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Women to Watch Networking Series in Braintree

DANTE RAMOS

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



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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 ~~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.

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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).*

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