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According to “The College Debt Crunch” survey of college graduates conducted by Alliance-Bernstein Investments, Inc., a full 74 percent of college graduates with student debt described themselves as “living paycheck to paycheck.” However, only about half of the debt-free respondents thought of themselves this way.

More than one-third of graduates with debt said they had sold personal possessions to meet financial obligations—twice the number of debt-free grads who had done so. Almost half of all indebted graduates surveyed said that the decision to purchase a home was delayed because of student loans.

Most respondents said they held part-time jobs while in school, and about one-third of them lived with family.

Fewer Grants For NM Students

In New Mexico, state officials said they had earmarked \$25 million for a program to benefit adult college students. The program, slated to begin this year, will now only award \$2 million for the 2006-2007 academic year.

The College Affordability Act originally called for \$49 million in grants for low-income students who are ineligible for certain state-funded financial aid programs.

Half of that money, officials said, was to be distributed among approximately 12,000 students in 2006-2007. Now, it is estimated that only about 1,500 students will receive aid.

The state’s Secretary of Education, Beverlee McClure, said that after a reexamining the law, officials were only permitted to use the interest generated by the fund.

Students Work Through School

Around 80% of American college students have jobs while enrolled in school according to a recent release from the American Council on Education.

On average, these students work 30 hours each week; and more students work than study full time, live in dormitories, attend a four-year school, or apply for or receive financial aid.

Almost a quarter of full-time students work full-time, and many students from wealthy families also work at least part-time while enrolled.

Many students also described themselves as full-time employees who are also enrolled in school. In most cases, working full time was shown to have a negative effect on a student’s grades.

UK Cracks Down On Repayment

UK higher ed minister Bill Rammell warned foreign students that the government-run Student Loans Company (SLC) would begin taking non-U.K. students to task for failing to repay their student loans in a timely manner.

Currently, the government allows European Union students to borrow £9,000 each for their British higher education, which attracts around 17,000 E.U. students each year.

Currently, those who study in the U.K. enjoy interest-free loans from the country's treasury. The SLC is able to ensure that U.K. residents repay student loans through the tax system; however, officials have not used other E.U. countries' tax systems to encourage repayment by non-U.K. students and graduates.

Stats On Student Loans Released

According to the Department of Education's National Center for Education Statistics, almost two-thirds of college students take out education loans. The average U.S. graduate leaves school owing more than \$19,000; \$17,000 of that sum is owed to the government.

New York students reported owing the greatest average amount of student loans, followed by students in Georgia and Minnesota.

The incidence of students who borrowed was greatest in Oregon and Minnesota, where around 75 percent of undergraduate students received loans.

The National Center for Education Statistics gathered the best data from 12 large, medium, and mid-sized states. Officials in states reporting higher numbers blamed the swelling student debt on recent budget cuts.