

## Debt Load and Overborrowing

Boushey, H.(2003). *The debt explosion among college graduates*. Washington, DC: Center for Economic and Policy Research. Retrieved from [http://www.cepr.net/documents/publications/Student\\_Debt\\_Issue\\_Brief.pdf](http://www.cepr.net/documents/publications/Student_Debt_Issue_Brief.pdf)

Boushey, an Economist at the Center for Economic Policy and Research, focuses her issue brief on both the 85% increase of student indebtedness in the past decade and the routes of this extreme borrowing in federal policy and the weak labor market. Boushey discusses the policy changes in education, focusing specifically on the variation in subsidized and unsubsidized loan access as it shifted throughout from the 1990s to early 2000s and its implications on overall debt burden for lower-income students and advantaged students. The brief concludes with the problems that are currently facing students attempting to finance higher education, namely that the current weak job market that makes it increasingly difficult for students to find a wage that supports both their debt burden and living expenses.

CATO Institute. (2008). *Unbearable burden? Living and paying student loans as a first-year teacher*. Washington, DC: Neal McCluskey. Retrieved from <http://www.cato.org/pubs/pas/PA629.pdf>

McCluskey narrows in on attempting to answer the question of how much student debt is unmanageable. Using first-year teachers as a sample population, McCluskey analyzes the average living expenses and discretionary spending, comparing them to the average income of a first-year teacher. Step by step, McCluskey defines “unmanageable” student loan debt as: “for student loans, the general rule is to not let debt exceed between around 8 and 15 percent of one’s income,” which he uses to determine whether first-year teachers can afford their loan payments. Using case studies from several districts across the country, the article concludes that first-year teachers should be able to manage their student loan payments based upon the numbers he analyzed.

Draut, T. (2006). *Strapped: Why America's 20- and 30-somethings can't get ahead.* (1 ed.). New York, NY: Anchor.

Draut, Director of the Economic Opportunity Program at Demos in New York, has used her experience in the field of policy, as well as intensive on-the-ground research analysis to draw conclusions about the debt loaded 'X' generation. Draut uses personal accounts to highlight the inherent problems with the current U.S. education system, balancing the accounts with statistics and national studies. The book focuses upon the impact of student loan borrowing on educational goals and the outcomes of large amounts of borrowing. Ultimately, the analysis is a balance of policies and personal experiences across all socio-economic, racial, and gender barriers that effect educational access and response to loan debt.

Reed, M. (2011). *The project on student debt: Student debt and the class of 2010.* Washington, DC: The Institute for College Access and Success. Retrieved from <http://projectonstudentdebt.org/files/pub/classof2010.pdf>

*The Project on Student Debt* calculates national averages of loan debt in both public and private sectors and suggests reasons for the increase in student debt. The project has followed student debt trends annually since 2000 and attempts to identify the best/worst debt loads on students and analyzes several options for lessening the occurrence and impact of the issue of over borrowing. Focusing on public and private non-profit four-year institutions, the study analyzes the debt ratios by state, by institution, and as a national average. The articles aims to address possible solutions to student over borrowing with the enactment of better regulatory processes (i.e., certification of private loans) to reduce the student debt burden.

Steele, P., & Baum, S. (2009). *How much are college students borrowing?* Washington, DC: College Board Advocacy and Policy Center. Retrieved from <http://professionals.collegeboard.com/profdownload/cb-policy-brief-college-stu-borrowing-aug-2009.pdf>

This report examines the debt burden increase between the 2003-04 academic year and 2007-08. In the policy brief, Steele and Baum look at debt distribution versus debt averages, acknowledging that averages can be skewed with extreme cases. The report focuses narrowly upon the type of degree obtained and school attended (i.e., public, private non-profit, and for-profit institutions) and the effective increase based upon the inflation rate. The brief outlines the increase in student debt, and although not focusing upon outside influences, it analyzes how school selection greatly affects student debt load.