August 17, 2016 - STUDENT DEBT

This blog has from its inception, pointed out the problems associated with the government sponsored explosion of student debt. In the last year Pickings has dealt with the problem **here**, **here**, and **here**. Just as the American left created a vast wasteland of wrecked lives with zero down payment home loans, it has continued its assault on the middle class with the siren song of an education financed by student loans. In the wake of the meddling do-goodism of left/liberals we find, yet again, millions of people with ruined credit.

In a blog post six years ago, Glenn Reynolds, Tennessee law prof, and Instapundit blogger coined **Reynolds' Law** - "The government decides to try to increase the middle class by subsidizing things that middle class people have: If middle-class people go to college and own homes, then surely if more people go to college and own homes, we'll have more middle-class people. But homeownership and college aren't causes of middle-class status, they're markers for possessing the kinds of traits — self-discipline, the ability to defer gratification, etc. — that let you enter, and stay, in the middle class. Subsidizing the markers doesn't produce the traits; if anything, it undermines them."

This from someone who is on the inside of the education establishment. An establishment that shows the hallmarks of a vast criminal conspiracy preying on those who fall into its grasp. Now that student debt is a 1.3 trillion dollar problem even the Volvo and arugula crowd has come to see the picture as one of their house organs - **Consumer Reports** devoted most of an issue to student debt.

Almost every American knows an adult burdened by a student loan. Fewer know that growing alongside 42 million indebted students is a formidable private industry that has been enriched by those very loans.

A generation ago, the federal government opened its student loan bank to profit-making corporations. Private-equity companies and Wall Street banks seized on the flow of federal loan dollars, peddling loans students sometimes could not afford and then collecting fees from the government to hound students when they defaulted.

Step by step, one law after another has been enacted by Congress to make student debt the worst kind of debt for Americans—and the best kind for banks and debt collectors.

Today, just about everyone involved in the student loan industry makes money off of the students—the banks, private investors, even the federal government. ...

Consumer Reports continues with the "Faces of Student Loan Debt."

"I feel I kind of ruined my life by going to college; I can't plan for an actual future."

Jackie Krowen, 32
In Debt: $152,000
Lane Community College, Portland State University, University of Rochester
Student Loans: $128,000
Remaining Balance: $152,000
Monthly Payment: $1,200
Occupation: Nurse

When she was 19, Jackie Krowen took out her first student loan to attend a community college in Oregon. She borrowed more when she transferred to Portland State University, and still more for nursing school at the University of Rochester in New York.

“You didn’t have to meet with anybody,” she says. “You just clicked some buttons on the computer and you had a huge check.” ...

... ***VANESSA MCCLURG, 29***
University of North Texas
Student Loans: $67,000
Remaining Balance: $73,000
Monthly Payment: $522
Occupation: Auto Shop Service Manager

McClurg’s father, a retired U.S. Navy officer, co-signed her loans. Then illness disrupted her education. She was hospitalized with pneumonia as a sophomore and later contracted a staph infection: “Unbeknownst to me,” she says, “I didn’t have a good immune system.” After missing more than a year of classes, she dropped out in 2010.

McClurg moved to Utah and got a $9-an-hour job in an auto repair shop, and says she couldn’t afford to pay her loans for a few years. Then debt collectors “really came after me,” she says, threatening to sue her. Then they said they would go after her father as well because he had co-signed her loans. “They would definitely take away his pension,” she says she was told. “They said they have every right.” Finally, she says, “my 84-year-old grandfather gave me every dime he had” so that she could get her loans current.

McClurg says she now earns $32,000 per year, enough to pay $522 each month for the education she never finished.

The NY Times reports on New Jersey's killer collectors of student loan debts.
Amid a haze of grief after her son’s unsolved murder last year, Marcia DeOliveira-Longinetti faced an endless list of tasks — helping the police gain access to Kevin’s phone and email;

canceling his subscriptions, credit cards and bank accounts; and arranging his burial in New Jersey.

And then there were the college loans.

When Ms. DeOliveira-Longinetti called about his federal loans, an administrator offered condolences and assured her the balance would be written off.

But she got a far different response from a New Jersey state agency that had also lent her son money.

"Please accept our condolences on your loss," a letter from that agency, the Higher Education Student Assistance Authority, said. "After careful consideration of the information you provided, the authority has determined that your request does not meet the threshold for loan forgiveness. Monthly bill statements will continue to be sent to you." ...

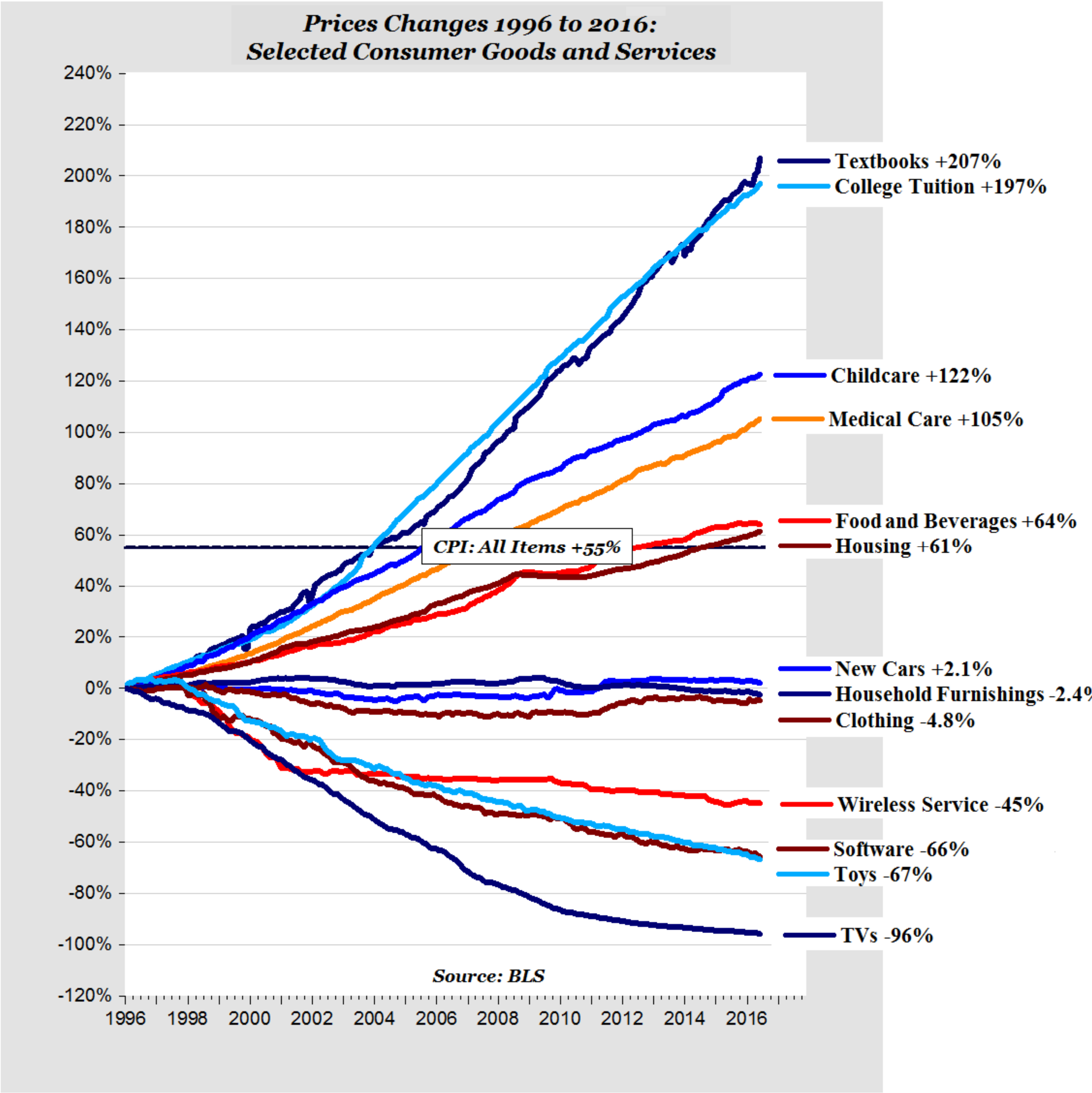
The Boston Globe has more. The pictures of the students reported on here were such large files they could not be included. Follow the link to get them.

IT'S ONE OF THE MOST enduring selling points for the value of higher education: The best route out of poverty is through the college quad. Spend four years in college, and all that book learning, mind opening, and network expanding will help even the lowest-income student jump up several rungs on the economic ladder. Nowhere is that message preached as often or with as much evident authority as in Massachusetts, the nation's historic capital of private, nonprofit higher education, where the concentration of colleges in some areas is surpassed only by the number of Dunkin' Donuts franchises.

But just how true is this truism about college lifting low-income students out of their circumstances, Horatio Alger style? In fact, like the actual story of author Horatio Alger, who was born into a well-established family and graduated from Harvard, there's more myth than truth. That's been especially so in recent years, as nonselective private colleges from around the region have increasingly filled their freshman classes with low-income students — often the first generation in their families to go to college — from Boston and other urban areas. Quite a few of these small schools are former junior colleges and women's colleges with rich histories of opening doors to students traditionally shut out from higher education, an admirable pursuit that officials refer to as "access." Many of the colleges are also in tough financial straits, struggling with rising costs, stunted endowments, and declining enrollments.

So whether they are actively recruiting these low-income students for reasons of open-the-door altruism or keep-the-lights-on capitalism — or, more likely, some combination of the two — there has been a huge, largely hidden byproduct of this dramatic increase in access: These students are often being loaded up with staggering debt that is completely out of whack with the earnings boost they'll likely get from a degree at a nonselective or less selective college. Already, average student loan debt is higher in Boston than any other metro area in the country, 44 percent above the national average, according to Credit Karma. But more troubling, many of these low-income students — and, at some colleges, most of them — are not graduating. That means these non-completers are leaving campus saddled with lots of debt but none of the salary gains that traditionally come with a bachelor's degree. ...

Like we said, a vast criminal conspiracy. . . .



Consumer Reports

Student Debt - Lives On Hold

Millions of Americans who went to college seeking a better future now face crushing debt from student loans—while the industry makes a handsome profit. How a broken system landed so many in this mess.

by James B. Steele and Lance Williams

Almost every American knows an adult burdened by a student loan. Fewer know that growing alongside 42 million indebted students is a formidable private industry that has been enriched by those very loans.

A generation ago, the federal government opened its student loan bank to profit-making corporations. Private-equity companies and Wall Street banks seized on the flow of federal loan dollars, peddling loans students sometimes could not afford and then collecting fees from the government to hound students when they defaulted.

Step by step, one law after another has been enacted by Congress to make student debt the worst kind of debt for Americans—and the best kind for banks and debt collectors.

Today, just about everyone involved in the student loan industry makes money off of the students—the banks, private investors, even the federal government.

42 million Americans bear $1.3 trillion in student debt that's altering lives, relationships and even retirement.

Once in place, the privatized student loan industry has largely succeeded in preserving its status in Washington. And in one of the industry's greatest lobbying triumphs, student loans can no longer be discharged in bankruptcy, except in rare cases.

At the same time, societal changes conspired to drive up the basic need for these loans: Middle-class incomes stagnated, college costs soared, and states retreated from their historical investment in public universities.

If states had continued to support public higher education at the rate they had in 1980, they would have invested at least an additional $500 billion in their university systems, according to an analysis by Reveal from The Center for Investigative Reporting.

The calculus for students and their families had changed drastically, with little notice. Today, there is a student debt class like no other: about 42 million Americans bearing $1.3 trillion in student debt that's altering lives, relationships, and even retirement.

"I feel I kind of ruined my life by going to college," says Jackie Krowen, 32, of Portland, Oregon, a nurse with a student loan balance of $152,000. "I can't plan for an actual future."

One of the beneficiaries in the profit spree behind this debt is the federal government. By the Department of Education's own calculations, the government expects to earn an astonishing 20 percent for the loans it made in 2013.

Today student debt is a $140 billion-a-year industry, and unlike many of its student customers, the industry's future looks bright.

Retreat of the States

In the summer of 2010, Saul Newton was a 20-year-old rifleman stationed at a small U.S. Army outpost in the remote, dangerous Arghandab River Valley of Afghanistan.

It was a radical change for a kid from suburban Milwaukee who only months before had been a student at the University of Wisconsin-Stevens Point.

But after two years of tuition hikes, Newton found himself with about $10,000 in student loans and the prospect of still more borrowing if he stayed in school. "I couldn't afford it any more," he says. He dropped out and enlisted, hoping one day to go back to school under the GI bill.

He wound up fighting the Taliban. His unit's worst day was when the battalion chaplain and four other soldiers were killed by a roadside bomb in August 2010.

"My focus was on doing my job and staying alive," Newton says. But no matter what else was going on at the outpost, once a month he says he went to the wooden shack where the unit kept a laptop computer and made his online student loan payment of $100.

He worried that if he didn't pay his loans, his credit would be shot. (Newton says he wasn't aware that the government offers student loan deferments to active soldiers in wartime.)

Today, back home in Wisconsin as director of the Wisconsin Veterans Chamber of Commerce, Newton says his state's cuts to higher education will force more young people to face the same choices he did.

"You shouldn't have to go to war to get a college education," he says.

In the last decade, Wisconsin has cut back sharply on funding its state university system.

In 2003, students paid about 30 percent of the University of Wisconsin system's total educational cost, according to data compiled by the State Higher Education Executive Officers Association. By 2013, after several rounds of state budget cuts, students were responsible for about 47 percent, and more state cuts to higher education are expected.

By 2014, 70 percent of Wisconsin students graduated with debt—the third-highest percentage in the nation for students at public and nonprofit colleges, according to the nonprofit Institute for College Access & Success, or TICAS.

Wisconsin's trajectory follows a national trend. After World War II, the states appropriated more and more funds for public higher education, and by 1975, they were contributing 58 percent of the total cost. But since then they have steadily reduced their share, pressured by, among other things, the rising costs of Medicaid and prisons. Today, state support is at 37 percent nationally, according to data from the U.S. Bureau of Economic Analysis.

“We ought to invest in the future, not take from the future,” says Thomas G. Mortenson, a senior scholar at the Pell Institute for the Study of Opportunity in Higher Education. “Where I used to live we called that eating our seed corn.”

As the states cut back funding, universities raised tuition. To cover the increase, more students borrowed, which brought in even more money for the thriving industry. The next step: collecting all the debt.

Calls, at All Hours

The work was automated and fast-paced: Calls were robo-dialed, and the delinquent borrower’s account history flashed on the computer screen in Jessie Suren’s cubicle. Her job, which paid about $12 an hour, was to engage with the borrower, stick to the script—and try to get some money out of people who were delinquent on student loans.

At the massive call center in Harrisburg, Pa., Suren felt like she was working for the enemy. The 28-year-old owes about $90,000 in student loans.

Some calls were scary, Suren says; angry borrowers would curse and threaten, declaring they were jobless and broke. Other calls were heartbreaking; borrowers would say they or their children were terminally ill.

Whatever their story, Suren says she’d have to tell borrowers what would happen if they didn’t pay: American Education Services, a loan servicing company, could take their tax refund and garnish their wages.

After hanging up, Suren would sometimes reflect on her own student loans. “This is going to be me in a couple of years,” she would think. Eventually, she quit.

The federal government holds about 93 percent of the $1.3 trillion in outstanding student loans. That makes the Department of Education, effectively, one of the world’s largest banks, but one that rarely deals directly with its customers.

In the 1980s, the department began contracting with private companies to take over some debt collection. Then after privatization, a surge of investors poured into this field. Established debt-collection firms were bought up by privately held investor funds controlled by the likes of JPMorgan Chase and Citigroup.

Today, one in four borrowers are behind in their payments, according to the Consumer Financial Protection Bureau, with an estimated 7.6 million in default. As borrowers struggle to make payments, debt-collection profits rise.

Contractors are expected to make more than $2 billion in commissions from the government this year, according to the National Consumer Law Center.

With the stakes so high, complaints about overzealous debt collectors have soared. Federal and state agencies have fined contractors millions for misconduct in harassing student debtors. Some have lost their contracts entirely.

San Francisco graphic designer Brandon Hill says debt collectors from Sallie Mae began calling him "yelling and screaming" about his past-due payments as early as 5 a.m. After he complained to state regulators in 2013, Sallie Mae and Navient Credit Finance turned around and sued him for immediate repayment of a combined $73,000 in student loans, records show. "I was sued for complaining," he says. His lawyer is negotiating a settlement.

In a letter to the California attorney general's office, Sallie Mae wrote that the company had "acted appropriately" in contacting Hill. The flurry of 5 a.m. calls occurred because Hill's cell phone has a Virginia area code, so the collectors assumed he was on the East Coast, a Sallie Mae official wrote.

Retired University of Cincinnati professor Mary Franklin says student debt collectors told her they would garnish her disability insurance benefits because she had fallen behind on a student loan dating back decades.

"I tried to explain to them that I was ill," she says. "They said the federal government [doesn't] care." Eventually, she says, she managed to resume payments.

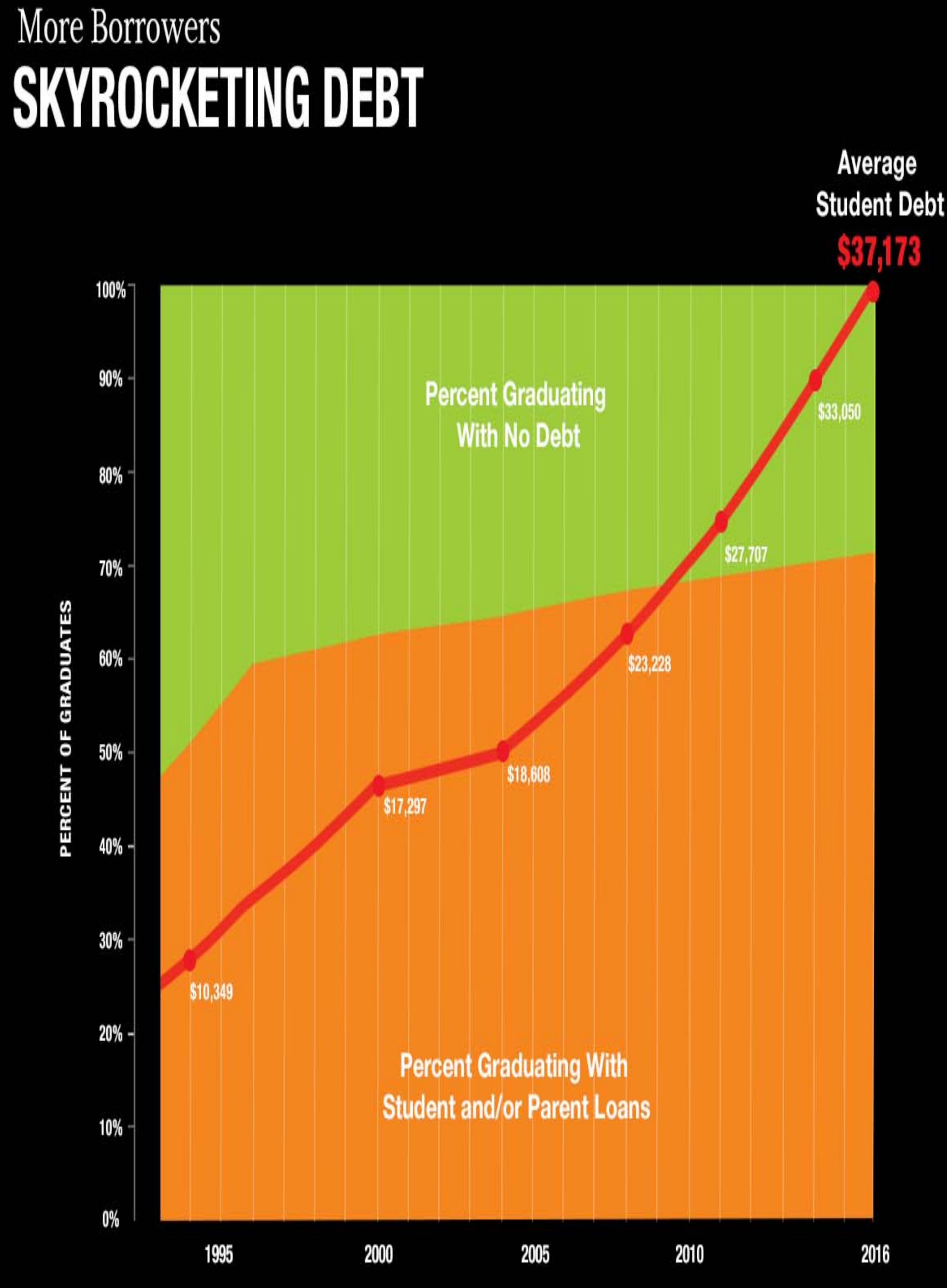
Congress revised the program again and in 2010 took back control of issuing federal student loans; the government now loans directly to students. However, it left intact the industry that had grown up to service and collect the loans.

Other progress has been made. New regulations introduced after 2013 now limit a student debtor's federal loan payments to as low as 10 percent of discretionary income. And in 2015, the Obama administration launched a pilot program to test whether federal employees could effectively take over the job of collecting unpaid student loans, while at the same time being more helpful and less aggressive than private collectors.

To Deanne Loonin, a lawyer who monitored student debt for years for the National Consumer Law Center, the Treasury experiment is focusing on one of the biggest problems confronting borrowers.

"We need to eliminate the private collection agencies from this process," she says. "They are incentivized just to collect money, not to work out ways that might be better for the borrowers. We need to see what else might work."

This story was produced by Reveal from The Center for Investigative Reporting, a nonprofit news organization based in the San Francisco Bay Area. Learn more at revealnews.org and subscribe to the Reveal podcast, produced with PRX, at revealnews.org/podcast. Lance Williams can be reached at lwilliams@cironline.org.


More Borrowers
SKYROCKETING DEBT
Average
Student Debt
$37,173
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
PERCENT OF GRADUATES
Percent Graduating
With No Debt
Percent Graduating With
Student and/or Parent Loans
$10,349
$17,297
$18,608
$23,228
$27,707
$33,050
1995
2000
2005
2010
2016

Consumer Reports

[Faces of Student Loan Debt]

The stories of young Americans struggling to get out from under the weight of student debt.

I feel I kind of ruined my life by going to college; I can't plan for an actual future.

Jackie Krowen, 32
In Debt: $152,000
Lane Community College, Portland State University, University of Rochester
Student Loans: $128,000
Remaining Balance: $152,000
Monthly Payment: $1,200
Occupation: Nurse

When she was 19, Jackie Krowen took out her first student loan to attend a community college in Oregon. She borrowed more when she transferred to Portland State University, and still more for nursing school at the University of Rochester in New York.

“You didn’t have to meet with anybody,” she says. “You just clicked some buttons on the computer and you had a huge check.”

When she finished school in 2011, she was $128,000 in debt. Today, with a good job as a nurse, she still can't make a dent.

Looking back, Krowen realizes she had no idea what she was doing when she took out her loans. Her parents, she says, encouraged her to borrow because the interest rate was low. Like many young borrowers, she didn't know how much interest could accrue. "It didn't make sense to me," she says.

Now she understands. Her balance is currently $24,000 more than what she borrowed.

Buying a house isn't an option, she says, and the idea of having a family seems financially impossible. She fears it will be that way for the rest of her life.

To make sure debt collectors got paid, they said they would definitely take away [my father's pension]. They said they have every right.

VANESSA MCCLURG, 29
University of North Texas
Student Loans: $67,000
Remaining Balance: $73,000
Monthly Payment: $522
Occupation: Auto Shop Service Manager

McClurg's father, a retired U.S. Navy officer, co-signed her loans. Then illness disrupted her education. She was hospitalized with pneumonia as a sophomore and later contracted a staph infection: "Unbeknownst to me," she says, "I didn't have a good immune system." After missing more than a year of classes, she dropped out in 2010.

McClurg moved to Utah and got a $9-an-hour job in an auto repair shop, and says she couldn't afford to pay her loans for a few years. Then debt collectors "really came after me," she says, threatening to sue her. Then they said they would go after her father as well because he had co-signed her loans. "They would definitely take away his pension," she says she was told. "They said they have every right." Finally, she says, "my 84-year-old grandfather gave me every dime he had" so that she could get her loans current.

McClurg says she now earns $32,000 per year, enough to pay $522 each month for the education she never finished.

You shouldn't have to go to war to get a college education.

Saul Newton, 28
In Debt: $23,000
Read More

University of Wisconsin-Stevens Point
Original Student Loans: $10,000
Remaining Balance: $23,000
Occupation: Director, Wisconsin Veterans Chamber of Commerce

After two years of tuition hikes at the University of Wisconsin-Stevens Point, Newton's student loan balance was already $10,000.

"I couldn't afford it any more," he says. In 2009, he dropped out and joined the Army, hoping one day to continue his education under the GI Bill, which he has done.

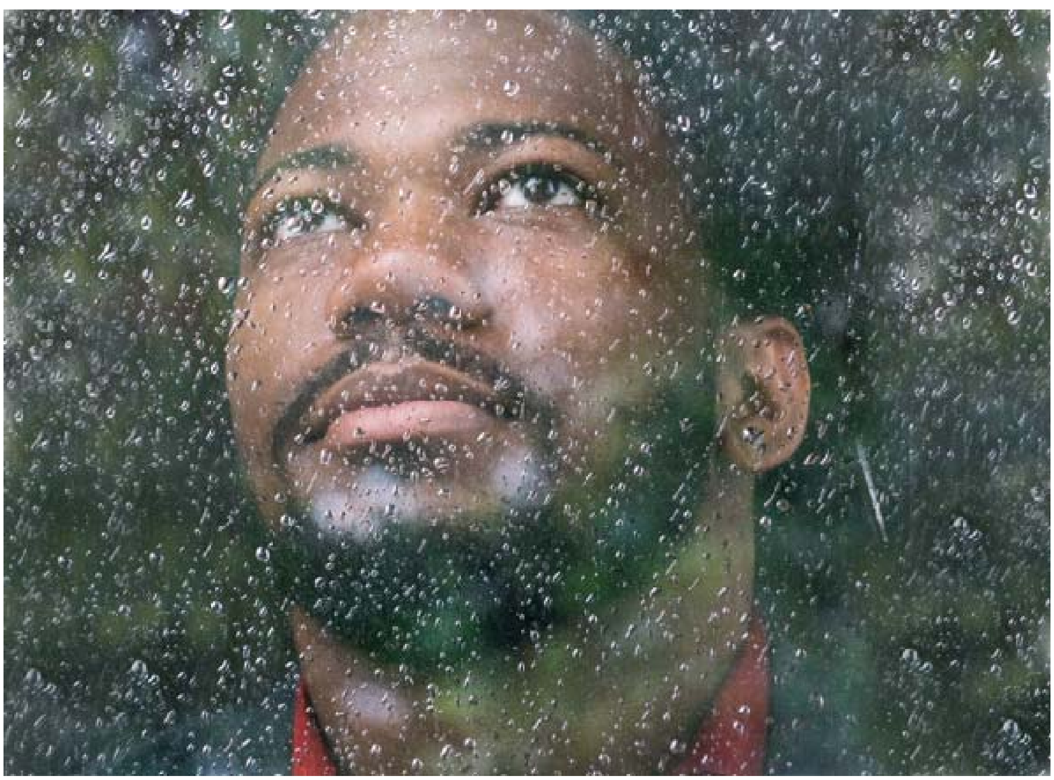
Several months later, he was in Afghanistan's Arghandab River Valley, a private in the 4th Infantry Division. His unit's worst day was when the battalion chaplain and four other soldiers were killed by a roadside bomb in August 2010.

"My focus was on doing my job and staying alive," he says. But he was careful never to forget to go and make his online student loan payment of $100 a month.

"It was kind of crazy" that a soldier in a war zone had to worry about his student loans, Newton says, but he believed that "if I didn't pay my loans, my credit would be shot."

Now he's back home in Wisconsin, working as a veterans' activist. "You shouldn't have to go to war to get a college education," he says. On the other hand, "starting your post-college life with tens of thousands of dollars in debt is a weight around your ankles," he says. "I can relate to that."

One day I want to own a home and have a family but I will have to pay my student debt first.



MARVIN LOGAN JR., 24
Kent State University and Clark Atlanta University
Student Loans: $78,000
Monthly Payment Once He Graduates: $789
Occupation: Youth Counselor at a Foundation

As a star athlete at Warren G. Harding High School in Warren, Ohio, Marvin Logan Jr. never worried about how he'd pay for college.

Raised by a single dad who worked as an electrician, Logan was an All-American in track and field and played football. College recruiters courted him in both sports.

He went to Kent State University on a track scholarship but soon discovered he couldn't afford it all. So he took out $5,500 in loans freshman year to help pay for living expenses and school supplies.

Then sophomore year, he lost his scholarship when injuries prevented him from competing. To pay for school, he took out more loans.

Marvin graduated in 2015 and now works at a nonprofit helping disadvantaged youth.

Because he is going to grad school full time at night, he's added on to his overall debt.

Repayment starts when school ends.

He says he has no regrets: "College has given me the opportunity to do what I love and make a difference."

Debt is the first thing I factor in all of my decisions.

JESSIE SUREN, 28
La Salle University
Student Loans: $72,000
Remaining Balance: $90,000
Monthly Payment: $900
Occupation: Sells Vacation Packages

Suren was raised by a single mom who worked in the restaurant business. She pushed Suren to get an education. “My mom wanted for me what she didn’t have,” says Suren, who did well in school and became the first in her immediate family to attend college. She knew she’d have to finance it herself. Her mother hired a consultant to help with the financial aid forms, at a cost of nearly $2,000, but that didn’t prepare Suren for the obligations she was taking on. Nor did her high school counselors, she says. “No one talked to me about whether I could afford college, how much it would cost or how interest would work. I knew nothing about money.”

Suren decided to go to La Salle University, a private Catholic school. Grant money and scholarships didn’t cover the $36,000 a year for tuition, fees, and room and board, so she took out the maximum she could in student loans. Her aunt co-signed a private loan and her mother took out a federal loan designed for parents.

By the time Suren graduated in 2010, she was already $72,000 in debt.

Most troubling for Suren is that servicers and debt collectors can go after her family, too. “If I were only responsible for my loans, I might not pay and just say forget it,” she says. “But because this impacts my mom and aunt, I won’t do that.” With such a high monthly payment, she wonders if she will ever be able to buy a house or start a family.

Calling me eight times a day.

DANIELLE ALUOTTO, 30
University of New Orleans
Student Loans: $82,000
Remaining Balance: $90,000
Monthly Payment: $1,200
Occupation: Pharmacy Technician

When her friends go out for drinks after work, Aluotto has to beg off. By the time she makes her $1,200 monthly loan payment, she's all but broke.

The pharmacy technician says she received no useful advice from student financial aid counselors when she took out loans for college. Six years after graduation, the loans continue to dominate her life.

"I have to methodically calculate my financial situation at all times," she says. "I know every penny in my account."

Aluotto says she paid her loans on time through automatic withdrawal from her bank account. But loan collectors began phoning her day and night a few years ago, telling her that her private loans were in arrears and demanding payment.

She says she explained that the loan was current, but "it was like arguing with a brick wall."

"They just think a 45-minute conversation in the middle of the day is convenient," she says. She filed a complaint with the Consumer Financial Protection Bureau.

In its response to the CFPB, Sallie Mae admitted to internal systems errors and apologized, and the calls stopped, if not the pressure to repay.

"I feel the weight of my student loans every day," Aluotto says.

I was sued for complaining.

BRANDON HILL, 31
Academy of Art University
Student Loans: About $140,000
Occupation: Graphic Designer

Hill took out loans to study video animation. Unable to find work as an animator, he got a job as a graphic artist, and for a while made a $700 monthly loan payment.

But Hill was laid off in 2013 and fell behind on his loans. Collectors began calling “five times a day” demanding payment, he says. Some calls came at 5 a.m., he says.

To one collector, Hill says he tried to explain that he was jobless in one of the most expensive cities in the country. Rent on his one-bedroom apartment was $1,600 per month.

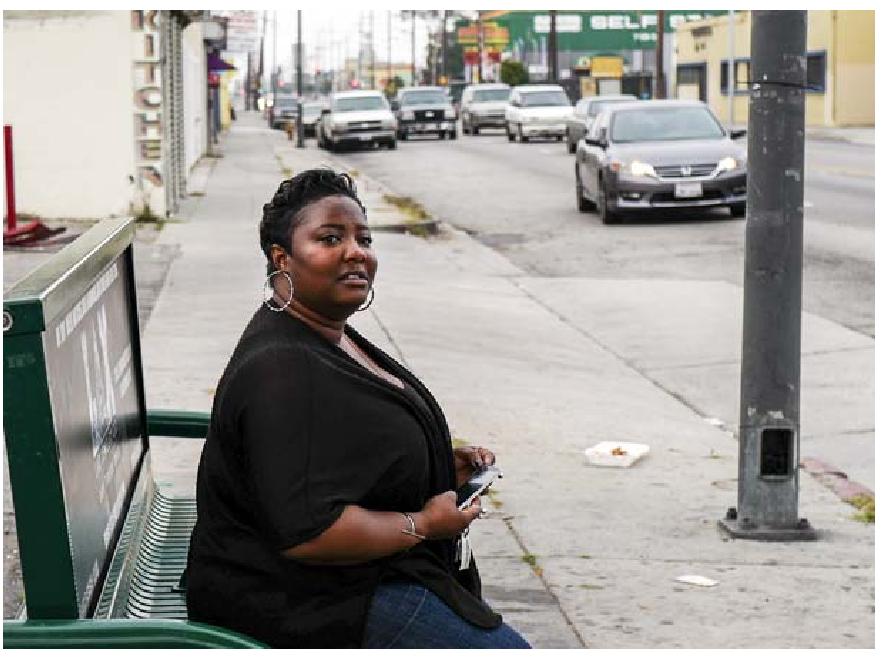
"This guy was yelling and screaming in my ear, ‘Don’t worry about those other payments, you need to pay this right now,’” he says.

Hill complained to state regulators. The calls stopped. But then Sallie Mae and Navient Credit Finance sued Hill for immediate repayment of a combined $73,000 in student loans, records show.

His lawyer is negotiating a settlement.

In a letter to the California attorney general’s office, Sallie Mae wrote that the company had “acted appropriately” in contacting Hill. The flurry of 5 a.m. calls occurred because Hill’s cell phone has a Virginia area code, so the collectors assumed he was on the East Coast, a Sallie Mae official wrote.

I worked so hard not to be in this situation right now. I sacrificed so much to go to school and get an education.



ANITA BREWER, 33
American InterContinental University
Student Loans: $60,000
Remaining Balance: $160,000
Occupation: Teacher's Aide

Brewer says she borrowed $60,000 to study fashion design and merchandising at the for-profit university, which became a magnet for complaints over poor academic quality, low graduation rates, a high concentration of student debt, and other issues. And the LA campus she attended has since closed.

Brewer says she tried to transfer, but other colleges would not accept her credits. Between periods of unemployment, she has worked at a series of low-paying jobs, most recently as a teacher's aide. She hasn't kept up with her loan payments, and the interest has ballooned.

Brewer was a plaintiff in a class action lawsuit against the Career Education Corporation, AIU's parent company. The lawsuit was settled, and the company agreed to pay $12.25 million to those students involved in the suit. Brewer's share of the settlement was $189.

I could have gone to community college and gotten the same credentials for a lot less money.

MICHELLE BESSETTE, 33
California State University, Los Angeles
Student Loans: $58,000
Expected Monthly Payment: About $500
Occupation: Respiratory Therapist

Michelle Bessette didn't know what she wanted to do with her life, so after high school she took some courses at a local community college and tried a variety of jobs, from bartending to retail sales and a stint as a claims adjustor. At 26, she says she realized, "I wanted to do something that was more meaningful and I wanted to make more money.

So she borrowed $28,000 and enrolled in a two-year respiratory therapy program at American Career College, a for-profit school. “I was told by the school that we’d get paid $30 an hour right out of the gate. I figured I could afford the payments,” she says.

Her first job at a hospital in Anaheim (which she holds to this day) paid $18 an hour to start. Now she has gone back to school for a degree in communication disorders and has borrowed some $30,000 more.

She now wishes she had stayed in community college for as long as possible because the same degree would have been a fraction of the cost. “I talk to people all the time about my experience and tell them to look at all of their options,” Bessette says. “Part of me feels that it’s my fault. I didn’t do enough research. But I also feel there is no education about this.”

Her loan payments won’t begin until after she graduates in December, Bessette says, but already, “My fiancé is quite stressed about it. My debt is a constant conversation with my family.”

NY Times

[In New Jersey Student Loan Program, Even Death May Not Bring a Reprieve]

by Annie Waldman

After her son was killed, Marcia DeOliveira-Longinetti was able to get the remaining balance of his federal student loans written off. But the New Jersey state agency that had also lent her son money told her, “Your request does not meet the threshold for loan forgiveness.”

Amid a haze of grief after her son’s unsolved murder last year, Marcia DeOliveira-Longinetti faced an endless list of tasks — helping the police gain access to Kevin’s phone and email; canceling his subscriptions, credit cards and bank accounts; and arranging his burial in New Jersey.

And then there were the college loans.

When Ms. DeOliveira-Longinetti called about his federal loans, an administrator offered condolences and assured her the balance would be written off.

But she got a far different response from a New Jersey state agency that had also lent her son money.

“Please accept our condolences on your loss,” a letter from that agency, the Higher Education Student Assistance Authority, said. “After careful consideration of the information you provided, the authority has determined that your request does not meet the threshold for loan forgiveness. Monthly bill statements will continue to be sent to you.”

Ms. DeOliveira-Longinetti, who co-signed on the loans, was shocked and confused. But her experience with the authority, which runs by far the largest state-based student loan program in the country, is hardly an isolated one, an investigation by ProPublica, in collaboration with The New York Times, found.

New Jersey’s loans, which currently total $1.9 billion, are unlike those of any other government lending program for students in the country. They come with extraordinarily stringent rules that can easily lead to financial ruin. Repayments cannot be adjusted based on income, and borrowers who are unemployed or facing other financial hardships are given few breaks.

The loans also carry higher interest rates than similar federal programs. Most significant, New Jersey’s loans come with a cudgel that even the most predatory for-profit players cannot wield: the power of the state. New Jersey can garnish wages, rescind state income tax refunds, revoke professional licenses, even take away lottery winnings — all without having to get court approval.

“It’s state-sanctioned loan-sharking,” Daniel Frischberg, a bankruptcy lawyer, said. “The New Jersey program is set up so that you fail.”

The authority, which boasts in brochures that its “singular focus has always been to benefit the students we serve,” has become even more aggressive in recent years. Interviews with dozens of borrowers, who were among the tens of thousands who have turned to the program, show how the loans have unraveled lives.

The program’s regulations have destroyed families’ credit and forced them to forfeit their salaries. One college graduate declared bankruptcy at age 26 after struggling to repay his debt. The agency filed four simultaneous lawsuits against a 31-year-old paralegal after she fell behind on her payments.

Another borrower, Chris Gonzalez, could not keep up with his loans after he got non-Hodgkin’s lymphoma and was laid off by Goldman Sachs. While the federal government allowed him to suspend his payments because of hardship, New Jersey sued him, seeking $266,000 in payments, and seized a state tax refund he was owed.

One reason for the aggressive tactics is that the state depends on Wall Street investors to finance student loans through tax-exempt bonds and needs to satisfy those investors by keeping losses to a minimum.

Loan revenues also cover about half of the agency's administrative budget.

In 2010, the agency filed fewer than 100 suits against borrowers and their families. Last year, it filed over 1,600. (Some could result from federal loans handled by New Jersey, though such loans make up just 4 percent of the agency's portfolio.)

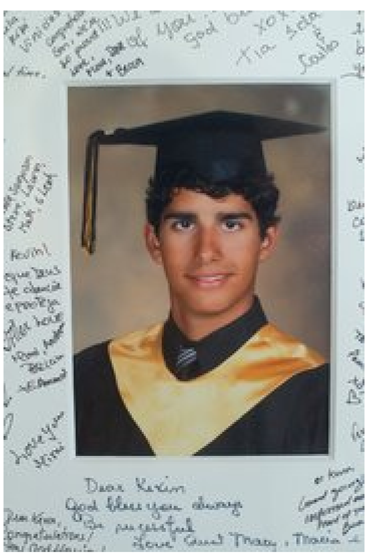
The cases are handled by debt collectors, who can tack on another 30 percent in fees on top of the outstanding debt.

Marcia Karrow, the authority's chief of staff, said that "the vast majority of these borrowers are happy with the program." She added that New Jersey's loans had "some of the lowest default rates" in the country. But when asked to produce the annual default rates, the agency sent ProPublica and The Times data only for students with strong credit scores, making it impossible to calculate the overall rate.

A spokesman for Gov. Chris Christie said the governor did not control the authority and declined to respond to questions about the loan program. But Mr. Christie, a Republican, appointed its executive director, Gabrielle Charette; he also has the power to appoint at least 12 of the agency's 18 board members and can veto any action taken by the board.

Besides administering the loan program, the authority provides financial aid counseling, conducting hundreds of financial aid nights at New Jersey high schools, where it offers advice about paying for college, including pitching its own loans.

Ms. DeOliveira-Longinetti, who emigrated from Brazil and had long worked as a nanny while raising her son as a single mother, always knew that paying for his college education would be a challenge. Even after marrying her husband when Kevin DeOliveira was in middle school, she knew that their combined income would not be enough to cover the costs. A friend told her about New Jersey's program. That, along with a combination of scholarships, grants and other loans, allowed Mr. DeOliveira to enroll at the University of Vermont.



A high school graduation photo of Kevin DeOliveira, Ms. DeOliveira-Longinetti's son, who was murdered in 2015.

Since her son was fatally shot, Ms. DeOliveira-Longinetti has made 18 payments to New Jersey. Paying $180 per month, she has about 92 to go.

“We’re not going to be poor because of this,” she said. “But every time I have to pay this thing, I think in my head, this is so unfair.”

A Different Path

For decades, states served as middlemen for federal student loans. Most of the loans were made by banks and were handled and backed by regional and state-based agencies as well as by the federal government. The arrangement was unwieldy, expensive and marked by scandal.

After Pennsylvania’s student loan agency lost a public records lawsuit in 2007, documents revealed that the agency had spent nearly $1 million on things like fly-fishing, facials and falconry lessons.

That same year, New Jersey’s agency was caught in what amounted to a kickback scheme. The state attorney general found that the agency had improperly pushed one company’s loans in exchange for annual payments of $2.2 million. A subsequent investigation by the state’s inspector general found that the agency was in “disarray.”

In 2010, Congress and the Obama administration decided to effectively eliminate the role of state agencies by having only the federal government lend directly to students.

Some states, like California, decided to downsize and transferred their federal loan portfolios. Others, such as Pennsylvania, won contracts from the federal government to service debt from the federal loan program.

New Jersey chose a different path. In the years leading up to the end of the federal program, New Jersey sharply expanded its loan program, slowly replacing the federal loans it once handled with state loans. From 2005 to 2010, loans from the agency nearly tripled, to $343 million per year. Since then, the agency has reduced its loans by half, but its outstanding portfolio has remained roughly the same, about $2 billion.

Ms. Karrow said the growth of New Jersey’s program was simply a result of both the increasing number of students and the rising cost of tuition. But in fact, college enrollment and tuition have not grown as rapidly as the program’s size.

Chris Gonzalez surrounded by bank statements and lawsuit letters. He could not keep up with his loans after he got cancer and was laid off by Goldman Sachs. New Jersey sued him, seeking over $260,000 in payments.

While other states have similar loan programs, New Jersey's stands apart, for both its size and its onerous terms.

Massachusetts, running the next-largest program, with $1.3 billion in outstanding loans, automatically cancels debt if a borrower dies or becomes disabled, something many other states also do. The program of the third-largest state lender, Texas, is half the size of New Jersey's. And Texas offers a flat interest rate, a modest 4.5 percent, while New Jersey's rates can reach nearly 8 percent. Some other state loan programs have more flexible repayment options — Rhode Island, for example, offers income-based repayment.

New Jersey, meanwhile, encourages students to buy life insurance in case they die to help co-signers repay. As an agency pamphlet cautions, "Are you prepared for the unthinkable?"

The agency, Ms. Karrow said, treats each instance of a deceased borrower case by case and tries to be compassionate, but, she added, "we must also meet our fiduciary duty to our bondholders."

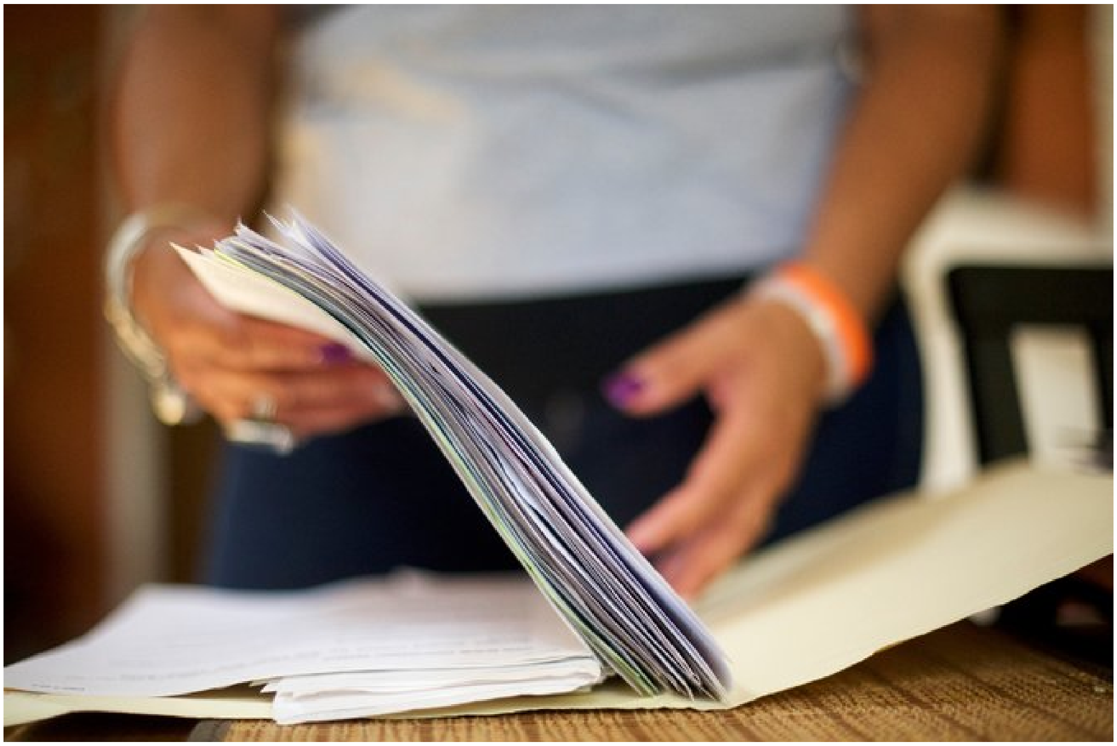
When consumer lawyers protested the program's onerous conditions at a 2014 agency meeting, the agency, according to minutes from the session, said that giving borrowers a break would make the bonds sold to finance loans "less attractive to the ratings agencies and investors."

Indeed, in a recent bond assessment, the credit rating agency Moody's cited the authority's "administrative wage garnishing, which it uses aggressively," for "significantly higher collections" compared with other programs.

A New Jersey rule adopted in 1998 allows the authority to give borrowers in default a second chance by allowing them to become current on their account through on-time payments. But the agency has never granted a reprieve and instead cuts off contact with borrowers, leaving them at the mercy of collection firms.

Ms. Karrow said federal regulations prohibited the agency from offering such relief, but student loan experts disputed that assertion.

“There is nothing in the federal law or regulations that prohibits them from offering private loan rehabilitation, ” Mark Kantrowitz, a financial-aid expert, said.



Ms. DeOliveira-Longinetti reviewing papers pertaining to the debt. Paying $180 per month, she has about 92 payments to go. “Every time I have to pay this thing, I think in my head, this is so unfair,” she said.

The combination of a lack of flexibility, an unwillingness to discharge loans and the state’s power to seize wages has resulted in even “more intractable problems for our clients than predatory mortgages, deceptive car loans or illegal internet payday lending,” said David McMillin, a lawyer with Legal Services of New Jersey, a nonprofit that provides free legal assistance to low-income state residents. “Many borrowers and co-signers find themselves facing a lifetime of debt problems.”

‘As Aggressive as Possible’

Given the lack of options, some New Jersey borrowers have resorted to declaring bankruptcy, even though, as is true of all student loans, their debt is rarely canceled. Declaring bankruptcy also makes it virtually impossible to secure a mortgage, lease a car or even use credit cards for years. But for New Jersey borrowers, such an extreme step at least offers a way to gain manageable monthly payment terms.

As a co-signer, Tracey Timony struggled to help pay off her daughter’s $140,000 in loans. Though the Higher Education Student Assistance Authority can seize wages or tax returns without court approval, it must secure a judgment to dip into borrowers’ bank accounts or place liens on their property. Instead of garnishing Ms. Timony's wages, New Jersey sued her after her daughter defaulted.

"The agency is looking to put as much pressure on the borrower and be as aggressive as possible, and the way that you do that is you go after everybody that is liable," Jennifer Weil, a New Jersey student debt lawyer, said. "In case the garnishment doesn't work, a judgment will help put pressure on the parents."

Ms. Timony declared bankruptcy and got monthly debt payments that will rise no higher than about $1,000 a month, far less than what the agency had demanded.

"I never thought that sending my daughter to college would ruin our lives," Ms. Timony said.

Few have felt the weight of the agency's powers more than Mr. Gonzalez, the college graduate who was sued after receiving a diagnosis of cancer and losing his job.

He had borrowed the maximum he could in federal loans — a total of about $30,000 for five years — and paid for most of his tuition with loans from New Jersey.

"I felt so comfortable because it was the State of New Jersey," Mr. Gonzalez said. "It's the state, my government, trying to help me out and achieve my American dream. It turns out they were the worst ones."

Over five years, he took out over $180,000 in state loans. Unlike most other states, New Jersey does not impose a strict cap on loans to discourage overborrowing. One family, according to a recent state audit of the agency, took out over $800,000 in loans, more than five times the value of its home.

Tracey Timony with documents concerning her daughter's $140,000 in student loans. Ms. Timony, who co-signed the loans, was sued by the state when her daughter defaulted.

Mr. Gonzalez's loans had a relatively high interest rate — on average about 7.5 percent. At the time it seemed like a good investment. He graduated with an engineering degree from Embry-Riddle Aeronautical University in Florida and landed a job on Wall Street working as a programmer for Goldman Sachs.

But a few months after he started, unusual rashes began to appear on his legs and underarms. He learned he had non-Hodgkin's lymphoma and started radiation therapy.

After three years of cancer treatments, Mr. Gonzalez was also laid off.

He needed to take care of his student loans. The federal government and his private lenders all deferred his debt for at least six months.

Mr. Gonzalez expected New Jersey to do the same, but the agency refused, requiring him to pay at least $500 a month. With unemployment checks as his only income and burdened by continuing health expenses, it was too much for him.

He made no payments while the agency reviewed his case. In June 2014, Mr. Gonzalez moved to Florida to lower his cost of living. His health slowly improved and he started his own company, developing technology for small businesses. In his first year, he made just $26,000, but he started to pay back his federal and private bank loans.

On May 8, 2015, after months of hearing nothing, he received an email from New Jersey: His deferral request had been denied and his loan was being sent to a collection agency.

"Unfortunately, because of how the loan originated, the authority is not in a position to offer forbearance or relief," Robert Laird, a program officer at the loan agency, said in the email.

Terrified by what a default would mean for his credit rating, Mr. Gonzalez told the agency that he would stop paying for health insurance and use the money — $200 per month — to repay the loans.

The agency rejected the offer. "In the event that your doctor declares you total and permanently disabled, please keep me posted," Mr. Laird told Mr. Gonzalez in an email.

One day in April, a stranger rang Mr. Gonzalez's doorbell.

"Chris Gonzalez?" he asked. Mr. Gonzalez nodded. "You've been served with a lawsuit from the New Jersey Higher Education Student Assistance Authority."

The suit demanded over $260,000 — about $188,000 for the original loans, $34,000 in interest, and $44,000 to cover the fees of a collection agency's lawyer.

Even if his business improves, Mr. Gonzalez has no idea how he will afford his ballooning payments.

"I don't have money," he said. "I am spending it all on my debt."

Annie Waldman is a reporter for ProPublica, an independent, nonprofit newsroom that produces investigative journalism in the public interest.

Boston Globe Magazine

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.

by Neil Swidey

IT'S ONE OF THE MOST enduring selling points for the value of higher education: The best route out of poverty is through the college quad. Spend four years in college, and all that book learning, mind opening, and network expanding will help even the lowest-income student jump up several rungs on the economic ladder. Nowhere is that message preached as often or with as much evident authority as in Massachusetts, the nation's historic capital of private, nonprofit higher education, where the concentration of colleges in some areas is surpassed only by the number of Dunkin' Donuts franchises.

But just how true is this truism about college lifting low-income students out of their circumstances, Horatio Alger style? In fact, like the actual story of author Horatio Alger, who was born into a well-established family and graduated from Harvard, there's more myth than truth. That's been especially so in recent years, as nonselective private colleges from around the region have increasingly filled their freshman classes with low-income students — often the first generation in their families to go to college — from Boston and other urban areas. Quite a few of these small schools are former junior colleges and women's colleges with rich histories of opening doors to students traditionally shut out from higher education, an admirable pursuit that officials refer to as "access." Many of the colleges are also in tough financial straits, struggling with rising costs, stunted endowments, and declining enrollments.

So whether they are actively recruiting these low-income students for reasons of open-the-door altruism or keep-the-lights-on capitalism — or, more likely, some combination of the two — there has been a huge, largely hidden byproduct of this dramatic increase in access: These students are often being loaded up with staggering debt that is completely out of whack with the earnings boost they'll likely get from a degree at a nonselective or less selective college. Already, average student loan debt is higher in Boston than any other metro area in the country, 44 percent above the national average, according to Credit Karma. But more troubling, many of these low-income students — and, at some colleges, most of them — are not graduating. That means these non-completers are leaving campus saddled with lots of debt but none of the salary gains that traditionally come with a bachelor's degree.

Dean College sits on a pretty, leafy campus in Franklin. A former two-year college, it began offering a selection of bachelor's degrees only about a decade ago. It now accepts about 70 percent of the students who apply, the same rate as Fitchburg State University. Last year, Dean sent a financial aid award letter to an accepted student whose family, the federal government had determined, was so poor that the "expected family contribution" (EFC) to that student's education was zero. The college awarded the student a Dean Presidential Grant of $17,000 and another nearly $13,000 in institutional, federal, and state grants, meaning that almost $30,000 of the bill was covered and never had to be paid back. Sounds great, right? Yes, until you look at the larger numbers on the award letter. The total cost of attendance — tuition, room, board, and fees — was $53,120. That meant the gap that this "zero-EFC" student had to cover through loans and other means in order to attend was more than $23,000. Per year. Over four years —

and with only modest rises for inflation factored in — that total gap could be expected to climb to around $100,000, not counting future interest payments. That's a ton of debt, particularly for a degree from a college whose median annual salary for alumni 10 years after enrolling is just $32,700.

To Dean's credit, about half of its students who pursue a bachelor's degree manage to graduate. Contrast that with Becker College in Worcester. On its website, Becker talks about being able to trace its roots back to two signers of the Declaration of Independence. It does not, however, mention what US Department of Education data from 2012-2013 show: namely, that just 16 percent of Becker's students managed to graduate in four years, a number that inches up only to 24 percent when the time frame is extended to six years, the federal standard for completing a bachelor's degree. In other words, 3 out every 4 students who enrolled as freshmen at Becker failed to graduate. Nor does the website mention that, after all grants and discounts are applied, a typical zero-EFC low-income student is required to come up with more than $25,000 every single year to cover the costs of attending Becker.

This seems to be the operating calculus at many small, private, nonselective or less selective colleges across the region, which routinely accept more than 60 percent of applicants. Consider the average annual "net" prices — after discounts and grants have been deducted — that these colleges are charging students coming from families whose total adjusted gross annual income is $30,000 or less. At a surprising number of colleges, this annual net price represents nearly all of that family's total income for the year.

So the net price for one year at Wheelock College would consume 80 percent of a family's $30,000 total income. Same at Becker. The figure is 81 percent at Endicott College, 82 percent at Emmanuel College and Mount Ida College, and 92 percent at Lesley University. At Fisher, a former junior college in Boston, it's 94 percent, a cost that's basically the same as the $28,200 median annual salary that Fisher alumni are making 10 years after enrolling.

For small, non-elite colleges to crack the top 10 in a *U.S. News* ranking would normally be cause for celebration. The problem is, this particular *U.S. News* ranking was titled: "10 Colleges That Leave Graduates With the Most Student Loan Debt." Mount Ida in Newton ranked No. 7. Anna Maria College, a similarly small school in the Central Massachusetts town of Paxton, clocked in at No. 3. Average debt at Anna Maria is 76 percent above the roughly $28,000 national average. About half the students at both schools are low-income.

Keep in mind that those debt figures, like the college-loan-crisis statistics that Senators Bernie Sanders and Elizabeth Warren regularly toss around before crowds of aggrieved millennials, are for students who *graduate.* At Mount Ida, for instance, federal data show that only 1 out of every 3 low-income students manages to graduate. In the universal campaign to propel more disadvantaged students into college, few education officials seem willing to broach this sad, painful reality: If you come from a family of very limited resources and you're not going to be able to finish college, you'd be better off never going at all.

To be clear, there's no evidence to suggest that these small private colleges are engaging in the kind of corrupt practices that made so many for-profit colleges notorious. The worst of those for-profit diploma mills used returning veterans and single mothers as mules to convey federal dollars into their coffers, with little institutional investment in the students' well-being. In contrast, at every one of these nonprofit private colleges, you can find some impressive student success stories as well as dedicated faculty, staff, and administrators who continue to believe deeply in the mission of higher education to make disadvantaged students' futures better than their pasts.

But are those good intentions now largely misplaced? Is there a better way for struggling colleges to remain afloat than by sinking poor students further into debt? If not, that means college, long accepted as society's Great Equalizer, will actually be widening the country's yawning economic divide rather than helping close it.

It's probably not surprising that many college officials avoid these types of uncomfortable, existential questions. Still, a few have come to see the urgency of grappling with them.

Noting the poor completion rates for low-income students around the country, Lesley University president Joe Moore says, "If we're getting them here to generate our numbers and having them be the transmitters of federal financial aid, that's just not right." At Mount Ida, after nearly 50 percent of the freshman class that entered in 2012 had dropped out by the following fall, the administration began confronting the need for radical change. "If you're seeing half the students disappear after the first year, you've got to ask yourself what business you're in," provost Ron Akie concedes. "Because it isn't education."

Jennifer Roberts, a consultant and former senior financial aid official at several local colleges, is even more pointed. Having grown up in a Southie triple-decker as the youngest of six children to a single mother, she can't help but see herself in the low-income students who are now mortgaging their futures for college. "I think students are being duped by being told this is the American Dream," she says. "The American Dream cannot be to live in debt for the rest of your life."

THE ADMINISTRATION BUILDING at Pine Manor College, with its twin turrets and august interior, looks like the petrified home of a turn-of-the-century industrialist, and it smells like a Yankee Candle shop. In the center of the reception room, sandwiched between an exquisite mahogany staircase and marble fireplace, sits a small desk. It is vacant.

"We can't afford a receptionist," Dick Regan, the college's executive vice president of finance and administration, says as he comes out to greet me. Leading me through several stately rooms, he explains, "Twenty-five fireplaces. None of them working — or at least nobody wants to risk trying them."

I mention that Pine Manor's gorgeous 50-acre campus in Chestnut Hill is surrounded by what must be some of the most exclusive real estate in New England. He nods in agreement, explaining that it used to be 70 acres, but in the 1990s the college began selling off chunks to its wealthy abutters to keep the place going. "Bob Kraft's house is behind the student center," he says. "Brady's is by the soccer field." Three years ago, Tom Brady and Gisele Bundchen expanded their property by buying 5.2 acres of the campus for $4.5 million. Reebok honcho Paul Fireman's property, he says, includes "land we used to own."

Regan has been in his job for just eight months, but that's been plenty of time to appreciate the difficulty of the task ahead of him. Pine Manor began in 1911 as a two-year finishing school for well-heeled young women with more modest academic credentials. It became a four-year college in 1977, but enrollment dropped steadily. Six years ago, the small college earned laudatory coverage in *The New York Times* for repositioning itself, from proud bastion of privilege to proud door-opener for the underprivileged. That same year, *U.S. News* ranked Pine Manor, where more than half of the students identified as black or Hispanic, as the most diverse liberal arts school in the country.

The problem was that short of selling off a whole lot more of the campus, the college didn't have anywhere near the resources to see these low-income students through to completion. After enrollment plunged 25 percent in one year, to just 309 students, Pine Manor tried increasing grants by a couple thousand dollars but found that was not sustainable.

Two years ago, the women's college went coed. The lifeline keeping it afloat these days is an arrangement with Kings Education, which rents space to teach international students — mostly from China — enough English so they can attend college in the United States. After intensive English instruction, many matriculate at Pine Manor, with Kings keeping 40 percent of the tuition as its finder's fee. Regan says most of these foreign "pathway" students end up transferring to a higher-ranked American college after a few semesters of seasoning at Pine Manor. But while there, they help fill the college's coffers by doing something relatively rare on campus: paying Pine Manor's full rack rate of $43,410.

Despite that infusion of cash, the loan burden on the low-income students who continue to dominate the student body has simply become too high. "If we're going to be here in five to ten years," Regan says, "we have to find a way to reduce the student loan debts."

If he and his staff are successful in doing that, it will come too late for Jasmin Johnson. She grew up in Dorchester and attended schools in Newton through the Metco program before enrolling at Pine Manor in 2009.

JASMIN JOHNSON
High school *Newton South, 2009 (via Metco)*
Attends *Bridgewater State. Johnson enrolled at Pine Manor in 2009 but dropped out after two years when she couldn't cover the costs; she later transferred to UMass Boston while working full time, then faltered academically. Now 25, she works full-time and part-time jobs and attends Bridgewater State.*
Current debt *$65,000*

She says she and her parents were in over their heads when making financial decisions about college. After two years of stretching to cover the gap in costs at Pine Manor, she couldn't find a way to take on the new loans she needed to remain there. She left to begin working full time at a bank while also going to UMass Boston full time. She thought she could juggle both, but she faltered academically and left school.

Now 25 and more self-directed, she resumed her studies this semester, this time at Bridgewater State University, while also working full time as a bank teller and part time for a radio station. Johnson is frustrated that her degree is still at least a year off, when it should have come three years ago. And she's depressed that her total student loan debt already exceeds $65,000.

When I meet her at the Pine Manor student center, she tells me many of her friends from her time here had similar experiences. Overall, only 3 out of every 10 Pine Manor entering freshmen manage to graduate (though, interestingly, that figure is closer to 4 out of 10 for low-income students). Pointing out the window to the elegant administration building just over the hill, I mention that Pine Manor used to be a finishing school for wealthy young suburban women. Johnson nods. "Yeah, but it's not anymore," she says. "Now it's for city girls who can't afford it and don't know any better."

BEING "DEGREELESS AND IN DEBT" could well represent the worst, but least examined, bind of the college loan crisis. As former US education secretary Arne Duncan has noted, "Students who drop out of school are three times as likely to default on their student loans as those who graduate."

The average loan debt for a dropout from Pine Manor is about $14,000. It climbs to nearly $24,000 for a dropout from Northeastern University. However, those numbers very likely underestimate the extent of the problem, for two reasons, says Mary Nguyen Barry, a senior policy analyst at the Washington think tank Education Reform Now. First, those averages are specific to each institution, while students can rack up debt at multiple colleges. Second, those figures do not include private loans or the often hulking loans that students' parents take out to fund their child's education through the federal Parent PLUS program.

Even a relatively small amount of debt can become a large burden, since students have to begin paying back the loans six months after they leave school, whether or not they have a degree. At Newbury College in Brookline, only 30 percent of students are graduating. At Bay State, a for-profit college in Boston, it's less than 15 percent. And if students don't leave college with a degree, their earning power is barely any better than it would have been with just a high school diploma. The median earnings for a working Boston resident with only a high school education is $29,000, while those with some college but no degree make $32,100. The real gains don't come until workers earn an associate's degree ($37,400) or a bachelor's ($52,000). Yet the worker who tried college has to live on meager wages while paying down student loans, a financial vise that tightens if they go into default. Even students who declare bankruptcy can't expect to be freed from their college loan debt. Only death or permanent disability does that.

The college debt crisis has its roots in the 1980s, when institutions began jacking up tuition and fees to compensate for cuts in federal and state aid. Changes in the early 1990s made it easier for students to take out loans, and the push to boost college access increased the demand. Things worsened after the Great Recession struck in 2008, when states made deeper cuts. To compensate for this disinvestment in public higher education and to goose their rankings, public colleges — particularly flagship state universities — have been shifting their admissions and aid policies to try to attract more affluent out-of-state students. Even though these students pay higher tuition rates, they're more likely to enroll if the public college offers them some non-need-based "merit" aid. That, in turn, has left fewer institutional dollars and fewer slots for low-income in-state students, prompting more of them to consider small private colleges, which have often been eager to fill seats.

A new study by the Washington think tank New America finds that nearly 50 percent of public four-year colleges nationally are leaving the poorest students on the hook for more than $10,000 a year, a figure that has jumped by a third in just four years. But at private colleges, it's close to 100 percent. Apart from the elites, most privates, despite all those hefty tuition hikes, have even fewer resources than public institutions and can't come close to meeting students' entire need. In 1971, the average price for tuition, fees, and room and board at a private four-year college was just shy of $3,000 per year. If that price tag had increased at the rate of inflation, it would be only around $17,000 today. Instead, it is nearly $44,000.

And here's a little-appreciated truth about the college debt landscape: It's more of a regional crisis than a national one. In states where there has long been a history of robust public support for the state education system and where most students attend public colleges, the student debt loads tend to be considerably less than they are in the Northeast. States with deep rosters of private colleges have historically invested far less in their public higher education systems.

The subtitle of the New America study, which is the third installment of a long-term examination of college affordability for poor students, may say it all: "The News Keeps Getting Worse for Low-Income Students." But in an interview, study author Stephen Burd is even blunter, telling me: "After doing this research, I've come to the conclusion that it doesn't really make sense for low-income students to go to private colleges unless those colleges have the resources to meet the students' full financial need and have high success rates with graduation."

THE THREE ROOMMATES who occupy a first-floor apartment in Jamaica Plain illustrate the complexities of the college debt crisis. Renata Caines graduated from Boston Latin Academy in 2007, believing a lifetime of messages that she shouldn't aim for anything less than a four-year college. She enrolled at Lesley University in Cambridge with plans to become a teacher. Even after signing on to the full complement of federal loans, she had to pay $4,000 out of pocket to cover the gap freshman year. But sophomore year, that gap grew to $7,000, and she needed to take a private loan. She had been volunteering as a Big Sister but stopped because she was embarrassed that she couldn't afford the bus fare to meet her charge.

RENATA CAINES
High school *Boston Latin Academy, 2007*
Attends *Northeastern University. "I was 17 when I entered this process," says Caines, now 27, who has attended both Lesley and Hofstra, amassing debt. "I didn't understand anything about large amounts of money."*
Current debt *$65,000*

Going into her junior year, Caines decided she needed a fresh start. Instead, she ended up making her financial situation much worse, a sequence that, unfortunately, is not uncommon for students in her circumstances. She transferred to Hofstra University, but when aid didn't come through, she was on the hook for $25,000 for just one semester and unable to continue. Since then, Caines has swirled around, taking courses at a couple of other colleges, all while working in a series of low-paying jobs. She is now enrolled at Northeastern, but the distance between her and her degree sometimes feels as though it will never recede. Her current student debt tops $65,000.

"I was 17 when I entered this process," Caines says. "I didn't understand anything about large amounts of money."

She is now a 27-year-old trying to reckon with the fallout from those early decisions. To prepare for the future, she recently attended a class for prospective home buyers and was stunned at how comparatively transparent the process was. "You should have to be preapproved before taking on college debt. You're buying an education, after all. For the debt I have, I could have almost bought a house in Florida."

Instead, Caines continues to rent, sharing the bills with Luisa Centeno Silva, who is a close friend from high school, and a third friend. After Boston Latin Academy, Centeno Silva enrolled at Emmanuel College, a Catholic women's school in the Fenway area that went coed in 2001. Early in her senior year, she found herself tapped out financially. Her parents, who had emigrated from Venezuela, were unable to help. She had already maxed out on credit cards and exhausted her network of family friends, having twice persuaded her godmother to cosign loans for her. She says Emmanuel notified her she had to pay a balance of about $10,000. She knew she'd have to cover at least that same gap again in the spring. (Emmanuel officials declined to comment on her situation, even after Centeno Silva provided the college with written permission to discuss it with me.)

LUISA CENTENO SILVA
High school *Boston Latin Academy, 2007*
Graduated *Northeastern University, 2016. During her senior year at Emmanuel College,*

Centeno Silva ran out of funds, dropped out, and tried to save money to transfer to another school. Emmanuel wouldn't release her transcript until she'd paid off her balance there.
Current debt *$84,000*

"I felt hopeless," she says. She dropped out and began working full time at a deli and baby-sitting, to try to save enough to transfer to a new college. That's when she learned of a little-known but often crippling policy at many colleges. Although she'd paid a lot of money to Emmanuel, in the form of cash and loans, none of the course credits she'd earned were accessible to her. In effect, they were being held hostage. To transfer them, she needed an official transcript from Emmanuel. But the college refused to release it until she paid her balance in full.

If she had used that money to buy a car, she could have sold it and used a portion of the proceeds to pay off the bank. But there is no resale market for three-quarters of a college education.

She began putting aside $1,000 a month from her wages and reluctantly traveling to Emmanuel to pay down her balance in installments. "It killed me to write that check every month," she says. After 10 months, the college released her transcript. She took courses at local community colleges and, in 2014, enrolled at Northeastern, which accepted 90 of her 120 credits.

Earlier this month, the 27-year-old Centeno Silva donned her cap and gown and collected her bachelor's degree from Northeastern. Her total loan debt now stands at more than $84,000, with the bulk of that from her time at Emmanuel.

Both Centeno Silva and Caines say they and their families were ill-equipped for the financial decisions they faced at the start of the college process. But the third roommate is proof that even deep family knowledge about finance does not insulate against major debt.

Ashley Charron grew up in a middle-class family in Manchester, New Hampshire. When it came time to decide on college, she fell in love with Quinnipiac, a private university in Connecticut. Her father, who works as a credit manager, makes too much money for her to qualify for federal Pell grants but not enough for her to afford college without her taking on considerable debt. (Although this article focuses on low-income students who qualify for federal Pell grants, those whose family incomes fall a hair above Pell eligibility can sometimes find themselves in an even tougher position. The majority of Pell recipients come from families with total annual incomes under $30,000.)

ASHLEY CHARRON
High school *Manchester (N.H.) Memorial, 2007*
Graduated *University of New Hampshire, 2011. Charron didn't qualify for a Pell grant, so her financially savvy father prepared a spreadsheet for her showing what each school's loan payments would be after graduation. She chose the least expensive option, but it still involved heavy loans.*
Current debt *$50,000+*

Charron's father prepared a spreadsheet for her detailing what her monthly loan payments would be after graduation at the various colleges she was considering. She prudently opted for the one that showed a monthly loan payment in the hundreds rather than the thousands. That was the University of New Hampshire. Charron, who is now 27, says her total loan debt for her four-year degree turned out to be uncomfortably north of $50,000. Perhaps it should be no surprise that New Hampshire, with its legendary live-free-or-die aversion to taxes and its location in private-college-dense New England, has frequently held the dubious distinction of being the state with the highest per-capita college loan debt in the country.

Still, it could be worse. While I sit with the three roommates in their JP living room, Charron texts her father to ask what her total debt would have been at Quinnipiac. Less than a minute later, her phone buzzes with the answer: $140,000.

Congress created the Parent PLUS loan in 1980, mainly to help middle-class parents who didn't qualify for federal aid, to fill small gaps in the cost of their children's education. But over time it has mushroomed into something quite insidious.

JUST OUTSIDE THE GATES of Curry College in a nice section of Milton, trophy homes are being erected in new cul-de-sacs. Outside its student center, flags on vintage-looking lampposts sport messages like “Focus on Quality” and “Preparing Students.” Inside, small clusters of Curry students are grabbing an early dinner in the upscale dining hall.

Though he hasn't returned to campus in a long time, Johnny Charles has agreed to meet me here. “To be honest, I have no relationship with Curry,” he says.

When he applied to the college as a standout football and basketball player from Brighton High School, he was accepted, like about 88 percent of Curry's applicants. The son of Haitian immigrants, he felt largely on his own sorting out how to pay for it.

He lived in a dorm for his first semester but became a commuter when the money got too tight. He left the football team and started working full time, taking the No. 24 MBTA bus to get to campus from Roxbury. Still, he found it harder and harder to cover his costs. “Every semester was survival mode,” he says. “It was a traumatizing experience.” At the start of each semester, he says, a college official would ask, “What do you want to do?” But the only option seemed to be taking out yet another supplemental loan. “I had no idea,” he says, “from the moment I walked through these doors to when I graduated if I was going to make it.”

The good news is that he did, busting his tail to graduate in four years despite also working full time. Yet the costs were significant, and not just financial. “I never had the space to be a student,” he says.

Even in 2006, degree in hand, he didn't feel he could exhale. “I was a communications major and business management minor,” he says, “and I couldn't find any jobs.” He continued working for a security company, a position he'd previously held without a degree. Then his loan repayments kicked in. Eventually, his father called, telling him bills were arriving at the house and saying, “You're going to have to take care of these.” Charles, who now cuts an extremely professional figure, admits that back then, “I didn't know what to do, so I ignored it. Fear.”

Things changed two years after graduation, when he began working for a Roxbury nonprofit. In 2009, he received a social justice scholarship that covered all his tuition at Brandeis University's Heller graduate school. That helped him earn not just his MBA in nonprofit management but also the job he now holds as associate director of admissions at Heller.

His undergraduate and graduate experiences were profoundly different. After finally confronting his college loan debts and getting on a regular payment schedule, his total burden stands at more than $66,000. All of it is from his years at Curry.

Like Charles, Kenny Jean comes from a Haitian family and was a standout athlete at Brighton High. After graduating in 2010, Jean enrolled at Mount Ida. Charismatic, highly sociable, and a three-sport athlete — football, basketball, and volleyball — he enjoyed his time there as a big man on a very small campus.

He pushed himself to graduate in four years, to avoid taking on any additional debt. Even with his degree, though, he struggled to find a job. On interviews, he found some hiring managers had never heard of the private college he'd paid so much to attend. Some of his friends from Mount Ida who had received associate's degrees in fields like funeral science and dental hygiene had a much easier time landing a good-paying job than he was having with his bachelor's in business administration. Eventually, he got hired by a telecommunications company.

When I ask him for his total college debt, he says he's not sure. He makes his loan payments every month but has avoided digging any deeper into the numbers. "It's discouraging," he admits. "I don't want to think about things I can't control."

One reason so many people are hazy about the extent of their college debt is that when they log into the federal Department of Education database, the figure listed next to their name does not include private loans or federal Parent PLUS loans.

Congress created the PLUS loan in 1980, mainly to help middle-class parents who didn't qualify for federal aid, to fill small gaps in the cost of their children's college education. But over time it has mushroomed into something quite insidious. Parents, as long as they don't have bad credit, can now borrow up to the full cost of attendance for each year their child is in college. Unlike pretty much any other conventional loan on the planet, there is no debt-to-income ratio calculated for PLUS loans. Conceivably, a single parent making $5,000 a year could take out a PLUS loan for $40,000, every year.

Many colleges have become so reliant on PLUS loans to make it possible for students to enroll that they have resisted even modest federal efforts to tighten eligibility. Some colleges list PLUS loans under the aid section on their financial award letters to accepted students, even though the Department of Education has urged them not to, deeming the practice deceptive.

Jean's mother, who works as a nurse's assistant, had signed for PLUS loans, though it would be his responsibility to pay them back. Eventually, Jean uncovers just how much he and his mother owe for his education. "The total is $83,210, which includes $46,580 for the PLUS loan," he reports. "It's worse than I thought."

EVERY OFFICIAL I speak to at these small private colleges makes some variation of the same value-proposition argument to me: Yes, college costs way too much. And, unfortunately, unlike Harvard, with its $38 billion endowment, our institution cannot afford to meet all of our students' demonstrated financial need. However, we feel the enriching experience we offer — with our small faculty-to-student ratio, the beautiful campus, and the array of specialized, award-winning programs — is worth a premium.

My response to each is the same: "I agree."

If you're a low-income student, college selection, from a purely financial perspective, is a no-brainer. If you can get into Harvard or Amherst College or another elite school that uses some of its ample resources to meet all of its students' demonstrated need (sadly, not all well-heeled colleges do), then you go there. But the reality is this elite pathway will be available only to the outliers. If you're not one, the financially sensible decision is to do your first two years at your local community college. For a low-income zero-EFC student, the combination of federal and state grants will just about cover the entire cost of education at a community college. (A new mayor's initiative will expand the number of lower-income Boston students who can go to community college tuition-free.) After that, you can transfer to a state college, preferably one close enough to commute to.

Derrick Bell, who grew up in Boston's South End, racked up lots of debt for a few semesters at a historically black college in Atlanta and then Lasell College, a small private in Newton. His brother did the same at Becker and Fisher. These days, Bell runs an after-school program in Randolph. He advises students of limited means to give serious consideration to community college. He says he didn't find his groove until his third college stop, when he enrolled at Bunker Hill Community College. "It was by far the best college I've experienced," he says. He continued on to earn his bachelor's from Northeastern.

DERRICK BELL
High school *Charlestown, 2005*
Graduated *Northeastern University, 2013. Bell runs an after-school program in Randolph. He advises high school students to consider community college. He says his experience at Bunker Hill Community College, after two previous stops, put him on the right path.*
Current debt *$31,000 (Not counting Parent PLUS loan of unknown amount)*

Yet college is more than a purely financial decision, and it's understandable that some low-income students might resist community college. Maybe their public or charter high school has drilled them on the importance of getting a bachelor's degree, printing on its graduation programs the percentage of the class accepted at a *four-year* college.

"You really want to keep the debt burden to around the size of your expected first-year salary for the career you're going into." Greg Potts Becker College's vice president of enrollment management

Or maybe they come from a neighborhood with dangerous turf battles and feel the need to get away. Or maybe their impression of community college is tainted because they can name dozens of cousins and neighbors who attended Roxbury Community College but can't think of a single one who graduated. (RCC's graduation rate is 12 percent.)

Whatever the reason, it may well be worth it for some to pay a premium to attend a private college. But in my interviews with officials at these small colleges, things get tricky when I pose a simple follow-up: How much is that premium worth?

"It's up to the individual student and their families to make that decision," Jennifer Porter, Emmanuel's associate vice president for student financial services, tells me.

All the college officials I speak to stress that their institution has substantially increased the amount of institutional aid it awards. But that number turns out to be much less illuminating than the cost to students after grants and discounts. So I steer our discussions back to the net prices they're charging their lowest-income zero-EFC students whose families earn $30,000 or less. I ask each official: How much pure debt would be too much for low-income students to incur for a degree from your institution?

Porter refuses to put a number on it. Same for her counterpart at Curry College, Stephanny Elias. "I think it's different with every family," Elias says.

Same answer from Frank Mullen, dean of student financial planning at Dean College. They all stress that their college provides extensive financial counseling to students and their parents. “We encourage them to sit down as a family to discuss it,” Mullen says, “and find out if this is the right decision for them.”

All three point out that some zero-EFC students might have access to additional resources, such as a noncustodial parent with a decent salary. That’s fine, I say, but let’s focus on the vast majority of these poor students who don’t have additional resources. I had shared with Mullen the award letter that Dean had sent to a zero-EFC student, suggesting a four-year gap of around $100,000. To him and his counterparts, I sharpen the focus of my question: “Is $100,000 in debt too much for a low-income student to take on to get a bachelor’s degree from your institution?”

“I’d want to reflect on that question and get back to you,” Curry’s Elias tells me, though in follow-up correspondence, the college declines to answer the question.

Emmanuel’s Porter says, “We don’t want to treat students with a broad brush here.”

Mullen tells me, “I think in some cases, no, and in some cases, maybe.”

My exchange starts out the same when I pose the “$100,000 question” to Becker’s vice president of enrollment management, Greg Potts.

Eventually, he moves closer to a helpful answer: “You really want to keep the debt burden to around the size of your expected first-year salary for the career you’re going into.”

Federal data show the median salary for Becker alumni 10 years after they first enrolled there is $35,800. So I ask Potts again, “Would you say $100,000 in total debt is too high for any low-income student coming to Becker?”

He pauses. “Yes. That’s not a wise amount.”

POOR STUDENTS AT HARVARD aren’t being asked to take on heavy debt — if their families make less than $65,000 a year, they pay nothing. The students being shackled with debt are generally going to colleges that are simply incapable of providing the kind of name-brand diplomas that can reliably lead to lucrative salaries the way an Ivy degree can. And, of course, far too many of these students are racking up debt without obtaining any degree at all.

The standard repayment schedule for college loans is 10 years, but nationally the average bachelor’s degree holder is taking twice as long, dramatically delaying homeownership and other markers of settled adulthood. Those who earned their bachelor’s in 2012 have an average monthly loan payment of $312 — one-third more than their counterparts from the Class of 2004.

Even the widely cited finding that a bachelor’s degree boosts a worker’s career earnings by an average of $1 million masks the stark unevenness of those gains. New research from the Brookings Institution finds that low-income students with bachelor’s degrees start their careers earning about two-thirds as much as affluent graduates; that ratio declines to about half by the midpoint of their careers. Poor grads with a bachelor’s earn 91 percent more over their careers than their counterparts with only a high school degree. But this “bachelor’s bump” in career earnings is nearly twice as powerful for grads from wealthier families, at 162 percent.

“There’s very little accountability right now for colleges making sure that young people get into school and finish with as little debt as possible. Almost all of the accountability is foisted on the shoulders of young people and their families.” Bob Giannino CEO of uAspire

These trends signal trouble not just for students of limited means but also for colleges of limited means. Debt expert Kevin Fudge says his job involves trying to “deflate the college loan bubble.” His actual title is manager of consumer advocacy and government relations for American Student Assistance, a Boston-based national nonprofit that helps people manage college debt. (Disclosure: Fudge serves with me on the volunteer board of a small nonprofit that helps Boston students return to college after a setback. None of the students in this article are affiliated with that nonprofit.) Fudge warns that unless trends shift dramatically, some students may decide college is no longer worth it if it means a lifetime of debt.

While it’s true that about two-thirds of American jobs are expected to require some kind of post-secondary education by 2025, that doesn’t necessarily mean a four-year college degree. In fact, the bachelor’s degree is already an imperfect tool for certifying preparedness. Many employers are using a bachelor’s simply as a marker to screen out applicants, rather than as a guarantor of skills required for that particular job. Research by Ohio University economist Richard Vedder finds that nearly half of jobs currently held by college graduates were previously held by people without a degree and do not require the higher-level critical thinking that colleges aim to teach.

Colleges are starting to see the warning signs, according to a 2014 study by the National Association of College and University Business Officers. Despite increasing their “discount rate” to attract more students, nearly half the colleges reported declines in undergraduate enrollment. Two-thirds of the officials from those colleges attributed the drop to price sensitivity.

If awareness is the first step toward solving a problem, I take it as a good sign when I ask Mount Ida president Barry Brown how much debt a low-income student should take on for the premium of an education there, and he doesn’t hesitate to say, “It’s not worth $100,000.”

How about the $80,000-plus in debt that Mount Ida graduate Kenny Jean took on?

“No, not $80,000,” Brown says.

“How much then?”

“Maybe $25,000,” he says, “and even that makes me sick.”

Whether Mount Ida will ever get to a point where it can institute a debt ceiling like that for its students, however, is a different matter. Brown is candid about the excesses in the system, calling higher education’s heavy reliance on PLUS loans, which are untethered from a parent’s ability to repay, “an abomination.”

Brown joined Mount Ida as president in 2012, and he says it took time to grasp how off track things had become with increased student debt and lowered admissions requirements. He and provost Ron Akie say they’ve made marked improvements on both counts. Mount Ida charged its low-income zero-EFC students who entered this past fall an average net price of $20,848, which the administrators acknowledge is still high, but is 15 percent less than it was three years ago. Back then, the net price represented 82 percent of a family’s $30,000 annual income; now it’s 69.5 percent. They hope to keep driving that number down. Also, the freshman-to-sophomore retention rate has improved, from about 50 percent for the 2012 entering class to 68 percent for the class entering in 2014.

Akie mentions how hard college officials work to explain to parents that the big dollar figure on the student's award letter shows the gap for just one year of college, not all four.

"Why don't you put the four-year number on your award letters?" I ask. "You could acknowledge that costs might rise, but describe this as the estimated minimum total payment the family would need to cover over four years. After all, they print that total number on 30-year home mortgages. Do you do that?"

Brown strokes his chin. "We don't, but I kind of like that idea."

While it might seem reasonable for colleges to say "We just provide students and families with the information about costs and let them make the decision," that approach seems less supportable with closer scrutiny. For many first-generation immigrant families, the student is the one translating this information to his or her parents in their native language. Keep in mind this is an 18-year-old, who society has decided needs seven more years of maturation before being allowed to rent a car without incurring a crazy surcharge. Moreover, because of our strong cultural climate of aspiration around college, most parents will want to think *We can make this work.*

"There's very little accountability right now for colleges making sure that young people get into school and finish with as little debt as possible," says Bob Giannino, the CEO of uAspire, a Boston-based national nonprofit focused on college affordability. "Almost all of the accountability is foisted on the shoulders of young people and their families, and they're usually not equipped to handle it."

Lesley University president Joe Moore, retiring next month, has introduced the Urban Scholars Initiative, which includes a tuition discount for low-income students like Natalia Rosa who are recommended by local partner nonprofits.

Joe Moore, president of Lesley, doesn't disagree, telling me, "That refuge that higher-ed people seek in saying 'In the final analysis, it's the family's decision' is more than troublesome."

Three years ago, Moore pushed through a move to lower Lesley's tuition list price, from $32,000 to $24,000. That didn't substantially decrease the ultimate cost of education for students, since Lesley also lowered its average discount rate. But it increased transparency while also addressing the problem of "sticker shock" for potential applicants.

When I ask him what the reasonable debt cap should be for Lesley students, he says he told his financial aid office: "I am quite comfortable up to $20,000, $25,000, maybe even $30,000 in total debt, but when I saw the totals when I got here — people with $50,000, $60,000, $70,000; there weren't many — that's too much." (In a follow-up e-mail, he stresses, "This is my personal opinion, not institutional policy.")

Moore, who will retire next month after nine years on the job, says many small private colleges in the Northeast have long and impressive track records of helping provide upward mobility for students, yet those legacies are at serious risk if schools can't get student debt under control.

Lesley has introduced two programs to make it more affordable for low-income students. The Urban Scholars Initiative offers a four-year, 50 percent tuition discount for promising students who are recommended by partner nonprofits in the area. It's structured so that a zero-EFC commuter student wouldn't have to take on more than about $8,000 a year in federal and state loans. The other program is a partnership with Bunker Hill Community College, where students who complete their associate's there can continue to take classes on the community college campus, but taught by Lesley faculty, and finish with a Lesley bachelor's, all for a discounted Lesley rate.

That partnership with Bunker Hill somewhat resembles the new Commonwealth Commitment Plan announced by Massachusetts officials in April to provide a smoother, less expensive pathway from community college to a state college or university. Students who meet that program's requirements would see no tuition or fee hikes during their time in school, paying only the amounts in place when they entered the program, and would receive rebates totaling about $5,000. The program sounds promising, though time will tell whether it manages to overcome the bureaucratic hiccups that made the previous Mass Transfer program problematic for so many students. And, tellingly, there will be no new state funding to support the program. Still, it's a sensible idea.

At this point, in light of how bleak the landscape is and how elusive wholesale solutions appear to be, that may be the best we can hope for: some practical initiatives twinned with a greater awareness of the dangers of saddling more low-income students with an ever-larger albatross of debt.

Moore was the first in his family to go to college but dropped out of both Fairfield and Rutgers and worked at a shipyard and a factory. He got lucky while working at a bookstore in Boston, when a customer who happened to be a professor at UMass Amherst persuaded him to enroll there and even allowed him to live at his house, rent-free. "It's an absurd, ironic comedy that I'm in this position," the retiring college president says. So he can relate to students who are trying to better themselves through college without a lot of support. But he also knows that a misstep these days can be so much costlier than it was when he was feeling his way around. "If I dropped out again, I wouldn't have gotten a degree," he says. "But I wouldn't have had $40,000 in debt."

TO GRASP THE CONTOURS of this problem, there may be no substitute for personal experience with college when things didn't go as planned. In my effort to get past generalities, I begin asking college officials, "If this were your niece, and she came from a single-parent family of limited means and was presented with an award letter that required her to fill a $25,000 gap every year, what would you tell her?" I get a lot of conditional answers, like this one from Frank Mullen: "I would tell her the same thing I tell students considering coming to Dean. If it doesn't work financially, then they shouldn't attend."

But when I pose that question to Debbie Gravel, the financial aid director at Pine Manor, she surprises me with the clarity of her answer: "I'd tell her to enlist in the Air Force and let them pay. I only have one niece, and that's what I told her." And that's what she did.