools. The data is imperfect for a few reasons – I lumped all graduate degree programs together, and many are different lengths. Even so, it is surprising that grants and scholarships decreased considering the drastic rise in loans taken out. Much like the data for four-year institutions, students collect more debt in the later years of their degree programs.
In regards to the standard repayment plan, “By default, you’re put in a payment plan where you’re basically paying fixed payments for ten years, and that doesn’t work for a lot of students. A lot of students come out of school and they earn less initially — they have internships, they have periods of unemployment. This most recent generation came out of school during the worst recession we’ve seen since the Great Depression. People don’t earn their lifetime income in fixed monthly payments over ten years. They earn less initially, and they earn more later. There’s a lot of evidence that suggests if you have the repayment system mimic the reality that people face throughout their lives and that it adjusts over time, you can prevent a lot of needless defaults.”

Kevin James, Legislative Assistant
Office of Congressman Tom Petri (R-WI)
Everyone would always prefer to have a grant rather than a loan. People are frustrated by the rise in student debt. The problem is that it’s not clear that the grant program would have risen as quickly if the loan program hadn’t. I will say that the payment options are definitely getting better. There’s Income Based Repayment. The concept that your loan payments are a certain percentage of your income is relatively new, and that’s progress. That means that if you’re in financial distress, you will not have to pay an exorbitant amount on your debt repayments.

If you have a large amount of student debt, particularly for those with graduate school loans and work in a public service field, like teachers, there is Public Service Loan Forgiveness that will be available in 2017. There is a light at the end of the tunnel. If you have a lot of student loan debt, you’ve been faithfully paying for ten years, you can actually get it forgiven.”

Zakiya Smith
Strategy Director, Lumina Foundation and former White House Education Senior Policy Analyst
Would you like to know more about public service loan forgiveness?

- Yes: 58%
- No: 42%

Educators (N=236)
Programs like Income Based Repayment and Public Service Loan Forgiveness can provide relief for those struggling with student debt. Out of the educators who took our survey, 58% said they would like more information on this program! Almost half of the non-educators were interested as well. So do some research, and spread the word.
“On a very simple level, the benefit of Income Based Repayment is that it represents insurance for your student loan because you’re ensuring that your payments are always going to be affordable. If more students were aware of these protections that do exist within the federal system and were able to take advantage of them, they’d find that they’re in a much better situation.”

Jesse O’Connell
Strategy Director, Associate Director of Federal Relations,
National Association of Student Financial Aid Administrators
I hope you found A Student’s Story: The Stats and Real Life Stories Behind College Debt meaningful. By looking at the graphs and reading the personal anecdotes, one is able to piece together a broader understanding of student debt. The narratives I chose to publish include desperation, inequality, and deception, but they also show hope and courage. A brighter future – individually and collectively – requires action.

Even if you are not personally suffering from student loans, I can almost guarantee that someone around you is. I encourage you to use the NEA’s Degrees Not Debt website to share stories, save on student loans, and mobilize your organization. As students, educators, and education support faculty, it is imperative that we talk about student debt. We can fight for equitable financing and a quality American education. We can show our state and federal government that our students deserve degrees, not debt. Join us at nea.org/degreesnotdebt for information and support.
A SPECIAL THANKS TO EVERYONE WHO ASSISTED WITH THIS PROJECT

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For additional information about Degrees Not Debt please contact us at degreesnotdebt@nea.org