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Issue:

Recently, the skyrocketing cost of higher education has become a crisis for students and their families across the country. Even the historically “cheaper” options such as public universities and community colleges, have become substantially less accessible to everyday New Jersey families.

Necessary Background:

Presently, tuition at New Jersey state four year colleges and universities can run over \$27,000 per year [1]. In addition, several county and community colleges have experienced tuition hikes (ex. Union County College: \$4,450 per semester [2]), and private vocational and tech schools frequently charge over \$30,000 for a year of classes towards an associate’s degree or certification [3]. The state government offers some nominal grants and scholarship options to college students within the state, but they are not sufficient to substantially alleviate the costs of higher education for the growing number of New Jersey students that require assistance [4].

Evidence of Problem Existing:

In 1999, about 64% of undergraduates at four-year colleges took out private loans, but this number has risen to 90% as of 2008 [5]. In addition an average of twelve percent of graduates will default on their student loans within two fiscal years of entering the repayment process [6]. Further, defaulting does not actually mean that the trouble with debt is over, because student loans are the only type of debt that cannot be eliminated by filing for bankruptcy [6].

Impact:

The student loan crisis could severely impact New Jersey’s ability to recover from the recent recession. Conservative estimates from Georgetown University indicate that 35% of the new jobs that will be created during this period of recovery will require at least a bachelor’s degree [7]. In addition, there seems to be no end of this crisis in the new future. As other types of debt — such as credit card and mortgage — fall in their national volume, student loan debt rises exponentially [8].

Possible Solutions:

Some viable options for relieving the current system of debt payment are: including student loans in bankruptcy cases and stricter regulation of interest rates specific to these loans. In addition, foresighted solutions such as investment in grants and the possibility of eliminating tuition at public institutions.

Sources:

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