

The student loans

[Business](#), [Marketing](#)



The byline should carry your employer's by John Doe. loans have been known for a very long time as being very useful in the education of financially needy students across the world. Most of these students end up being unemployed thus unable to service their loans. This therefore leaves this bulk of bad debts on the government. They pile up until they get to threatening heights. Recently, there has been an ongoing debate as to whether the student loans should be forgiven or not. Failure to forgive the student loan debts might have some effects on the economy.

To start with, most of those people who fail to pay their university loans tend to less likely start businesses of their own. There is a study that shows areas having higher growth in the student debt, depicting lower development in the entrepreneurial spirit where there is a lower number of businesses with one to four employees ([www. nytimes. com](http://www.nytimes.com)).

In most cases, when students use up their capacity of debt on student loans, they can't commit that debt capacity elsewhere. These students end up not thinking of ever taking any loans in future thus killing the spirit of being their own bosses. This therefore shuts down the spirit and ability to create new businesses and opportunities in future. With this, a country's economic growth is hampered.

Student loan debt is also appearing to affect the trends of home ownership. Recently, people around the age of 30-33 are not buying houses. This decline has been steeper for those people having the history of student loans. It was intense during the fall of the housing market, but has since continued even after the market has recovered.

According to Korkki on [www. nytimes. com](http://www.nytimes.com), career choices by the students

having the student loans are affected mostly. Students having the college loan have a low tendency of choosing a low-paying job. This leads to overcrowding in certain job categories whereas leaving other jobs unattended to. This tends to kill the economy because all sectors of the economy are supposed to be attended to. Overcrowding in certain professions could lead to social problems such as corruption, favoring and all those sorts of injustices.

It has also come to my attention that some government organizations are not employing people who have not settled their student loan debts. It has therefore deprived various young men in the age bracket of 22 to 30 opportunities to express themselves given the fact that they are the most productive group currently.

In addition, these people do not drive. They don't have enough money that they can use to buy cars. Their friends who went through college without the loans tend to fit in the system well and start to develop faster. They start their own businesses, buy homes, drive early and end up settling down pretty well and faster ([www. nytimes. com](http://www.nytimes.com)).

In conclusion, the Federal government needs to identify a solution which is costless on its part and that of the loan beneficiaries. This attempt reduces the heavy burden on the nation that can lead to an economic crisis. It is also of importance if made in a way to favor the beneficiaries.”

Reference

Phyllis Korkki. The Ripple Effects of Rising Student Debt Retrieved from: [http://www. nytimes. com/2014/05/25/business/the-ripple-effects-of-rising-student-debt. html](http://www.nytimes.com/2014/05/25/business/the-ripple-effects-of-rising-student-debt.html). On 01/06/2014.

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