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Pulling yourself up by the \$20,000 bootstraps

College loans shouldn't create a class of the "educated poor"

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Last week, the son of a barber, the first son in his family to go to college and a former teenage mother (that's me) walked into a bar. All of us went to private schools in the '90s (Williams, Wesleyan and Penn). To get to those schools, all of us loaded up on AP classes and SAT prep and chased after awards at public schools in unfancy districts. During college, we all worked the maximum 20 hours a week, while our parents paid what the school deemed a "reasonable" percentage of our tuition. After college, we all worked (mostly) full-time (lucky us! We had two recessions!): One ran a nonprofit for inner-city schools, another became a computer programmer, and another became a journalist (me, again). And now in our 30s, not a single one of us has managed to pay off our student loans.

For the kids who came after us, things are even worse. As Neal McCluskey, associate director at the Cato Institute, pointed out this week in a [New York Times debate](#) on student debt, in the 1990-91 school year -- the year before I started college -- the average full-time student received \$2,640 in grant aid and \$1,548 in student loans. Last year, grant aid was \$4,656 and the average loan per student per year was \$3,650. Over that same period, total charges, adjusted for inflation, at four-year public colleges rose 63 percent and 55 percent at four-year private colleges. The average graduate of a four-year public college in 2007 went into the working world with \$20,000 in debt; for graduates of private colleges, it was \$25,000. But as other Times readers have chimed in, poor and middle-class students at Ivys or professional schools can expect to walk away with \$60,000, \$110,000 or \$160,000 in loans. Given that tuition, fees and estimated costs for a year at Harvard hit close to the average American household income of \$50,000, even those who come from families with a healthy income will walk away with hefty loans.

Those who see education in purely transactional terms might wonder what some kid is doing at a school beyond his or her family's means in the first place. This is where someone inevitably chimes in about the great value to be had for a determined student at any bargain university, or suggests that kids from poorer families would be better starting off at a junior college while living with their parents, then transferring to a four-year school. Certainly, it makes sense for some. Anya Kamenetz, author of "Generation Debt," suggests that students wishing to "find themselves" find less expensive ways to do so -- work, travel, take free courses. Which sounds lovely, but most of the kids I knew from poor families only got the funds to travel after they had enrolled in college and could qualify for study abroad programs and outright grants like the Fulbright (and it vastly helped if you already had good

grades from a top-flight school). And while working a few years at dad's bodega or in customer service does give one a more realistic picture of the world, I would argue that it's the kids from more privileged families who might have the most to learn from that lesson.

And that there is the rub: *Everyone* benefits when the population of a university, especially the best ones in the nation, are made up of the kids who are there because they earned their place based on their own work, not the education or income of their parents. This is democracy 101, folks. You'd think that the pull-yourself-up-by-your-bootstraps conservatives would be the first ones to concede that giving smart kids the means to join the educated class is the swiftest route out of poverty. What's more, universities are the place where, hopefully, future politicians, lawyers, writers, activists, judges, journalists, social workers and everyone else who will grow up to be in a position to make policy and interpret culture for everyone else learn the way the world works. And it sure as hell helps the discussion in any poly-sci or literature or American studies class if you have members of the group in question right there next to you, debating as your equal.

Universities know this, which is why "diversity" became the buzzword of the '80s and '90s, and need-blind admissions a common practice at private colleges. But student loans became the back-door financing for admitting kids from families who, a generation earlier, might not have had access. (And as my friend pointed out to me during our bar discussion, those in the Greatest Generation had an actually free pass to the middle class -- the G.I. Bill, which paid one's tuition, so long as you went to war first.) Who can blame an 18-year-old kid who gets that acceptance letter from Harvard, yet fails to notice that the fine print says that he or she may be paying off the bill for the next 20 years?

Less than 20 years, one supposes, if one graduates with an eye toward money-making for its own sake. But those graduates who have decided to forgo more lucrative fields for social service have learned the hard way that no good deed goes unpunished. Income-based deferrals and forbearances may provide temporary relief from monthly payments, but meanwhile, the interest accumulates at rates "ultimately so costly as to amount to usury," as Robert Appelbaum, lawyer and founder of the Facebook group Cancel Student Loan Debt to Stimulate the Economy, pointed out yesterday in the Times. He availed himself of a forbearance for his law school loans while working in the public sector, then "watched as the amount I owed ballooned by nearly \$20,000 during the time I served the community." As Appelbaum points out, we've created a generation of the "educated poor, with student loan debt making ever more college graduates and young professionals unable to buy a house or start a family or a small business."

On July 1, a new federal program will go into place that will reduce the monthly payments of some borrowers who fall beneath certain income guidelines and forgive the debts of others who make regular consecutive monthly payments for 10 years while working in certain public sector jobs. But it doesn't go far enough. Our own president could not have attended law school without student loans that took nearly a decade to pay off, and he campaigned on the ways we could ensure that every kid who qualifies for admission to the school of his or her choice can afford to attend without ransoming his or her future. Dip deeper into university endowments. Allow credit for those who work in social services. But don't let us slip back to believing that the size of one's parents' income should determine the course of one's education, and don't pretend that today's 18-year-old kids should bear the brunt of adults' failure to figure out how to provide truly democratic access to education. That's downright un-American -- and we all miss out.

-- Amy Benfer

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