

# Problems in ohios economy argumentative essay sample

[Profession](#), [Student](#)



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## **What is the problem?**

At present, the majority of residents of Ohio State, let it be an individual, a student, etc. are burdened with debt. The poor debt scenario of the Ohio State came into scene when during 2005, the bankruptcy rate went double to the rest of United States. However, as per the data published by a website, although Ohioans carry less debt burden than the residents of other states, however, still the level of debt is high. Important to note that although the state's residents carry less mortgage burden but the credit card and student loan amount has reached an alarming stage.

## **Significance of the problem?**

With more credit card and student loan proportions, the residents of Ohio are spending major portion of their income on paying off their debts. For Instance, an average student in Ohio State has a student loan of \$27713 while the Ohio resident gives up 17% of their annual income on credit card

payments. Furthermore, the major concern arises from the declining average credit scores of Ohioans. Although the average credit score is at par with the nationwide score of 660, however, the score has declined significantly from 2009's average score of 690. This decline is the growing audacity of Ohioans to pay irresponsibly by making late payments or missing payments. Such trends if continues can affect their resident's ability to borrow in the near future.

### **Overall Scenario:**

The nationwide condition for the student loans is getting worse as only 56% are being actively paid at the moment. As for Ohio State, student loans account for highest non-mortgage debts held by Ohio residents. Many research paper has concluded that although students are borrowing heavy but they are paying back extremely slow. Important to note, an average student in the state has an education debt of \$4300 which is higher than the national average of \$3800. During 2010, when individuals who graduated and left the school, were having education debt of \$27713, higher than the national average of \$25250.

The high burden of student debt is often blamed on government by the residents as they claim that a contribution of \$4480 for each student by the state government to fund public college fee, is extremely low and this forces the students to borrow high education loans.

### **Credit Card Debt in Ohio-**

Although the credit card debt in the State of Ohio is at par with nationwide average of \$2800, but many a time, high default rates on credit card debts is

a struggle for Ohioans. A report conducted in 2011 indicated the poor situation for three of the cities of Ohio State:

i)Canton/Missilon: This area had an average annual income of \$40912 while the credit card debt owed by them was \$7050, accounting for 17. 23% of their annual income.

ii)Toledo: The city ranked just below Canton and with average annual income of \$44349, the residents owed 16. 72% of their annual income in the credit card debt.

iii) Youngstown/ Warren/Boardman: Another area of Ohio where the residents were reported to spend 15. 63% of their annual income of \$39304 on credit card debts.

## **Part 2:**

Noted from the numbers above, we can easily infer that the growing tendency of Ohioans, primarily the students and the consumers who are borrowing more debt should be the source of worry for them. In addition, the declining credit score is another cause of concern for the company.

Interestingly and unfortunately, the people of Ohio are be unaware about this whole situation because of the communication barriers that arise between the data being issued and reaching them. In other words, all the above data was sourced from the government as well as private independent, but until any person has an interest over knowing the real financial situation of the country, he will be least interested in reading these numbers. Hence, it accounts for both psychological barriers as well as the non-availability of macro numbers to the residents of Ohio that are the real

barriers for the residents of Ohio unaware about their state's debt health.

Such barriers can be effectively removed by adopting following methods:

i)TV Commercials: Not so long, not so short TV commercials by the state government educating the residents to borrow and spend wisely along with the presentation of the current data over debt burden can be a good source of information for the people to understand the whole scenario.

ii)Print Media: The state government can use the print media as Newspaper or Magazines where they can publish the current data illustrating the debt situation of the state. This will also educate the residents and will help them in developing psychology for borrowing wisely.

iii)E-mails: With consistent delay in the credit card payments and consequent decline in the credit card scores, banks issuing credit cards can send regular emails to the customers relating to ill effects of delaying credit card payments and importance of credit score during the lifetime of the borrower.

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