

A **Mountain** of **Debt**

Connecticut's students and alumni tell their stories of how skyrocketing college tuition has burdened them with high debt.



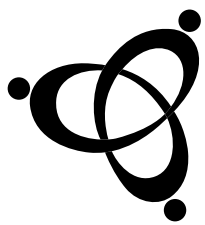
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BY ALLYSON FREDERICKSEN





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INTRODUCTION

The alarm blares, piercing its way through the silence. It's 6 a.m. The college student pulls the comforter over her head in denial that morning managed to find her so soon. It's the third time this week that she had to pull a late-night shift at work. Her full-time course load at the university takes up the majority of her day; the remaining hours go to her minimum-wage retail job, leaving little time for anything other than sleep. As tuition costs continue to increase, her options to meet the financial demands are either acquiring a mountain of student loan debt or working herself to the bone.

Students like Christina Hoadley can be found throughout Connecticut and the rest of the country, struggling to meet the demands of high-cost tuition. Nationwide, nearly 70 percent of bachelor's recipients take out loans to cover the cost of attending school, at an average of more than \$29,000 per student.¹ Connecticut's graduating class of 2012 had an average debt loan value of \$27,816, with 61 percent of graduates finishing school with debt.²

Since the peak of the financial crisis in 2008, states across the country have decreased funding for higher education. Between 2008 and 2013, Connecticut cut per-student funding for higher education by 26.6 percent.³ Cuts like these have led colleges to respond by increasing their tuition by an average of 27 percent since the 2007-2008 school year,⁴ far outpacing inflation. Though federal funding for higher education has increased over the same period, it has fallen significantly short of fully negating the effects of increased tuition,⁵ leaving many students with little option but to take out loans to finance their education.

Student loans cannot be restructured nor discharged through bankruptcy, so many of those who endure

the consequences of bankruptcy remain in severe debt. Workers saddled with other forms of debt — including mortgage and credit card debt — can restructure their loans or discharge them through bankruptcy, however, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 ensured that “no student loans — federal or private — could be discharged in bankruptcy unless the borrower can prove repaying the loan would cause ‘undue hardship.’”⁶ Graduates and their families, then, are left with few options.

“A Mountain of Debt” reveals the challenges students and their families face in grappling with rising tuition costs, and the efforts made to escape insurmountably high debt. Twenty stories have been collected from students and parents across Connecticut's college campuses, illustrating common themes both of students' hope for realizing their dreams and their fears of becoming stuck in the low-wage economy. Their voices lift up the need for state policymakers to find creative funding solutions for reinvesting in higher education, to meet the needs of college institutions as well as those of students and their families. Policymakers must also ensure that those already saddled with excessive debt have options to manage their loans.

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I managed to save a lot of money by getting my associate's degree from Norwalk Community College. Unfortunately, not all of my credits transferred and it may take me four and a half years to graduate. I've already taken out around \$20,000 in student loans, but I don't like to think about it because it gives me a ton of anxiety and makes me not want to be in school. But I need a degree to be a preschool teacher.

At the end of the semester there was a hold on my account, I owed \$6,000 from the shortfall of my financial

aid. It had to be paid before I could enroll in more classes, so my mom paid it off. She won't tell me how she paid it, but I know it was quite a burden. Our family is facing foreclosure and I'm trying to find more work besides my Christmas and summer retail job.

I'm trying to get a job on campus to help keep tuition as low as possible. This is why I'm doing everything I can to get out of school as quickly as possible. I hear about people in other countries who are going to school for free, why can't we do that here?

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As someone who has had to entirely support myself through college, I am no stranger to the struggles of working full-time while also being a full-time college student. Luckily, because I receive no support from my family, I've been able to qualify as an "independent" with the financial aid office for the last two years, and have since been able to reduce my workload to 40 hours a week while still enrolled in classes full time.

Before that, I was working 80 hours a week to pay for school and living expenses. My average day would include working multiple fast food jobs sporadically thrown between classes, working one job until 8:30 at night, working 10 p.m. until 4 a.m. loading trucks in a factory, then getting up for class at 8 a.m. and doing it all over again.

I could only do that for so long before I started getting sick. Despite my lack of contact with my family, it took me until my junior year to qualify as an independent student, because I didn't have the mounds of documentation that the financial aid office required. The financial aid office makes you jump through hoops to prove that you don't have any relationship with your family; they say they'd have to give money away to everyone otherwise.

They want you to be involved on campus and do internships, but I just do not have the time to work and not get paid. I've faced the struggles of living in an off-campus apartment with a broken car, no printer, no computer, no textbooks, and no time to make the hour walk from my apartment to and from the library each night to use the resources that I don't own.

I do the best that I can, but a lot of times I have faced professors who have lectured me about having these resources and who are not sympathetic to the fact that I simply can't afford them.



If my independent status had not been approved, I would have most likely taken a year off in order to save up the funds in order to afford textbooks and a computer and have these resources. However, it was these same professors, among others, who looked down on me taking time off in the middle of my undergraduate career.

Now, everyone tells me that I *must* pursue my master's after graduation. Although I am now recognized as independent, a huge chunk of my "aid" comes from student loans. I soon will have to start paying them back. The looming loans that I already know I will be unable to repay have made it impossible for me to continue my education. I can't afford to take out more loans. I can't afford the other resources I need to be considered "successful" in the academic world.

“ A huge chunk of my ‘aid’ comes from student loans. I will have to start paying them back starting in less than a month. The looming loans that I already know I will be unable to repay have made it impossible for me to continue my education.”

CHRISTINA HOADLEY • CENTRAL CONNECTICUT STATE UNIVERSITY

I just finished my third year of college now, and will continue my journey to graduate school, where I aspire to become a social worker.

My goals are ambitious, and I'll be in college for many years to come, so I try to be strategic with the debt I incur. I transferred from the University of New Hampshire to Three Rivers Community College because courses were less expensive; after a year and a half I finished my classes there. I transferred to Central Connecticut State University and am currently working two jobs on top of a full-time course load.

While at UNH, I incurred a debt of \$15,000. Today, my loan value stands at \$25,000. After grad school, I anticipate walking away with a loan amount to the tune of \$40,000. I'll have to begin paying on all

that within 6–8 months after completing school. It's a lot of stress knowing the huge weight of debt that lies ahead.

School sometimes gets put on the backburner because of work. I work the closing shifts at a local retail shop, which often requires me to stay well into the night and sometimes as late as 1 a.m. It's tough on mornings when I have to get up early for classes. On top of that, my program requires students to complete 70 hours of volunteer time each semester, leaving very little time to focus on classwork, tests, and group assignments. It's tough.



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DAN WUNDERLIN • EASTERN CONNECTICUT STATE UNIVERSITY

I just finished my first semester studying accounting at Eastern Connecticut State University after 20 years in the Navy. I'm very blessed that I don't have to pay anything for my education. Under Chapter 31 of the G.I. Bill, my tuition at a state school is waived by the State of Connecticut. And additionally, the federal government provides a stipend for me to live on and they even covered my nearly \$500 in books this semester. Without these benefits I would be down at the career center looking for another job. Instead, I'm able to shift my career to something I can do well into my old age.

Our leaders need to get back to making decisions based on what's good for the community. Fixing one part of the economy at the expense of another

won't work. As a veteran, I am also able to get 26 weeks of unemployment benefits while being a full-time student — something other students can't do. But how special should I be? A lot of people are hurting. This is an economy where a degree is required, but with college costs rising so much faster than inflation, we're closing doors to people's future. We need to reinvest as a state — and a nation — into our education system or America won't be able to continue leading.

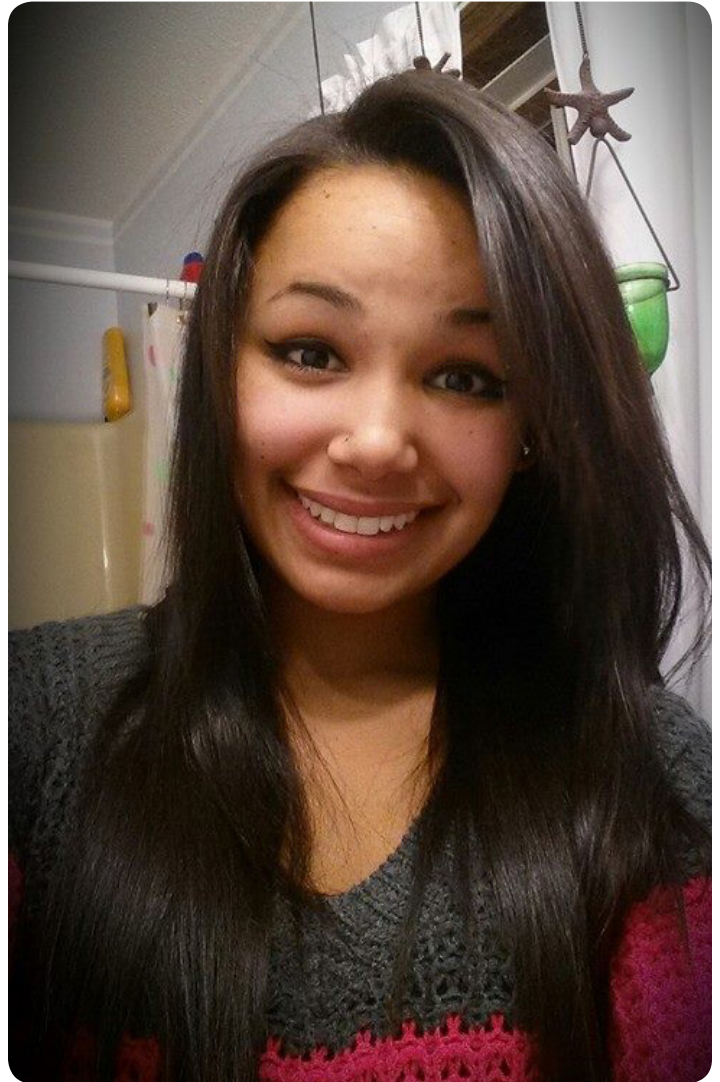


KEZIAH MARIE ENCARNACION • THREE RIVERS COMMUNITY COLLEGE

I'm enrolled at Three Rivers Community College in the pre-nursing program. I'm going to school full time and working forty hours a week so that I can start paying on the interest of my loans. It's definitely a struggle. I work 8 a.m. to 4 p.m. every day and then I have class from 5–9 p.m. Then, with what little time I have at the end of that kind of day, I try to study and have some kind of social life. The next day I just wake up and do it all over again. Still, I managed to be on the Dean's List with all A's.

I had to transfer here from Eastern where I had private loans, but Three Rivers won't accept private loans. They told me I had to apply for financial aid, which I did. With my parents' income, we're barely over the eligibility line so I did not qualify for any grants. I went to the financial aid office and they told me that I either had to make payments or have my parents help me, but I wouldn't have been in the aid office in the first place if that was an option. My parents help where they can, but we still can't cover everything.

I'd like to transfer to St. Joseph's in Hartford so that I can have more flexibility in my classes. Even working full-time, it's nearly impossible to pay when they want me to. I'd like to go on to specialize in either surgical or pediatric nursing. Hopefully I can find some kind of loan forgiveness or tuition reimbursement program, because the loans are even bigger as you advance — and who can afford that?



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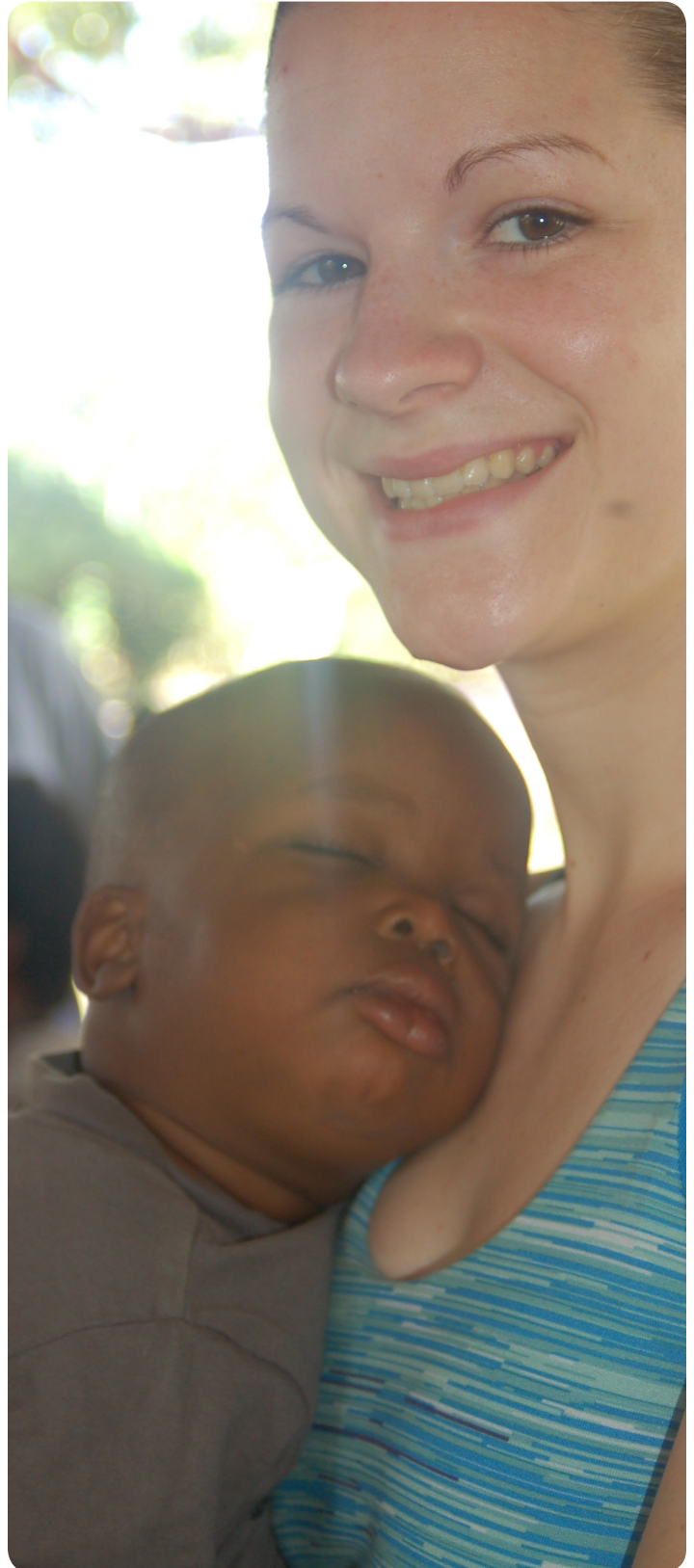
AMY HUHN • EASTERN CONNECTICUT STATE UNIVERSITY

I graduated recently from Eastern Connecticut State University with a degree in sociology. I have \$40,000 in student loans to pay back.

I just got a job at a nonprofit organization working with special needs people. It pay \$14.50 an hour and is part-time. How will I be able to pay anything back at that rate? If I can't, I know the interest is going to make it so much worse.

The thought of having to pay that back on what I'm going to be making has me very anxious. Everyone tells me that I should go to grad school, but that's so much more money — and I'm already going to owe so much. I know that I can't afford it. It shouldn't be so expensive for an in-state commuter like me to get a college degree.

“ I’m going to have \$40,000 to pay back when all is said and done. The thought of having to pay that back on what I’m going to be making has me very anxious.”



IMANI JOSIE • WESTERN CONNECTICUT STATE UNIVERSITY

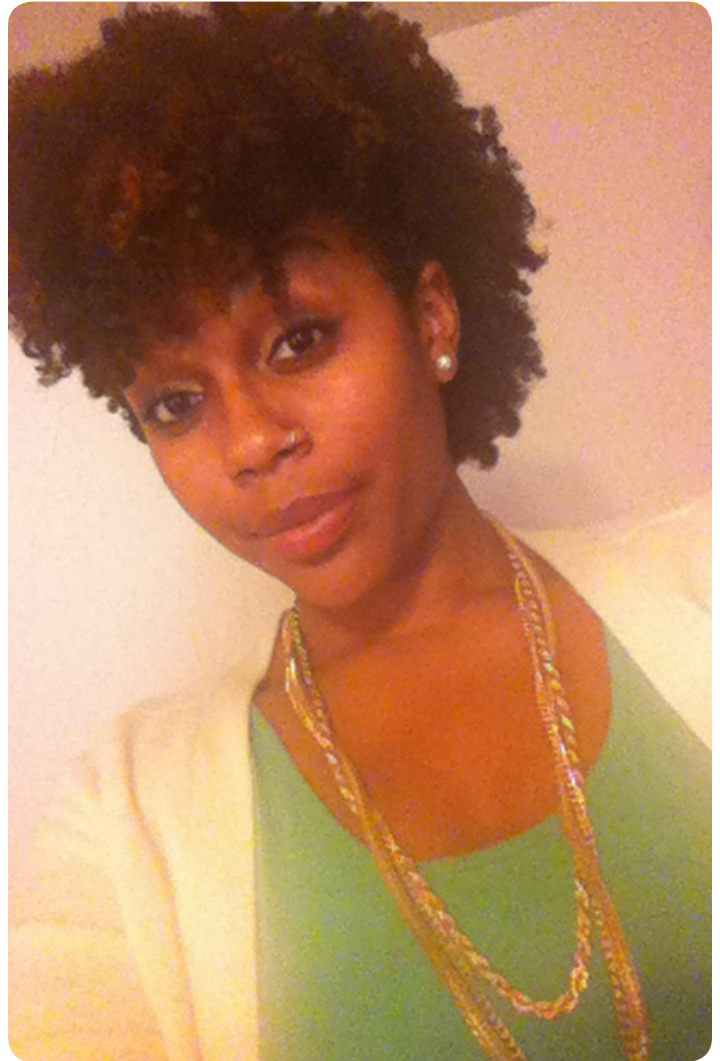
I just completed my senior year at Western Connecticut State University. It's been a long, challenging — but rewarding — five years. I'll be graduating with a degree in psychology with a minor in sociology. I have worked throughout my college career with youth development programs and over the summer had an internship with Rep. Rose DeLauro, which I enjoyed and also got to attend meetings on education reform.

I'm thinking about getting a master's degree in social work or English, and then eventually going to law school.

In pursuing my college degree, I had to strategically plan how to offset the financial burden. It took creative planning and a whole lot of luck. I worked as a Resident Assistant and Student Administrative Assistant. Both jobs taught me a lot about working with people from diverse backgrounds, and also helped financially, by covering tuition fees. As a senior, I was able to secure 20 hours working in the student government office as the secretary of the organization.

During the summer, I worked full-time and saved as much as I could, through summer programs like working at LEAP which scored me about \$3,000 in savings. In all, I'll still be graduating with \$30,000 in Stafford loans.

I'm trying to go directly to graduate school so I can continue to delay payments while in school, and I have looked into different state jobs that offer payment for student loans. I don't want to put any pressure on my parents since my sister will be starting college in the fall. I'm looking at Maryland and Washington, D.C., schools; but due to cost reasons I think I may stay in state.



Costs were less when I first entered school, but there has been a steady increase in tuition over the last few years.

It would help if our school implemented a tuition freeze to give upfront protection from skyrocketing tuition costs. I think it would really bring peace of mind to a lot of our students on campus.

“ I don't want to put any pressure on my parents since my sister is a senior in high school and will be starting college in the fall. Costs were less when I first entered school, but there has been a steady increase in tuition over the last few years.”

BECKE STRATTON • ENFIELD, CT

I graduated in 2010 from Eastern Connecticut State University. I'm working as an advocate in the emergency shelter for The Network Against Domestic Abuse. I started working full-time in 2012 and began paying down my debt. I got it down from \$12,000 to just over \$9,000, but unfortunately I'm in economic hardship deferment now.

My son is enrolled in Care for Kids. My four loans cost me about \$165 per month, which might not sound like a lot, but it makes it tough. Without deferring my loans I could only afford sharing a two-bedroom apartment with my son and a roommate. My son and I slept in the same room together. Luckily, interest isn't accruing on my loans while in deferment, but I've only got a little over a year left of eligibility to qualify for economic hardship.

Even though I love my job, I think I'm going to have to find a second job, or a better-paying one, in order to pay off my loans. I'm thinking I could go back to school for my master's degree, but that would require two more years of school and several thousand dollars more in student loans — and more time away from my son!



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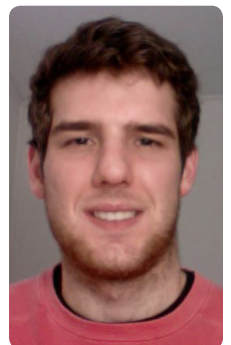
MATT LAVALLEE: UNIVERSITY OF CONNECTICUT

I feel lucky to be graduating with only \$20,000 of student loans. I was able to keep it that low with help from my parents for tuition and by taking the first two years of classes at the Avery Point campus before I transferred to UCONN. I also am doing an AmeriCorps program that includes a \$1,300 tuition stipend. I probably should have had more regular and better paying work, but I wanted to focus on my grades.

While I was forced to take out more loans, it paid off. I was accepted into my first choice medical school and I start in the spring. While starting a new chapter

is exciting, looking at the finances is daunting. I know at best it will cost \$50,000 and at worst \$72,000 annually with tuition and living expenses. I'm banking on receiving financial aid or scholarships, but I'm expecting to start off my professional career around \$300,000 in the hole.

It's a lot of extra pressure. If I falter or am unable to finish medical school, that debt will still be there.



KWABENA AGYIRI • UNIVERSITY OF CONNECTICUT

I just finished my sophomore year here at UCONN. I live in New York State, but came here specifically for the pharmacy program. I'm already about \$16,000 in debt, but that doesn't even include my parents' Plus Loans that are on top of that. I intend to pay these back after I graduate and have a better income. I have a campus Work Study job, but it only pays minimum wage, and, because of the lack of hours, my paycheck is little more than spending money.

Health care is a growing field, and I think Pharmacy fits me best. But Pharmacy school is going to cost another \$150,000. I'm not thinking about these loans right now. Everyone says they'll take care of themselves once I have a great job.

Since I'm out of state, I pay significantly more than Connecticut locals. I grew up just a couple of hours from campus, and I pay as much as someone from another country! I'm worried they will raise tuition to pay for the new buildings for the science department, making it even more expensive.

“ I have a campus Work Study job, but it only pays minimum wage, and because of the lack of hours, my paycheck is little more than spending money.”



RIO COMADURAN: HARTFORD, CT



I finished my master's degree from UCONN two years ago. As of right now, the only job I can get in my field gives me a take-home pay of \$26,000 per year. I've had to defer my loans because I was unemployed for six months. During that time I had to live off credit cards, so I'm paying that back and then will start on my loans.

Sometimes I feel like I'm going to hyperventilate when I think about the \$400 per month in student loan payments I have to make. I don't know how I'm going to pay that on what I'm making. After all is said and done, I'm left with about \$1,000 per month to live

on because half my paychecks go to debts.

I have three roommates to make the rent manageable, but because we live in an old house, heat costs us \$250 per person per month during the winter. I had food stamps while I was unemployed and that helped some. I'm hoping that I'm able to finish paying my credit card debt off by January so that I can start with my loans, but what if my car breaks down? What if there is some other kind of emergency that I can't plan for? It's very disappointing, as someone who is 35 years old and has had other careers and work experiences to have to struggle like this.

“ Sometimes I feel like I'm going to hyperventilate when I think about the \$400 per month in student loan payments I have to make. I don't know how I'm going to pay that on what I'm making.”

JIE ZHANG • UNIVERSITY OF CONNECTICUT HARTFORD

I transferred to UCONN Hartford from the University of International Relations in Beijing. The tuition price difference between the two schools is significant. In Beijing, it cost my family merely \$860 for a year of school, and this included on-campus housing (which was only \$95 a year, but didn't include a dining hall).

We almost fell to the floor when we learned of the price tag to study at UCONN Hartford. The tuition, housing, and food is very expensive — but I don't really understand why. One of my friends is from Taiwan and his parents can't afford to help much with tuition.

I can see that it's difficult for many here to balance work and school. It's especially difficult for social work students, who are required to perform 560 hours of field placement a semester. It's a heavy load without a job; I can't imagine how working students pull this off.

I'd like to see tuition made more affordable to students who want to contribute to society and make the world a better place. I know that getting an education is an investment in my future, but the burden should be distributed more fairly.



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CARA BARTLETT • FRANKLIN, CT

While getting my master's degree has certainly helped move my career forward, it has also been a burden on my budget. Four years after graduation, I'm left with \$55,000 in debt and \$270 per month in payments.

This is even considering I was working full-time while in school.

Additionally, I pay around \$500 a month in health care costs for my medical conditions and chronic fatigue. My doctor said that I shouldn't work so much and shouldn't be eating at 11 or 12 at night, but who isn't a little bit hungry when you get done with a long day of work?

I'd love to be able to take a vacation, or to join a gym and eat organic. But those aren't really options for me. Instead, I end up getting the dollar burger, because that's all that's available and affordable. I'm getting another job because I know my payments are going to go up soon.

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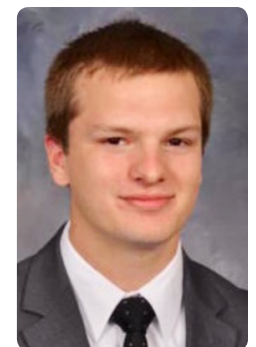
JORDAN RICHARD • UNIVERSITY OF CONNECTICUT

My friends and I sometimes feel like ostriches, keeping our heads in the sand until we actually have to face paying off our student loans! It's just the reality for so many of us — school is so expensive and we need a degree to get a good job. I graduated with around \$35,000 in loans from UCONN, and that's even while going to a satellite campus for the first two years.

I was lucky enough to have a job lined up for me when I graduated, but those loan payments loom, and I now need a car. I will probably move in with my older brother who at 28 is still paying off his student loans. I'm actually doing a lot better than many of my friends; some of them are taking five or more years to graduate.

My mother passed away this summer after a painful battle with Lou Gehrig's disease. I feel like I was so worried about getting by that I had to sacrifice opportunities to spend time with her while she was healthy. What it really taught me is that there is nothing more important than our integrity, character, memories, and most importantly, our loved ones.

After she died I told myself that I didn't want to spend my whole life working. I wanted to be able to come home and enjoy myself, think about where my life is going, or spend more time making memories with loved ones. But I don't really see that as an option right now. I want to spend more time giving back to my community, but there's no time because it's so hard to make ends meet. I'm afraid I'll never have the opportunity to give back more.





After four years at UCONN, I graduated with around \$56,000 in student loan debt. I even tried to save money by going to a satellite campus and living at home for my first two years. My parents want me to go to graduate school right after graduation, but I'm worried about how I'll be able to pay back all the loans. For now I'm going to find a job and live at home to save money as well as to help take care of my younger brothers.

This semester was very challenging — to graduate on time I had to take six classes after changing my major. Add in my job and the few hours a week I spend with the Cross Cultural Connections and Filipino American Student Association clubs, and it is a real challenge to find time to cook and study.

In this job market I'm concerned with how I'll pay back these loans in addition to my living expenses.

“ To graduate on time I had to take six classes after changing my major. Add in my job and the few hours a week I spend with the Cross Cultural Connections and Filipino American Student Association clubs, and it is a real challenge to find time to cook and study.”

DONNA JOHNSTON • PLAINFIELD, CT

I went back to school in my late-30s to become financially independent, but due to the skyrocketing cost of an education, I am really struggling. I currently owe \$55,000 in student loans. Fortunately this year, I qualified for a federal income-based repayment plan. Under this plan I wasn't required to pay on my student loans for 12 months. However, due to a slight increase in income this year I will most likely have to start paying on the loans next year.

I'm currently working three jobs to get ahead on my other debts (my car payment, and a personal loan) since I'm expecting to pay upwards of \$600 a month for my student loans.

Recently, when I applied for a mortgage, my education debt really impacted my ability to qualify. Due to having a modest income and a high student loan debt ratio I could not obtain a mortgage that would allow me to purchase an adequate home for my children and me. In order to offset my low income and high debt ratio, my oldest son agreed to purchase the home with me. Even with my son's additional income I was still barely eligible for a mortgage.

The entire experience was quite humbling. I never believed that at 46 years of age I would be unable to secure a mortgage on my own, especially given that I have a strong credit history combined with a master's degree and a reliable job in my field.

I've always instilled the importance of continuing education in my children. I am proud to say that two of my kids are enrolled in college and my youngest son will be in college within the next couple of years. However, I never anticipated they'd have to take out so many student loans in order to earn an advanced degree.

My oldest son's interest rates are going to be as high



as 11 percent. By the time he's finished with his master's degree in architecture, he's going to owe between \$80,000 and \$100,000 in student loan debt. His monthly payments on his student loans will be equivalent to a mortgage! I fear what my youngest son's student loans will be — he wants a career as a physician.

I am incredibly worried about the enormous student loan debt that is mounting for my children and me. The old notion that seeking an education will help secure someone's future, has now become a wall of never-ending debt. How will anyone ever get ahead in life when they are overwhelmed with astronomical student loan payments?

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RECOMMENDATIONS

STOP CUTTING HIGHER EDUCATION BUDGETS AND INCREASING TUITION

Cuts to higher education in Connecticut and nearly every other state have left students across the country taking on debt, as colleges increase tuition to make up for the lost funds. In 2008, Connecticut provided \$9,569 per student; in 2013, the state provided only \$7,028,⁷ leaving students to pay the rest through tuition. Additionally, while most other states increased per-student funding between 2012 and 2013, Connecticut continued to cut appropriations for higher education by 6.1 percent per full-time student.⁸

While there are many factors involved in the rising cost of tuition, state disinvestment in higher education has been the primary cause.⁹ Tuition in Connecticut has increased 27 percent since 2008, and now stands above the national average at \$9,360 annually.¹⁰

In Connecticut, funding for higher education was only 10 percent of total state expenditures in 2012, down from a high of 12 percent.¹¹ Not only has state funding per student for higher education been cut significantly, Connecticut gives less than \$375 in grants per student, doing little to help make college affordable for low-income students.¹² High in-state tuition, coupled with residential costs of more than \$10,000 annually for on-campus housing,¹³ plus a high statewide cost of living,¹⁴ means most students must take out loans to finance their education.

CONSIDER INNOVATIVE FUNDING MODELS TO IMPROVE ACCESSIBILITY

Many states are exploring a variety of models to address the cost of tuition. For example, Arizona, California, Iowa, Maine, Minnesota, New Hampshire, Rhode Island, Texas, and Washington have or are pursuing tuition freeze measures at

public universities. In total, nearly 320 colleges and universities offered tuition guarantees during the 2012-2013 school year.¹⁵ The schools represent about 6.7 percent of the nation's nearly 4,800 institutions where students receive federal financial aid.

In addition to tuition freezes, 25 states¹⁶ are exploring a Pay-It-Forward model, where students attend college with no tuition, then pay a certain portion of their income after graduation to allow future generations to also attend tuition-free. This model would allow students to put off paying for college until after graduation and would remove the tuition from the costs that contribute to student debt.¹⁷

However, while both programs would help address the cost of tuition for students, neither the Pay-It-Forward nor the tuition freeze models address the root cause of increased student debt: state disinvestment in higher education. Addressing only the cost of tuition for students would only serve to mask the root problem. In the case of tuition freezes, while students might see reduced tuition, without increased funding, institutions would simply raise fees to cover the difference. While the Pay-It-Forward model would put off paying for college until after graduation and eliminates interest accruing, it does not address the exploding costs of higher education. Without a strong reinvestment in higher education from the state, students and their families in Connecticut will continue to lose out.

ALLOW THOSE IN DEBT TO REFINANCE THEIR LOANS

To address current debt, Connecticut should allow current students to refinance their loans, as has been proposed in other states like Wisconsin.

In Wisconsin, the Higher Ed, Lower Debt Bill creates a student loan refinancing authority to help current borrowers refinance their loans, just like homeowners

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can refinance their mortgages.¹⁸ In some cases, student loan borrowers are being charged interest rates up to 12 percent by banks holding their loans;¹⁹ lower rates mean more money in the pockets of borrowers, and more money being spent in the economy.

The Wisconsin bills also provide relief to borrowers and their families by allowing them to deduct their

student loan payments from their state taxes, just as you can currently deduct college expenses. It is estimated that Wisconsin's student loan borrowers could realize tax savings ranging from an average of \$172, to as much as \$392 annually as a result of this legislation. For borrowers in Connecticut, who have a higher average loan burden than those in Wisconsin,²⁰ the savings through a similar program could be even higher.

CONCLUSION

America is at a crisis point, with outstanding student debt surpassing \$1.2 trillion. This debt has lasting impacts on our economy. Families' budgets and purchasing power are greatly diminished, and the effects will reverberate through the economy for generations to come. It is imperative that Connecticut reverses its 30-year trend of state divestment to mitigate soaring higher education costs.

While making college affordable again will have a lasting impact on Connecticut's families and economic outlook, it will do nothing for those already carrying unmanageable student debt. We must also provide options for families who are struggling to repay these loans. A state authority would allow borrowers to renegotiate lower terms and lock into current low interest rates.

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