

More Youth Priced Out of College

Written by Rev. Jesse Jackson Sr.
Wednesday, 27 March 2013 00:00



Morehouse College, one of the most distinguished historically black colleges — with graduates like Dr. Martin Luther King, former Atlanta Mayor Maynard Jackson, film director Spike Lee and others — literally shut down for spring break this week.

As its 2,000 students took their break, every member of the faculty and staff was furloughed without pay as the college struggles to balance its books.

The crisis at Morehouse, which will hit other historically black colleges and universities (HBCUs) even harder, results from the combination of foul economic times and continued cuts in support for students and colleges at the federal and state level.

African-Americans have dramatically less wealth than white families. To pay for advanced education, students piece together grants, work, family contributions and loans. Morehouse lost 200 students, part of 10,000 students in HBCUs affected, when the Department of Education suddenly tightened eligibility requirements for Parent Plus Loans that lend to eligible parents to help pay for their children's college costs. The average Plus loan at Morehouse was \$22,000 in 2010-11. Add to that the fact that college costs are rising, while the level of Pell grants is not, and colleges and faculties will be hit by the across-the-board "sequester" cuts at the federal level.

Morehouse is like the canary in the mine — an early warning signal. Student loan debt now exceeds id="mce_marker" trillion dollars, greater than credit card debt. A quarter of African-Americans graduate with debt over \$30,000, along with 16 percent of white students. Student debt can't be erased in bankruptcy, or because of loss of a job.

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About half of college graduates are unemployed or underemployed. In worse shape are the 30 percent of college students with loans who fail to graduate, often because they can't afford to continue. Student loans can be deferred, meaning that no payments are due, but the interest keeps building up. Eventually, they must be paid back, although defaults are rising.

Burdened with debt, graduates find it hard to pay for a car, a place to live and health care. They find it virtually impossible to save anything for the future.

President Obama understands that educating the next generation is vital to this country's future. In his first address to Congress, he pledged that "by 2020, America will once again have the highest proportion of college graduates in the world." He then signed into law the largest increase in student aid since the GI Bill at the end of World War II.

But since then, rising college costs and declining federal and state support have pushed more costs onto students and their parents. Advanced education or training is increasingly imperative and unaffordable.

We will pay far more in the future for failing to educate this rising generation than we will save in cutting support for them. We need a National Commission on College Affordability to review the rising costs of and the declining support for colleges and advanced training programs. It should recommend how the rise in college costs can be slowed and how to ensure that students are not priced out of the education they need nor condemned to debt servitude to get it.

That good students are forced to drop out of a distinguished school like Morehouse because they can't afford it is a warning sign. The furlough of Morehouse employees is a wake-up call. We need action before good schools fail and more good students are locked out.