

Student loan crisis

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



Student Loan Crisis Beginning in the 1960's the distribution of federal and non-profit funds have given students all over the United States the opportunity to pursue post-secondary educations. Although this method has given students the ability to go to college financially, the majority of the students are not able to pay themoneyback when finished causing debt. Currently students in the United States owe more than \$1 trillion dollars worth of federal and private student loans.

Surprisingly this number has surpassed the country's credit card debt which is \$852 billion dollars. This years presidential election has many serious & interesting topics being discussed such as gay marriage&immigration, but the topic of student loan debt is of high importance and relates to the majority of the country. More specifically student loans are affecting African Americans more than any other race today. Due to the economic state of the country and their lack of knowledge on student loans the majority of African Americans are unable to repay their loans.

Student loan debt is one of the biggest issues facing African Americans in the 2012 presidential election due to their limited knowledge on student loans, cost of college, and the economy of the United States. The lack of knowledge on student loans combined with the cost of college causes numerous burdens on young black individuals but at the same time affects the country as a whole. One factor that African Americans frequently ignore or are unaware of is their ability to pay back their loans on time.

Sophia Kerby says, " Studies show that only 37 percent of students are able to repay their loans on time. " (Kerby 1). Black students are borrowing tremendous amounts of money not knowing if they have the ability to pay

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the money back on time. Student loans are also causing the increased rate of African American dropouts in the country. For example, Ann-Marie Adams explains, “ that 69 percent of black students listed debt loads as a key reason for dropping out of college”.

The inability to pay and the realization that they will not be able to pay off their loans causes them to end their academic pursuits. This is astonishing because according to Adams 60% of jobs in America require a college education, and due to their enormous student loans they will not get that chance to receive a college education. In order for blacks to succeed and compete in corporate America they need to receive some form of post-secondary education. Not only is receiving an education important to the black community, but it is also important to the overall country as a whole.

The country's economy needs educated individuals coming into the workforce, and if students are not able to finish their education then the economy will suffer. Ann-Marie Adams says, “ America cannot have a vibrant democracy and a robust economy with an uneducated populace” (Adams 1). The cost of college ultimately causes black students to never get the chance to receive a post-secondary education or place unnecessary burdens on their lives. Either way these young bright minds do not have a fair chance to contribute to the resurrection of this once dominant economy.

The educating of aspiring black college students and their parents on the dangers of student loans is imperative, so these young individuals will have the opportunity to contribute to the nation's economy. The high rate of unemployment doesn't give the majority of African American graduates the ability to pay back their student loan debt causing lingering affects to the

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black community. According to Ann-Marie Adams, up to 80% of the blacks in the graduating class of 2010 graduated with some form of student loan debt (Adams 1).

With this high rate of African Americans leaving school with debt there is a demand for employment, but there are not enough jobs for them to obtain. The margin of “ African American youth at 30 percent...compared to the white youth unemployment rate of 16 percent” shows that African American graduates have a distinct financial burden (Kerby 1). The youth unemployment rate for African Americans is almost doubled compared to the youth unemployment rate for white Americans. This makes it that much more harder for black Americans to find sources of repayment since white Americans are able to get jobs easier.

According to Adams, the average African American graduates with roughly 30, 000 dollars worth of student loan debt (Adams 1). As the younger generation of blacks leave college with student loan debt that they are unable to payback, their ability to become homeowners and their ability to increase their wealth has diminished. Charlene Crowell explains, “ The domino effect of debt begins with a student loan and then delays the ability to qualify for a mortgage...the ability to gain wealth is limited if not stymied”. The domino effect is the main reason he majority of the black community is unable to reach the middle class. A college graduate in debt and not having the ability to pay their loans off in time because no jobs are available is the scenario for many blacks causing them to experiencepoverty. Julie Margetta Morgan says, “ With high unemployment and underemployment and so few options for dealing with debt, it should come as no surprise that the

delinquency rate on student loans is so high” (Morgan). The below average economic state of the United States doesn’t give African Americans the ability to successfully pay their debt back on time.

Student loans are not only a detriment to African Americans individually, but they are affecting the economy as well. Like preciously stated, student loan debt is preventing African Americans from finishing college and being able to be an educated contributor to the country’s workforce. There are many methods that can be used to help prevent and fix the crisis. For example, probably the simplest method but the most effective will be informing young African Americans and their parents about the dangers of student loans and the steps used in taking out a reasonable loan.

For example: There was an approximate 16 percent increase and 12 percent increase among black and Hipic students, respectively, that took out private loans, from the 2003-04 to 2007-08 school years. While federal loans have lower interest rates than private loans, doubling the rate will bring the two closer together, making students of color more vulnerable to defaulting on their loans (Kerby) This shows how simple information on the benefits of a federal loan over a private loan could have prevented these families from taking on private loans.

Holding seminars and presentations forhigh school students& parents would increase their knowledge resulting in better judgment. Another way of helping the African American community with the student loan crisis is consistently funding aid programs for the low-income students. Kerby states, “ Students who will lose eligibility or be cut from the Pell Grant program...will likely turn to loans to make up the difference” (Kerby 1). If these programs

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are funded properly then this will decrease African American's need for student loans and ultimately decreasing the average student loan debt post-graduation.

These two solutions will of course not completely fix the crisis, but they will jumpstart the needed repairing. Student loans have been a part of this country's history for roughly fifty years and it has not caused any problems until this recent decade. This topic should be of high importance in the presidential election because it affects every citizen in some way. Whether it's a parent unable to send their child off to college financially or a college graduate living in their mother's house with \$20,000 worth of debt, it affects us all.

The country needs to hear the truth and the facts about this crisis because this debt will keep increasing unless the individuals at risk are informed. The fact that this is the number one form of debt in our country today surpassing credit card debt is shocking. Every student planning to go to college or parent sending their child off to college should know the basics of student loans because one small signature can ruin the rest of their lives. Works Cited Adams, Ann-Marie. " Student Debt in the Black Community: Hampering Our Ability to Enter the Middle Class. Washington Post. The Washington Post, 13 Nov. 2012. Web. 23 Nov. 2012. . Crowell, Charlene. " The Domino Effects of Debt: Student Loans Trigger Financial Stress from Students To Retirees. " The Domino Effects of Debt: Student Loans Trigger Financial Stress from Students To Retirees. N. p. , 24 Aug. 2012. Web. 26 Nov. 2012. . Harkin, Tom. " The Debt Crisis In Higher Ed. " Time 180. 18 (2012): 44-51. Print. Kerby,

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