Issues on graduating with student loan

Linguistics, English

18 July Issues on Graduating with Loan A college degree is often part of the American Dream; it is expected to bea solid investment with lifetime returns of profit. Martin and Andrew, in “ A Generation Hobbled by the Soaring Cost of College,” report that student loans have reached more than $1 trillion in the United States. They observe that “ crippling debt” does not affect students from for-profit colleges and graduate schools only, but many other kinds of college students too. They used the study of Federal Reserve Bank of New York to state that for “ all borrowers, the average debt in 2011 was $23, 300, with 10 percent owing more than $54, 000 and 3 percent more than $100, 000, the reports.” As a result, one of the many issues on graduating with student loan is the financial and emotional stress of having large debt to pay off, although some sources argue that in the long run, the returns of earnings are greater than the interest paid on these loans. To graduate with debt can be severely disadvantageous to the financial situations of students, because it impinges on their future educational and work goals. Students have lesser motivation to study in graduate school or other professional schools and centers, when they are saddled with undergraduate debts. In the journal article, “ How Undergraduate Loan Debt Affects Application and Enrollment in Graduate or First Professional School,” Millet repeats the sentiments of Clairborne Pell, on whom the Pell Grant program was named after, that, because of rising college debt, students have been turned into indentured servants. Millet stresses that students, who are graduating with college loans, restrict their career choices and personal lives. Her findings showed that high undergraduate loan stops many students from enrolling in graduate or professional schools. They can

no longer afford to advance their educational and professional skills and knowledge, because they have other debts to pay for. This can be specifically hard when students also have non-educational credit. In “ Debt Burdens among MSW Graduates: A National Cross-Sectional Study,” Yoon studied the debt experiences of Master of Social Work (MSW) graduates. She learned that on average, MSW graduates acquire higher educational loan liabilities than graduate students in other disciplines. Moreover, more than 25% of the respondents have at least a $40, 000 educational loan that they used to complete their MSW education, and 31% of them are burdened already by non-educational credit card debt. Moreover, instead of being more financially independent, some graduates become reliant on their parents. Martin and Andrew report on graduates, who are forced to take two to three part-time jobs and to live again with their parents, so that they can pay for their college loans. Kelsey Griffith finished her bachelor’s degree from Ohio Northern University (Martin and Andrew). She amassed $120, 000 in student debt, and to pay that off, she worked two restaurant jobs and gave up her apartment to live with her parents (Martin and Andrew). Her mother is a co-maker of her loans (Martin and Andrew). She already took a life insurance policy on her daughter and said: “ If anything ever happened, God forbid, that is my debt also” (Martin and Andrew). She is afraid that the debt will be passed on to her, as well as the emotional duress that goes with it. Supporters of college loans argue that credit can be paid off, but a college degree pays earnings for life. Rotherham, in “ Student Loans: Is There Really a Crisis?” argues that there is no crisis of student loans. For him, the media overemphasizes the drawbacks of these loans, without understanding its long-term payoffs. In “ Chapter 9: College Educatio: Is it Worth the Cost?” of Economics and Contemporary Issues, Moomaw, Olson, Applegate, and McLean determined if the benefits of college education offset its costs. Their computations show that the real rate of return on college education is 9. 51 percent, which is higher than investing on long-term U. S. bonds. They also underscore that the most important determinants of high payoff are good grades in college, taking mathematics courses, and the choice of major. These articles argue that student loans are payable issues, but their returns, in terms of earning and achievement, are unparalleled. It is true that college education can bring permanent and growing returns, but sometimes, they can also lead to fewer economic opportunities, especially if they discourage students from graduating in college and they endure emotional stress. When debt is piling, some students prefer to not finish college instead. Asplund, Abdelkarim, and Skalli, in “ Student Loans and the Likelihood of Graduation: Evidence from Finnish Cohort Data,” studied if student loans enhanced college graduation rates. They learned that acquiring loans helped students from low-income families to finish college, while it did not help students from more affluent families. Debt can also have a way of enticing people into college, and then feeling remorse afterwards, because of the pressures of paying their debts. In “ Do Loans Really Expand Opportunities for Community College Students?” England-Siegerdt studied if student loans broadened opportunities for community college students. She learned that student loans do not necessarily develop education opportunities, and male and older students tend to have loans, but some of them complain of the hardships of paying their loans. Martin and Andrew give examples of students, who can no longer pay their debts, so they stopped making payments to it. They are severely stressed, because of these financial burdens on their lives. Student loans can injure graduates financially, socially, and emotionally. On the one hand, a college degree can get them better-paying jobs. It can enhance self-esteem and confidence. On the other hand, students have to pay off these loans for many years. The financial burden can be so great that some cannot live independent from their parents and have to work two or more jobs, just to make their debt payments. Sometimes, they also cannot pursue graduate school and professional advancement goals. Many of them are wondering, if college loans are worth it. For now, the pressure of college loan payments may be more central than feeling the rewards of their college degree.