



FEDERAL RESERVE BANK OF PHILADELPHIA

# Symposium on Student Loans and Socioeconomic Mobility

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AUGUST 25, 2016 · A CONFERENCE ORGANIZED BY THE PAYMENT CARDS CENTER



## ABOUT

Despite decades of government and private efforts to expand the range of educational and career opportunities for young Americans, patterns of inequality related to educational opportunities and outcomes continue to reflect class, race, ethnic, and gender characteristics. As the cost of postsecondary education climbs, families increasingly rely on student loans to finance all or part of their college educations. Low income students and racial and ethnic minorities are more likely to take out a loan than their high income and white peers while also being less likely to complete their degrees or to attend the most selective institutions. In fact, in the United States, the difference in graduation rates between top and bottom income groups widened by almost 50 percent over two decades. This symposium will explore the potential distributional concerns associated with the availability, take-up, and repayment of student loans.

Incremental and more provocative reforms for student aid policies have been proposed in recent years that might expand or contract the range of college and career choices for students. The goals of this symposium are to discuss the effects that current student loan programs have on access to higher education and the subsequent outcomes for underrepresented students and to identify proposed and potential policies that might support the role of higher education as a vehicle for individual opportunity and social change. We will consider potential distributional issues related to student loan programs as students sort into educational institutions; interact with the student loan system during application, matriculation, and throughout their educational careers; and experience subsequent successful repayment or debt repayment difficulties. During the event, we will focus specifically on ways in which the availability and take-up of student loans ameliorate or exacerbate preexisting inequalities — that is, the ways in which student loans can improve or hinder socioeconomic mobility for disadvantaged groups.

The views expressed in the papers and presentations are those of the authors and discussants and do not reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.



# AGENDA

## Thursday, August 25

### Welcome and Opening Remarks

#### 10:15 a.m. **Panel 1: Sorting into Educational Institutions and Student Loans**

*Moderator: Pauline Abernathy, The Institute for College Access and Success*

*Stella M. Flores, New York University*

*Darrick Hamilton, The New School*

*Jordan Matsudaira, Cornell University*

*Zakiya Smith, Lumina Foundation*

As some students approach the end of high school, they find themselves at a disadvantage in areas such as college preparedness, likelihood of application to selective programs, and access to information. Panelists will discuss the preexisting inequalities that affect how students sort into different types of educational institutions and the likelihood with which they take out student loans. The panel will also consider the disparities in access to information about higher education, different — and sometimes conflicting — measures of college preparedness and college success, the relevance of culture and social background for first-generation college attendees, the potentially regressive impacts of college saving tools, the relevance of institution type and major on education access and success, and other topics.

#### 11:45 a.m. **Lunch**

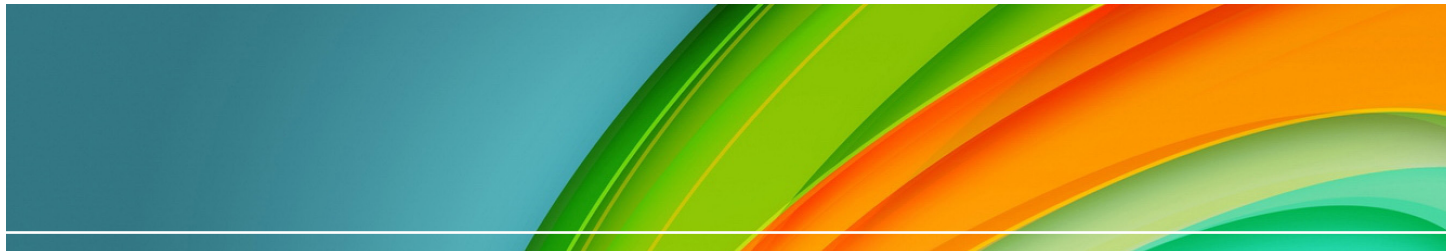
#### 12:30 p.m. **Panel 2: College Completion, Repayment, and the Distribution of Debt Burdens**

*Moderator: Gianna Sen-Gupta, NerdWallet*

*Tonio DeSorrento, Vemo Education*

*William Elliott III, University of Kansas*

This panel will consider the role of government student loan programs in the completion of higher education and postcollege outcomes. Panelists will discuss the patterns of inequality in the distribution of debt burdens and the likelihood of successful repayment. They will consider the potential effect of student loans on delayed consumption, marriage, or homeownership and student loan policies that may alleviate the disparities in posteducational outcomes for vulnerable communities. Policy proposals aimed at reforming government or private student loan systems, such as risk-based pricing of student loans and income share agreements, and their likely impact on underrepresented communities will also be discussed.



**1:45 p.m.**      **Keynote: Conceptual and Empirical Issues for Alternative Student Loan Design**  
*Bruce Chapman, Australian National University*

**2:30 p.m.**      **Break**

**3:00 p.m.**      **Panel 3: Student Loan Policy and Socioeconomic Mobility**  
*Moderator: Jonathan Glater, University of California, Irvine*  
*Brian E. Edelman, Purdue Research Foundation*  
*Kip Kendrick, Missouri House of Representatives*  
*Dustin Weeden, National Conference of State Legislatures*

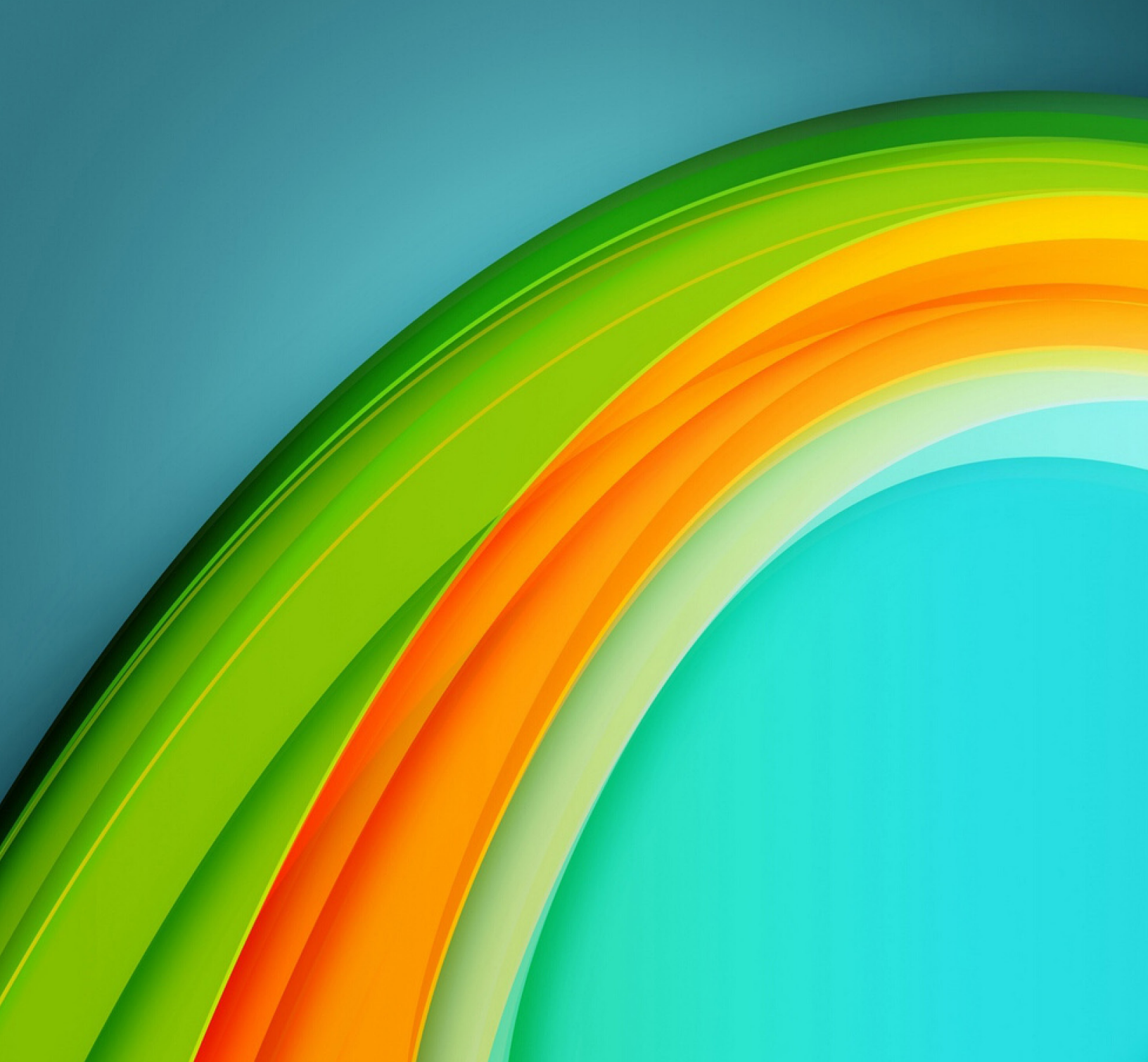
This panel will contemplate policy and applied solutions aimed at improving student loans at the state, institutional, and local levels. Panelists will discuss the development and implementation of policies and programs; the intersection of state, institutional, and local programs with federal programs; and the challenges of balancing the needs of student debtors with other competing demands.

**4:30 p.m.**      **Joint Session: Building Bridges — Opportunities for Collaboration**  
*Moderator: Rajeev Darolia, University of Missouri*  
*Meta Brown, Federal Reserve Bank of New York*  
*Robert M. Hunt, Federal Reserve Bank of Philadelphia*  
*Laura W. Perna, University of Pennsylvania*

Research on student loans can be especially productive when partnerships form between experts in education finance and policy and consumer credit specialists, particularly relating to the interaction of student loan policy with issues of inequality and socioeconomic mobility. This panel will discuss the areas of expertise and resources that academic researchers and researchers within the Federal Reserve System bring to the study of student loans; some examples of productive partnerships among researchers, policymakers, and industry participants; and emerging research topics that might represent particularly fruitful areas of collaboration.

**5:30 p.m.**      **Reception**

**7:30 p.m.**      **Adjournment**



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