

Degrees Not Debt

Public Service Loan Forgiveness

Missouri NEA /Parkway NEA Talking Points

THE PROBLEM

Missouri Specifics:

- 909,000 Missourians have student loan debt, averaging \$24,957
 - The total student loan debt for the state of Missouri is \$23,265,146,000.00
 - 523,000 student loan borrowers in Missouri would benefit from refinancing.
 - Many student loan borrowers have high and unmanageable interest rates. This not only impacts their ability to repay loans, but other life decisions as well.
- The student loan debt crisis is disproportionately affecting Missouri's public educators. The national average student loan debt is \$29,400, while Missouri's state average is \$24,957; however the average student loan debt of Missouri educators surveyed by MNEA is a staggering \$46,160.11. Even more shocking, the average student loan debt among educators working in Title 1 schools is \$74,075.64.
- Qualified borrowers are often unaware of their options when it comes to student loan repayment and debt forgiveness. This lack of information has caused Missouri borrowers to fall deeper into debt and is hurting our economy as many of the near 1 million Missouri student loan borrowers cannot afford to buy homes, cars, start businesses, support families, invest, or contribute to economic growth in other ways.
- The high cost of college is keeping students from pursuing higher education and preventing potential teachers from entering the classroom. Missouri educators are required to have a college degree and often a Master degree, yet they are entering a profession where they know they are going to financially struggle to pay back their student loan debt.
- Student loan debt is driving young graduates away from lower paying public service careers, such as education, in favor of more lucrative work in the private sector. The student loan debt crisis is exacerbating the existing Missouri workforce shortages in public schools, hospitals and in rural communities.
- Today's generations are viewing higher education in a way fundamentally different from generations past. It's not what do you want to do when you grow up; it is what can you afford to study in college?

National Statistics:

- 42 million people in the U.S. have student loan debt.
- Nearly 1 in 5 U.S. households is affected by student debt.
- Existing student debt exceeds \$1.2 trillion- more than credit card debt and auto loans combined.
- Seven out of ten college graduates, graduated in 2013 with an average debt of \$29,400.
- As of May 2014, 48 states are still spending less per higher education student than they did before the 2008 recession.
- More than 33 million Americans or one quarter of the workforce, qualify for Public Service Loan Forgiveness, including 6.8 million educators, but only 2.6 million are enrolled.
- As of 2012, 5 million Americans have fallen behind on their student loan payments. About 11.5 % of student loan balances are 90+ days delinquent or in default. 50 years ago, about half of college students did not worry about student loans in the slightest. Currently for 15% of students, avoiding loans was such a high priority that they were willing to attend their second or their choice institution. More students than ever before are giving up on their dream schools because costs are too high.
- Many student loan borrowers have high and unmanageable interest rates. This not only impacts their ability to repay loans, but other life decisions as well.
- According to a report by the New York Fed, thirty-year-olds with student loan debt were less likely to own a home than those without student debt—the opposite of what happened pre-recession.
- For older borrowers, student loan debt may prevent parents from contributing to their children's college education or even delay their own retirement.
- While consumers with car and home loans have the option of lowering their monthly payments by refinancing their loans, those with student loans do not.
- 58% of NEA educators surveyed said they would like more information about Public Service Loan Forgiveness.

Why Should Parkway and PNEA Act?

- Through promoting Public Service Loan Forgiveness, we will be investing in Parkway and its people as well as in the state of Missouri and Missourians. Promoting Public Service Loan Forgiveness will provide relief Parkway employees struggling with the burden of student loan debt, which is like a much needed raise for our educators.
- Most Parkway educators are unaware of their options when it comes to student loan repayment and debt forgiveness. This program allows them to reduce their student loan debt by virtue of their service.
- Every American deserves a fair shot at higher education but student loan debt has become a barrier to accessing the American Dream. This is true for the staff of Parkway as well. By promoting Public Service Loan Forgiveness we are providing a pathway to affordable college for thousands of Missourians. In turn, this program will encourage more educated individuals to pursue careers in public service, improving Missouri as a state.
- Promotion of and participation in the Public Service Loan Forgiveness program will provide the opportunity for Parkway and PNEA to demonstrate cooperative leadership to the area, leadership that can benefit all employee groups.