

NH college students carry the most debt in the country. What would the 2012ers do about it?

By [Liz Goodwin](#) | – Fri, Jan 6, 2012

Gingrich and Paul agree that federal student loans should be phased out. (AP)

MANCHESTER, N.H.--New Hampshire college students graduate with the highest average debt in the country: a staggering \$31,048 for the class of 2010, [according to a report by the Project on Student Debt](#). And tuition at the state's public universities is among the highest in America, an average of more than \$23,000 a year.

So when the Republican presidential candidates--and the national political press--are in New Hampshire this week in advance of the state's first-in-the-nation presidential primary on Tuesday, student activists plan to buttonhole the candidates and ask them tough questions about the high cost of college as well as income inequality and the influence of money on politics, Alex Freid, a student at the University of New Hampshire and member of the Occupy Durham (the city where the main UNH campus is located), told Yahoo News.

It's unclear how the candidates will answer. Many of them have not yet gone into detail about their ideas for the country's education system. But one issue unites most of the Republicans: getting the federal government out of education, which includes government loans to students.

Newt Gingrich, Ron Paul, [Rick Santorum](#) and Rick Perry say that low-interest and subsidized federal loans are driving up the cost of college by allowing colleges to charge more because students have greater access to money to pay tuition and other expenses. Without these loans, they argue, colleges would be forced to cut costs.

Higher education officials disagree, saying that the cost of public college has skyrocketed in recent years because state legislatures have funded a smaller portion of university

budgets as resources have been moved to health care and other priorities. And there's no proof that federal aid or loans are driving up college costs, according to several education department studies. (Neil McCluskey at the libertarian think tank Cato [suspects aid does inflate costs](#), but that it's impossible to prove.) Other studies have noted that colleges have not become more efficient as their enrollment has grown over the past few decades, [leading to costly administrative bloat](#).

Jon Huntsman and Mitt Romney have largely avoided the issue. Both say that improving the economy would be the fastest way to help indebted college graduates. The unemployment rate for college graduates is [currently half](#) of what it is for those with just a high school education, and studies show that college graduates make significantly more money over their lifetimes. Recent college graduates, though, are facing a much tougher job market than before the recession, and a Northeastern University survey [suggests half of them are in jobs that don't require a college degree](#).

On the campaign trail, Gingrich and Perry have touted examples of how America could design a cheaper education system. Gingrich has mentioned the College of the Ozarks, a Christian not-for-profit school in Missouri where students are not allowed to take out federal loans yet graduate debt-free because of the school's mandatory work-study program. However, [two-thirds of the college's students receive federal Pell Grants](#), a program that would most likely shrink if the budget cuts promised by Gingrich and his fellow presidential hopefuls came to pass. Perry, meanwhile, has urged universities in his home state of Texas--[whose funding was cut by \\$1 billion last year](#)--to design a \$10,000-a-year degree, including the cost of books, in part by moving classes online.

States across the country have been cutting higher education budgets during the recession, and average public tuition [has tripled since 1980 at the country's public colleges](#). But New Hampshire has led the pack in both rising costs and cutting funds. Last year, the state legislature cut funding for higher education by 48 percent--the most of any state--and eliminated all state grants to college students. New Hampshire colleges provide financial aid, but the drastically lower state funding means that the sticker price for tuition rose nearly 10 percent, and about 200 employees were let go.

New Hampshire House Speaker William O'Brien championed the cut, saying [in a statement printed in the Union Leader newspaper](#) that "blue collar" families should not have to pay taxes that subsidize college education, and that public money spent on higher education "inaccurately signals that college attendance is the only route for success in life." (O'Brien has endorsed Newt Gingrich. He didn't return our request for comment.)

This belief is common in New Hampshire, which consistently funds higher education at one of the lowest rates of all the states, Tom Horgan, the president of the New Hampshire College and University Council, told Yahoo News. (New Hampshire has no income tax.)

"In the 'live free or die' state there is a tendency among some people to say you're going to personally benefit from going on to higher education and therefore you should personally pay for it," Horgan said. "I would say that's a false argument. When you look

at how you create a successful economy, the number one indicator of a robust economy is a highly educated, highly skilled workforce."

If federal loans were eliminated, New Hampshire students would be forced to turn to private loans, which often have higher interest rates and shorter repayment periods, Horgan said. Eliminating federal aid programs would not "make the heating bill on the campuses go down," he said. The costs would remain the same.

Some young people in the state are discouraged and disillusioned by the price tag for college.

"They're starting to look at secondary education as a joke, as a scam and are talking about doing apprenticeships and starting their own businesses," said Ryan Hirsch, a Great Bay Community College student studying information technology. Hirsch, an Occupy protester who was [featured in this AP photo handing President Obama a note](#), says he plans to transfer to a four-year college when he finishes community college, but that the high cost is giving him pause.

The student newspaper [recently ran a front-page story about the high debt loads of UNH students](#), but students told Yahoo News there has not been much activism on the main Durham campus protesting the cuts or the high tuition.

The UNH students Hannah Whitcomb and Alex Freid, who both were involved in efforts to organize students into the Occupy Durham movement, said their peers don't seem that bothered by the high tuition. "It hasn't hit them yet," Freid said.

Whitcomb, a sophomore, was forced to leave the University of Vermont after one year when neither of her parents were able to co-sign a loan for her to pay the nearly \$50,000 yearly out-of-state tuition. She is now able to take out fewer loans to attend UNH.

"It's very difficult being told, 'Just go for it, go get your degree, stay in school,'" Whitcomb said. "These loans are going to be coming out in my name."