



Comments  
Women to Watch Networking Series in Braintree

DANTE RAMOS

# College education is worth a premium, but how much?



DAVID L. RYAN/GLOBE STAFF/FILE 2000



By Dante Ramos | GLOBE COLUMNIST MAY 24, 2016

**HIGH SCHOOL** seniors barely need to be told about the upside of attending small private colleges. The grassy expanses, the intimate setting, and the atmosphere of endless possibility sell themselves. What students do need, especially if they come from low-income families, is a warning in big, bold type: **“DO NOT BORROW \$60,000 TO ATTEND THIS SCHOOL.”**

High school guidance counselors aren't delivering that message, and neither are colleges. Somebody needs to. Unfortunately, a federal government that's heavily promoted access to college through convenient loans has done far less to help students confront the risks of over-borrowing.

In Sunday's Globe Magazine, Neil Swidey reported from the nether circles of college-debt hell. Paying for a four-year degree is tough even for middle-class kids at state schools. But the picture is especially bleak for poorer students who enrolled — for reasons that seemed logical at the time — in nonelite private

colleges with ~~with~~iffy graduation rates. One student Swidey interviewed started at Pine Manor before switching to UMass Boston and then Bridgewater State. She now has \$65,000 in debt. Another student owes \$84,000, after enrolling at Emmanuel, running into financial trouble, withdrawing, and then attending a succession of other schools.

US public policy treats a four-year degree as an unalloyed good, but the question of how students pay for it isn't just an incidental detail. While those who attend rich schools like Amherst, Harvard, or MIT can finish with minimal debt, private Massachusetts colleges where a quarter or more of students come from low-income families charge them a net price of nearly \$23,000 a year — and graduate fewer than half of their students within six years.

Perhaps not surprisingly, colleges discourage students from thinking about education in purely economic terms. Bucolic campuses and other intangibles are worth paying a premium, the argument goes. But how big a premium?



## The college debt crisis is even worse than you think

We tell students they need a bachelor's degree to get ahead. But for too many, the numbers no longer add up.

---

Swidey pressed administrators on how much debt students should be willing to take on. While one college official offered a plausible standard — borrow no more than you can expect to earn your first year out of college — most of the answers were exceedingly lame. “It’s different with every family.” “We don’t want to treat students with a broad brush here.”

The language of family diversity and consumer choice masks an unpleasant reality: In many cases, schools are counting on students to take on far more debt than is wise.

The Globe Magazine story should be required reading for college presidents and members of Congress, who’ve swatted down efforts to hold schools more accountable for students’ financial plight. While the Obama administration’s crackdown on for-profit schools with poor graduation rates has created a backlash primarily among Republicans, there was stiff bipartisan resistance to plans by the US Department of Education to rate colleges on such factors as whether

their students graduate. Too bad — Congress should care whether schools are making good use of all the money Washington has been shoveling in their direction.

Loans aren't grants. And big loans to students at institutions with poor graduation rates have one thing in common with subprime mortgages: The transaction may work out for the occasional borrower, but the daunting odds need to be disclosed up front. The fledgling Consumer Financial Protection Bureau could play a larger role. Created in the aftermath of the subprime mortgage crisis, the bureau has already been pushing for gentler, more personalized repayment plans for student loans.

But the greater good lies in helping students understand how much debt they can safely assume to begin with. At a moment in their lives when they're thinking expansively about the future, and receiving multiple copies of "Oh, the Places You'll Go!," 18-year-

olds can easily underestimate the burden they face — and suffer the consequences for decades into the future.

*Dante Ramos can be reached at [dante.ramos@globe.com](mailto:dante.ramos@globe.com). Follow him on Facebook: [facebook.com/danteramos](https://facebook.com/danteramos) or on Twitter: [@danteramos](https://twitter.com/danteramos).*

**Get Today’s Headlines from the Globe in your inbox:**

**SIGN UP**

[Privacy Policy](#)

SHOW 4 COMMENTS

Stay updated, right in your news feed.

Like 355K

**Recommended for you**

---



OPINION | SHERYL SANDBERG

**It’s the hard days that determine who you are**

Facebook COO Sheryl Sandberg discusses her husband’s death for the first time in a commencement address at the University of California, Berkeley. [MORE...](#)

---

[MORE...](#) Comments

---



MICHAEL A. COHEN

## Face it, Bernie. It's over

Sanders continues to tell his supporters that the odds are long but that it's still possible for him to win the nomination. It's not. [MORE...](#)

---



JEFF JACOBY

## Welcome cheap Chinese steel, dump tariffs

American steel mills are understandably chagrined that competitors from China are beating them on price. [MORE...](#)

---



OPINION | JEFFREY D. SACHS

## The age of impunity

The rich and powerful escape from punishment even when their malfeasance is in full view. [MORE...](#)

---



OPINION | H.D.S. GREENWAY

## Lawrence of Laos

The lessons of Vietnam still ring true, especially in Afghanistan. [MORE...](#)

---

FARAH STOCKMAN



## Comments **Why did the smartest guys in the room go bankrupt?**

There are many reasons why the Monitor Group, an elite Cambridge-based consulting firm that sold expensive advice, went bankrupt. [MORE...](#)

---



JOAN VENNOCHI

## **Supreme Court makes it official: Health care is a right**

With the 6-3 vote, Obamacare is forever part of the country's social and economic fabric. [MORE...](#)

---



EDITORIAL

## **As tech companies grow, so do their responsibilities**

Google struck a blow for transparency when it announced it would stop accepting advertising for payday lenders. [MORE...](#)

---



JEFF JACOBY

## **No, Bernie Sanders, Scandinavia is not a socialist utopia**

The prosperity that Denmark, Sweden, and Norway enjoy today was built with free-market reforms in the past. [MORE...](#)

---



OPINION | STEPHEN KINZER

Comments

## Sending US troops to fight ISIS will end in failure

A military solution to the problems afflicting the Middle East doesn't exist. [MORE...](#)

---



OPINION | STEPHEN KINZER

## The media are misleading the public on Syria

The coverage of the Syrian war is one of the most shameful episodes in history of the American press. [MORE...](#)

---



OPINION | RENÉE LOTH

## In dispute with KIND foods, the FDA eats its words

The term “healthy” is fine as long as it has nothing to do with, you know, health. [MORE...](#)

---



OPINION | SARAH CONLY

## Here's why China's one-child policy was a good thing

Perpetual population growth with finite resources will lead to disaster. [MORE...](#)

---

FIVE THINGS



## Comments **Truth and consequences of Denmark's 'socialism'**

Senator Bernie Sanders has long been a champion of the Scandinavian country's health care system, tuition-free colleges, and decent wages. [MORE...](#)

---

[MORE...](#)

---

### LETTERS

## **Carbon pricing key to curbing climate impact of cars and trucks**

“Although there's been some progress in the power generation sector, we have not made adequate gains in the transportation sector.” — Frederick Hewett [MORE...](#)

---



### EDITORIAL

## **Power grid of the future needs hydro and wind**

It's unfortunate that hydro and wind have been pitted against each other when either would provide major environmental benefit. [MORE...](#)

---



MICHAEL A. COHEN

## **How to make Obamacare better**

Now that the Supreme Court has upheld the federal subsidies, Comments  
now's the time to focus on improving the ACA. [MORE...](#)

---

[MORE...](#)

---

---

© 2016 BOSTON GLOBE MEDIA PARTNERS, LLC

---

---