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Student-Loan Debt Among Top Occupy Wall Street Concerns

Student-loan debt has continued to grow despite a financial crisis that constrained credit elsewhere, and the increasing burden amid high unemployment is driving at least part of the protests among the **Occupy Wall Street** movement.

Last year, [Americans began to owe more on their student loans then their credit cards](#), with student debt reaching the \$1 trillion mark. Many have flocked to higher education during the down economy, only to find themselves still unemployed or underemployed.

Zak Cunningham is a 22 year old who graduated from **Earlham College** in Indiana last spring.

He says he “doesn’t know how much student loan debt” he has, since he hasn’t bothered to count. He doesn’t have a job and wants to go to graduate school, but is worried about the cost.

Cunningham, tall, lanky and bare-chested with a red bandana around his neck and cigarette in hand, is among those flocking to the Occupy Wall Street demonstrations at Zuccotti Park. And while organizers say there’s no official “census” of who make up the protester base at Occupy events, the presence of student loan debtors and young, unemployed people, is noticeable. [See a chart](#) made by **Mike Konczal**, who parsed data from the related [We Are the 99%](#).

In general, college graduates have held up better in this recession than those with only a high school degree. But the cost of education was at the root of many of the Occupy attendees’ complaints.

“I’m 31,” **Natalie Havlin**, a college teacher in Brooklyn says. “And I still have a ton of student debt.”

Havlin and many of her students joined the demonstration Tuesday afternoon. She says that half of the freshman she teaches at **CUNY City Tech** have unpaid internships and consistently ask her about what their job prospects are after college.

“They say that their parents don’t understand,” she says. “CUNY used to be free and people are taking out massive loans. Their parents try to help, but they can’t do much.”

Some borrowers at the park took issue with the repayment terms of student loans, which [may balloon when](#)



AFP/Getty Images

Occupy Wall Street demonstrators

deferred or defaulted and may not be forgiven in cases where the borrower dies.

Mike Skypeck, a 20-year-old who drove nine hours from Portland, Maine, to attend the rally says that the cost of attendance is part of why he dropped out of college after one semester last spring. He estimates he still owes \$5,000 to \$7,000 for the semester and isn't sure whether or not he should go back. He's working part time at a country club.

"I'm not sure what will happen next," he says, hoisting a large flag over his shoulders on Broadway. "But I was surprised by how many people down here [at the park] understood."

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THE PROJECT ON STUDENT DEBT

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Average Student Debt Tops \$25,000 for Class of 2010 in Tough Job Market

New report includes state-by-state and campus-by-campus debt levels, hi-low lists

(Oakland, CA) - College seniors who graduated with student loans in 2010 owed an average of \$25,250, up five percent from the previous year, according to a new report from the Project on Student Debt at the Institute for College Access & Success (TICAS). The Class of 2010 also faced the highest unemployment levels for new college graduates in recent history: 9.1 percent (still less than half the unemployment rate for young adults with only a high school diploma).

Student Debt and the Class of 2010 focuses on graduates of public and private nonprofit four-year colleges who had federal and/or private (non-federal) student loans. It includes lists of high- and low-debt colleges and states.

“Student debt continues to rise, but debt levels vary tremendously from school to school and state to state,” said report author Matthew Reed. “Nationally, two-thirds of the Class of 2010 entered a tough job market with debt averaging \$25,250, up from \$24,000 for the Class of 2009. Some thought the jump would be even higher because of the economic downturn, but increased grant aid helped at least partially offset lower family incomes and higher tuitions while the Class of 2010 was in school.”

At the college level, the report found that average loan debt for the Class of 2010 ranged from \$950 to \$55,250, and the proportion of students who graduated with loans ranged from two to 100 percent. A total of 98 colleges reported that their 2010 graduates owed an average of more than \$35,000, and 73 colleges reported that more than 90 percent of their Class of 2010 graduated with debt. The data for this report came from more than 1,000 colleges, representing half of all public and private nonprofit four-year schools and three-quarters of the class of 2010.

The report also found that the states with the highest average debt for 2010 graduates are all in the Northeast and Midwest, while states with the lowest debt are concentrated in the West. New Hampshire had the highest average debt at \$31,048, followed by Maine at \$29,983. Utah and Hawaii had the lowest average debt at \$15,509 and \$15,550, respectively. The report notes that actual state averages are likely higher than these estimates, which are based on data reported voluntarily by public and private nonprofit four-year colleges.

Student Debt and the Class of 2010 features a new analysis of private loan usage, highlighting colleges where the Class of 2010 had particularly high levels of private loan debt. Private student loans typically have uncapped variable interest rates and lack the basic consumer protections and

flexible repayment options of federal student loans, making private loans more difficult for borrowers to repay.

“How you borrow, not just how much you borrow, really matters. If you have federal student loans, Income-Based Repayment, unemployment deferment, and other options can help you manage your debt even in these tough times,” said TICAS president Lauren Asher. “If you’re just starting the college process, it’s important to know that sticker prices don’t say much about what college will really cost you, and there are new tools to help you shop around. Since October 29, colleges are required to post ‘net price calculators’ on their websites. Net price is the total cost minus any grants and scholarships. When these calculators are easy to find, use, and compare, they can help you make smart decisions about borrowing for college.”

Student Debt and the Class of 2010 does not include private for-profit colleges in the state averages or high- and low-debt lists because so few of these schools provide the necessary data. Only five for-profit colleges reported student debt data for their 2009-10 graduates. The most recent available federal data show that nationally, 96 percent of graduates from for-profit four-year colleges had loans, and they borrowed 45 percent more than graduates from other types of four-year colleges.

The report and a *companion interactive map*, which includes average debt levels for the 50 states and District of Columbia and for more than 1,000 individual U.S. colleges and universities, are available online free of charge at http://projectonstudentdebt.org/state_by_state-data.php.

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The Project on Student Debt is an initiative of the Institute for College Access & Success, an independent, nonprofit organization working to make higher education more available and affordable for people of all backgrounds. For more information see www.projectonstudentdebt.org and www.ticas.org, or follow us on Twitter at www.twitter.com/TICAS org.

[<http://www.usatoday.com/money/perfi/college/story/2011-10-19/student-loan-debt/50818676/1>]

Student loans outstanding will exceed \$1 trillion this year

By Dennis Cauchon, USA TODAY

Updated 10/25/2011 1:23 PM

Students and workers seeking retraining are borrowing extraordinary amounts of money through federal loan programs, potentially putting a huge burden on the backs of young people looking for jobs and trying to start careers.

The amount of student loans taken out last year crossed the \$100 billion mark for the first time and total loans outstanding will exceed \$1 trillion for the first time this year.

Americans now owe more on student loans than on credit cards, reports the [Federal Reserve Bank of New York](#), the U.S. Department of Education and private sources.

Students are borrowing twice what they did a decade ago after adjusting for inflation, the [College Board](#) reports. Total outstanding debt has doubled in the past five years — a sharp contrast to consumers reducing what's owed on home loans and credit cards.

- **MORE:** [For-profit colleges focus of student loan issue](#)
- **STORY:** [How to avoid defaulting on your student loans](#)

Taxpayers and other lenders have little risk of losing money on the loans, unlike mortgages made during the real estate bubble. Congress has given the lenders, the government included, broad collection powers, far greater than those of mortgage or credit card lenders. The debt can't be shed in bankruptcy.

The credit risk falls on young people who will start adult life deeper in debt, a burden that could place a drag on the economy in the future.

"Students who borrow too much end up delaying life-cycle events such as buying a car, buying a home, getting married (and) having children," says Mark Kantrowitz, publisher of [FinAid.org](#).

"It's going to create a generation of wage slavery," says Nick Pardini, a [Villanova University](#) graduate student in finance who has warned on a blog for investors that student loans are the next credit bubble — with borrowers, rather than lenders, as the losers.

Full-time undergraduate students borrowed an average \$4,963 in 2010, up 63% from a decade earlier after adjusting for inflation, the College Board reports. What's happening:

•**Defaults.** The portion of borrowers in default — more than nine months behind on payments — rose from 6.7% in 2007 to 8.8% in 2009, according to the most recent federal data.

•**For profit-schools.** The highest default rates are at for-profit schools that tend to serve lower-income students and offer courses online. The [University of Phoenix](#), the nation's largest, got 88% of its revenue from federal programs last year, most of it from student loans.

"Federal student loans are like no other loans," says Alisa Cunningham, research chief at the Institute for Higher Education Policy. "The consequences are so high for making a mistake."

[http://www.washingtonmonthly.com/political-animal/2011_10/occupy_protests_face_tear_gas033087.php]

[Washington Monthly](#)

[Political Animal](#)

Blog

October 26, 2011 9:25 AM [Occupy protests face tear gas in Oakland](#)

By Steve Benen

When peaceful protesters face tear gas, flash grenades, and rubber bullets in a public park, [there's a problem](#).

Riot police in Oakland dispersed hundreds of protesters with tear gas on Tuesday night as crowds tried to re-enter a plaza outside of City Hall that the authorities had cleared of an encampment earlier in the day.

The forceful response by the police to protesters in Oakland came as the police in Atlanta moved in early Wednesday morning to clear an encampment from the city's central Woodruff Park. At least 53 people connected to the protest group Occupy Atlanta were arrested, and the park was cleared by 2 a.m. Eastern time, the Atlanta Journal Constitution reported.

By Wednesday morning in downtown Oakland, a dim cloud of gas still hung in the air over Frank Ogawa Plaza, according to images broadcast on CNN. A small number of police in riot gear stood by barricades around the plaza and a handful of protesters held signs nearby. [...]

Protesters, many affiliated with the group Occupy Oakland, can be seen scurrying away from billowing clouds of gas and what appear to be flash grenades in video recorded from a high vantage point in a nearby office building.

Chris Hayes [added](#), "Note to police commissioners: every single time police suppress non-violent dissent with force and violence it makes [the Occupy movement] stronger."

[Steve Benen](#) is a contributing writer to the Washington Monthly, joining the publication in August, 2008 as chief blogger for the Washington Monthly blog, Political Animal.

The Universal Declaration of Human Rights

PREAMBLE

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,

Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law,

Whereas it is essential to promote the development of friendly relations between nations,

Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom,

Whereas Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms,

Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge,

Now, Therefore THE GENERAL ASSEMBLY proclaims THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

Article 1.

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

Article 2.

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

Article 3.

Everyone has the right to life, liberty and security of person.

Article 4.

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

Article 5.

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 6.

Everyone has the right to recognition everywhere as a person before the law.

Article 7.

All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.

Article 8.

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 9.

No one shall be subjected to arbitrary arrest, detention or exile.

Article 10.

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Article 11.

(1) Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.

(2) No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

Article 12.

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

Article 13.

(1) Everyone has the right to freedom of movement and residence within the borders of each state.

(2) Everyone has the right to leave any country, including his own, and to return to his country.

Article 14.

(1) Everyone has the right to seek and to enjoy in other countries asylum from persecution.

(2) This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.

Article 15.

(1) Everyone has the right to a nationality.

(2) No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

Article 16.

(1) Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.

(2) Marriage shall be entered into only with the free and full consent of the intending spouses.

(3) The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.

Article 17.

- (1) Everyone has the right to own property alone as well as in association with others.
- (2) No one shall be arbitrarily deprived of his property.

Article 18.

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Article 19.

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

Article 20.

- (1) Everyone has the right to freedom of peaceful assembly and association.
- (2) No one may be compelled to belong to an association.

Article 21.

- (1) Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.
- (2) Everyone has the right of equal access to public service in his country.
- (3) The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

Article 22.

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Article 23.

- (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
- (2) Everyone, without any discrimination, has the right to equal pay for equal work.
- (3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
- (4) Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24.

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25.

- (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and

the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Article 26.

(1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.

(2) Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.

(3) Parents have a prior right to choose the kind of education that shall be given to their children.

Article 27.

(1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.

(2) Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Article 28.

Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

Article 29.

(1) Everyone has duties to the community in which alone the free and full development of his personality is possible.

(2) In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.

(3) These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

Article 30.

Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.