YOU DON’T KNOW HOW IT FEELS TO BE ME: AN EXPLORATION OF THOSE WHO BELONG TO ONLINE GROUPS AND COMMUNITIES DEDICATED TO STUDENT LOAN DEBT INFORMATION DISSEMINATION AND REFORM

BY

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DISSEDITION

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ABSTRACT

Student loan debt has become a topic of great economic and social concern. With this debt surpassing $1.2 trillion dollars – a staggering amount by any measure – the anxiety and alarm surrounding this issue cannot be overstated. This research aims to help the general public, scholars, and policymakers more fully understand how this debt affects various financial, social, and political behaviors and beliefs. This sample (n = 293) was collected from individuals who are involved with various online communities that act as a social support system and political activity center for student loan debtors. This sample is unique as at the time of writing this manuscript the researcher is unaware of anyone conducting research on these communities. Findings of this research suggest that there are various differences between those who own $40,000 or less in debt and those who are above $40,000 in debt. This research has uncovered educational attainment differences with those who have less debt having generally earned only a bachelor’s degree whereas those who are more indebted holding master’s degrees. Financially, statistical differences are found between yearly gross earnings, monthly savings, percent of monthly income to repay student loan debt, percent of max credit card debt, and FICO score category. Additionally found were differences in reporting to ignore health concerns, in stress levels, and in political behaviors and beliefs. Deeper exploration of these differences suggest that for each group different variables have influenced borrowing, monthly savings, ignoring health, stress levels, and political beliefs and behaviors. Discussion focuses on connections to previous research and explores some of the more unique findings, such as for the more indebted group enrollment in income-based repayment promotes ignoring health concerns. Recommendations and implications focus on the wider contributions to the field and future research suggestions.
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DEDICATION

First and foremost I dedicate this work to my grandfather Anthony DiMatteo. He was my favorite person and someone I always strived to impress. Grandpa Tony is the primary reason why I believe that there is nothing that I cannot accomplish and if anyone dares tell me that I could not, well I’ll simply have to go prove them wrong. When I told people that I was planning to go back to school and that if I did, it was PhD or nothing - many scoffed at the idea. Grandpa Tony just told me to go do something about it – well I did. And with as much humility as I can muster, I did something about it and owned the hell out it in the process. While I accept that I may not always be the most well spoke or smartest person in the room, I will always try to be the hardest working and highly relevant.

Finally, to loosen the mood before people dive into the content of this dissertation, which is very serious – this document is also dedicated to David Bowie. I am a firm believer that even very serious things, need not be overly serious. Bowie is the star of one of my favorite childhood movies – Labyrinth and a constant fixture on my Phil Collins Pandora Radio Station, the station I often write to. The song, The Man Who Sold the World was often in my head as I wrote this dissertation because we have had at-least five presidential administrations who have widened access to and promoted increased reliance on student loans, thus becoming men who sold the worlds of at least two, if not three, generations of Americans. Also classics like Under Pressure and Changes are inspiring dissertation and publication writing songs. I am not sure if heaven exists, but if it does that place just became a hell of a lot cooler. Thank you for the great childhood memories. Now, onto more serious topics.
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CHAPTER 1
INTRODUCTION

"The enormity of the U.S. student loan mess is almost as big as the entire economy of Mexico (annual GDP: 1.26 trillion), and it dwarfs the economic output of Central America. The 43 million or so people in all seven countries would have to give everything they produce for about eight years for pay off America's current student debt" Owens (2015).

Recently, student loan debt has become a hot-button issue in the media and for many Americans. Whereas the student loan system was initially envisioned as a policy that would help students hailing from middle and working class families pay for college while providing the US with the human capital its government, businesses, and civic leaders claim to need - the contemporary student loan system arguably serves as an exorbitant tax that makes the federal government billions of dollars in profit and places many Americans in extraordinary amounts of debt. As this debt continues to grow and the average debt load climbs with each graduating class, more Americans are becoming increasingly concerned about the financial, social, and economic effects. This issue has even risen to prominence in the previous two presidential election cycles and has become a significant topic for the 2016 candidates.

In the past, the federal government has attempted various policy changes that at best have been failed Band-Aids for small, problematic components and at worst policies that created additional “messes” that no generation of policymaker has been interested in repairing because such action would require core changes in definitions and on ideologies of what a loan is and how money would be repaid (Best & Best, 2014). Previously, it was believed by policymakers that radical reboots would alienate middle and upper-middle earners, because for long this system has overwhelmingly favored students hailing from these families which would be the equivalency of political suicide (Best & Best, 2014). However, the winds of change are blowing
as student loan debt has increasingly infiltrated students hailing from these SESs (Fry, 2014a) and is being linked towards a myriad of emerging economic and social problems (e.g. Austin, 2013; Cunningham & Kienzl, 2011; Palacios & Wolf, 2014; Quirk, 2013).

**Rationale for Study**

As student loan debt grows and as individuals may feel their finances and lives have been harmed through a process often reinforced by parents, businesses, and civic leaders – the issue of student loan debt will likely continue to rise to political prominence. This study holds two missions. First, to contribute to the larger body that examines how student loan debt [SLD] influences financial, social, and political behaviors and beliefs. There many gaps within this focus to be filled. I have used this dissertation to explore several gaps that I perceive exist (e.g. how SLD influences political beliefs) and highlight some of the more interesting findings for future research.

The second goal of this research is to provide greater insight to those who served as this study’s population. Because public universities and their alumni associations or foundations blocked my attempts to gain access to alumni contacts¹ - I had to modify the original intent of the dissertation. I have long observed various communities that serve as informational and pseudo-political spaces for those with SLD. With membership totals ranging from several hundred to several thousand people, these online congregations are becoming increasingly popular. For many, these communities serve as sources of information as they consistently tend to post new articles, research, and opinion pieces on SLD. Generally, members also share their personal

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¹ None of the 100 public universities that I had contacted were willing to provide a de-identified email database. Not even the University of Illinois Champaign Urbana. I am sure there is a research topic about the neoliberal university and guarding information there. The original idea of this research was to explore differences in variables presented of those who earned degrees in public institutions. Without the help of these institutions and due to my limited resources (including the incentive gift given to me) this task was near impossible, in the way I wanted to carry it out. Nevertheless, I shall prevail when I have more resources.
situations – which usually results in communal therapy events and serves to promote the idea of activism and change.

After the universities blocked access, I turned to these communities to allow me to research their situations. For months, I worked to gain both administrators’ and members’ trust as, unsurprisingly, many are mistrusting of researchers and those associated to higher education. Eventually I was able to convince administrators to support the research and members to participate in the study.

I want to use this process to help these communities learn more about how SLD may be differently affecting their members, which could help them move towards their various politically focused goals. Frequently, these groups are not always widely influential because they are unstable and the members are widely disconnected with each other – such concepts are outlined in Putnam (2000) through Wuthnow (1998):

The kind of community [these small groups] create is quite different from the communities in which people have lived in the past. These communities are more fluid and more concerned with the emotional states of the individual… People feel cared for. They help one another. They share their intimate problems… But in another sense small groups may not be fostering community as effectively as many of their proponents would like. Some small groups merely provide occasions for individuals to focus on themselves in the presence of others. The social contract binding members together asserts only the weakest of obligations… We can imagine that [these small groups] really substitute for families, neighborhoods, and broader community attachments that may demand lifelong commitments, when, in fact, they do not (p. 151-152).

While these assemblies serve as a valuable resource for many, the collaborative political action within these groups is usually lacking and uniformed movement towards even the smallest of steps towards solving student loan debt issues are basically non-existent.

Unless these groups come to understand how different factions within these groups are influenced by their student loan debts, they may never become influential political actors. Undeniably, SLD affects everyone within these groups but within these groups (and to those
outside of the group) assumptions persist regarding how evenly the debt affects everyone. I hope this research could lead by these groups to create effective, collaborative political action.

To understand the history and concepts that inspire this research, Chapter 2 explores a brief history of the student loan system: investigating the initial rationale for the student loan system, exploring the Reagan administration’s influences, and then outlines the contemporary student loan system – including the transition towards a federally owned and collected system, federally available repayment schemes, and discusses various economic and social issues that have been connected with student loan debt. Reaching beyond these groups, there are few studies that actually examine and compare how various levels of debt may affect people – therefore, while this research is focused on this population there are implications that transcend this group.

The data for this dissertation was gained via a self-reported online survey. Chapter 3 discusses the survey design, including the disadvantages and benefits of collecting data via surveys. Highlighted are the targeted population and sampling methods and participant confidentiality protections. The statistical methods outlined and justified as well as the qualitative method.

Chapter 4 reports findings of differences between lower indebted and higher indebted groups. Significant findings include differences in educational level, earnings, savings, and percent of monthly income to SLD, and FICO Scores. Additionally, the more indebted group signaled higher levels of stress and agreeableness to ignoring health concerns. Also found were differences in political beliefs and behaviors. Multiple linear regressions were utilized to explore how variables affect several of the actions and beliefs found to be significantly different via t-
tests. And finally, thematic analysis was utilized to explore the qualitative responses that suggest fixes to the student loan system.

Chapter 5 engages in discussion of findings. First discussed is that time to degree and hours worked during the ungraduated degree indicates that debtors generally graduated on time and worked nearly 20 hours per week – thus, dispelling rhetoric of being “lazy.” Next an examination of how education level correlates to more debt and what that means moving for as graduate school enrollment is increasing. Financial similarities and differences are explored with implications that the more indebted, but generally more educated and higher earning group is not as financially well off as the less indebted, and lower educated. Also discussed are similarities in delays of major purchases. Next, discussion points focus on how the more indebted hold more stress but as they obtain more debt there is a negative correlation and how income-based repayment policies appears to influence individuals to ignore health concerns. The final discussion points examine the influences of SLD towards political beliefs and actions are brought to light. Next, the chapter transitions to discussing themes found via qualitative inquiry. Also included are contributions to the field, recommendations for future research, and limitations. Finally, the chapter concludes with theorizations on how to redesign how the U.S. finances higher education.
CHAPTER 2
LITERATURE REVIEW

“The federal government is in effect levying a new tax on college students in a program that already raises an obscene amount of money for the Treasury and is jeopardizing the financial future of a whole generation of young Americans.” Quirk (2012)

The pervasion of debt created by the contemporary student loan system has created long-term financial and social consequences that researchers are only beginning to now understand. As opposed to the modern student loan system, the initial system was not designed to place significant debt burdens on the young adult population and their parents; instead it was envisioned as a way to climb up the financial ladder and as a policy that would help the US grow socially and financially. This literature review highlights the original student loan guarantee, explores fundamental changes towards privatization that is associated the Reagan administration, outlines the modern - primarily federally owned student loan system, and discusses the various issues associated to increased student loan debt. The literature review ends with a highlighting the creation of online communities and delves into self-interested political behaviors.

The Original Student Loan Guarantee

The need for more students to enter into post-secondary education toward the end of the 1950’s was great, as such the United States promoted a socio-political agenda that aligned with the nation’s need to increase economic prosperity through the development of more skilled human capital and scientific advancement (U.S. Department of Education [DoE], 2012). Although the U.S. government heavily promoted this agenda, policymakers were unable to persuade banks and other private lenders to develop loans for students until the Higher Education Act of 1965 [HEA]. This new law guaranteed that student loans made by private lenders would enjoy the federal promise that the loans would be repaid. This promise removed the risk from the private lender and made student loans extraordinarily profitable for decades (Williams,
2004). Upon signing the HEA of 1965, President Lyndon B. Johnson (1965) stated the policy would, “swing open a new door for young people of America. For them and for this entire land of ours, it is the most important door that will ever open – the door to education.”

The intent of the student loan guarantee was to: (1) encourage banks to loan funds to students who hail from middle-income families who do not have the means to pay for college, (2) help banks mitigate risk to lending money to borrowers who had no established credit or collateral by guaranteeing the loans would be paid by the government in cases of default, bankruptcy, or death, (3) ensure students would not be overburdened by over borrowing as there were yearly caps of $1,000 for undergraduates and $1,500 for graduate students; with a maximum of $7,500 total allowed to be borrowed, and (4) finally consider family income to modify interest subsidies based on income to family size (Cervantes, et al., 2005). The policy developed student loans similarly to a traditional mortgage-like structure but also incorporated a safety net for lower earners.

Even though the initial loan guarantee program had clear elements of social protections and was evidently designed to encourage the student to buy into the higher education system - without demolishing individual’s economic futures - future policymakers would whittle away many of the protective elements. These policymakers utilized ideologies of prominent economists to justify various modifications, for example some adopted Seymour Harris’ (1953; 1962; 1967) beliefs that student loans should be mortgage-like that allowed students to more quickly repay their debts, if they can afford it. Others accepted Friedman’s (1955; 1962) free-market, freedom of choice stance that funds should be directly connected to the student not the institution – all while they minimized Friedman’s socialistic connection of safety-nets and income-based repayment schemes, which in modern times have become policies that liberals
have begun to gravitate towards (St. John & Parsons, 2004). Regardless of whom policymakers used to justify various changes, arguably from 1965 to today the modifications to the student loan system have transitioned higher education from primarily serving as a policy of social good towards one that is predominantly discussed and viewed as a privatized good.

**Transitioning Paradigms: From the Public Good to the Private Good**

Two decades after the creation of the federal guarantee loan system, the alarm bells began to sound as college costs dramatically increased due to a combination of increased demand, reduction of non-loan aid’s purchasing power or elimination of said options, and state governments reducing financial support to higher education. As a result, very quickly, student loan debt reached distressing levels. In 1965, few if any of these consequences was taken into consideration, as is told by France Keppel (1987) former U.S. Commissioner of Education and Chairman of the National Student Aid Coalition:

> As I can recall, those of us who testified in favor of the Higher Education Act of 1965 did not expect the amounts disbursed as loans to increase so rapidly, or to take so large a part in each student’s financial aid… We conceived of a package of grants, loans, and work-study, reasonably balanced so as to leave students and their families with manageable debt at the end of higher education” (p. 58-59).

For a deeper understanding of Keppel’s statement, the HEA of 1965 had an overall budget of $250 million - $70 million for scholarships, $45 million for work-study, and $15 million for student loans, which Best & Best (2014) reported to be “the smallest [budget] item” (p. 31). Rather quickly, the federally guaranteed student loan system became problematic and riddled with unintended and under-explored consequences. Such consequences became evident in the late 1970s to early 1980s when default rates skyrocketed to over 12%, leaving the government to pay on average $200 million dollars annually. And because private financial institutions were allowed special allowances tied to treasury bills, which when combined with the recession and hyperinflation of the early 1980’s, left the government paying $1.5 billion
dollars in special allowances (Naegele, 1983). For decades, student loans were the most profitable and safest form of investment that private lenders could make because the defaults were covered by the government and protections rendered risk tied to recessions obsolete (Williams, 2004). As private lenders’ power grew, they guided future privatization policies such as the stripping of bankruptcy protections (Best & Best, 2014; Stiglitz, 2012).

Returning to Keppel (1987), his words suggest that the transition from a balanced financial aid package towards one dominated by loans hold basis in the movement away from principal arguments that guided the conversation and passing of HEA in 1960’s – being that higher education is a social good necessary for economic advancement and development of the nation’s human capital. Transitioning higher education from the social good towards a privatized perspective was integral in removing many governmental supports. Although these paradoxical concepts have long been evident in previous arguments regarding federal involvement financing higher education, the conservative emergence associated to Reagan’s administration in the 1980s firmly pushed the conversation towards the concept labeled neoliberalism.

Neoliberalism is the socio-political model that links to beliefs and actions “that emphasize individual responsibility and freedom; supports deregulation, privatization and fiscal discipline; and assumes that the more allocation tasks done through the market rather than states, the better” (Biebricher & Johnson, 2012, p. 202-203). Generally, this ideology romanticizes self-reliance and conceptualizations of self-ruggedness, while promoting idealizations that the society or the government does not or has never helped individuals in any way or form. It is an ideology that deeply persists in American politics today and encourages Americans to accept the
wild inequalities of the current economic, social, and political systems (Giroux 2013; Stiglitz, 2010; 2012).

Reagan’s influence over higher education’s movement towards privatization can be traced back to his time a gubernatorial candidate for California. A prominent piece of Reagan’s gubernatorial platform was based on quelling the students in the University of California [UC] system. Specifically, Reagan focused on social issues and civil disobedience at UC Berkley, which at the time was a well-known base of student and youth protest to conservatism (Clabaugh, 2004; Rosenfeld, 2012). Once Reagan gained Governorship, he immediately set out to decrease state financial support to both the UC system and students (Arnone, Hoover, Selingo, & Sugs, 2004; Clabaugh, 2004). These actions forced students to pay more out-of-pocket or obtain loan money to remain in college – which some, obviously, were unable to do.

The neoliberal ideology that government should not support students transitioned into Reagan’s presidency where he consistently called to slash student aid and tried to eliminate the Department of Education. He found success in removing funding for various programs (e.g. libraries, graduate studies, and the Fund for the Improvement of Postsecondary Education), but Congress refused to eliminate the Department of Education, primary student loan systems, and work study program (Verstegen, 1988) - likely because these actions would result in loss of political support from the middle and upper-middle class (Best & Best, 2014). When Congress would not comply with his demands to fully remove student aid, Reagan promoted William Bennett to the Secretary of Education. Immediately, Bennett went on the offensive suggesting that college students enjoyed extravagant lifestyles through the use of taxpayer dollars (Verstegen, 1998) and began to link rising costs in higher education to increases in student aid and access to student loans, a hypothesis that is still tested and contested (Gillen, 2012). To
university administrators and policymakers sympathetic to higher education, Bennett generally was considered a dangerous administrative mouth-piece that primarily used preachy rhetoric to paint higher education institutions and college students in a negative light (Arnone, et al., 2004; Mitchell, 1989).

Bennett was most effective in transitioning the higher education funding debate into the public sphere where the administration’s rhetoric resonated. Reflecting on Bennett’s demonization of students for taking “three week long vacations at the beach” and falsely alleging abuse of the financial aid system by stating that students from families with six-figure incomes were receiving governmental aid, former congressman and former president of New York University John Brademas (2012) wrote, “In my view, both the budgetary policies and the rhetorical posture of this Administration with respect to higher education represent, in effect, a declaration of war on American colleges and universities... and on students from both low-and-middle income families” (p. 437). Nevertheless, together Reagan and Bennett found success in pushing policymakers to privatize by reaching out to the public (Arnone et al., 2004; Brademas, 2012; Mitchell, 1989). Their success resulted in privatized oriented policy advancements and since the late 1980’s, federal student aid debate has arguably become increasingly disconnected from the public good paradigm and may now considered to generally be based upon neoliberal ideologies that promote individuals’ privatize gains.

**Higher Education, the Privatized Good – Reductions of Federal Grant Purchasing Power, State Appropriations, and Introduction of the Unsubsidized Loans**

The evolution towards higher education being perceived as a privatized good has profoundly affected loans, grants and scholarships, states’ financial commitments, and even the structure of loans. First, the student aid package has been modified to flip the primary funding approach from one that was grant and scholarship heavy towards one that deemphasized non-
loan funds. The political conversations and laws developed from the 1980’s to the 1990’s essentially encouraged the federal government to strip scholarship and grants’ purchasing power for individual students (Slaughter & Rhoades, 2004). While the Pell Grants from 1980 to 2000, one of the largest grants the federal government offers, slightly increased in terms of dollars the grant covered a smaller percent of the cost of college (McMahon, 2009). Baum and Ma (2014b) report:

> despite increasing by 12% in inflation-adjusted dollars over the decade [2004-2014], the maximum Pell Grant [$5,645] covered 79% of average public four-year tuition and fees in 2004-05, but only 63% in 2014-15. It covered 20% of average private nonprofit four-year tuition and fees in 2004-05, and 18% in 2014-15” (p. 3).

When taking into consideration inflation adjustments to the 2013 dollar, maximum Pell has declined from 1976 to 2013 -- $5,727 to $5,645 – and average Pell has slightly risen in the same time -- $3,105 to $3,678 (Baum & Ma, 2014b).

> Whereas many studies and policymakers explicitly focus on Pell, Pell was not the only program that experienced reductions in purchasing power; for example the Federal Work-Study program has also experienced real money declines since the 1990’s (Baum & Ma, 2014b; Dynarski & Scott-Clayton, 2013). Reductions in federal aid that do not require repayment has completely shifted from the initial funding paradigm of federal aid. Where in the HEA of 1965 loans were the smallest portion of the federal aid budget (Best & Best, 2014) by 2010 loans have become the single dominant allocation owning $70 billion of the $190 billion budget (Dynarski & Scott-Clayton, 2013). Over time, as grants and scholarships were stripped down, policymakers expanded the federal loan system to overcome the lost financial support; thus, creating an environment that pushed more people toward borrowing more money to attend higher education (Burdman, 2005; McMahon, 2009; Williams, 2004).
While the federal government reduced grants and aid programs, not associated to loans, state governments also adopted strategies to reduce their financial commitment to public universities. From 1980 to 2000, states have reduced their appropriations per full-time equivalent student from $7,000 to $6,200 in 2007 dollars (McMahon, 2009). State-level appropriations have long been in decline (Mortenson, 2004) with the average state appropriations per $1,000 in personal income slumping from $9.74 in 1989 to $5.45 in 2013 (Baum & Ma, 2014a). Since McMahon’s publication, Ma’s et al. (2015) research suggests that overall state appropriations have deteriorated from $92.3 billion in 2007-08 to $81.0 billion by 2014. Consistently diminishing state appropriations has had significant impacts on how public universities generate revenue – at the beginning of the millennium, 2002-03, state and local appropriations consisted of 47.8% of institutional revenue per full-time student in all levels of public institution. Yet, in 2012-13 this revenue stream dropped to just 34% of institutional revenue (Ma, et al., 2015). As a result, the average tuition and fee increases at public four-year institutions have overcome average annual increases for private nonprofit four-year institutions (Baum & Ma, 2014b; U.S. Government Accountability Office [GAO], 2014).

Although the financial connection between the states and public higher education institutions were once a strong bond, symbiotic one could say, the connection has clearly lost strength and public universities could now potentially be considered on the fringe or transitional zone between being a public or private institution (Toutkoushian, 2006). These appropriations reductions have encouraged public institutions to shift away from practices aligning to the public good paradigm (Alexander, 2011); thus, gravitating toward behaviors of academic capitalism - practices to generate university controlled revenue through enrolling more affluent students, exploring global markets, and the privatization of knowledge (Slaughter & Rhoades, 2004). This
more privatized managerial style truly became pay to play (or attend) as the model encourages institutions to “adopt market behaviors to make money in competitive settings as much as they can” (Valimaa, 2014, p. 48). This mode of operation influences institutions to raise tuition, and therefore, promote increased student loan debts (Alexander, 2011; Alexander, Harnisch, Hurley, Moran, 2010). As the federal government adopted privatized stances on federal aid, states’ actions in reducing financial support shifted the costs to students and families. The cost shifts suggest that state governments have also adopted privatized stances on higher education; even though the states significantly financially and socially benefit from increased college degrees (McMahon, 2009; Stiles, Hout, & Brady, 2012).

In combination, the concurrent reductions of non-repaid federal aid and state support to public universities have played important roles in expanding student loan debt loads. Contemporary higher education policies seem to be situated in a neoliberalism environment where both federal and state governments remove themselves from the process of funding the system while shifting costs onto individuals (Biebricher & Johnson, 2012; Slaughter & Rhoades, 2004), therefore firmly cementing higher education into the bedrock of a privatized good.

However, there are forces that may be moving higher education back towards the social good as debt-free college plans have spread throughout several states and are being adopted by the front-running, 2016 Democratic presidential nominees (Stratford, 2015). Time will tell if these policies are adopted by more states and whether or not these nominees are simply pandering.

Regardless of the proposed plans, the contemporary student loan system persists.

**The Contemporary Loan System – A Publically Owned Privatized Good**

The current structure of the federal loan system has undergone significant changes since HEA of 1965. Whereas the initial system placed the federal government as the entity who would
guarantee loans to private lenders, the contemporary system adopted through H.R. 3221 -- The Student Aid and Fiscal Responsibility Act of 2009-2010 [SAFRA] has positioned the federal government as both the guaranteeing entity and lender. Details of SAFRA are rather simple. First, the law removed the Federal Family Education Loan Program (FFEL), essentially halting governmental guarantees to private lenders. The removal of FFEL placed the Direct Loans, the system where the government is the lender, as the dominant source of federally funded loans. Secondly, SAFRA also modified the Perkins Loan, transitioning the Perkins to a direct loan (H.R. 3221, 2009). This policy shift has forced private banks and lenders to accept a much smaller footprint the student loan racket (Best & Best, 2014). The federal government now predominantly owns the loan system, thus becoming the possessor and collector of debt, as Friedman envisioned, while also retaining the stranglehold on a policy that Friedman (1955) discouraged. Now, with the government reportedly making billions in profit for the Treasury (Chingos, 2015; Congressional Budget Office, 2014) there is little incentive to curtail or moderate student borrowing (Quirk, 2012). While the incentive to moderate borrowing may not exist, policymakers have piecemealed various repayment options to help “ease” the repayment burden – however, these repayment options hold other negative consequences.

**Federally Provided Repayment Options**

With the federal government owning and collecting most new student loan debt, the government has greater autonomy in creating new repayment schemes. Right now, the federal government has eight primary repayment options: (1) standard repayment plan, (2) graduated repayment plan, (3) extended repayment plan, (4) income-based repayment plan [IBR], (5) pay as you earn repayment [PAYE], (6) income-contingent repayment plan, (7) income-sensitive repayment plan (US Federal Student Aid Office [FSA], 2015b), and the recently adopted
REPAYE (Carrns, 2015). There is also a special option for those who work in the public sector, the Public Service Loan Forgiveness. The first two options are mortgage-like repayment schemes while the others are income-based. Both options hold benefits and disadvantages, which will now be explored.

First, the standard repayment plan is a mortgage type repayment scheme. Under this plan, students’ debt is split into 120 (10 years) even payments. After 120 months, the student loan balance will be zero and students will be clear of the federal loan debt. The extended repayment plan is similar in structure to the standard loan, but the payments are extended to 25 years instead of held at ten years. After twenty-five years, if there happens to be a balance, the rest is forgiven; however unless the forgiveness is part of the Public Service Loan Forgiveness, the amount forgiven is taxable income. In order to qualify for the extended payment plan, a borrower must have more than $30,000 in federal loan debt (FSA, 2015b), which for many borrowers may not be a problem as this already over the average student loan debt (Kantrowitz, 2015). A major concern over fixed payment student loans are that this repayment scheme does not take into consideration negative socioeconomic and personal economic impacts, nor does this style of repayment favor those from lower SES, individuals with college degrees that produce lower-paid positions (Carlsson, 1970), and most people in their early career phases (Migali, 2006). Because the student loan system has profoundly grown and fixed payment schemes do not take into consideration negative national or personal economic impacts, the federal government has long been dealing with increasing default rates (Harrison, 1995; Edminston, Brooks, & Shepelwich, 2012; Williams, 2004). As one would assume, fixed-payment schemes are effective for borrowers who have low balances and higher incomes (Edminston, et al., 2012). Hillman (2014a) suggests that since students from lower SES are more likely to default on their
students loans, “federal financial aid policy may be favoring students who have privileges while sanctioning those who come from lower socioeconomic classes” (p. 190).

The other primary repayment schemes offered through the government are income-based in nature. There are various rules in place that determine borrowers’ eligibility for the various income-based repayment plans, but one of the most significant qualifiers is having a partial financial hardship for the IBR or the PAYE (FSA, 2015). Basically, financial hardships exist when the calculated payments under the standard ten-year plan are above 15% of discretionary income (Equal Justice Works, 2014) – discretionary income is income after taxes and necessity bills (e.g. transportation, mortgage/rent, food). Previous to 2015, borrowers were afforded different IBR plans based on when they borrowed; however, the newest IBR plan, the Revised Pay as You Earn [REPAYE] policy allows almost anyone who has federal direct loans to enroll, regardless of debt to income ratio. Under REPAYE, borrowers pay 10% of discretionary income and balances after 20 years were forgiven for those who did not go to graduate school, for those who attended graduate school the time is extended to 25 years (Carrns, 2015). REPAYE opens IBR plans up to many more borrowers; yet, the details of REPAYE close the separate filing loopholes that some married couples have utilized to only pay 10% of the individual’s income – not the joint income (Weissmann, 2015b).

While increasingly accessible, IBR repayment plans are wildly under-utilized (Hillman, 2013; 2014a). In 2012, only 1.5 million (of over 38 million) borrowers were enrolled in the IRB and income-contingent programs and many of those enrolled being automatically placed within the programs due to default (Nelson, 2012). Hillman (2013) has suggested that if the federal government encouraged more borrowers to enter into the income-based repayment plans, the government could “eliminate student loan default” and have a system that protects lower SES
and middle-class borrowers due to the allowance of flexibility for personal economic situations and catastrophic events such as recessions.

Unfortunately, income-based repayment schemes may not be popular to Americans due to the longer repayment which could limit the ability for major purchases (Hillman, 2014b). Nelson’s (2012) article also indicated that these plans may not be popular because people are unaware of the options and due to difficult to navigate websites and various “bureaucratic hoops.” Likely under-exploration of IBR may be a combination of Hillman’s and Nelson’s suggestions. Anecdotally, I have met several university and nonprofit employees who were unaware that income-based repayment options existed; let alone the public forgiveness piece they would likely be eligible for –therefore, awareness of options may also limit enrollments.

Although IBR options offer distinct benefits, there are some concerns over income-based systems. One critique is that a student with above average debt and low paying job could effectively pay the monthly payment and after years could only make minimal progress into the principal at which time the remaining debt would be forgiven. Best & Best (2014) implied that IBR would create, “no incentive for borrowers not to borrow as much as possible – because each additional dollar of debt will likely be forgiven” (p. 96). Yet, because for most that forgiven sum is taxable income (FinAid, 2015) the authors’ assessment may not be completely on-base. Johnstone (2009) also critiqued IBR repayment schemes, citing that while the monthly payments ease the burden for many, the forgiveness subsidy is problematic for various reasons. He also argued that IBR repayment does not save costs as the government needs to create processes and hire people to confirm salary and make adjustments to individual’s payments. Arguably, some of the issues Johnstone brings to light may have been avoided if the federal government had more closely aligned with Friedman’s (1955) theories on repayment – as Friedman argued
against forgiveness from what essentially would a career-long income-based tax for people who decided to go to college. Hillman (2013) countered such assertions by suggesting that since IBR would severely reduce default rates, the financial and human resources the government currently uses to reclaim delinquent and defaulted balances could be transitioned into the administrative processes that IBR would need – therefore negating several of Johnstone’s concerns.

Another concern with IBR programs is that a borrower while faithfully repaying as the federal government expects, may never touch the original principal borrowed (Taylor, 2013). Although, on the surface this policy seems like a loss for the government and taxpayers, often due to accruing interest many borrowers will still pay more than the original amount borrowed (Minsky, 2014). With IBR policies in place for quite some time now and the federal government still making considerable amounts of money (CBO, 2014), IBR policies may not be sapping much, if any, money away from the system. What may be most harmful about IBR policies is that while individuals are repaying their loans the balance may still grow and that growing debt is attached to their credit worthiness. Once the forgiveness threshold is met, these individuals will have a balance that are either moderately lower or higher than when they first entered the program – balances which are widely considered taxable income when they are forgiven.

Finally, IBR programs are not as dynamic as they may be marketed. Dynarski (2016) recently wrote about the flaws of having IBR policies use the previous years’ earnings as the gauge for the present years’ repayment expectations. Clearly, a program that does not take into consideration the present issues people face, like joblessness, may create a multitude of problems. To summarize, under IBR programs, one could be faithfully repaying the government under a rigid scheme but still have a balance grow and then upon forgiveness be stuck with a
taxable sum – which is sometimes more than the original balance. This begs the question: what behaviors does enrolling in IBR affect?

**Delinquencies**

Although default rates and monetary retrieval has been a longstanding concern of the student loan system (Best & Best, 2014), what has only recently gained traction is deeper research into delinquency rates and the effects thereof. Cunningham and Kienzl (2011) argues that delinquency needs more attention from scholars and policymakers because, “These borrowers face some of the same consequences as borrowers who default, but until now, the size and significance of this group have not been recognized or been part of the policy discussion about default prevention and financial literacy in general” (p. 04). Delinquency on federal student loans occur when a loan that is in repayment has not received a payment for at least 30 days. FSA (2014) has delinquency data available only for Direct Loans; in the 2014 fourth quarter 2.89 million borrowers owning $53.6 billion dollars are reported to be delinquent, which is 31% of all borrowers in current repayment and 21.7% of all dollars outstanding on loans currently in repayment in the Direct Loan system. A closer look at 90 day delinquency rates from the Federal Reserve Bank of New York [FRBNY] (2013) indicates that in the fourth quarter of 2012, each age group studied had delinquencies: (1) under 30: 8.9%, (2) 30-39: 12.1%, (3) 40-49: 16.1%, (4) 50-59: 12.2%, and (5) 60 and up: 12.5%.

Delinquencies are problematic because if the loans remain delinquent, then after 60 days the delinquency may affect credit worthiness (credit scores) and become part of a borrowers’ credit report; which holds long-term financial ramifications (Cunningham & Kienzl, 2011). FSA (2015b) data indicates that 1.25 million (43.3% of all delinquencies) borrowers are 31-90 days delinquent; tactlessly the data does not provide a deeper analysis separating 31-60 and 61-90-day
Delinquencies have been steadily rising, in 2004 only 20% of loans were delinquent whereas in 2012, 31% have become so (Desilver, 2014). Although research is still limited on delinquencies, Cunningham & Kienzl (2011) found 26% of all borrowers in their study had been delinquent, but used various methods to avoid default: deferment, forbearance, or resolving the payments and 15% of all borrowers in their study had transitioned from delinquency to default. In aggregate the report states, “41% percent of the borrowers faced the negative consequences of delinquency or default” (p. 5).

Delinquencies and defaults negatively affect individuals’ credit scores thus making it difficult to obtain major purchases (Cunningham & Kienzl, 2011) such as cars and houses - or may even preclude people from simply renting living space or obtaining access to utilities (FSA, 2015a). Furthermore, poor credit scores may be used by employers to disqualify candidates from job offers – as only 11 states currently have laws in place that limit the scope of the credit inquiry or eliminate the function altogether (National Conference of State Legislatures, 2014). Yi (2014) has found that those who borrow have higher debt loads are less likely to have mortgages and car loans; additionally, the difference in credit score for those who did not borrow is on average fifteen points higher. Beyond credit scores, defaulting on student loans has incredibly serious consequences: (1) the entire unpaid balance of the loan and interest are immediately due, (2) loss of deferment or forbearance options, (3) loss of financial aid options in the future, (4) tax returns may be withheld, (5) and wage garnishment (FSA, 2015b). Simply stated, those who have defaulted have little opportunity to overcome financial ramifications (Blumenstky, 2010). As mentioned there are repayment options such as IBR that negate defaults (Hillman, 2013), however since standard repayment is the initial plan all borrowers immediately
placed into upon entering repayment defaults persist as borrowers are generally unaware of their options (Bremer, 2014).

**Financial, Social, and Health-Related Problems Associated with SLD**

The FRBNY’s (2013) report on student loan debt indicates that at over $1 trillion dollars student loans are the only “consumer debt that has grown since the peak of consumer debt in 2008…. student loans have now eclipsed auto loans and credit cards, making student loan debt the largest form of consumer debt outside of mortgages.” Alarmingily, if growth trends continue student loan debt could top $2 trillion dollars in the next decade (Best & Best, 2014). Cleary, student loan debt has become peculiarly pervasive. In 2010, 19% of households in the United States held outstanding student loan debt and within households where the head of the house is the thirty-five years or younger, 40% own student loan debt (Fry, 2012).

Recent data from Kantrowtiz (2015), which examines those who earned a bachelor’s degree, suggests that both the balance and the percentage of students who own student loan debts have consistently risen from the early 1990’s. In 1992, the percentage of graduating students who owned debt was 45.5% and the average balance was $9,320 – whereas in 2014, the percentage who owned debt rose to 70.2% and the balance almost quadrupled to $35,051. Since the recession, the balances have steadily inclined. Fry (2014a) found that some of the recent largest increases in student loan debt have come from more affluent students -- 62% of graduates from upper-middle income and 50% of high-income families now graduate with student loan debt, a percentage that has doubled for both groups since the early 1990s. Although on average the debts appear to be relatively manageable, these averages totals are extraordinary misleading (Best & Best, 2014) because the debt may affect people grouped by earning classifications differently (Fry, 2012).
As debts have been increasing the average time to repay loans have become staggeringly long. The One Wisconsin Institute [OWI] found that the average to repay student loans depended on the level of the degree, being that the higher the degree the more time it took to repay the debts. Those with some college but no degree took an average of 17.2 years to repay student loan debt while those with a graduate degree repaid their debt in 23 years. OWI also found that the average monthly repayment ranged from $371 for those with some college but no degree to $653 for those with a graduate degree (Browne, 2013). Aligning with OWI’s research suggesting that graduate school is a rather costly endeavor, Kantrowitz’s (2012) research has found that 90% of those with six figures of debt attended graduate school. The increased debts associated to graduate school are becoming important as graduate school enrollment has generally been inclining since the Great Recession (National Center for Education Statistics, 2015), and in 2014 experienced record enrollments (Allum & Okahana, 2015).

**Work Life - During College and After Graduation**

A common misconception is that the recent college student generations are generally lazy or entitled. These misconceptions are problematic, because a clear majority of college students work (Davis, 2012; Perna, 2010; Stone, et al., 2012). Using data from the American Community Survey, Davis (2012) found that 72% of all college students are working, 20% were full-time and 52% were part-time. Another study suggests that 82% of students worked during the school year (36% full-time) and 90% worked during the summer and between semesters at school; still over 50% of respondents held student loan debt (Stone, et al., 2012). While working may help cover some college costs, increasing weekly hours worked negatively affects GPA (Scott-Clayton, 2011) and increases time-to-degree (Bound, Lovenheim, & Turner, 2010; Darolia, 2013). An increase in time-to-degree presents various problems; specifically, in regards to loans
because most are unsubsidized increasing time-to-degree likely increases debt loads, even if the student had not taken additional loans to fund the additional time.

Post-graduation young adults are still experiencing hardships. To be clear, young adults’ careers are being still affected from the fallout of the Great Recession of 2008 (Jacobe, 2013). The Institute for College Access & Success [ICAS] (2012) reported for 2011, unemployment rate for graduates was 8.8 percent, percentage of graduates working part-time or who quit searching for gainful employment was 19.1%, and 37.8% of young graduates reported they were working in positions that required no college degrees. From 2000 to 2011, the unemployment rate for those with a college degree who reside in metropolitan areas did not actually decline by much; however, labor force underutilization for those with an associate’s degree rose from roughly 6% to 24% and for those with a bachelor’s degree or higher rose from 9% to roughly 20% (Sum, et al., 2014). Furthermore, polling indicates that fewer young adults are working full-time as the percentage dropped from 47% in 2012 to 43.6% in 2013 (Jacobe, 2013). Even though the country has entered into an economic recovery phase, the younger adults’ economic and job growth continues to lag behind the established generations (Davis, Kimball & Gould, 2015; Furman, 2014).

While greater emphasis is placed on new graduate and young adults, they are not the only group affected by student loan debt and weak job prospects. Many college educated individuals are unable to find higher earning positions. In an attempt to breakdown the mythology of the low-wage worker, Cooper and Hall’s (2013) report suggest that the median age of a low-wage worker is 31 years and mostly female – 44% have some college training. Even adults who should be firmly cemented into career positions may not be. Additionally, even for those who may hold career positions, because of student loan debt and flattened wages, some individuals
are influenced to hold supplementary part-time jobs in addition to career positions (e.g. Netzley, 2012; Kennecke, 2014).

Savings, Credit, and Major Purchases

Obviously, for most the level of money one has is finite. If individuals are paying multiple hundreds (or even thousands) of dollars towards monthly student loan debt, there has to be less money for the traditional measures of financial health – savings, investments, and retirement. Within a study released via TIAA-CREF Institute, SLD emerged as a significant predictor of younger adults’ financial situation. In the study, 57% of the sample with student loan debt indicated they have no retirement plan. Of those who are “concerned” with the ability to repay their SLD, 61% indicated they have no retirement plan. Additionally found in the same study, student loan debt was a significant predictor in the inability for one to provide emergency funds (de Bassa Scheresberg, Lusardi, & Yakoboski, 2014). Generally, owning student loan debt has become a substantial baneful towards saving for retirement (Egoian, 2013; Elliott, Grinstein-Weiss, & Nam, 2013; Gale, Harris, Renaud, & Rodihan, 2014; Hiltonsmith, 2013).

In aggregate, previous and emerging research are seemingly suggesting that younger families with student loan debt have significantly less total wealth than those without the debt (Elliot, Lewis, & Johnson, 2014; Elliott & Lewis, 2014; Elliott & Nam, 2013; Fry, 2014b; Hiltonsmith, 2013). Notably, Fry’s (2014b) research indicates several troublesome financial trends. First amongst the college educated whose median household income was $57,941, those who had no student loan debt had accumulated an average net worth of $64,700, seven times more than those with loan debt whose net worth was just $8,700. Second, the overall debt load of those without student loan debt is $73,250 as compared to $137,010 for those with debt, a $63,851 difference. Third, the median total assets of those with student loan debt are $148,000 as
opposed to $197,000 for those without loan debt. Fourth, those with student loan debt have twice as high debt-to-household income ratios; those holding student loan debt hold 2:1 debt to income ratio whereas those without student loans held only 1:1. The income-to-debt ratio for those with loans has risen by 14% since 2007 whereas the ratio for those without loans declined by 20%. Even though, “younger households were outpacing their elders in total debt reduction,” student loan debt rose to levels past credit card debt circa 2009 negating progress in debt reductions (Fry, 2014b, p. 1). Finally, those with student loan debt were more likely to have vehicle loans and credit card debts. In aggregate, Fry’s findings paint a dark story about the student loan trap that is not often considered; student loans may lead borrowers to turn to accumulating more debts as they struggle to pay off student loans whereas their counterparts with the same median income are able to invest, save, contribute economically, and hold more manageable income-to-debt ratios.

Even if an individual is in repayment and paying consistently, as expected, large loan debts are rather problematic for major purchase as increased debt negatively affects credit scores. The higher debt-to-income ratio could make mortgages and car loans have high-interest rates or even make these types of credit unobtainable (Yi, 2014). Because of student loan debt almost 30% of borrowers have delayed buying a house (American Institute of Certified Public Accountants [AICPA], 2013). John Burns Consulting indicates that student loans are costing the housing industry over 400,000 transactions in 2014 totaling roughly $83 billion in sales. Additionally, the report suggests that households paying $750 or more per month to their student loans have essentially priced themselves out of the ability to obtain a house (Palacios & Wolf, 2014). If such conclusions are to be considered with the average monthly repayments found from OWI, then those with a graduate degree on average have nearly priced themselves out of
the housing market. Further signaling economic losses in the housing industry, OWI’s report concludes that:

For individuals reporting solid middle-class incomes of $50,000 to $75,000, those still paying off their student loans report home ownership rates 28% lower than those in the same income range who have already paid off their loans. In the $75,000 to $100,000 income range loan payers home ownership rates were 25% lower than non-payers” (Browne, 2013, p. 11-12).

OWI’s findings present another layer that shows how student loan debt is bleeding into the upper-middle income earners and sapping money away from the economy.

Housing is not the only major industry to experience loss; the automotive industry is also finding student loans problematic. AICPA (2013) found 40% of those with student loan debt did not upgrade to a newer car. Just as with many sectors found in America, the auto industry is slowly making a financial comeback as both new and used cars are once again in demand (National Automobile Dealers Association, 2014); yet, Fry’s (2013) research suggests that this growth precludes young adult involvement. In households that were classified as younger than 35, in 2007 44% of households held vehicle debt, whereas in 2010 only 32% held such debts; average vehicle debt also declined from $13,000 to $10,000. Additionally, the percentage of households who owned or leased at least one vehicle dropped from 73% to 66%, in the same era. Across all income levels those with student loan debt, if they buy a car they generally buy a used car. Browne (2013) indicates that student loan debt has been responsible for annual losses of $6.4 billion dollars in new car sales. These consistently increasing debts are having reverberating economic effects that we are only now beginning to understand.

**Effects on Marriage, Family Planning, and Health**

Another issue that student loan debt has been connected towards is the delay of marriages and children. Emerging research indicates that increased student loan debts play a significant role in determining how long individuals wait before getting married. Individuals with increased
debts tend to get married later than those without if they ever get married at all, as there is also a higher chance of not being married (Bozick & Estacion, 2014). The AICPA (2013) reports that 15% of borrowers have delayed marriage and 16% have delayed having children. Similarly, Stone, Van Horn, and Zukin (2012) found that 14% of borrowers within their study had delayed marriage. Recently, research had found that for every $10,000 individual borrows in loans, “decreases the probability of marriage by 7.6 percentage points for men and 6.9 percentage points for women” (Gicheva, 2013, p. 17). Curiously, the research on how student loans affect when younger adults have children and how many children is still lacking. However, one study that used the updated dataset from Gicheva’s research found mixed conclusions; Anderson (2013) found that “student loans are negatively correlated with the probability of having a child” (p. 18). Throughout the study’s discussion Anderson signals that individuals with higher levels of student loan debt may be seen as undesirable for both marriage and rearing children.

**Health and Stress**

There are long-standing lines of research that link personal debt to factors associated with health and stress – essentially, research indicates that the accumulation of debt is often linked to various mental disorders (Cooke, et al., 2004; Jenkins et al., 2008; Selenko & Batinic, 2011), increased self-reported levels of stress, and physical afflictions that may influence one’s self-reported health (Sweet, Nandi, Adam, & McDade, 2013). Recent studies have become more focused on the effects of how SLD affects these various health-related issues. These studies suggest there are strong links between amount of student loan debt and overall lowered health (Dugan, & Kafka, 2014; Sweet, el al., 2013; Richardson, Elliott, & Roberts, 2013). Other studies report diminished sleep (Walsemann, Ailshire, & Gee, 2016), increased mental afflictions (Walsemann, Gee, Gentile, 2015), and correlations with suicidal thoughts and attempts.
A recent report supported by Gallop suggest that when compared to those without student loan debt, individuals with student loan debt loads of over $50,000 have reported significantly lowered: (1) physical well-being, (2) sense of purpose, (3) community well-being, (4) and social well-being. Essentially the poll suggests that peoples’ overall wellbeing is completely, negatively affected (Dugan & Kafka, 2014).

The Development of Online Communities to Foster Civic Engagement

Overall, the first part of this literature review has outlined a brief history of the student loan system, touched upon various changes that moved aid from non-repayable awards of grants and scholarships towards increased reliance on loans, and detailed research that connects student loan debt towards various financial and social outcomes. In totality, student loan debt has become significantly pervasive across all social-economic statuses. Such pervasiveness and connections towards negative social, health and financial outcomes have likely promoted growth of self-help and politically oriented communities – groups where debtors can obtain advice, vent about their situations, share resources, and possibly grow into collaborative political action.

Yet, as Putnam (2000) and Wuthnow (1998) suggest, these groups may only be soapboxes to speak about one’s personal afflictions and then disengage with the group when additional pressures to engage are encouraged. This term has been coined, “Slacktivism.” Although Putnam (2000) did not explicitly use this terminology to explain his stance on these self-help groups and their inability to become significant political entities, the essence of slacktivism is evident in his assertions. Slacktivism is generally defined as, “low-risk, low-cost activity via social media whose purpose it so raise awareness, produce change, or grant satisfaction to the person engaged in the activity” (Rotman, et al., 2011, p. 821). Slacktivism may promote various issues that Putnam and Wuthnow suggest plague modern communities
such as: (1) promotion of fluidity, (2) is based on self-satisfaction, (3) requires a minimal level of effort, (4) and encourages a minimization of the overall group goals. Even before the wide proliferation of online communities, Putnam (2000) identified various concerns with activism and goal setting via social media, in that while communication style between individuals is more “frank” and these groups may never be able to develop commonly agreed upon goals or political action.

As online communities have grown since Putnam, so has research. The studies on links between engaging in online communities and civic engagement are mixed – some researchers suggest that engaging in online communities may influence civic engagement (Gil de Zuniga & Valenzuela, 2011; Gil de Zuniga, Jung, & Valenzuela, 2012; Lee & Hsich, 2013; Ognyanova, 2013). However, others align with Putnam – such as Rusciano (2014) who concluded online communities as a substitute for traditional community ties and interactions, “appears to fail in regard to civic participation” (p. 32). Regardless of whether or not online communities are acceptable replacements for the traditional community – the use of the internet and social media to build communities and support civic engagement is undoubtedly growing.

In order to progress past slacktivism and Putnam’s (2000) believes that these communities must focus on building trusting collaborations and relationships between members. Clearly, the members of these communities hold a widely joint interest regarding student loan debt, but there seems to be few sustainable relationships built and little trust in each other to act upon any collective goal. Stiglitz (2001; 2010; 2012) widely writes on the inability for Americans to build trust with each other; he suggests that the breakdown of community and interconnectedness to each other encourages the internalization of false assumptions about others
which then breaks down the opportunity to create collectivist goals and encourages the self-interested political behavior.

The self-interested behavior only breaks down communities as members may work against group interest to satisfy the self-interest – which because of faulty assumptions, asymmetrical information, and influences of others who belong to stronger communities (e.g. banks, government) – aligning with self-interests often works against both the groups’ interest and the individual’s self-interest (Stiglitz, 2012). One recent example of this type of behavior is found in a paper by Collier, et al. Via topic modeling and word prediction, the authors found a dominant narrative generally aligning to the “what_about” or “how_about” us (student loan debtors) mentality that prevented nearly 70% of commenters from pledging support to the nationally promoted debt-free community policy (Collier et al., In Review).

Collier’s et al. results indicate that individuals with debt wanted relief or forgiveness because of the negative impact the debt placed on their situations. If policies did not meet their needs, they showcased willingness to damn the next generation into the same situation. Curiously, people with SLD desired debt relief but will not support a plan that generally relieves debt. It is within these logical loopholes that Stiglitz (2012) shows how individualized self-interests actually only benefits those who are already benefiting from the system as currently constructed. These findings have influenced this study’s investigation into the how SLD affects political motives associated to the higher education social good and encouraged the development of two items that specifically explore who may migrate away from the perceived self-interest by accepting debt-free college policies before student loan debt is “fixed.”

In summation, student loan debt has become widely problematic and this debt affects various financial, social, and health-related outcomes. Yet, intensity of these effects is
understudied as it relates to varying degrees of debt. Because of these issues married with a perceived lack of attention to the problem, online communities are being created or are growing. However, due to the dearth of trust, deficiencies in truly understanding each other’s issues or needs, inability to build communities beyond the expectations of slacktivism, and absence of developing shared goals these online communities may only remain forums for self-help and possibly soapboxes to garnish personal satisfaction. Although individuals in these groups agree that student loan debt is harmful to their personal situations, in my personal observations, group members may not trust each other nor do they truly understand what is harmful and important to various factions within the online community. Possibly, if more light were shed on the differences and motivations between those with less debt and those with increased debt it could help these communities build better visions and create actionable political goals that may promote movement away from the self-interested political behavior.

Finally, in a wider context, exploration of differences between those with lower debt and higher debt is not often researched or widely published on yet. Often, the research community is focused on those with or without student loan debt – there is more work to be done regarding how the various levels of debts may promote or hinder various financial advantages as well as socio-cultural attitudes and behaviors. This research is one step in that direction. And while this research is focused on a specific group, the results and implications should have range beyond the studied sample.
CHAPTER 3
RESEARCH QUESTIONS AND METHODS

“I cannot afford to pay off my loan. There is always a loophole so I don’t qualify for a forgiveness program. This debt will hang over my head til I die. Last week I received a notice that my payment is tripling per month!!! College was the worst decision I have made in my life”
- 62, Female, White, $31K in SLD

This research explores the differences between those who are less indebted, meaning they own $40,000 or less in student loan debt, and those who are more indebted, ownership of over $40,000. In a recent analysis exploring excessive debt loads, Kantrowitz (2015) found that at graduation those with bachelor’s degrees own roughly $35,000. While this research includes some lower degree earners, one qualifier for entry to the survey was the acknowledgement that the participants had attempted a bachelor’s degree. The researcher decided that $40,000 would be a sufficient grouping mechanism because by the time manuscripts and articles come to print, according to Kantrowitz’s estimation; the average debt will be right at $40,000. Thusly, the group at $40,000 or below is often referred to as near-average student loan debt or the less indebted group.

Research Questions

1. Are there significant differences between those with balances at or below $40,000 and those with more than $40,000?
   a. Educational Variables
   b. Financial Behavior and Outcomes
   c. Family Planning Behaviors
   d. Health and Stress Related Outcomes and Behaviors
   e. Political Beliefs and Actions

2. What are the demographic and educational factors that led up to the level of debt each group possesses?

3. How do demographic factors, student loan debt, and earnings affect monthly savings?

4. Which demographic and financial factors influence ignoring health concerns and stress for each group?
5. Which demographic and financial factors influence support for debt-free college policies for each group?

6. Which demographic and financial factors influence movement along the higher education social good scale for each group?

7. What are the solutions that each group proposes to modify the student loan system?

Methodology

Survey Design Literature

To obtain data, this research utilized survey research. Use of surveys occurs in a wide range of situations where data is directly from individuals on their circumstances, feelings, and behaviors. Generally, surveys are useful if the instrument can prompt decent response rates and reliable responses (Fink, 2003; Fowler, 2009). While surveys are useful, Fowler (2009) suggests that before engaging in a special-purpose survey, which this is, that the information is not already available. As demonstrated in the literature review, data exists of various hardships and behaviors; however, there is no such publicly available database that combines the many variables this research proposes to study. Furthermore, a goal of this research is to collect data to create deeper profiles of borrowers, therefore justifying a special-purpose survey. With all surveys, there are benefits and limitations.

Various benefits and drawbacks exist in relying on surveys collect data for research. One advantage is that surveys are economical; surveys can be widely distributed with multiple people engaging in the instrument simultaneously (Fowler, 2009). The distribution method this survey utilized was an electronic, website-hosted process. With the expansion of computers and the internet in American homes, Census survey suggests that almost 72% of participants reported to have the internet in their homes (File, 2013); an electronic method of disbursement should theoretically reach participants across the nation and from varied backgrounds. An electronic
survey allows researchers the opportunity to encourage specific populations, such as interest-specific groups, to engage in the survey. Furthermore, electronic surveys are cost effective (Wright, 2006). The survey for this research is designed in Qualtrics and hosted through the University of Illinois, which was free-to-access for the primary investigator. The final advantage to this type of survey is that they are convenient for the participant (Fowler, 2009). This survey can be accessed at any time and has the option to save and continue. While there are various benefits with utilizing an electronic survey design, the disadvantages must be acknowledged and mitigated.

One disadvantage of using an electronic survey is that certain populations may not be represented (Wright, 2006). While the Census suggests that 72% of households may have internet access at home, more Caucasians and Asian-American households report having internet access at home than African-American and Hispanic households (File, 2013). However, while lower, both African-American and Hispanic households report over 50% have access to the home-based internet. However, because the research population is focused on well-educated and, generally, younger individuals the population’s features are appropriate for an electronic-based survey (Fowler, 2009).

A second disadvantage is that self-administered surveys do not have a researcher in the space to motivate participants to participate; therefore motivation to participate has to be more intrinsic (Fowler, 2009). Potentially, the topic and explanation for collecting the data for the purpose to suggest policy changes may elicit enough emotional response to mitigate this drawback. In addition to relying on emotional response, the researcher secured financial incentives. Overall, the researcher gained a $3,000 gift from his dissertation chair, to use for incentives. Each person who completed the survey was awarded five dollar amazon gift-cards
and the rest of the funds were used in a drawing – where a two people were awarded $250, five awarded $100, and ten awarded $50. Incentives are often an important aspect of survey research and have been found to increase survey response rates, including electronic-based designs- while also not affecting the quality of response (Singer & Ye, 2013).

Instrument

The survey was hosted online via Qualtrics through the University of Illinois at Urbana/Champaign. To unlock the survey, participants were prompted to provide a mailing address zip-code and report that they have been in repayment of student loan debt or at least one year. The first section captured various demographic details: (1) source participant found survey on, (2) age, (3) gender, (4) ethnicity, (5) highest level of education obtained, (6) marital status, (7) political faction, and (8) alignment according to a political spectrum.

The second section captured student loan debt data. Questions asked participants to self-report total amount of borrowed to finance college, present student loan debt balances, monthly SLD payments, rate of delinquency, and enrollment in federal repayment plans.

The third section collected personal employment and financial data. Questions asked participants yearly gross income, monthly take-home pay, sector of employment (e.g. private, government), personal contributions towards monthly savings, investments, and retirements. This section also captured total credit card debt, maximum credit limits, FICO scores, and engagement in taking a second job to repay student loan debt.

The fourth and fifth sections captured both undergraduate and graduate school variables such as being a first generation college student, institution they attended, years to earning the degree, in-state or out-of-state tuition, and weekly hours engaged in paid work.
The next section prompted participants to report by how many years their student loan debt has delayed buying a house, buying a new car, a binding union (e.g. marriage or civil union), and children – as well as if student loan debt has lowered the amount of children one wants to have. Then, the section transitions into reporting self-health and via 5-point Likert scales ask if student loan debt influences the participant to ignore personal health concerns. Finally, the section concludes by measuring stress. The stress scale beings with asking the participant to rate the overall level of stress that students loans bring to their daily life and then incorporates the four item Perceived Stress Scale – one question from this scale includes, “In the last month, how often have you felt that you were unable to control the important things in life?” (Cohen, Kamarck, & Mermelstein, 1983). The responses within this scale are determined by a 5 point Likert ranging from never to very often. While the original questions asked to gauge the stress of the previous month, the items in this survey were changed to, “Since graduating…”

The next section gauged alignment with the higher education social good scale. This section utilized 5 point Likert scales from Strongly Disagree (1) to Strongly Agree (5) to access support for various social good policies correlated towards higher education financing and whether or not these individuals would also be willing to pay more in taxes. The scale consisted of nine items – several examples include, “You believe there should be an Income Based Repayment system that all Americans are eligible for” and “You would be willing to pay more in taxes to support free tuition at public universities in America.” Additionally, this section gauges self-reported importance of student loan debt to voting habits, encourages participants to rank various issues to explore where student loan debt actually falls when compared to other issues one considers when politically engaging. Lastly, inspired by findings in Collier, et al. (In
Review), there are two questions that measure the self-interest of those with student loan debt as compared to debt-free college plans.

The final section has five prompts so participants can: (1) vent frustrations about the student loan system, (2) discuss how loans have either helped achieve or minimized the life-style they envisioned post-college, (3) describe any specific hardships they wish to discuss, (4) suggestions to fix the student loan program, and (5) a fully open ended prompt to let participants make any closing remarks about student loans.

Sample

The sample was a targeted sample. The researcher promoted the survey in several online student loan debt communities across Facebook, Reddit, Twitter, and LinkedIn. The researcher was able to build collaborative, trusting relationships with some of the administrators of the Facebook communities – who then also promoted participation in the survey and in select cases pinned the survey onto the top of the front-page of the group page. As part of the terms agreed upon for participation, because many members of these groups are highly distrustful of academics and researchers, the groups from which the sample is constructed of is to remain anonymous. Overwhelmingly the sample was collected via Facebook. Of the 399 surveys started, 64.4% \((n = 256)\) achieved full completion. However, the researcher noticed that if participants did not answer any of the qualitative questions – those surveys were marked as incomplete. After cleaning the database and exploring the missing data, the sample of this research consists of 293 participants.

The mean age of the sample is 35 years old, mostly consists of females \((65.5\%; \, n = 192)\), is predominantly White \((85.0\%; \, n = 250)\), and mostly engaged in a legally binding relationships \((54.3\%; \, n = 159)\). Regarding educational level 54.6% own graduate degrees \((n = 160)\) 36.5%,
own bachelors’ degrees \((n = 107)\), and 8.9% own below a bachelors \((n = 29)\). The mean student loan debt is $88,291 – 68.9% had over $40,000 in student loan debt \((n = 202)\) - and the mean yearly gross personal income ranges from $40,000 to $59,000. Along the political spectrum 55.3% \((n = 162)\) lean left, 32.4% claim to be moderate \((n = 95)\), and 12.3% lean right \((n = 36)\).

**Data Analysis**

All statistical data was analyzed using SPSS statistical software. In regards to the first question, to explore hypotheses that differences between the group that owns at $40,000 or below and over $40,000 in student loan debt exists, the independent sample t-test were conducted. This test is a robust test, meaning that there is little effect to the outcomes of the test with if the data violates normality data parameters and the sample is large. Previous research suggests that the sample should be over thirty (Pagano, 2004) – with nearly three-hundred participant the data should be robust enough to overcome the cases where it violates normality expectations. In regards to the remaining quantitative questions, multiple linear regressions are widely used to explore the relationships between a predictor variable and more than one explanatory variable. Multiple linear regression accounts for the association between each of the variables input into the model – this association allows researchers more fully understand if the different variables are significant factors in correlation towards explaining the predictor variable (Hoffman, 2010).

This research is focused on exploring which variables significantly influence the dependent variable – as such this research also treats Likert dependent variables as continuous. Currently, the statistics community – which includes quantitative social science researchers, is embroiled in debates regarding the appropriateness of using non-parametric tests to predict Likert scales and Likert items. As found in Wigley III (2013), “A number of researchers – most
notably, Carifio and Perla (2007); Likert (1932); and Likert, Roslow, and Murphy (1934) – have demonstrated that the practical outcome of using parametric statistics on Likert scale data is virtually the same as the results obtained when analyzing data using one or more alternative measurement methods” (p. 369).

In a blistering, and exciting – well exciting for a statistics debate – Norman (2010) ran several tests to explore the validity of utilizing non-parametric tests on Likert data and concluded that researchers could use these types of tests, “with small sample sizes, with unequal variances, and with non-normal distributions with no fear of ‘coming to the wrong conclusion.” (p. 631). Several years later, Murray (2013) tested Norman’s assumptions and concluded that Norman’s conclusions remain true. Because this research explicitly explores which variables influences movement in agreeableness and does not aim to place anyone into specific realms of agreeableness, treating Likert data as continuous is theoretically appropriate and the use of non-parametric tests is obviously appropriate with, as Norman stated, “empirical literature dating back nearly 80 years” (p. 631) supporting such actions. Below are the equations that correlates to each question asked:

Q2 - What are the demographic and educational factors that led up to the level of debt each group possesses?

\[ Y_{SLD\_CAT} = b_0 + b_1X_{(Age)} + b_2X_{(Gender)} + b_3X_{(Ethnicity)} + b_4X_{(Education\_Level)} + b_5X_{(Depend\_Independent)} + b_6X_{(First\_Gen)} + b_7X_{(UG\_School\_Sector)} + b_8X_{(Instate\_Outstate\_UG\_Tuition)} + b_9X_{(UG\_years\_to\_graduate\_cat)} + b_{10}X_{(UG\_Work\_Hours)} + b_{11}X_{(Graduate\_School\_Enrollment)} + b_{12}X_{(Delinquency)} \]

Q3 - How does demographic, student loan debt, and financial factors affect monthly savings?

\[ Y_{Savings\_Cat} = b_0 + b_1X_{(Age)} + b_2X_{(Gender)} + b_3X_{(Ethnicity)} + b_4X_{(Attached\_Single)} + b_5X_{(Education\_Level)} + b_6X_{(Delinquency)} + b_7X_{(Mort\_v\_IBR)} + b_8X_{(Yearly\_Gross)} + b_9X_{(Monthly\_Percent\_to\_SLD)} \]
Q4 - Which demographic and financial factors influence ignoring health concerns and stress for each group?

\[
Y_{(Ignore\_Health)} = b_0 + b_1 X_{(Age)} + b_2 X_{(Gender)} + b_3 X_{(Ethnicity)} + b_4 X_{(Attached\_Single)} + \\
               b_5 X_{(Education\_Level)} + b_6 X_{(SLD\_Cat)} + b_7 X_{(Delinquency)} + b_8 X_{(Mort\_v\_IBR)} + b_9 X_{(Yearly\_Gross)} + \\
               b_{10} X_{(Self\_Health)}
\]

\[
Y_{(Stress)} = b_0 + b_1 X_{(Age)} + b_2 X_{(Gender)} + b_3 X_{(Ethnicity)} + b_4 X_{(Attached\_Single)} + b_5 X_{(Education\_Level)} + \\
             b_6 X_{(SLD\_Cat)} + b_7 X_{(Delinquency)} + b_8 X_{(Mort\_v\_IBR)} + b_9 X_{(Yearly\_Gross)} + b_{10} X_{(Monthly\_Savings\_CAT)} + \\
             b_{11} X_{(Monthly\_Percent\_to\_SLD)} + b_{12} X_{(FICO\_Cat)} + b_{13} X_{(Self\_Health)} + b_{14} X_{(Ignore\_Health)}
\]

Q5 – Which demographic, financial, and belief factors influence support for debt-free college policies for each group?

\[
Y_{(What\_About\_SLD\_1)} = b_0 + b_1 X_{(Age)} + b_2 X_{(Gender)} + b_3 X_{(Ethnicity)} + b_4 X_{(Single\_Attached)} + \\
            b_5 X_{(Education\_Level)} + b_6 X_{(SLD\_Cat)} + b_7 X_{(Delinquency)} + b_8 X_{(Monthly\_Gross)} + b_9 X_{(Savings\_Cat)} + \\
            b_{10} X_{(Monthly\_Percent\_to\_SLD)} + b_{11} X_{(FICO\_Cat)} + b_{12} X_{(Ignore\_Health)} + b_{13} X_{(Lower\_Children)} + \\
            b_{14} X_{(Political\_Faction)} + b_{15} X_{(Stress\_Scale)}
\]

\[
Y_{(What\_About\_SLD\_2)} = b_0 + b_1 X_{(Age)} + b_2 X_{(Gender)} + b_3 X_{(Ethnicity)} + b_4 X_{(Single\_Attached)} + \\
             b_5 X_{(Education\_Level)} + b_6 X_{(SLD\_Cat)} + b_7 X_{(Delinquency)} + b_8 X_{(Monthly\_Gross)} + b_9 X_{(Monthly\_Savings\_CAT)} + \\
             b_{10} X_{(Monthly\_Percent\_to\_SLD)} + b_{11} X_{(FICO\_Cat)} + b_{12} X_{(Ignore\_Health)} + b_{13} X_{(Lower\_Children)} + \\
             b_{14} X_{(Political\_Faction)} + b_{15} X_{(Stress\_Scale)}
\]

Q6 - Which demographic and financial factors influence movement along the higher education social good scale for each group?

\[
Y_{(HE\_Social\_Good\_Scale)} = b_0 + b_1 X_{(Age)} + b_2 X_{(Ethnicity)} + b_3 X_{(Single\_Attached)} + b_4 X_{(Education\_Level)} + \\
                  b_5 X_{(SLD\_CAT)} + b_6 X_{(Delinquency)} + b_7 X_{(Yearly\_Gross)} + b_8 X_{(Savings\_CAT)} + b_9 X_{(Monthly\_Percent\_to\_SLD)} + \\
                  b_{10} X_{(FICO)} + b_{11} X_{(Ignore\_Health)} + b_{12} X_{(Lower\_Children)} + b_{13} X_{(Self\_Health)} + b_{14} X_{(Social\_V\_Private)} + \\
                  b_{15} X_{(Political\_Spectrum)}
\]

To explore themes connected to the final question, thematic coding was used to compare and contrast emerged themes. Thematic coding is often used to explore the topics found within qualitative statements. Before thematic coding, Braun and Clarke (2006) suggest that researchers must make several decisions about coding the data. Because the question assumes differences in solutions between the less and more indebted group, a deductive approach was
decided upon. The question analyzed specifically asks participants to, “What are your suggestions to fix the issue?” Analysis for this question began by dividing the comments along the group debt ranges. After this process, the research analyzed each comment for thematic indicators (e.g. forgiveness, interest rate reduction). First, the researcher identified semantic indicators – essentially clearly written opinions that expressed forgiveness, bankruptcy protection, etc. Next, latent indicators – hidden themes – were explored. For example, when individuals referenced “refinancing” options they are suggesting that interest rates should be lowered. Lastly to compare and contrast, the researcher documented frequency of theme. As this study is interested in illuminating shared experiences and beliefs as well as exploring the differences in situations and opinions, collecting data on the proposed solutions was paramount towards helping these communities create shared goals.
CHAPTER 4

FINDINGS

“About 1/4th of my monthly income goes into paying student loans. I don’t have enough money for a car. My credit score is bad enough that I can’t get a credit limit increase on the one card I do have, much less something like a mortgage. I can’t save for emergencies, retirement or anything else because all that money goes towards student loans. My dream is not to live paycheck-to-paycheck” – 27, Female, White, 67K in SLD.

The findings first explore differences between those with $40,000 and below and those with more than $40,000 in debt. Next investigated are the findings associated with linear regressions – for both groups a linear regression was conducted to explore which independent variables influence the dependent variable. The last piece of this chapter highlights and examines the solutions found from qualitative responses.

The Differences between Those with Less Debt and Those with More

Educational Variables. Inferential statistics indicates that only two educational variables examined in this research emerged as significantly different between the two groups. The first is educational level, those with lower debt held lower educational attainment ($M = 5.25, SD = 1.04$) than those with higher debt ($M = 6.03, SD = 1.15$), $t(291) = -5.51, p = .001$. The mean educational attainment for the group with lower debt was a bachelor’s degree, while the mean educational attainment for the group with more debt was master’s degree. The next significant factor was enrollment in graduate school. The less indebted reported lowered enrollment ($M = .469, SD = .572$) than those with increased debt ($M = .679, SD = .691$), $t(266) = -2.40, p = .017$. The distinction between educational level and enrollment in graduate school was made because some who enroll into graduate school may not earn graduate degrees; hence, the two variables are measuring two separate responses. Here the group with lower debt indicated they generally did not enroll in graduate school where the other group did.
The following variables are found to be not statically significant when comparing the two groups: dependent versus independent filer, first generation student, undergraduate school sector, in-state versus out-of-state tuition, undergraduate years to graduate category, and undergraduate weekly work hours. While not significantly different as compared to each other, it should be noted that this data indicates that the average time to earn an undergraduate degree is between four to five years and that the average hours that individuals in this sample engaged in weekly work was nearly twenty hours. Therefore, the sample reported to be graduating on time and working the equivalent of part-time jobs.

Table 1

*Educational Differences between Balances at $40,000 or Below and Those Above*

<table>
<thead>
<tr>
<th>Variable</th>
<th>At $40,000 or Below</th>
<th>Above $40,000</th>
<th>Independent t-Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Education Level</td>
<td>91</td>
<td>5.25</td>
<td>1.04</td>
</tr>
<tr>
<td>Dependent v. Independent Filer</td>
<td>74</td>
<td>.676</td>
<td>.0471</td>
</tr>
<tr>
<td>First Generation</td>
<td>82</td>
<td>.573</td>
<td>.498</td>
</tr>
<tr>
<td>UG School Sector</td>
<td>82</td>
<td>1.54</td>
<td>.652</td>
</tr>
<tr>
<td>UG – In-State v. Out-State Tuition</td>
<td>79</td>
<td>.810</td>
<td>.395</td>
</tr>
<tr>
<td>UG Years to Graduate CAT</td>
<td>91</td>
<td>2.23</td>
<td>.927</td>
</tr>
<tr>
<td>UG Work Hours</td>
<td>91</td>
<td>20.1</td>
<td>11.7</td>
</tr>
<tr>
<td>Graduate School Enrollment</td>
<td>81</td>
<td>.469</td>
<td>.572</td>
</tr>
</tbody>
</table>

*p ≤ .05, **p ≤ .001

Financial Variables. When comparing the two groups’ financial situations, many significant differences were uncovered. First, differences in yearly gross earnings emerged. The less indebted group \((M = 3.81, SD = 1.66)\) reported to be in a lower earning category than the more indebted group \((M = 4.40, SD = 1.73), t(291) = -2.69, p = .008.\) The mean income for the less indebted group ranged from $25,000 to $39,999 whereas the mean income for the most indebted group ranged from $40,000 to $54,000. Although those with lower debts tended to
make less money, they reported per month being able to save more money \((M = 3.29, SD = 1.82)\) than the group with higher debt \((M = 2.82, SD = 1.77)\), \(t(291) = 2.08, p = .039\). The mean savings per month for those with less debt was between $50 and $99 dollars and the mean savings per month for those with higher debt was between $20 and $49 dollars. As a percent of monthly income that goes to savings, again, significant differences emerged between the less indebted \((M = .109, SD = .156)\) and the more \((M = .065, SD = .113)\), \(t(290) = 2.72, p = .007\).

No differences were found between the groups in regards to investments or monthly income used for investments. For both groups investing is not a function most engaged in as the mean category was between $0-20 per month. Of the total sample 232 (79%) claimed to put zero money towards monthly investments.

Regarding retirement, no differences were found in the category of money saved per month for retirement. For both groups, the mean monthly savings for retirement ranged from $50 to $99. However, significant differences emerged in the percentage of monthly income put aside for retirement. The less indebted \((M = .078, SD = .121)\) claimed to place a larger percentage of their monthly income towards retirement, than did the more indebted \((M = .055, SD = .074)\), \(t(284) = 1.99, p = .048\).

Also found, while those with less debt and generally lower degrees make less money they also paid significantly less of a percentage of their monthly income towards SLD \((M = .118, SD = .101)\) as compared the group with more SLD \((M = .263, SD = .280)\), \(t(291) = -4.83, p = .001\). The less indebted group is paying on average nearly 12% of their monthly take-home income whereas the more indebted is paying 26% - mind you this is not discretionary income.

The less indebted group’s \((M = .215, SD = .257)\) credit card debt as maximum percentage of credit limits was significantly lower than the more indebted group \((M = .470, SD = 1.14)\),
\[ t(291) = -2.11, p = .036. \] Furthermore, the less indebted group \((M = 4.44, SD = 1.41)\) belonged to higher FICO score categories than the more indebted \((M = 3.99, SD = 1.62)\), \[ t(291) = 2.30, p = .022. \] The less indebted group’s mean FICO score ranged from 660-699 whereas the more indebted mean ranged from 620-659. The final significant difference that emerged is in the comparison is the ownership of a second job to repay SLD. The more indebted group \((M = .321, SD = .468)\) reported to engage in a second job than the less indebted group \((M = .161, SD = .370)\), \[ t(275) = -2.81, p = .005. \] Finally, of noteworthiness, no significant differences exist in delinquency as both groups claimed to generally pay their SLD on time.

Table 2

| Financial Differences between Balances at $40,000 or Below and Those Above |
|---|---|---|---|---|---|---|---|---|
| Variable | At $40,000 or Below | Above $40,000 | Independent t-Test |
| Yearly Gross CAT | 91 | 3.81 | 1.66 | 202 | 4.40 | 1.73 | -2.69 | 291 | .008* |
| Monthly Savings CAT | 91 | 3.29 | 1.82 | 202 | 2.82 | 1.77 | 2.08 | 291 | .039* |
| Percent of Monthly Income to Savings | 91 | .109 | .156 | 201 | .065 | .113 | 2.72 | 290 | .007* |
| Monthly Investment CAT | 91 | 1.43 | 1.06 | 202 | 1.42 | .990 | .100 | 291 | .920 |
| Percent of Monthly Income to Investment | 89 | .067 | .459 | 197 | .016 | .067 | 1.53 | 284 | .128 |
| Monthly Retirement CAT | 89 | .078 | .121 | 197 | .055 | .074 | 1.99 | 284 | .048* |
| Percent of Monthly Income to Retirement | 78 | .118 | .101 | 202 | .263 | .280 | -4.83 | 291 | .001** |
| Percent of Monthly Income to SLD | 91 | .215 | .257 | 202 | .470 | 1.14 | -2.11 | 291 | .036* |
| Percent of Max Credit | 91 | 4.44 | 1.41 | 202 | 3.99 | 1.62 | 2.30 | 291 | .022* |
| FICO Score CAT | 78 | .474 | .503 | 176 | .528 | .501 | -0.079 | 252 | .429 |
| Mortgage v. IBR Enrollment | 87 | 1.58 | 1.07 | 190 | 1.32 | .468 | -2.81 | 275 | .005* |
| SLD Repayment Delinquency | 87 | .116 | .370 | 190 | 1.32 | .468 | -2.81 | 275 | .005* |

*\( p \leq .05, **p \leq .001 \)

**Major Purchases and Family Planning.** The comparison between groups suggests there are significant differences in the belief that SLD has lowered the amount of children they
desired to have. Those with lower SLD reported lesser agreement in the belief that SLD has lowered the number of children ($M = 2.85, SD = 1.32$) than the group with more ($M = 3.20, SD = 1.36$), $t(291) = -2.05, p = .041$. Even though no significant differences exist in the other variables measured, several trends are notable. For the full sample, the average housing delay was almost seven and a half years, car delay was over four years, marriage delay nearly was two and a half years, and delay of children was on average three years. Additionally, both groups indicated the belief that they are unwilling to assume the responsibility of a parent plus loan to help their children to attend college.

Table 3

<table>
<thead>
<tr>
<th>Variable</th>
<th>At $40,000 or Below</th>
<th>Above $40,000</th>
<th>Independent t-Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Delay (Years)</td>
<td>91</td>
<td>7.37</td>
<td>5.83</td>
</tr>
<tr>
<td>Car Delay (Years)</td>
<td>91</td>
<td>4.09</td>
<td>2.46</td>
</tr>
<tr>
<td>Marriage Delay (Years)</td>
<td>91</td>
<td>2.10</td>
<td>2.11</td>
</tr>
<tr>
<td>Children Delay (Years)</td>
<td>91</td>
<td>3.11</td>
<td>3.28</td>
</tr>
<tr>
<td>Lowered Amount of Children</td>
<td>91</td>
<td>2.85</td>
<td>1.32</td>
</tr>
<tr>
<td>Parent Plus Loan</td>
<td>91</td>
<td>2.26</td>
<td>1.20</td>
</tr>
</tbody>
</table>

*p ≤ .05, **p ≤ .001

**Health and Stress.** Self-Health was not significantly different between the groups – as both groups rate their health between “good” and “very good.” However, significant differences emerged in how SLD influences ignoring personal health concerns and in levels of stress. Those with lower debt generally disagreed that SLD encourages them to ignore personal health concerns ($M = 2.57, SD = 1.30$), whereas those with higher debts reported a higher agreement to the action ($M = 3.01, SD = 1.26$), $t(291) = -2.78, p = .006$. Additionally, those with less SLD reported statistically significantly less stress ($M = 2.51, SD = 1.03$) than those with more SLD ($M = 2.86, SD = .606$), $t(291) = -3.65, p = .001$.  

### Table 4

**Health and Stress**

<table>
<thead>
<tr>
<th>Variable</th>
<th>At $40,000 or Below</th>
<th>Above $40,000</th>
<th>Independent t-Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Self-Health</td>
<td>91</td>
<td>3.75</td>
<td>.859</td>
</tr>
<tr>
<td>Ignore Health</td>
<td>91</td>
<td>2.57</td>
<td>1.30</td>
</tr>
<tr>
<td>Stress</td>
<td>91</td>
<td>2.51</td>
<td>1.03</td>
</tr>
</tbody>
</table>

*p ≤ .05, **p ≤ .001

**Political Views, Alignment to Higher Education Social Good Scale, and What About Student Loan Debt Attitudes.** First, there were notable differences in the Higher Education Social Good Scale developed for this study. Whereas both groups tended to lean towards the social good, difference were found between the groups in how aligned they were – the less indebted ($M = 3.57, SD = .426$) were less aligned the social good than was the more indebted ($M = 3.78, SD = .455$), $t(291) = -3.77, p = .001$. Also found were differences in the levels of importance that SLD holds on voting habits. The less indebted reported that SLD had less of an impact on voting habits ($M = 3.23, SD = 1.04$) than those with higher SLD ($M = 3.75, SD = .920$), $t(291) = -4.36, p = .001$. Furthermore, SLD as a voting issue was significantly less important to the less indebted group ($M = 4.59, SD = 2.09$) than it is for the more indebted group ($M = 2.86, SD = 2.02$), $t(201) = 5.77, p = .000$. SLD was the only issue that was found to be statistically different between the groups. According to the means, the rank of issues for the less indebted group was as follows: (1) economy, (2) social issues (e.g. gay marriage, abortion), (3) jobs, (4) foreign policy, (5) SLD, (6) social security, (7) military spending, and (8) taxes. For the more indebted group the issues were ranked as: (1) economy, (2) SLD, (3) jobs, (4) social issues, (5) foreign policy, (6) social security, (7) taxes, and (8) military spending.

This research also discovered statistical differences in the question that asked, “Until policymakers address the student loan debt that affects your generation, you refuse to support
plans that provide free or heavily reduced tuition for public institutions” – a question labeled as What About SLD(1). Those with lower debt reported higher agreement ($M = 3.38$, $SD = .837$) whereas those with higher debt reported statistically significant lower agreement with the statement ($M = 3.14$, $SD = .903$), $t(291) = 2.18$, $p = .030$. No significant differences were discovered regarding the SLD(2) question, “The government must first focus on student loan debt issues before they create programs that allow students to enroll in higher education for free.” And both groups tended to lean towards agreeing with this statement. Finally, no significant differences were uncovered in political faction, political spectrum alignment, and the belief that higher education is more of a social or private good.

Table 5

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*p ≤ .05, **p ≤ .001

**Predictive Factors that Influence Debt, Behaviors, and Beliefs**

Demographic and Educational Factors that Contributed to SLD. The model for those with lower debt is not significant and no variables were found significant. However, for the group with higher debt gender ($p = .005$) was correlated toward having less debt. Whereas increases in years to undergraduate degree ($p = .004$) and self-reported educational levels ($p = .000$) were positively correlated towards higher levels of debt.
### Table 6

**Movement Along SLD Category**

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*\(p \leq .05\), **\(p \leq .001\)

**Factors that Influence Monthly Savings.** Regarding savings – divorced of investment and retirement, both regression models were significant. For the less indebted group, gender \((p = .013)\) emerged as a significant predictor. Being female was negatively correlated with savings whereas increases in education level were positively correlated. And increases in education level \((p = .035)\) was a positive correlation.
For the more indebted group six variables were found significant. Being non-White ($p = .047$), increases in educational level ($p = .027$), and increases in yearly gross income ($p = .019$) were positively correlated. While gaining in age ($p = .004$), increases in delinquencies in repaying SLD ($p = .016$), and increases in percentage of monthly income to SLD ($p = .025$) were negatively correlated with being savings.

*Table 7*

*Monthly Savings*

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*p ≤ .05, **p ≤ .001

**Factors that Influence Health and Stress.** First explored were significant factors in determining alignment with agreeableness that SLD encourages people to ignore health concerns. For both groups, the models are deemed significant. For the less indebted, the only variable that rose to significance was gender ($p = .031$) – suggesting that being female was
positively correlated towards ignoring health concerns. The model for the more indebted group was also significant. The regression suggested that enrollment in IBR programs \((p = .049)\) was positively correlated in agreeableness whereas increases in self-health \((p = .002)\) was negatively correlated with agreeableness.

*Table 8*

*Factors in Ignoring Health*

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\(^{*p \leq .05, \ **p \leq .001\)}

\`Next explored were factors that contribute to levels of stress. The model for the less indebted suggested that SLD category \((p = .000)\) and agreeableness that SLD influences ignoring health concerns \((p = .006)\) hold positive correlations toward increasing stress. The model for the more indebted group was not significant – however, four variables rose to significance. Being
married \( (p = .041) \), increases in SLD category \( (p = .025) \) and in savings category \( (p = .012) \) were all negatively correlated with levels of stress. Ignoring health \( (p = .041) \) was the only significant predictor that held positive correlation with levels of stress.

Table 9

Factors that Affect Stress Levels

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| **Over $40,000 in SLD*** |      |      |             |      |       |    |      |      |
| Constant                 | 2.722| .447 | 6.09        | .000 |       |    |      |      |
| Age                      | -.002| .006 | -.024       | -.288| .773  |    |      |      |
| Gender                   | -.122| .098 | -.100       | -1.24| .215  |    |      |      |
| Ethnicity                | .028 | .122 | .017        | .228 | .820  |    |      |      |
| Single_Attached          | -.192| .093 | -.161       | -2.03| .041* |    |      |      |
| Edu_Level                | .068 | .050 | .131        | 1.36 | .175  |    |      |      |
| SLD_CAT                  | -.088| .039 | -.198       | -2.26| .025* |    |      |      |
| Delinquency              | -.021| .049 | -.035       | -.434| .665  |    |      |      |
| Mortgage_IBR             | .010 | .094 | .009        | .108 | .914  |    |      |      |
| Yearly_Gross             | .054 | .033 | .160        | 1.64 | .102  |    |      |      |
| Savings_CAT              | -.077| .030 | -.225       | -2.55| .012* |    |      |      |
| Percent_To_SLD_Monthly   | .098 | .193 | .042        | .508 | .612  |    |      |      |
| FICO_Category            | .024 | .033 | .064        | .732 | .465  |    |      |      |
| Self Health              | .054 | .062 | .077        | .871 | .385  |    |      |      |
| Ignore Health            | .082 | .040 | .170        | 2.06 | .041* |    |      |      |

*p \leq .05, **p \leq .001
What About SLD? Regarding the question SLD(1), “Until policymakers address the student loan debt that affects your generation, you refuse to support plans that provide free or heavily reduced tuition for public institutions,” the model for the less indebted was insignificant while the model for the more indebted was significant. Although the less indebted model was insignificant, two variables emerged as significant. Movement up the stress scale ($p = .046$) was positively correlated to agreement and increased agreeableness that SLD had lowered the amount of children ($p = .024$) was negatively correlated towards agreement. For the more indebted group, higher FICO score categories ($p = .005$) owned positive correlation with agreeableness whereas agreeableness in the belief that student loan debt had lowered the amount of children ($p = .010$) was negatively correlated.
Table 10

What About SLD(1)

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*p ≤ .05, **p ≤ .001

Next, examination of SLD(2), “The government must first focus on student loan debt issues before they create programs that allow students to enroll in higher education for free,” the model for the less indebted was insignificant but the model for the more indebted was
significant. Although the first model was insignificant, three variables were reported to be significant: education level ($p = .024$), delinquency ($p = .048$), and agreeableness that SLD encouraged ignoring health ($p = .048$) – all variables were positively correlated. The only significant variable in the more indebted model was the belief that student loan debt had lowered the amount of children ($p = .037$) – which was positively correlated.

Table 11

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| **Over $40,000 in SLD** |      |         |         |       |       | 201  | 1.82| .043*|
| Constant              | 3.34 | .571    | 5.89    | .000  |       |      |     |     |
| Age                  | .006 | .007    | .067    | .863  | .389  |      |     |     |
| Eth_Dummy            | .132 | .171    | .055    | .770  | .442  |      |     |     |
| Single_Attached      | -.089| .131    | -.050   | -.685 | .494  |      |     |     |
| Edu_Level             | -.021| .068    | -.027   | -.313 | .755  |      |     |     |
| SLD_CAT              | -.018| .052    | -.027   | -.342 | .733  |      |     |     |
| Delinquency          | .042 | .055    | .055    | .769  | .443  |      |     |     |
| Yearly_Gross         | -.018| .045    | -.035   | -.398 | .691  |      |     |     |
| Savings_CAT          | -.020| .041    | -.040   | -.493 | .623  |      |     |     |
| Percent_To_SLD_Monthly | -1.01 | .238    | -.032   | -.422 | .673  |      |     |     |
| FICO_Category        | -.053| .043    | -.096   | -.124 | .219  |      |     |     |
| Ignore_Health        | .101 | .055    | .143    | 1.84  | .068  |      |     |     |
| Lower_Children       | .103 | .049    | .157    | 2.08  | .037* |      |     |     |
| Political_Faction    | .028 | .043    | .047    | .647  | .518  |      |     |     |

*p ≤ .05, **p ≤ .001
Movement along the Higher Education Social Good Scale. For both groups, the models were statistically significant. Regarding the less indebted, two variables were found to be significant. The more aligned the group was in the belief that higher education was a social good \((p = .000)\) the higher they placed in this scale. However, placement on the political spectrum \((p = .019)\) also influenced movement along this scale – the more one moved ideologically right, the lower they placed on the scale. For the more indebted, seven variables were found significant. Two variables held negative correlations movement towards conservative ideologies along the political spectrum \((p = .000)\) and increases in yearly gross categories \((p = .050)\). On the other hand, increases in age \((p = .004)\), not being white \((p = .022)\), increases in SLD \((p = .000)\), increased agreeableness that SLD has lowered the amount of desired children \((p = .013)\), and agreeableness that higher education is more of a social good than a private one \((p = .000)\) were all positively correlated with movement up the social good scale.
Table 12

Movement in the HE Social Good Scale

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<td>.000**</td>
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*p ≤ .05, **p ≤ .001

Participants’ Proposed Solutions
**Less Indebted Group Solutions.** For this group there were sixty-four responses that provided solutions. Overwhelmingly, the top solution for the less indebted group connected with modification of interest rates. Sixteen respondents voiced frustration with interest rates being too high and was seemingly angry over the unfair treatment of borrowers, several examples include:

Lower the interest rate. There companies are making millions upon millions of dollars off the interest, I some weeks I can't afford groceries… – 31, Female, White, $15K in SLD

At the very least cut the interest rates NOW! I’m at 8%. That is ridiculous. Take what I have paid over the years and wipe out the debt. I have paid my debt, now I'm just paying the compound interest. – 41, Female, White, $21K in SLD.

Reverse the race to restore the gilded age and the disappearance of the middle class by adequately funding state universities. Allow student loan interest rates to operate at or below credit market rates as opposed to inflating rates to subsidize programs like national debt retirement. – 60, Male, White, $32K in SLD.

My student loans were originally 8.25% which means most of the money went to interest. I will have repaid my loan simply in the interest I repay. – 62, Female, White, $31K in SLD.

The last quote is aligned with common lamentation across both lower and higher indebted groups and appears to be a source of notable frustration as the thought of repaying considerably more than they borrowed was deemed unfair. These individuals were not suggesting in not repaying the system, they were often simply indicating that they believe they are paying too much and because of the compounding interest their lives have been more negatively affected than they predicted. Furthermore, beyond these examples, some respondents have grown frustrated with student loan interest being considerably higher than their mortgages and car loans.

The second most cited solution of this group was to have the government enforce some austerity measures on college costs. In various forms, fourteen comments agreed that college costs were problematic and should garnish the attention of the government. While identifying college costs as a problem, these comments were non-specific on how to achieve cost-saving solutions or what exactly the government could do to enforce such measures. Although solutions
were not presented, there was a sense that the colleges were unfair players and not incentivized to be fair to the students:

Control tuition costs, universities are cash hogs and wasteful. Give students virtually unlimited credit and of course these institutions will take it. – 31, Male, White, $2K in SLD.

Tuition and fees need to cost less, and there needs to be more oversight for what public universities charge…However, the solution is not free education for everyone, so that taxpayers can fund numerous degrees in underwater basket weaving. People should have to contribute to their education, and people that go to college do get a return on their investment. However, the cost currently outweighs the benefits. – 31, Female, White, $2K in SLD.

If colleges are making millions in profits then it makes absolutely NO sense that tuition continues to rise! All a college degree is now is a status symbol that the rich can brag about or for those of use who have buried our lives in debt for have to slave away at a job just to make ends meet! - 30, Female, White, $32K in SLD.

Widely, these individuals hold beliefs that colleges are making obscene amounts of money and most of that “profit” as it were comes from tuition and fees. These beliefs were not limited to any specific institutional type as public, private, and for-profit institutions were all sources of focused ire.

The final, noteworthy solution for this group was the desire for more intensive education on loans and more clear language on the promissory notes. Nine responses made references along this theme. Here, people had wished there were better mechanisms to more fully explain the terms of the agreement – including the repayment options available, as well as other options such as military enrollment. People whose responses fell within this theme also felt that financial aid personnel were not honest about the loans and glazed over the details of the debt by using rhetoric that encourages an investment of the future and assurances that participants would obviously be able to repay the debts after school. Furthermore, when in process of repaying the debts people were confused on which company owned the loan, which website they have to log
in to pay, and who is eligible for which repayment options. Several examples of this theme include:

There needs to be better pre-loan counselling. People need to understand the risk and the reality. – 30, Female, White, $30K in SLD.

Better fiscal education on the part of the borrowers, and perhaps more truth in lending on the part of the lenders. I do not believe that requiring a borrower to sit down and read some lengthy document is the solution, nor is clicking through an online pdf file. True fiscal counseling, while labor intensive, is probably the best solution, because it will allow the borrower to HEAR the words - you are responsible for this debt. Period. – 55, Female, White, $27K in SLD.

Essentially, these comments touch upon the existence of asymmetrical information – being information in where one party or group holds superior information over the other. Existence of asymmetrical creates imbalance in transactions and reduces individuals’ chances of making more rational decisions; thus, they are more easily taken advantage (Stiglitz, 2001).

Regarding student loans financial aid officers, colleges, and the government all hold superior advantages and the information presented to individuals. One tactic of employing asymmetrical information is when college representatives use idealizations that the debt will not be a problem because the institution will help individuals will find good jobs to easily repay the debts. Many comments discussed how the intuitions made it seem easy to take money out and then repay it and of the many promises that colleges made to assist post-graduation. In the eyes of some of these individuals representatives just made empty promises and in some cases fraudulent statements, “Job placement was promised but not provided” – 26, Female, White, $19K in SLD and “However, I was told that this school (Wyotech in Fremont, CA) was accredited. That was a lie.” – 30, Male, Unknown, $13K in SLD.

Who is responsible for providing the necessary resources to ensure students fully understand the terms? Is it the government or the university, or even a combination of the two? Regardless of whose responsibility it is, another problem arises – neither entity is currently
incentivized to provide deterrent resources. Because the government is making money on student loans (Quirk, 2013) and the universities need the tuition dollars to overcome loss of state revenue (Alexander, 2011; Slaughter & Rhoades, 2004), there is little financial incentive for either entity to create the appropriate processes. Recent findings suggest that institutions actually withhold information so as there could be no proper comparison between institutions (Lieber, 2016), thus protecting their advantages. Arguably, both entities should possess the moral obligation to ensure that students and their families have the proper resources to make the best decisions possible. But there are obvious breakdowns in this obligation and from the perspective of these participants both entities have abdicated such responsibilities.

Finally, to a lesser extent, other notable solutions included: Free College (8 responses), Full-Forgiveness (7 responses), Forgiveness Modification (four responses), and Restoring Bankruptcy Protections (2 responses). Overall, the most notable solutions are generally less radical for this group than for those who are more indebted.

**More Indebted Group Solutions.** The more indebted group had 125 individuals provide solutions. Similarly to the less indebted group, the solution most responses connected to was regarding interest rate modification. Where the less indebted group was seemingly frustrated over the time to repay, this group is more anxious over the prospect of never fully being cleared of the debt. Furthermore, as the debt increased, within the language used there appears to be hints of deeper frustrations regarding the interest rate and time to repay.

The cost of higher education should be lowered and interest rates need to be lowered. All of my loans were 6-7% interest, which means so much of my first payments were primarily interest and barely made a dent in the principal. – 27, Female, Mixed Race, $46K in SLD.

Lower interest rates on current loans so they are easier to pay back, force private and federal loan servicers to put all extra money toward the principal instead of requiring it to go the interest first (worst idea ever, but it's in the promissory note because they're dicks that want more money). Cap
interest rates on both federal and private loans. Give more information about total cost of repayment when the loans are applied for. – 26, Female, White, $55K in SLD.

Take a hard look at folks like me that have been paying something for years, and are making no progress on paying the loans down...I borrowed $40K, and over the years I have paid $40K...I say forgive the rest of what I owe, save for a small percentage of interest (like what the government pays, say 1%) and forgive the rest. Look at others in my shoes and do the same. I would be happy to pay an additional 1 or 2 % of what I borrowed if the rest was forgiven...right now I still owe $62K...nothing goes to my principal...and I am not alone...something has GOT to change. – 53, Female, White, $62K in SLD.

Lower the goddamn interest rates. – 31, Male, White, $68K in SLD.

The second to last commentator was one of several to suggest that more indebted individuals are paying minimally into their balances and in some cases not even touching the balances. Other comments claimed individuals or their spouses have repaid to the amount of the original balances of their loans (and then some) but have made little progress into the actual repayment of the plan.

The second most cited solution was full-forgiveness. Thirty-three comments connected with this theme. Within this theme people harkened back towards the bailout the banks received as well as referenced how they have paid much of their loans back only to have the debt grow and keep them trapped. They also discussed that forgiving their debts would essentially translate into more money for the economy. Uniquely, this group was more willing to call to close corporate loopholes, desire a “Robin Hood” tax, and request cuts in military spending to sponsor full-forgiveness.

Forgive current student loan debt that is more than 10 years old. Cut military spending on things such as a plane that barely works. Why do we need enough fire power to blow up the world 79 times over?? – 48, Female, White, $122K in SLD.

Forgive the debt that has already been incurred. Imagine how much we can contribute to the economy if we're not being sucked dry by loan companies. – 30, Female, White, $130K in SLD.
Free universities and lowered interest rates. Or bail all of us out like the government did with greedy banks. – 30, Female, Hispanic, $130K in SLD.

Eliminate interest on student loans, form a bailout in the form of backed interest payments going towards principals, excess money from lack of interest becomes principal payments. It’s not a full bailout, but it will significantly lower student loan debt, it harms nobody it legally should or shouldn’t harm and it boosts the economy with plenty of excess money. – 28, Male, White, $141K in SLD.

Although calls for full-forgiveness exist, there was not consensus on how to achieve forgiveness. Closing corporate welfare and implementing “Robin Hood” tax structures was cited thirteen times and cutting military budgets was cited four. Beyond this question, scattered throughout the four open-ended questions there were various statements that questioned why the government could bailout banks or lend banks money at barely any interest – whereas students generally had steep interest rates. For this group, forgiveness does not appear to be a means to abdicate repaying loans or repaying society – forgiveness seems to be predicated on two specific hang-ups. The first hang-up appears to be a belief of transfer of wealth towards corporations and elite earners who do not repay society as they should. The second hang-up is that they have been taken advantage of by their government, educational institutions, and the private sector. Generally, many people believe they were engaging in what “is expected of them” in having gone to college and in repaying the loan debt under the options available to them. Yet, across the comments a prominent feeling that others had encouraged the ownership of the debt, knowing they would be making money and knowing that options in repayment schemes were limited. Essentially, some felt tricked and locked into a life of debt.

The third most considered solution is to make higher education debt free. Twenty-seven comments aligned with this theme and those who suggested that post-secondary education should be debt free referenced future generations. They also made general referenced towards

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2 An argument that has gained traction since the release of the Panama Papers.
how European countries finance their post-secondary education systems. Several examples of this theme include the following comments:

Free education and retroactive discharge of loans. Take the house of cards and make it tumble. Give people relief, give us our lives and our ability to work back. Give back what you have taken. – 29, Female, White, $89K in SLD

Look at what they do in the European countries that are so much better off than us in every other regard as well. – 36, Male, White, $99K in SLD

We need free public education in the US and loan forgiveness of all the loans currently out there that have been acquired through public universities. Professors and administrators need to be paid less so the economics of education work again. – 48, Female, White, $137K in SLD.

There are several countries that provide free education. We are supposed to be one of the more advanced countries in the world, why haven't we allowed this to be an opportunity? Perhaps we need to open our eyes and look at how other places have made this possible. – 38, Female, White, $179K in SLD.

Interestingly, when discussing free-college options several respondents promoted beliefs that administrator and professor pay is a significant piece of the funding problem, “Create price ceilings on administrator pay. Force professors to run the university instead of administrators. Don't make tuition free until you get the salaries under control” – 31, Male, Mixed Race, $55K in SLD, and “The educational institutions need to get rid of all of these administrators. How many deans, provost, chancellors, presidents do they need? These people get paid six figure salaries… Where is the productivity curve in all of this, which justifies the pay and the cost?” – 53, Male, African American, $83K in SLD.

Generally, professors are less of a target than administration. These beliefs may persist from an opinion piece that I have witnessed often shared around these communities. Anecdotally, I have seen this article shared within these groups about once per month, it is consistently posted – Campos’ (2015) *New York Times* opinion piece discusses how states have “increased” appropriations and because states have invested into the schools it must be
administrative bloat and pay that drives the price of tuition. This piece ignores the nuanced
issues of state appropriations, such as funding per student is still dramatically reduced (Baum &
Ma, 2014a; Weissmann, 2015a) – which is an insurmountably important fact to gloss over while
placing blame on specific individuals for rising college costs (Reed, 2015). Obviously, this
rhetoric gains traction with those who are indebted and likely not earning as much as the very top
professors and administrators used as examples in this specific and likeminded pieces. These
types of pieces prompt beliefs that these individuals are directly responsible for debtors’ pain –
but in truth the more significant culprit is the societal decision to reduce funding to institutions.

Beyond free college for the upcoming generations several other notable solutions were
presented. In order, the return of bankruptcy protections (17 comments), forgiveness
modifications (16 comments) to existing federal repayment plans (e.g. less time to forgive, no
tax bomb), restructuring IBR (13 comments) policies to reflect not only income but additional
debts, governmental action to curtail tuition (11 comments), and the inclusion more clear
language and indebt financial aid counseling (7 comments).

Finally, an interesting solution presented by one participant was to, “Burn the whole
place to the ground” - 26, Female, White, $83K in SLD. This solution is mentioned because it
encapsulates the general frustration that many individuals – but seemingly more indebted
younger individuals – have in regards to how society has decided to fund higher education and
the future that this decision may have taken from these individuals. Similarly promoted as sure
as buying a real estate would always payoff, in that in the eyes of many SLD was endorsed as a
bet on yourself that would always payoff. Across both groups this endorsement was obviously
bunk and the payoff has not matched the perceived sure bet.
CHAPTER 5

DISCUSSION AND IMPLICATIONS

“The loans are the baby I cannot have, the house I cannot own, the car I cannot drive, the retirement that eludes me, etc. They have robbed me of my peace of mind. Everything revolves around them.” – 34, Female, White, $112K in SLD

This research has uncovered several similarities and differences with many financial and social variables between those with lower debt and those with higher debt. Additionally, the research indicates that for each group, different variables affect student loan debt, financial outcomes, and political alignments. Chapter 5 more saliently discusses the findings and explores various implications.

Time to Degree and Hours Worked during Undergraduate

Found were two notable similarities between both groups. First the mean years to graduate category was within a traditional time to graduate expectation as both groups reported to normally graduate from four to five years. This is an important finding as it could be used towards dispelling myths that debtors may be lazy by remaining in their undergraduate programs for longer than expected. Not only did students generally graduate within a reasonable expectation, the t-test also suggested that both of these groups worked in a paid job for nearly twenty hours per week.

However, in the regression models that predicted SLD, for both groups, hours worked during an undergraduate degree were not found to be significant predictors in determining SLD category. The lack of significance in these models suggests that working while earning an undergraduate degree has no correlation to the level of debt one will assume. This finding may help those afflicted with SLD combat narratives that suggest if these debtors had graduated on time and not been lazy; thusly, if they have worked during college than their debts would have
been lessened. As found by Collier, et al. (In Review) these beliefs are still widely shared and promoted in conversations surrounding SLD. Yet, this research indicates that neither group was generally lazy, “lazier,” or less productive than the other – at least in terms of engagement with holding a paid position or even graduating on time. And still the hours that one worked hold no significant effects on their SLD.

We understand that more students are engaging in paid work and the average number of hours is also rising (Perna, 2010), but still the debts increase because in all likelihood the money earned may not be enough to effectively contribute towards of total costs of college. One reason that engagement in paid work may not affect SLD could be related the growing number of hours one must work in order to pay for tuition. Since the early 2000’s, Olson (2014) suggests that students would have to work nearly full-time at minimum wage to pay off only tuition at four-year public institutions and even more for those in private institutions as tuition prices are still generally higher (Baum & Ma, 2014a). One respondent spoke to this inability to cover tuition and living expenses and vented frustrations about previous generations’ lack of understanding regarding the rise in costs of college and stagnation of wages:

Older people have no idea how much it really costs now--they talk about being able to pay for their own tuition by working over the summer. I worked 25 hours a week, at a decent hourly wage when I came back to finish my degree--this only covered my living expenses. The older generation had access to inexpensive public schools and then voted to cut state funding, leaving younger people with very heavy burden. – 31, Male, White, $38K in SLD.

The lack of influence of hours worked in the regressions suggest that no matter how “hard” these debtors had worked in a paid position, the debts would have still occurred and narratives that promote minimization of debtors’ efforts while earning their degrees are purely ideological conjecture divorced from evidence suggesting (1) as a percentage, more college students work than in previous generations (Perna, 2010), and (2) only college tuition, not total costs, requires more than a full-time job (Olson, 2014). Eventually, students must find time to
attend class and study if they intend to graduate - let alone graduate on time as these two groups generally did. At some point, the general population must be forced to come to terms with logical conclusions that engaging in paid, low-earning work simply cannot overcome the average tuition, let alone the total costs of college. Even for those who obviously invested considerable time in both their school functions and in working a part-time job, ownership of student loan debt is still a likely outcome.

**Educational Level**

Significant differences between the two groups existed in enrollment in graduate school and the level of degree obtained. According the means, those with lower debt generally only held bachelor’s degrees while those with higher debts held master’s degrees. In connection with the regression models, for the group with higher debt an increase in educational level was the most influential factor in determining SLD – an expected outcome as previous research signaled that graduate school correlates to greater debt-loads (Kantrowitz, 2012; 2015; Browne, 2013). In this survey, master’s degrees were divorced from professional degrees (e.g. MBA, JD) and doctoral degrees. As individuals moved along towards higher educational levels, the more debt they are predicted to hold.

This finding presents various issues. First, one reason more people are enrolling in graduate school is the increased demand that professionals in less lucrative career paths are requiring graduate degrees. For example, as Collier (2014) previously wrote for the Forum on the Future of Public Education:

…entry level education needed to enter into postsecondary administration is a Master’s degree (Bureau of Labor Statistics, 2016)… Two percent of the positions are on average earning less than people who hold a high school degree in the private sector; 58% are paid lower than private sector bachelor degree earners and 97% are paid less than private sector workers holding a Masters (Higher Education Jobs, 2015), although one is generally required to be in these positions.
Graduate degree expectations are not only impressed onto entry level talent desiring to enter into higher education, other human services oriented sectors are enforcing similar minimum requirements – such as Social Work and still some like K-12 demand a graduate degree for career progression. Especially for those who are non-private sector employees and find themselves with considerably less pay and total compensation (Keefe, 2010) graduate degrees may be a financial hindrance. Far too often, graduate degrees are correlated with rather high earnings and certain privileges but as found in this sample, many people are not seeing such income.

Another issue is that in order for the post-secondary education system to strive, society needs to continue to produce PhD degrees. PhDs, obviously, throughout a career are expected to make more money than those with a bachelor’s or master’s degrees, but are also trended to make less money than those with a professionally oriented advanced degree (Carnevale, Rose, & Cheah, 2011) – who in this sample and taking into consideration no other factors the model suggests these individuals are between $100,000 to $149,999 in debt. Again, without other variables to consider the model predicts those with PhDs to be in the debt category that ranges from $150,000 to $199,000. For both degree levels, this amount of debt is staggeringly high and obviously unsustainable for both the individual and even for the funding scheme.

Because graduate school enrollment is expected to increase, with 2014 experiencing record enrollment (Allum & Okahana, 2015), more research must be conducted on how graduate school contributes to SLD. Future studies must continue to disaggregate graduate degrees into different categories when examining graduate school effects. Furthermore, more variables about graduate school must be captured; some examples include capturing years in assistantships, costs of living, and take-home pay during graduate school. As discussed later, the increased debts lead
towards various diminished financial and health outcomes, and influences political views and behaviors.

**Financial Differences**

Between groups, there were many significant financial differences. First, yearly gross income was found to be statistically different – with the higher indebted group generally earning more than the lower group. As expected, the difference in earning may be attributed to hold advanced degrees, but while the more indebted group may generally earn more they were also: unable to save more money, have a much higher percentage of monthly take home going towards repaying SLD, sorted into lower FICO score categories, and were more likely to hold a secondary job to repay SLD. In many respects, while earning a graduate degree may be promoted as a quintessential privatized gain, various financial outcomes appear to be generally negative as the difference in yearly gross seemed to not overcome the amount of debt one has to assume to gain these advanced degrees. These negative outcomes beg the question: is graduate school worth it? If so, at what level does it not become financially worthwhile?

The differences in ability to place money into saving is dramatically different with the lower indebted group able to save between $50-$99 per month and the higher indebted – but generally higher earning – group only able to save $20-$49. Furthermore the less indebted group tended to save almost 11% of their monthly income whereas the more indebted tended to only save 6.5%. These findings support various studies suggesting that increased SLD is an obstacle towards savings and building wealth (de Bassa Scheresberg, et. al, 2014; Elliot & Lewis, 2014; Elliott & Nam, 2013; Fry, 2014b; Hiltonsmith, 2013). Beyond group differences in monthly average of savings, the regression models suggested different variables affect each groups’ abilities to save.
For the less indebted group, gender and education level influenced the ability to save. Being female had a negative effect on the ability to save, a finding that may be connected with long term understanding that females generally earning less than males (Hegewisch & Hartmann, 2015). Increases in level of education correlated towards being able to save more may be an obvious influential finding – those who have earned higher degrees and have remained in the less indebted group should be able save more because they should be earning more money than those with lower degrees and their earning potential is greater (Carnevale, Rose, & Cheah, 2011).

Clearly, for the less indebted group, graduate school is beneficial as these individuals should be able to earn more without having to divert more of their income towards repaying increased debts.

Regarding the more indebted group, the ability to place money into monthly savings was affected by age, ethnicity, delinquency, education level, yearly gross, and percent of monthly income to SLD. The influence of gaining in age was an interesting finding as there was a negative correlation between advancing in age and ability to contribute towards monthly savings. This result is unique because as one progresses from the mean age of this sample, they should also be earning more (Bureau of Labor Statistics, 2015).³ Where is that money going to? Somehow as people progress and should become more stable, this research suggests that in this respect the more indebted become less.

Additional to age, being an ethnicity other than White held a positive correlation with increased ability to save. Exploration of descriptive data suggests that while non-Whites have several thousand less in SLD than Whites, they occupy the same SLD category and also reported similar average educational levels as Whites. While the finding was significant in relation towards ability to save, the significance and discussion is limited by the narrow sample size.

³ A linear regression run after the defense found that, for this sample yearly gross decreased as age increased
Only fourteen individuals in this model claimed to be non-White, therefore generalizability may not be attainable – especially as it breaks down by specific racial groups. However, this finding does stimulate a call for increased research on how ethnicity may promote a greater ability to save money when indebted with SLD.

Delinquency on repaying SLD suggested that the more often one is delinquent the less they will be able to save. Previously, Blumenstky (2010) concluded, those who consistently fail to repay SLD on time have little chance to establish healthy financial behaviors. This model reinforces such conclusions as delinquencies are negatively correlated towards monthly savings and holds nasty side effects for those who are increasingly more delinquent. Obviously, those who do not establish healthy financial behaviors will likely be unable to participate in other milestones that require savings, such as buying houses and cars – or even in sending their own children to college in the future.

One of the largest effects on the more indebted group’s monthly ability to save was connected with percent of monthly income towards repaying SLD. Increases in the monthly percentage used toward repaying SLD severely hindered this group’s ability to place money in monthly savings. Remember, this group’s mean percent of monthly income going to repay SLD was at 26% of take-home pay. This percentage of monthly income to repay SLD is over three times as high as the 8% that some suggest should be the maximum (Illinois Student Assistance Commission, 2001; King & Bannon, 2002; Scherschel, 1998) and in a percentage range where some suggest that even suggests that even for higher earners should never breach (Baum & Schwartz, 2005; Kantrowitz, 2015). While IBR programs have been created to ease the monthly income towards SLD for federal programs, enrollment in these programs were not significant predictors in the ability for individuals to contribute towards monthly savings. Therefore, for
this sample, it appears that IBR is not necessarily an effective mechanism to stimulate financial savings as defined in this dissertation. Needless to say, more research must be conducted that specifically investigates how the percentage of monthly income towards SLD affects not only savings but also family planning, social behaviors, and political beliefs.

This study also made distinctions between monthly general saving, investments, and retirement funds. There are several noteworthy discussion points for investment and retirement. First in regards to monthly investments, 79 percent of the sample claimed to put zero money towards investments – resulting in the mean monthly investments for both groups to be between $0-20 per month. This research signals that this sample is generally unable to participate in investing in the stock market. While the percentage of Americans who invest in stocks has ranged between 52 and 60 percent from 1999 to 2015 (McCarthy, 2015), with only 21% claimed to invest the sample’s participation rate in investing is much lower than the societal trend. The inability for those with SLD to invest must contribute towards conclusions that these individuals will own less net worth than those without SLD (Fry, 2014b). Possibly, the lack of differences between the two groups suggests that the floor of minimal debt which affects investing is below $40,000. Future research should explore where said floor would be.

While the sample does not usually invest, they reported to generally save for retirement. This study has found that regardless group individuals generally saved from $50 to $99 per month. Although the population is able to save for retirement, saving up to $1,100 per year will be likely be inadequate, even with compounded interest. Obviously, as the groups occupy different earning categories and are found in the same category for saving for retirement, there must be differences between the groups in percentage of monthly income set aside for this action. As is emerging as a common theme, the less indebted placed a greater percentage of their
income aside for retirement than did the more indebted – 7.8% and 5.5% respectively.

Depending on how the study explores retirement savings, conclusions via the categorical exploration would suggest that the level of debt did not significantly affect retirement savings. However, as per the percentage of monthly income used to save for retirement, this study aligns with previous research suggests SLD was a negative influence on retirement savings (Elliot, Grinstein-Weiss, & Nam, 2013; Egoian, 2013; Hiltonsmith, 2013),

Whereas both groups reported that they could contribute towards retirement, saving for retirement and having SLD follow them into retirement was of great concern to this sample and often cited within qualitative responses, several of these examples include:

I have no savings for retirement. I am going to have to get by on the basis of SSI – I am going to starve to death. – 55, Female, White, 18K in SLD.

I am extremely anxious about retirement and having my social security reduced or garnished because of my SLD. – 56, Female, White, $48K in SLD.

I am unable to save for retirement, home, replacement vehicle – 41, Male, White, $60K in SLD.

My education did allow me to get a well-paying job after my master’s degree. However, the burden of my student loans has essentially placed my life on hold for the past year and a half, since literally all of my money goes towards repaying them. I don’t have a car, I live with my parents (and will continue to do so indefinitely), and haven’t been able to save for retirement. – 31, Female, White, $60K in SLD.

As these comments suggest, people were anxious about their abilities to retire and others believe that retirement is simply never going to be a possibility. Will this angst encourage these individuals to stay in the workplace well past the retirement age? At retirement age will they continue to be in these higher earning jobs or have we just ensured that the next generation of Walmart greeters and cashiers will exist, if so what will happen to the less educated and skilled elderly workforce?

**Major Purchases and Family Planning**
The data indicated no significant differences between the two groups in regards to the amount of years SLD delayed: (1) buying a house, (2) buying a new car, (3) marriage, and (4) children. First, the mean delay of buying a house was just over seven years and delay of buying a new car is over four years. These findings are intriguing as the more indebted group pays a larger percentage of their incomes to SLD, saves less, owns higher percentages of maximum credit card debt, and belongs to a lower FICO score category than those in the less indebted group. Whereas previous research signaled that those who borrowed to earn graduate degrees may have priced themselves out of the housing market (Browne, 2013; Palacios & Wolf, 2014) and other higher priced purchases, like cars. This sample may believe that buying houses and cars were generally delayed, not entirely eliminated. The lack of differences between the two groups’ estimations may be signaling that the more indebted group is being overly optimistic, especially when considering the financial differences between the less indebted group and more indebted group. The intensity of debt not having a greater effect on delay on the estimation of these milestones is quite curious and warrants additional study into whether or not these are optimistic projections. What do these projections mean to the more indebted; does it give those in this group a goal to work towards and general sense of hope?

Regarding family planning, for both groups, marriage was reported to be delayed by over two years and having children was estimated to be delayed by three years. Whereas, previous research suggested that the intensity of SLD played a role in delaying both milestones (Anderson, 2013; Bozick & Estacion, 2014; Gicheva, 2013), because there are no significant differences between the two groups in years delayed, this research cannot align with such conclusions. Yet, while there are no differences in how many years SLD has delayed having children – the research had uncovered significant differences in the belief that SLD has lowered
the amount of children they wish to have. Several in the more indebted group suggested that having any children is now out of the question, for example:

Unfortunately I do not have the financial means to have a 'middle class' wedding nor have children. I remember being 10 years old and all I ever wanted to be was mom. Now at almost 30, my vision of being a working mother slowly fades away. I always wanted 3 children. Now, I'll be lucky if I have one in the future – 29, White, Female, $180k in SLD.

With the more indebted group signaling to be more agreeable to the idea that SLD lowered the amount of children they desire, this finding aligns with Anderson’s (2013) conclusions that more debt should negatively correlate towards the number of or even having any children. Indeed, a very sad outcome for both individuals and the supposed “family oriented/values” American society. Even though attending post-secondary education is touted as the gateway to a middle-class lifestyle, the influences of this debt may allow individuals to gain a middle-class income but may never allow these individuals to live a true middle-class lifestyle.

Finally, although the delays or loss in hope of achieving the milestones explored in this study were often discussed in the qualitative responses – curiously, in regards to influencing political beliefs and behaviors the delays in these milestones were not significant in any of the regression models for either group. Therefore, these variables were not included in the politically oriented models. However, while the delays were not influential, the belief that SLD had reduced the amount of children individuals wish to have was significant in several models. Possibly, people are motivated and influenced by the idealization that SLD has manipulated this specific choice? For those interested in crafting rhetoric laced narratives focused on mobilizing groups and individuals with SLD, utilization of this and other messages that align with beliefs that SLD has stripped people of the ability to choose a lifestyle may be effective. Deeper discussion on this theorization ensues later in this manuscript.

**Health and Stress**
Both groups reported equal self-health. The similarities in self-reported health are unique as previous studies have highlighted the connections between increased debt and negative health outcomes (Dugan, & Kafka, 2014; Richardson, Elliott, & Roberts, 2013). In contrast to the quantitative findings, qualitative responses suggest that some of the most indebted individuals do express some of the behaviors found by (Dugan & Kafka, 2014) as well as other potential mental and physical health concerns, such as suicide. While no statistical differences in self-reported health are found, the data indicates differences in ignoring health concerns. The more indebted group was more agreeable in the belief that SLD encourages them to forego medical visits. They also reported holding higher levels of stress. Fascinatingly, in combination these three variables may be in dissonance with each other. How does ignoring health concerns and carrying more stress not translate into self-perceived lowered health, is this lack of differences another construct of being optimistic? I could also be Likert scale issue. After conversation with a mentor, potentially the lack of difference may exist with supplying a 5-point Likert Scale, he had suggested next time to develop a scale with more points. Future research in self-health will include a 10-point scale of health.

For the less indebted group, the regression suggested that females are influenced to ignore health concerns because of student loan debt. This was the only significant variable in the model. Although it is widely believed that males are usually the ones to ignore health concerns, emerging research is indicating that females may be slower to respond to physical health symptoms (Lichtman, et al., 2015) and that while women may schedule more doctors’ appointments than males, they more often reschedule or simply miss those appointments. Previous suggestions for females engaging in these actions align with traditional gender roles and the amount time those functions take – however, Salganicoff, et al. (2014) has found income
inequalities influence such behavior. Also, while not a significant factor in the more indebted model being female was also positively correlated. Generally, influence of SLD on this behavior is understudied and requires more attention especially as it relates to gender.

For the more indebted group one significant factor was enrollment in income-based repayment policies. The significance of this variable may be explained by the possibility of those whom are more indebted and enrolled in these programs owning trepidations regarding the likely minimal progress into repayment of student loans. Possibly, what is occurring is that the idea of compiling a medical expense on top of a larger than average student loan – of which these individuals are likely making little to no financial progress on and will have to eventually pay a large tax on – may be encouraging this group to forego medical visits. To supplement this theory, two respondents who agreed with this sentiment discussed their IBR issues:

Because of the high interest rates and principle amount, I will pay in IBR for 25 years, have paid $100K+, and still have a debt 2x what the current level is. That assumes I will continue earning the same amount for the next 25 years, which is really depressing, especially since at age 65 I’ll be hit with a tax bill for the $500K that is forgiven – 37, White, Male, $230K in SLD.

I’m far more worried about the “tax bomb,” which I’m surprised you didn’t ask about. I’m on PAYE. In 17 years my debt will be forgiven, which is great, but the resulting forgiven portion will count as income on my taxes. It’s like getting hit twice. That’s the issue with my student loans I’m most worried about. There’s no way I’m going to pay them all off, and when they get forgiven, I then have to pay the IRS! – 27, White, Female, $110K in SLD.

Those enrolled in IBR were concerned with their long-term abilities to repay the “tax bomb” once their forgiveness periods come to term and that concern may translate into being averse to assuming other debts.

Another theory of avoidance of medical issues for those enrolled in IBR repayment is that medical debt is not considered discretionary income. If one assumes medical expenses, those expenses are not factored into the repayment model of the student loans, because apparently being healthy or alive is unnecessary for debtors to repay their obligations. One participant was
specific on this point, “If you have a medical crisis like I did, medical bills are not considered when calculating your IBR” – 40, Female, White, $210K in SLD. If IBR enrollees understand that medical debt is not part of the repayment model, then it should come as no surprise that these people who are already struggling would avoid assuming more debt. As Dynarski (2016) recently insisted, IBR is not that flexible of a repayment policy and takes into consideration no present situations that could affect repayment or standard of living. This may be one of IBR’s unintended and underexplored consequences.

The predictors of stress are unique for both groups. Predictors for the less indebted group were SLD category and agreeableness of ignoring health concerns. Such findings were expected and align with previous findings suggesting stress and student loan debt were positively correlated (Sweet, et al., 2013). For the more indebted group, ignoring health concerns is also a significant influence on increased stress. Yet, being married and being able to place more money in monthly savings promoted decreased stress. Most curiously, for the more indebted group, higher levels of student loan debts held a negative correlation with the level of stress. This finding was unexpected and may suggest there is a ceiling of SLD where individuals become so inundated with this debt that they may either ignore or come to peace with the stress associate to it – a sentiment shared by this participant:

Student loans aren’t a daily hindrance. I make my income-based payments and go along. I owe so much that this debt is not really tangible. It is something I generally accept that I will have to work around when it comes to other large financial decisions - new car, moving, etc. – 26, White, Female, $83K in SLD

Beyond this style of “acceptance,” perhaps, to some, the debt has become too stressful to even consider and the highest indebted are in full denial? Even though this research shows that for the more indebted group there is a negative correlation between stress and higher levels of SLD, there may be other stress-related issues this survey did not quantitatively capture but
managed to capture via qualitative responses. For example, some of the more indebted participants have indicated they hold no self-purpose and others have engage in self-segregation. Some even engage in multiple behaviors that obviously align with Dugan & Kafka’s (2014) findings that debt affects the whole well-being, as relayed this participant:

I am a completely different person now. I was ambitious, sociable, outgoing, inspired individual with dreams and hopes… I can't speak about hope. The transition from being a sociable person to being isolated and alone was difficult. Over time, being alone became more comforting than it is painful… The solitude, as challenging as it is, offers peace where you can control the conversations you have within yourself… I try not to look forward, it is frightening, I see a communal grave in my future. I tell myself it doesn't matter, I have to tell myself certain things to avoid having depression sap my energy and time. It's a mental thing now. – 46, Female, White, $190K in SLD.

This participant’s comments truly exemplify some of the worst compounded aspects of hopelessness, isolation, and stress that SLD is influencing. However, even worse, two individuals - both of whom own at least $100K in SLD, commented about suicide with one contemplating it and one having attempting it. Thankfully, both have also indicated that they were getting help.

Overall, the findings along these three variables are perplexing. First, previous research has said that more debt should influence self-health reports (Sweet, et al., 2013) and yet this is not the case in this study. Possibly, the self-health measured in this survey only indicated to the individuals that their physical health should be reported and this may explain the lack of statistical differences in that variable. However, this study also suggests that those with increased debts also held increased stress and increasingly agreed to ignore health concerns – which should theoretically affect both mental and physical health, thus affecting a self-health report. And yet, it did not. Even more mystifying is the result that for the more indebted group the negative correlation between the debt and levels of stress but many of the qualitative responses suggests
wide ranges of anti-social and mentally debilitating behaviors. Is this a sign that at some people simply give up? At what level of debt does this exist?

**Politics and Alignment with the Social Good**

The differences in political faction, political spectrum, and the belief that higher education is a social good were not significantly different between the less indebted and more indebted group. For both groups the general political group that most belonged to is the Democratic Party. Additionally, both groups agreed they are generally liberal leaning. Finally, both groups generally aligned with agreeing that higher education is more of a social good than a privatized good.

When asked the question SLD(1), “*Until policymakers address the student loan debt that affects your generation, you refuse to support plans that provide free or heavily reduced tuition for public institutions,*” the lower indebted group agreed more with this statement whereas the more indebted group was less agreeable towards it. The less indebted group may be signaling greater alignment towards the “what_about” and “how_about” us mentality that found by Collier, et al. (In Review). However, deviating from that study this question gauges an action and not just a belief. For both groups, a significant predictor for this response was the belief that SLD lowered the amount of children they wished to have. The more agreeable individuals were in this belief, the less agreeable they are to the SLD(1) question. The belief that SLD lowered the amount of children they wish influenced both groups to align with policies that help future generations reduce debt loads. Why is this variable so influential? Possibly those who agreed with this variable are trying to save the next generation from being in similar financial quagmires and in feeling that gaining an education may have robbed them of the fundamental want to have children.
For the more indebted group, another factor in determining agreeableness with this statement was increases in FICO score category. With this group, as determined by FICO score factors (e.g. total debts, repayment habits), the more financially “healthy” and credit worthy individuals become the more they may agree with this statement. FICO may influence this behavior because some could believe that modification of current policies might push them into higher credit worthiness levels and that withholding support for policies that eliminate future debt possibly will force policymakers to pay more attention to current debtors? There may also be a social component to FICO scores as paying attention to a FICO rating is widely promoted across various mediums (e.g. TV commercials and credit card companies pushing general awareness).

While the first question asked about the action of supporting debt free programs, the second – SLD(2), “The government must first focus on student loan debt issues before they create programs that allow students to enroll in higher education for free,” - gauged the belief that government should first focus on SLD before providing debt-free alternatives. Both groups’ mean scores were statically similar and leaned towards agreeing with the statement, suggesting that the “what_about” or “how_about” us mentality (Collier, et al., In Review) is more obvious across both groups. For the less indebted, the model that predicted agreeableness to this statement indicated that the higher level of education attained, increased tendencies to be delinquent on repayment of SLD, and agreeableness that debt promotes ignoring health concerns were all significant and positive predictors of agreeableness towards this belief. Still, there are more variables not yet considered that influences this agreeableness as the overall model was not significant.
For the more indebted group, the only significant predictor is increased agreeableness that SLD has lowered the amount of children desired. Curiously, for this group none of the financial variables are significant predictors of agreeableness to this belief. Yet, because the lowered children variable specifically asked if SLD has affected the amount of children they desire – SLD may still affect the level of agreeableness of this statement. Again, the belief that this debt has taken away a family choice rises to importance when gauging political beliefs. However, in opposite of SLD(1), this variable encourages more of the self-interested belief. For this group, this variable influences a self-interested belief but a collectivist-interested action. Which is more powerful, the belief or the action? At what point would aligning with the beliefs of SLD(1) prevent the actions associated to SLD(2)? Additionally, what other underexplored family choices has SLD limited that would influence these beliefs and behaviors?

Between these two questions, this research has uncovered that to varying degrees both groups lean towards believing that the government should first do something more about current student loan debts than creating policies that ease future debts. Yet, when pledging support for policies that ease future debts, the more indebted group aligns with the social good of being supportive towards these policies whereas the less indebted group indicates they do not. For the less indebted group, although they generally believe that higher education is a social good, in theory – as indicated in the direct question and through the higher education social good scale – when asked to place self-interests aside for future generations, they may act in ways that reinforces the self-interest and align with actions that hinder social good policies until their self-interests are met. In previous research, such actions are widely written about by Putnam (2000), Stiglitz (2012), and mentalities are found in Collier, et al. (In Review). Likely, many may feel that their self-interests are part of the social good, and that may be true – but if they truly aligned
with social good policies they would not draw a line at personal gains or gains for only current debtors. Policies that address future debts should be seen as equally important – especially if they desire to prevent their children and grandchildren from experiencing a life dominated by SLD.

Speaking of the higher education social good scale, for both groups the belief that higher education is predominantly a social good and alignment with political spectrum were significant predictors of alignment along this scale. Obviously, the belief that higher education is a social good should correlate with increased alignment in this scale and who believe higher education is a social good should be more willing to pay more in taxes and find solutions to combat the more privatized model of student loans to finance college.

Additionally, as individuals move from the left side of the political spectrum to the right, the alignment with this scale decreased. The left, often associated with the Democratic Party, has recently promoted various social good higher education policies and generally is believed to align with finding solutions away from privatized measures. How true or untrue these beliefs may be are up for debate as Democrats like Presidents Clinton and Obama have increased access to student loans and have done little to promote non-repayable aid, but the beliefs persist. The modern right is believed to be more aligned with less government assistance and interference, as well as more individual accountability, and viewing higher education as a means for greater privatized advantages – all of these ideologies were promoted in President Reagan’s assault on higher education (Arnone et al., 2004; Brademas, 2012; Mitchell, 1989). This research suggests there are still clearly drawn lines when it comes to political beliefs on what higher education is – even amongst borrowers. For both groups, movement along the higher education social good scale was nearly equally influenced by movement along the political spectrum. Meaning that for
those who were more indebted, political ideology is equally influential as for those who were less.

Beyond these two variables, the more indebted group’s alignment in this scale is also influenced by age, ethnicity, SLD category, yearly gross, and the belief that SLD has lowered the amount of children they desire. Again, the belief that SLD has lowered the amount of child one desires is one of the more influential and impactful variables. As people become more agreeable to this notion, the higher they rise in this scale. With this variable gaining significance in multiple models, there is clearly a connection between the belief that SLD has taken something from them and policy alignments. This belief may be a deep source of disappointment in the current system and with taken into consideration with the other models may be a belief that can generate enough emotion to spurn change.

As expected, the higher the SLD the more aligned with the social good. Obviously, those with high amounts of SLD may not want others to own that level of debt and experience the various social, financial, and stress-related concerns that they have. The more money individuals make, the less aligned towards the social good they are found to be. This finding was unsurprising as several of the questions of the scale were connected towards agreeableness in paying more individualized taxes to fund a debt-free higher education system. Previously, many “middle-class” people evoked beliefs that they already pay too much in taxes and that paying for “everyone else” to get a “free ride” is unfair (Collier, et al., In Review). While significant, increases in earnings were only half as impactful as SLD category when determining movement along this scale. Therefore, suggesting that for the more indebted SLD is a more important factor when determining alignment to this scale.
The final point to be made in this section is that both groups place different emphasis on student loan debt’s importance on their voting habits and in ranking SLD in regards to importance of issue. The less indebted group reports that SLD has less of an impact in their voting habits than did the more indebted group. Attempts to gauge how important SLD was in relation to other major political issues confirmed that SLD was more important to the more indebted group than it was to the less. Of eight issues, SLD was ranked as the second most important issue for this group whereas for the less indebted group the rank dropped to fifth.

With the more indebted group paying more of their monthly income to SLD, this finding is unsurprising. This discovery may be a phenomenon that policymakers and political figures may want to pay more attention to. Unlike in the past, modifying or fully rebooting SLD policy was considered detrimental towards political careers because of perceived backlash of middle and upper class voting blocs (Best & Best, 2014). However, with SLD growing and infiltrating individuals from higher SES (Fry, 2014a), policymakers may be able to carve out space to build a career on. Here both groups are generally middle-earners, and while the lower indebted group places less emphasis on SLD – it does not mean there is no impact of sway on voting habits. Furthermore, the mark of $40,000 in SLD was chosen because soon, if trends continue, this mark will be the average balance in the U.S. Above this average, the importance of SLD on influencing voting habits and as a voting issue rises. Some presidential level candidates are paying attention to the issue (Stratford, 2015) and are offering policies to ease future debt-loads – which are much needed – in the eyes of many, nobody is offering adequate solutions to ease current debts (Collier, et al., In Review). Such inadequacies may eventually alienate many voters.

Discussion of Selected Solutions Uncovered via Thematic Coding
**Interest Rate Reduction.** The qualitative exploration of this research suggests many, across both groups, desire interest rate modification. As the comments suggested, there are beliefs that the interest rate is wildly unfair and that the sweetheart deals corporations were afforded during the Recession should be standard protocol for student loan debtors. Furthermore, some believed these rates were unjustified and that student loan rates are used as political tools and these beliefs are difficult to combat as evidence exists that both parties have used this very topic to posture on (Bolton, 2013; Lewin, 2012; Resnikoff, 2013). Often, members of the community bring to light Sen. Warren’s continuous efforts to lower student loan interest rates to the same level as banks (e.g. Dash, 2015) and the Republicans denial of such plans (Carney, 2015). Fortunately, a top solution across both groups is already a priority for some policymakers and efforts have already been touted to modify this policy. However, it is unclear when debtors can expect the rates to be modified, because this is a highly politicized process – and as earlier stated, is used by policymakers to posture.

**Greedy Colleges.** Also, across both groups, was the belief that colleges and thus employees of colleges were making obscene amounts of money because of access to student loans was prevalent – a prominent theorization of Reagan’s Former Secretary of Education Bennett and his hypothesis (Bennett & Wilezon, 2013). While the less indebted group focused on the costs of college the more indebted group focused on the benefits reaped by employees – notably the outlier employees like President or a distinguished professor, such as that found in Campos’ (2015) opinion piece. Generally, there tends to be a clear misunderstanding on why the costs of college have increased. Within the comments that reference public institutions, there is a lack of understanding in the more localized (state) influence on tuition increases. Some believed that colleges are making millions in profit and because they are profiting while
individuals became indebted, an assumption persists that all institutions are well off. Therefore tuition increases of public institutions are unjustifiable. While self-justified in their beliefs, in actuality spikes in public institutions’ tuition increases are directly correlated to state funding (Alexander, 2011).

Possibly, the idea that institutions are making obscene amounts of money may manifest from articles that discuss the largest endowments that some special institutions possess (e.g. Fleischer, 2015). Undeniably, some institutions own extraordinarily large endowments, but again, those institutions are truly outliers (Vedder & Denhart, 2014) and often serve the most financially elite.

While the outliers usually serve as the example, most public institutions would more closely resemble Chicago State University [CSU]. Because Illinois’ has refused to pass a budget since July of 2015, CSU has been operating with no state revenue and since CSU does not hold financial capabilities akin to any of the 22 richest schools, it may have to shut down in 2016 if a budget is not passed (Cohen, 2016). Looking forward, even if a budget passes harm to the institution, students, and staff has already been done – the likely result would be that the institution will increase in tuition and fees to protect itself from future uncertainty, as should the other Illinois’ public institutions. Can they be blamed for this action when the state pushes the school towards the brink of closure? If states could return spending to these institutions, theoretically private and for-profit institutions would also be forced to reduce their prices.

Now, areas clearly exist where institutions could moderate spending and I do not mean this to be a rote defense of public institutions. However, I perceive that much of commentators’ anger towards only the institutions may stem from not fully understanding or willfully ignoring the correlation between state funds and actions and spikes in tuition. This misplacement was
also touched upon regarding the blame assigned to administrators via Campos’ (2015) article in the findings. Essentially, it is easy to blame the institution, administrators, or top-earning professors because those are easier targets. Due to this rhetoric and persistent and mostly untrue beliefs that institutions are making profit and hording incredible amounts of money institutions will always be working from a disadvantage when addressing those who are indebted.

Evidently researchers and advocates must do a better job in educating debtors on how governmental actions have deeply influenced the costs of public education and private education. To be fair the general public, some academics and even policymakers often misunderstand the relationship too (Alexander, 2011). The underlying question is - how receptive would these groups be towards such? This study’s quantitative data suggests that both groups align with believing that higher education is generally a social good and both groups also generally believe that states should increase financial support to higher education (as indicated through the higher education social good scale).

Yet, the qualitative responses may suggest members’ beliefs and rhetoric may be tough to overcome, especially when considering that the environment of these communities may not always be conducive to breaking down entrenched and often reinforced beliefs about post-secondary institutional behaviors and in regards to administrators and faculty. In the future, if these communities were open to the idea – researchers and advocates may be able to host an in-group thread or live conversation aimed at helping the members more fully understand the relationship between state reductions and institutional increases and break down the belief that post-secondary institutions have enough endowment money to operate as some would suggest. This conversation could help air out specific grievances that members have with administration, faculty, and institutional behaviors.
Forgiveness. The last solution this study aims to discuss is linked with forgiveness. Connecting to 26% of the indebted groups’ comments, forgiveness, in varied forms, was a popular solution uncovered by thematic analysis. The comments that called for forgiveness often made links to three noticeable themes: (1) TARP style bailout, (2) increased taxes, and (3) divert funds from another sector of the government.

First examined is the theme of a TARP style bailout. Within comments that link to this theme, commentators were confused and angry over the idea that the government could essentially give money to banks and corporations but refused to do the same for student loan debtors because of moral hazard. During the recession the federal government was willing to forego moral hazard for the banks (Duchin & Sosyura, 2014); however, the government has a long history of ensuring the moral hazard protections remain with SLD. For evidence of the government’s resolve to remain committed to aligning with keeping moral hazard intact, look no further than the removal of bankruptcy protection. Utilizing moral hazard as a seminal argument, in the late 1970’s Congress removed bankruptcy protections for student loan borrowers (Hancock, 2009; Pardo & Lacey, 2009). And today, the government continues to fight against restoring bankruptcy protections under the Obama administration (Kitroeff, 2015).

Yet, just as the general argument to bailout the banks were predicated on beliefs that foregoing moral hazard would be beneficial to the economy, several of the comments in support of forgiveness conjured similar points. Whereas TARP may have helped the US economy move away from a full-on depression and even earned the U.S. government billions in profit (Isidore, 2015), the benefits or impacts of a student loan bailout are contested (Fraser, 2016) - with some economists suggesting that a bailout would do little for the economy (Webley, 2012; Wolfers, 2011) even it if improves the situations of the individuals in debt.
The next theme is based on what some describe as a “Robin Hood” tax. Here commentators discussed various issues associated to the modern tax system, mostly suggesting that the largest businesses and top earning individuals receive too many breaks and while those entities have made extraordinary amounts of money, some of that money should be returned to support higher education and debtors. As a result of these beliefs, the idea of a “Robin Hood” tax on financial transactions has gained traction amongst Bernie Sanders supporters on the far-left (Snell, 2016). In May 2015, Sen. Sanders (D-VT) and Rep. Grayson (D-FL) introduced the College for All Act (S. 1373; H.R. 4385) - currently, both of these bills sit in committee. The proposition of this legislation is multifaceted. First, the bill proposes to eliminate tuition at all 4-year institutions. Next, legislation seeks to revert student loan interest rates to 2.32%, allows for refinancing of student loans, and boost work-study opportunities. Finally, the policy proposes to impose a 0.5% “Robin Hood” tax on Wall Street speculation to pay for tuition-free public institutions. When examining the viability of such a tax, Burman, et al (2016) concluded that if properly designed a financial transaction tax (FTT) could raise $75 billion in 2017 and may help curtail the risky trading associated to the Great Recession.

Current debtors may be displeased to hear that the “Robin Hood” tax as proposed by Sanders is not intended to help their specific situations. However, the legislation would solve an issue of those who desire forgiveness, future debts. Linking back to the bailout that some debtors wish to see, one issue with the TARP bailout is that money was given to banks without a mechanism to prevent the risky lending and trading behaviors from continuing in the future – which is problematic because TARP banks have increased their risky behaviors (Black & Hazelwood, 2013). Essentially, the TARP bailout did little to deal with the long-term problems (Stiglitz, 2010; 2012), a fair critique on TARP and one that is used in opposition of a student
loan bailout (Wolfers, 2011). If the College for All Act were to pass, in theory this legislation should remove one barrier towards the idealized bailout as it addresses the long-term issue of future debt. With a policy in place to ensure future debts are limited, current debtors may have a stronger base from which to promote a bailout.

Whereas the proposed “Robin Hood” tax does not address current debtors’ situations, some argued – nestled under “Robin Hood” – that the federal government must close tax loopholes and subsidies to the largest corporations and highest earners. Economists label these entities as rent-seekers – organizations and people who attempt to divert taxpayer money into towards their own benefits. Often, rent-seeking occurs via tax breaks, subsidies, and creation of legal loopholes (Stiglitz, 2012). Previous research has suggested that the average U.S. family spends $6,000 annually in corporate subsidies (Buchheit, 2013) as the U.S. provides roughly $100 billion per year in direct corporate subsidies (DeHaven, 2012). Furthermore, large corporate entities pay an effective tax-rate of 19.4% and the largest one-hundred corporations pay effective tax-rates of less than 10% - percentages far less than the expected 35% (McIntyre, Gardner, & Phillips, 2014). Beyond paying less than other businesses in taxes, the largest corporations are also legally allowed to hide over $2 trillion dollars in tax-havens (McIntyre, Phillips, Baxandall, 2015). Those who wish to see a “Robin Hood” action may want to focus on closing taxation loopholes, diversion of corporate subsidies towards loan forgiveness, and supporting legislation that makes placing money in tax havens illegal. In combination the College for All Act and reforms to corporate taxation, could solve future and current debt.

Obviously, passing the College for All Act and corporate tax reforms – separately or together - will no easy task and will likely be a drawn out process. Whereas student loan debtors have power in numbers, they do not all subscribe to the same ideologies and are indebted so they
have little financial resources, time, or energy to devote to promoting these changes. Additionally, there are few champions of student loan debtors but there are many corporate lobbyists, paid to ensure that those entities keep taxation benefits, subsidies, and tax-havens legal. Not to say that changing these actions is impossible. Society has already begun to roll back Reagan approaches to higher education as America’s College Promise Act (H.R. 2962, 2015; S. 1716, 2015) is in the respective Senate and House committees and several states have moved to pass tuition-free community college measures (The White House, 2015). These policies are widely popular with Republicans, Independents, and Democrats (Progressive Change Institute, 2015), including those for four-year institutions. So there is obviously society-wide interest in the matter. And with Elizabeth Warren’s (Bacon, 2014) and Bernie Sanders’ surging popularity (especially with the youth) (Wagner, 2015) the present and near future may be primed to enact such changes. Still questions remain. Are the indebted ready for a prolonged fight? A war of attrition does not favor indebted. Will they be able to resist asymmetrical information and rhetoric that turns those with similar goals against each other?

Finally, there is one last point to make in regards to the challenges of arguing for forgiveness - the government is making money on student loans (GAO, 2014) and has little incentive to stop (Quirk, 2013). Furthermore, the government holds zero legal obligations (Best & Best, 2014) to modify the terms of repayment – therefore, legally there is little pressure to force the change. Because the government has assumed near full control of the system, it has effectively created an enormous tax on students from all SES, with varying levels of financial pain. Not only must these movements overcome corporate money and lobbying, the pressure these groups must place on the federal government to change student loan polices must overcome the incentivisations the government currently has to keep the system as is.
The Contributions to the Larger Body of Research, Future Research, and Limitations

This research makes several notable contributions to the larger body of student loan debt research. First, the study suggests that debtors generally graduated on time and that they worked during college. Again, these myths must be dispelled and the general populace must be confronted on false idealizations that students and debtors are lazy people. In the future, research could move past only the average hours worked and more deeply examine pay. Also, future research could identify how those in these groups used money they had earned during their undergraduate degrees. There are additional myths regarding students’ choices that should be dispelled, such money earned goes towards partying.

Next, this research has reinforced growing concerns on how graduate school contributes towards SLD. SLD is often discussed in terms of undergraduate debt but with the rise of graduate school enrollments (Allum & Okahana, 2014) more attention must be placed on identifying the effects of attaining a graduate degree on SLD balances. After all, for the more indebted group the most significant and largest factor in determining movement up SLD categories was a graduate degree. More research on how graduate school affects SLD is in order. In the earlier versions of this survey, participants were asked to rank the importance of various factors when determining a master’s program (e.g. program, university prestige, funding available) and other questions pertaining to living expenses and whatnot. As well as for those who gained a PhD. However, after reading the feedback of initial participants, the survey mentally drained those who went to graduate school and many cited a desire to drop-out of the sample after these sections. The answers I wanted to seek were not necessarily aligned with these questions, so I dropped those survey items. A future study could reintroduce those items and only focus on the effects of graduate school choices on debtors’ balances. While this
research has generally captured the importance of graduate school in regards to SLD, the fine
details are evaded in this study.

Additionally, this research illuminates different financial situations and behaviors of
those who are nearly at the level of the national average of SLD and those who have crossed that
barrier. While the more indebted group may generally be making more money, they are not able
to save as much as the less indebted group, provide a greater percentage of their monthly pay
towards SLD, and are generally less credit worthy. Although many likely went to graduate
school to be able to financially progress past peers that only hold a bachelor’s degree, because of
the increased debt, it appears that financial security and credit-worthiness was instead weakened.
Deeper examinations on the rate of return of graduate school are warranted as well as more
studies that focus on the effects graduate school on credit-worthiness.

One finding this research uncovered is that within the more indebted group, being older
connected to saving less and being non-White correlates towards a greater ability to save money.
Future studies could focus on confirming and more deeply clarifying these findings. Why are the
older individuals unable to save more money? Should they not be making more money? Does
this money force them to supply more towards SLD payments, as determined by IBR programs?
Or is this a function of past-prime workers having returned to school but being shut out of the
workforce due to age discrimination? Regarding age, there are many unanswered questions this
specific study leaves.

Concerning ethnicity, one considerable limitation of this research is the lack of non-
Whites. In future analyses, the non-Whites could be reweighted and different conclusions could
be found. Future studies could focus on non-White communities that are also interested in
discussing their SLD. Because of this study’s small population of non-Whites, this researcher is
not comfortable theorizing why this finding may exist. Future research could work towards replicating similar findings – with greater nuisances beyond the binary coding used here – and be able to explain this finding. One point to consider, as the more indebted group’s debt was largely determined by graduate school, finding non-Whites with these levels of debt may by difficult as more Whites enroll in graduate school than Blacks, Hispanics, Asian-Americans, and American Indians combined (National Center for Education Statistics, 2015). Still, these groups are gaining more space in graduate school and their inclusion into this type of research is extraordinarily important.

Although both groups cited similar delays in housing, new vehicles, marriage, and with having children – none of these variables were significant for either group in influencing stress or in regards to the political beliefs and actions predicted. Nor did they add value to the regression models so they were not included. Possibly, asking people to gauge how long these various milestones were the wrong questions. While there is value in understanding how long people believe these milestones may be delayed, the lack of differences are curious – especially considering the financial situations and reduced credit-worthiness of the more indebted group. Yet, one factor found to be widely important in several of the politically oriented regressions was the level of agreeableness to the idea that SLD had lowered the amount of children that individuals wished to have. Additionally, this variable appears to influence those with less debt differently than the more indebted. This variable needs further investigation and expansion on. How many children has SLD taken away? Qualitative inquiries on feelings regarding this variable could be developed. Various, unfocused responses collected in this survey suggest that

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4 I want to be explicit in saying that I do not believe this is a White only issue. This is a societal issue and I am stating that finding larger communities of non-Whites to engage in such a survey may be difficult without future collaborations with academics that have access to these populations. This is everyone’s problem but there are access issues.
the reduction or lack of having children was a deep well of frustration and, really, true sadness. Look no further than the quote that began this chapter. Not to sound too preachy, but an education should not be this costly.

Speaking of the costs of this education, while recent research has focused on the structure and merits of IBR programs (Hillman, 2013; Johnstone, 2009), this research has found that IBR may hold nefarious consequences. Little published research exists that explores the behaviors and beliefs of those in IBR programs – likely because not many engage in these programs and the field may still be focused on the larger debate of the viability of these funding options. It was only recently, before REPAYE, these options were not widely promoted or had more open eligibility. This research suggests that IBR enrollment is not a significant predictor on the ability to save money. Where is that money going, how is it being spent? The most exciting and disheartening finding of this research may be that IBR influences debtors to ignore health concerns, maybe, because of worries regarding the “tax-bomb” when nearing forgiveness and because medical debt is not factored into IBR repayments. Admittedly, this finding was not expected but it has been unearthed and suggests that more emphasis must be placed on the effects of IBR programs. Maybe the model used to determine repayments may influence other behaviors not explored here. If more studies confirm this finding, an argument that medical debt should be considered a discretionary expense could be made.

Another curious finding is connected with stress and the more indebted group. More studies must be conducted on stress and mental health, especially for those who are in extreme levels of debt – say six figures and over or for this sample those who earned a graduate degree. While the more indebted group holds more stress, there was an inverse relationship between levels of stress and moving higher up in SLD category. Why does this phenomenon exist? Are
these individuals so overwhelmed with the situation that there is a complete avoidance or denial? Does it actually not matter for many individuals? Because the less indebted group was predicted to hold greater stress as they traverse up SLD categories, where is the SLD ceiling where the inverse relationship begins? The qualitative responses indicate various, what I would consider to be, significant mental and social afflictions. Somehow, the debt heavily affects and influences thinking patterns, behaviors, and social interactions and, yet, the data suggests that level of stress drops as these individuals move towards the highest levels. More research examining links between extreme levels of SLD, stress, and various afflictions are warranted.

Finally, the findings of this study signals that SLD influences political beliefs and behaviors. Those with more debt report significantly different views and behaviors than those with less debt. With both the total amount of borrowers and levels of debt increasing, more studies should be conducted on both political beliefs and behaviors. Furthermore, this research suggests dissonance exists between the belief that higher education is a social good and behaviors of those who are more indebted and supporting policies social good policies that do not directly benefit current debtors. What other policies would these groups not support? How will debtors affect the political environment moving forward? Are debtors really aligned with the social good or just the social good policies that align with only perceived self-interests? These questions need further exploration.

**Moving Forward**

*Answering a question like this, to me, means hopefulness that my input could change something, and make it better for future generations. I have no hope; I've asked for interest and penalties to be waived or cut; I've asked for original documents to be discovered; I've asked for assistance while I was parenting. Nothing has helped. I have no hope for fixing it, therefore I have no suggestions [to fix SLD policies]. – 50, Female, White, Answered “Unsure” about the level of SLD.*
Funding higher education has long been and will continue to be an issue for the United States. When the U.S. decided to implement student loans, overwhelmingly, the evidence suggests that these loans were supposed to be supplementary funding because the country needed the human capital for economic, business, technological, and social advancement. Many argued that the loans were a necessary function of incentivizing students while providing some additional revenues to cover growing costs. However, as presented, throughout the decades the system was heavily modified and we are in an era where the discussion of average student loan debt is multiple tens of thousands of dollars.

The casual nature for which many discuss student loan debt is striking as total debt has crossed over one trillion dollars and growing. This debt is spread only a fraction of Americans and for many it has become the prime mechanism of disinclusion in the American Dream. As the quote that began the section suggests, for numerous people there is only hopelessness and despair. For many, these outcomes have become the cost of education. As a society, we have made the decision to allow these outcomes to come to fruition; we have ensured that millions of Americans will feel isolated and disenfranchised, and have inherently shut them out of economic participation. While seeking the education that is widely promoted as a social, business, and economic need, for many, we have snipped their bootstraps so short they can no longer keep the boots on their feet. In my humble opinion, this has been a poor decision, especially when considering that government may already spend enough money to make post-secondary education tuition-free (Weissmann, 2013). Fortunately, many are beginning to agree with this assessment as even Independents and Republicans are signaling increased importance on and support towards tuition-free post-secondary options (Progressive Change Institute, 2015).
Whether or not these types of policies are enacted any time soon remains to be seen as beliefs do not always connect to actions.

Until debt-free college policies are enacted, what could be or should be done for current and future debtors? I believe we could take a page from Friedman’s, *On the Role of Government in Education*, in where he stated, “Investment in human beings cannot be financed on the same terms or with the same ease as investment in physical capital… complication is introduced by the inappropriateness of fixed money loans to finance investment in training” (p. 102). While I do not subscribe in many of the beliefs connected to Friedman, I believe he was correct in his assertion that because of the variety of circumstances of people’s lives – many of which are out of their control – lending money and expecting repayment in the mortgage-like structure is a terrible idea. This mortgage-like repayment structure, which is most commonly used to repay SLD – has obviously led to many of the issues found within this research as have the rigid IBR system (Dynarski, 2016).

Instead Freidman essentially suggested a career-long tax where individuals paid a certain, low, percentage of their income to the government in return for higher education financial support. In recent decades the government has created, pseudo-tax policies in the form of IBR but even these policies are problematic as they still attribute debt-levels to individuals’ credit reports, require a larger than suggested percentage of income, and still hold a major tax liability upon forgiveness. Recently, Dynarski (2016) shined light on the ineffectiveness of IBR models, arguing similar points as Friedman – in that the model takes into consideration only the past year’s earning and is not flexible enough to consider people’s current economic standing.

Because we are moving towards increased IBR options, possibly one solution for current debtors is to develop a universal option that gives debtors a one-time choice – to either keep the
loans and repayment plans currently available or opt into a new, tax-like structure similarly to that which Friedman theorized. I argue that this structure should not include balances associated to individuals’ credit reports and because forgiveness would be eliminated the “tax-bomb” many rightly worry over would be eliminated. As IBR is essentially a tax-like system, it makes little sense to continue to attribute a balance and “tax-bomb” to individuals. The debt attributed to individuals keeps people from participating in the economic milestones that requires good credit and the “tax-bomb” seems to be a double-dipping mechanism for the government.

If the U.S. is unable to more to a tuition-free college system, future students, if they choose to receive any financial help from the government will automatically be enrolled in this program and the loan system could be phased out. Furthermore, because graduate school enrollment has trended upwards, a graduated system could also be adopted – for example, obtaining technical training certificate or an associate’s degree one would pay 4% of income, bachelors’ would ascend repayment up to 5%, graduate degrees to 6%, and doctoral and professional degrees (JD, MBA, MD) up to 8%. This would also satisfy the “Robin Hood” argument that those who are expected to earn more should be expected to pay a bit more. Here, choice and social returns could in fact be satisfied. Furthermore, unlike current IBR plans that range from 10 to 25 years, as Friedman theorized, this plan could be a career-long plan – meaning it could extend well beyond 25 years, up to retirement. While on the surface such a plan may seem unfavorable – remember this study has found that even the less indebted are paying 12% of their take home income to repay the debt. Yes, the length is considerably longer under this scheme; however, the immediate financial pain would be significantly lessened – even for those with at average and below balances.
Obviously the program would need greater fine-tuning and other components such as maintenance of effort expectation on states. But this style of program would satisfy Friedman’s assertions on how to appropriately fund people’s education, the social good aspect of having protections and flexibility, as well as the neoliberalism belief that personal choices must hold consequences. Moreover, with SLD infiltrating students from higher SES (Fry, 2014a) even many from the upper-middle class might be on board with such a solution, whereas previously support in these types of policies have long been lacking from this demographic (Best & Best, 2014).

What is evident is that people in this sample, and I suspect beyond, want to contribute and they want to supply funds towards future generations’ educational opportunities. A tax-like, choice oriented plan may be one solution to satisfy the demands that people must pay while also giving debtors opportunities to once again chase The Dream. Additionally, a repayment structure like this may alleviate the various stress related, mental health, and social functioning issues this study has uncovered.

We have to begin thinking about SLD as a social issue with true societal economic ramifications and not just a personalized or even localized issue. When discussing student loan debt, I have encountered many who argue that this debt was a personal choice and people should suffer the consequences. In regards to debt assumed to pay for physical items (e.g. houses), I wholly agree. However, in regards to SLD, I often challenge them to think beyond the personal choices (and mythologies associated to said choices) and encourage them to understand how student loan debt is a social problem. We are a nation in need of consumers and investors. The nation’s power is derived from its economic standing and influence. In general, SLD weakens people’s abilities to buy larger scale items and invest into the businesses that help drive our
economic standings. As the debts increase and more Americans enter into this debt, we may only be weakening our future economic advantages – just to save a few dollars per person in taxes or to provide corporate welfare. Make no mistake, this issue is widely pervasive and will have lingering issues for Generation X, Y and the upcoming one.

Overall, this research has provided evidence that aligns with various other studies, but has also uncovered a multitude of unique issues associated to SLD. While this dissertation explores differences between those with less debt to those with more it does suggest that, for many in both groups, the cost of education for both may be entirely too much. With average debts rising and more Americans obtaining this debt, I ask: At what level will the average SLD balance achieve before we internalize the belief that the debt is unsustainable? Please, consider this question beyond pure finances – at what levels do we need to harm individuals, families, and entire generations before we hold more serious conversations and develop a sense of urgency to reimagine how we finance higher education. It truly needs not be this way and we can do better for each other and for our society.
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