

The Economics of Equitable Education: How Today's Loans, Access, and Training Affect Tomorrow's Economy

Saint Joseph's University
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UckpvLqugr j au'Wpkxgtukv{"

Rj krcf gr j kc.'RC"

Cr tkd'39.'423: "

Rcvtkeni'VOJ ctngt"

Rtgukf gpv'cpf 'Ej kgh'Gz gewkxg'Qhhegt"

Hgf gtcn'Tgugtxg'Dcpni'qh'Rj krcf gr j kc"

"

I qqf "o qtpkpi "cpf "y greqo gO'Ka'c'r ngcuwtg"vq"dg"cv'UckpvLqugr j au'Wpkxgtukv{"

Vqf c{"Kf "rkg"vq"fwewuu"gxgt {"eqngi g'ugpkqt au'hcxqtkg'uwdlgev<uwf gpv'iqcpu0P qv'lwu'cu'vj g{"
r gt vclp"vq"vj g'kpf kxk'wcn"dw'vj g'ko r cev'vj g{".'cpf "qyj gt'hcgu'qh'vj g'gf wecvkqp"rcpf uecr g."j cxg"
qp"vj g'WUOgeqpqo {"qxgtcm"cpf "y j {"'vj g'uwdlgev'ku'qpg'hqt"gxgt {"Co gtlkcp"vq"eqpukf gt0"

Dghqtg"Ki gv'vq"vj cv."Ky cpv'vq"vcng'ectg'qh'vy q'j qwugnggr kpi 'kuuwgu0Vj g'htuv'ku'cp'kptqf wecvkqp"vq"
Hgf "r tqveqn"cpf "vj cv'ku'vj g'kuuwcepg'qh'c'ucpf ctf "f kuercko gt<Vj g'xkgy u'Kgzr tguu'vqf c{"ctg"
o kpg'cmppg"cpf "f q'pqv'pgeguuctk{"tghge'vj qug'qh'cp{"qpg'gnug'kp"vj g'Hgf gtcn'Tgugtxg'U{uvgo 0'
Vj g'ugeqpf 'ku'cp'kptqf wecvkqp"vq"vj g'Hgf 'kugrt0"

Kr tqo kug'k'y km'dg'uj qtv.'cpf "pq."k'y qpø'dg"qp"vj g'vgu0'

Fed Overview

Vj g'Hgf gtcn'Tgugtxg'ucpf u'qw'co qpi "vj g'y qtrf au'egpvtcn'dcpni'ht'ku'f gegpvtcrk' gf "utwewtg0'
J qy "f q"{"qw'f gegpvtcrk' g'c'egpvtcn'dcpni' qv'guvdrkuj "34'tgi kqpcn'Dcpni'cetquu'vj g'eqwpt {"'vj cv'
ctg'kpf gr gpf gpv'qh'dw'vy qtn'cmipi ukf g.'vj g'Hgf au'Dqctf "qh'I qxgtpqtu.'nqecv'f "kp"Y cuj kpi vqp."
F(EO"

Vj cv'utwewt g'y cu'guvdrkuj gf "322/r nmu" { gctu'ci q'v'g'puwt g'y cv'vj g'tgcnkkgu"qp"vj g'i tqwpf "kp" c" xcu'cpf "xctkfg"geqpqo { "y qwf "dg'tgeqi pk gf "y j gp"pcv'kpcnr' rke { "ku'o cf g0K'y cu'c'r tguekpv' f gekukqp."cu'vj g'ncpf uecr g'qh'vj g'eqwpt { "j cu'dgeqo g'gxgt'o qtg'f kxgtug'cpf "gegeve"kp"vj g" kpvgtxgpkpi "egpwt { 0Vj g'eqpegtpu'qh'vj g'tgukf gpv'qh'vj g'Rj kcf gr j k'Hg' ai'F kvtke'v'ctg'qhwgp" f khtg'gpv'vj cp."hqt"kpucpeg."vj g'F cmcu'Hg' ai'0Uq'y j gp'y g'cm'o gg'v'q'f gekf g'r rke { ."y j lej "y g'f q" gxgt { "ukz'y ggmu'qt"uq."gcej "qh'wu'y cmu'kp'v'vj cv'f kuewukqp'y kj "c"wpks wg'r gtur gev'xg0Y g'at g'vj g" xqleg'hqt"qwt'tgi kpu0'

Y j kg'vj g'Hg' "y cu'etgcvgf "d { "cpf "ku'cpuy gtcdr'v'q'Eqpi tguu."k'ku'cp'kpf gr gpf gpv'gpv'k' { ."y j lej " uj kgrf u'k'htqo "r rnkkecn'r tguwt g0Vj ku'ku'c'etwekn'grgo gpv'v'uchgi wctf kpi "vj g'eqwpt { ai" geqpqo { 0 [qw'qdxkqun' "f qpø'y cpv'r gqr ng'o cnkpi "equo gve" f gekukpu'kp"vj g'uj qt'v'gto "hqt"vj g" ucng'qh'r rnkkecn'g'zr gf kgepe { 0 [qw'y cpv'r gqr ng'y j q'mqm'c'v'vj g'o gf kwo "cpf "hpi /v'gto " ko r rkecv'kpu'qh'vj gk'cev'kpu'cpf "o cng'f g'v'gto kpcv'kpu'dcugf "qp" f cvc0 [qw'y cpv'r rke { "y qpm0 [qw'o ki j v'pqv'y cpv'v'q'j cpi "qw'y kj "wu'cv'c'r ctv' { "dw" { qw'g'r tqdcdr' "r tgw' { "j cr r { "y kj "wu" tgrgpv'guun' { "cpcn' | kpi "vj g'f cvc"qp" { qwt "dgj chr0'

Vj g'Hg' "j cu'c'j quv'qh't gur qpukdrkkgu."htqo "r tqxkf kpi "ewttgpe { "v'q'dcpmu'v'q'w'pf gtvcnkpi "tgugctej " v'q'y qtnkpi "y kj "mecn'eqo o wpkkgu'v'g'p'eqwtci g'geqpqo le"i tqy vj ."o qdkrk' { "cpf "ucdrk' { 0Dw" vj g'o quv'y gm'npqy p"cpf "r tko ct { "hmv'kqp'qh'vj g'Hg' "ku'eqpf wv'kpi "o qpgvt { "r rke { "kp'r wtuw'k'qh' qwt" f wcn'o cpf cvg."y j lej "ku'r tleg'ucdrk' { "cpf "o czko wo "go r m { o gpv0Qt."kph'v'kqp"cpf "lqdu0"

Y g'y cpv'kph'v'kqp"v'q'dg'unqy "cpf "ugcf { "ô "qwt"ewttgpv'v'cti g'v'cv'g'ku'4'r gtegpv'ô "v'q'nggr "r ceg" y kj "i tqy vj "y kj qw'f gxcnkpi "vj g'o qpg { "kp" { qwt "dcpn'iceeqwp0D { "o czko wo "go r m { o gpv."y g" o gcp."kp"cp"qxgt' { "uko r nkkgf "pwuj gm"vj cv'kh' { qw'g'mqmkpi "hqt" c"lqd" { qw'ecp "hpf "qpg'tgrv'k'gn' " gcuk' { 0Y g'o cng'p'q'i wctcpv'ggu'vj cv'k'v'rdg' { qwt "f tgeco "lqd."dw'kp" c"utqpi "rdqt"o ctngv."c" r c { ej gentuj qwf pø'dg'j ctf "v'q'eqo g'd { 0"

Dgecvug'r gqr ng'o qxg'kp"cpf "qw'qh'vj g'y qtnhqt'eg'cm'vj g'v'ko g."wpgo r m { o gpv'y kn'p'gxgt "dg" | gtq0' Y j gp" { qw'i tcf wcvg."hqt"kpucpeg."cpf "uvtv'mqmkpi "hqt"lqdu." { qw'g'eqpukf gtgf "wpgo r m { gf "htqo " vj g'v'ko g' { qw'uvtv'mqmkpi "v'q'vj g'v'ko g' { qw'hpf "qpg0C"egt'v'k'p'rgxgn'qh'ej wtp'ku'j gcmj { 0'

Cu'hqt"y j cv'u'kf gcn'vj gtg'v'c'v'q'v'qh'o ci le'pwo dgt "hqt"wpgo r m { o gpv'ecngf "vj g'öpcw'v'c'n'cv'g0'K' ej cpi gu'f gr gpf kpi "qp"vj g'o cngw' "qh'vj g'geqpqo { ."cpf "y g'p'gxgt'tgcm' { "npqy "y j cv'vj g'gzcev'

Dw'y j gt gcu'y g'qpeg'ucy 'y qug'vej pqm i kgu'cf xcpeg'cv'egpwtkgu'qt 'f gecf gu'r cegu. 'y g'ctg"
pqy 'kp'y g'y tqgu'qh'cf xcpego gpv'y cv'cr r gctu'vq'wr gpf 'kpf wwtkgu'qp'cp'cmo quv'eqpucpv'dcuku0

Kp'y cv'ugpug. 'y gtg'au'o qtg'ej cpi g'y kj kp'lqdu'cpf 'kpf wwtkgu.'cpf 'o qtg'pggf 'hqt'eqpvkpcrn'
tgtcklpi 'cpf 'wr unknkpi 0Cu'y g'rdqt'o ctngv'j cu'ugcf kq 'ko r tqxgf. 'qpg'qh'y g'r tqdrgo u'y cv'au'
ctkugp'ku'c'o kuo cvej 'qh'unkm0Vj cv'etgcvgu'cp'kuuwg'y j gp'go r m{gtu'y cpv'vq'gZR cpf 'y gk"
dwkpguugu'dw'ecp'v'hkm'y g'lqdu'y g{'ctgcf {'j cxg0"

Cpf 'y g'hcugt'cp'kpf wwt {'ej cpi gu.'y g'o qtg'y cv'ecp'chgevy'g'unkm'i cr 0Cwq'o gej cpleu.'hqt"
kpuvpeg.'pqy 'pggf 'c'rgxgn'qh'eqo r wgt'hpqy ngf i g'y cv'au'c'y qtrf 'cy c{'htqo 'y j cv'y qwf'æg'dggp"
tgs wktgf '42.'qt'gxgp'32'{'gctu'ci q0Vj kpm'cdqwj'qy 'o wej 'qh'y g'f cuj dqctf 'ku'f ki kkl gf 'cpf "
eqo r ctg'y cv'y kj 'c'ect'y cv'y cu'o cpw'cewtgf 'kp'y g'g'2u0Qt'j cxg'qpg'qh'{'qwt'r tqhguuqtu"
f guetkdg'k0Cum'y go 'v'vgn'{'qw'cdqwu'qo gy kpi 'ecmgf 'c'öEF 'r r {'gtö"

Cu'y g'rdqt'o ctngv'eqpvkpwgu'vq'i gv'ki j vgt'cpf 'ki j vgt.'y qtngtu'y kj 'ur gekh'e'unkm'y km'hkngn{'dg"
j ctf gt'cpf 'j ctf gt'vq'hkpf 0Cpf 'ki'dwukpguugu'ecp'v'hkm'y g'lqdu'y g{'j cxg'pqy. 'y g{'æg'pqv'i qkpi "
vq'dg'cdrg'vq'gZR cpf 0

Vj g'ugeqpf 'f {pco ke'ku'f go qi tcr j keu.'y j lej. 'ci ckp.'j cu'dggp'c'hcexqt'y tqwi j qw'j kuvqt {'dw'ku"
f khgtgpv'pqy 'y cp'cv'cp{'r qkpv'dghqtg0Cu'c'r ctgpv'qh'y tgg'o kngppkcn'ej kf tgp. 'Kco 'cewgn'
cy ctg'y cv'y g'{'qwp i gt'i gpgtcv'kp'hggnu'wphckn' 'o crki pgf 0Dw'hqt'y ku'r ct'kwert'r j gpqo gpqp'ö "
qpg'y cv'y km'r w'f kmpv'r tguwtg'qp'y g'geqpqo {'cpf 'y g'y qtnhqtg'ö "{'qw'ecp'f k'gev'dmo g"
hko n{'cv'öj g'qrf uö"

Vj g'dcd{'dqgo gtu'y km'dg'y g'rti gu'v'i gpgtcv'kp'vq'f cv'v'j'j gcf 'kpv'tgvtgo gpv0Vj g{'ctg'cnuq"
rkxkpi 'rqi gt.'y j lej. 'cu'c'dqgo gt'o {ugrh 'Kco 'xgt {'o wej 'kp'hcxqt'qh0Dw'k'f qgu'o gcp'cp"
wpr tgegf gpv'gf 'pwo dgt'qh'r gqr ng'hkxkpi 'qw'y gk'r quv'y qtnkpi 'hkxgu'hqt'rqi gt'y cp'y g'æg'wugf "
vq0Vj cv'o gcpu'o qtg'r gqr ng'dgpg'hkxkpi 'htqo 'O g'flectg.'o qtg'r gqr ng'f tcy kpi 'Uqekn'Ugewtkv'.'cpf "
o qtg'r gqr ng'pggf kpi 'cuukv'peg'y kj 'gxgt {'j kpi 'htqo 'f c{/vq/f c{'ectg'vq'v'cpur qt'cv'kp0Vj qug"
r tqi tco u'ctg'hwpf gf 'kp'rti g'r ctv'd{'y g'Co g'kcep'y qtnhqtg.'cpf 'y cv'cuukv'peg'y km'tgs wktg"
o qtg'y qtngtu'cv'c'vko g'y j gp'y gtg'ctg'hgy gt'cpf 'hgy gt'ng'h'vq'eqo g'qh'h'y g'ukf g'kpgu'cpf 'kp'hgrf u"
y cv'tgs wktg'ur gekn'gf wecv'kp'cpf 'unkm0'

Hkpcmf . 'y j gtg'ku'y j g'r tleg'qh'gf wecvkqp0ko "uwtg" { qwæ g'j gctf . 'htqo 'vko g'vq'vko g. 'y cv'y kpi u'ctg" o wej "gcukgt"pqy "y cp'y j g'f 'y gtg'kp"qwt'f c { 0Y g'j cf "vq'r qtg'y tqwi j "vgzvdqmu. 'y j krg" { qw'j cxg" Y knkr gf kc0Y g'vqqrnr kewtgu'y kj 'hko "cpf 'eqwf pø'bo cmg'y j go 'mqm'dgwtg'chgt0Y g'y cmgf "vq" uej qqrnk'p'hpqg/f ggr "upqy 0Wr "c"j kn0Dqy 'y c { u0"

Dw'qp'y j ku'eqwpv. 'y j g'vko gu'ctg'f gekf gf n' { 'y qtnkpi "ci ckpuv" { qwt'hcxt0'

O knppkcm'ctg'o wej "o qtg'hkngr' 'y cp'qrf gt'i gpgtcvkpu'vq'j cxg'vcngp'qww'c'uwf gpv'iqcp0' "Cpf " dqy 'y j g'vkngr' r tleg'qh'wkvkqp"cpf 'y j g'f kueqwpvgf "tcvg'j cxg'tkugp'hcugt'y j cp'kpeqo gu'qxgt'y j g" r cuv'42" { gctu0Cv'y j g'uco g'vko g. 'ucvg'hwpf kpi 'hqt'j ki j gt "gf wecvkqp"j cu'dggp'uvgf kn' f ko kpluj kpi 0' Vj cv'y cu'dqy 'c' hcevt'kp'y j g'tkug'qh'wkvkqp"o 'y j qwi j "egtckpn' { 'pqv'ku'gpv'ktg'ecwug'o "cpf 'y kn' rkngr' "eqpvkpwg'vq'i gv'y qtug'cu'y j qug'f go qi tcr j le'v'gpf u'ko gpv'kqpgf "eqpvkpwg'vq'r r { "qwo' Nqecn'ucvg. "cpf 'hgf gtcn'dwf i gu'y kn'dg'gxgp'o qtg'r tguugf "cu'hwpf u'kpetgculpi n' { "i q'vqy ctf " tgv'go gpv'dgpgkhu. 'r gpukqpu. "cpf 'j gcmj "ectg0"

Cu'wkvkqpu'j cxg'tkugp. "cpf 'o qtg'r gqr ng'j cxg'uvctvgf "i qkpi "vq"eqmgi g. "dqy 'y j g'uj ctg'qh'uwf gpw' y j q'vcng'qww'iqcpu'cpf 'y j g'cxgtci g'co qwpv'qh'f gdv'dqttqy gf 'j cxg'i tqy p'uwducpv'kcm' 0K'ku'pqy " c'rci gt'r tqr qt'vq'p'qh'eqpuwo gt'f gdv'y cp'cwq'iqcpu'qt'etgf k'ectf u=kp'hce. 'kø'u'ugeqpf "qpn' "vq" o qtv'ci gu0'

The Impact of Student Debt

Vj cv'tgcrk' { 'f qgupø'lwuv'chge'v'y j g'r gqr ng'j qrf kpi 'y j g'f gdv'o "y j qwi j "kø'u'qdxkqwn' { 'c'uki p'k'ecpv' kuw'g'hqt'y j go "o "k'chge'v'y j g'y kf gt'geqpqo { 'kp'c'xctkvg' { 'qh'y c { u0'

Hktuv. 'y j g'dwtf gp'ku'uvctkpi "vq'ur tgc'f "cetquu'i gpgtcvkpu'y kj kp'hco k'ku0Ugeqpf . 'k'ku'chge'v'kpi " r gqr ng'ø'u'hg'f gekukqpu'chgt'uej qqr0Cpf 'y j kf . 'k'ecp'gzcegt'cv'kpeqo g'f kur ct'k' { 0Cm'qh'y j g'ug" r r { "c'tqrg'kp'y j g'eqwpv' { ø'u'geqpqo k'e'hwwt'g0"

Vcnkpi 'y j qug'kp'wtp<hktuv. 'y j g'o wki gpgtcvkpcn'ghge'v'0Tgugcte'j 'uj qy u'y cv'kp'y j g'f gecf g' r gcf kpi "vr "vq"4237. 'y j g'pwo dgt'qh'cf wmu'qxgt'y j g'ci g'qh'82'y j q'vqqrnk'p'uwf gpv'f gdv'hwm' "

¹ The Pew Charitable Trusts, *The Complex Story of American Debt: Liabilities in Family Balance Sheets* (2015), pewtrusts.org/~/media/assets/2015/07/reach-of-debt-report_artfinal.pdf.

s wcf twr rnf OT qwi j n{ 'y tgg/s wctvgtu'qh'y qug'r gqr ng'cuwo gf 'y cv'f gdv'qp'dgj ch'qh'ej kft gp'qt" i tcpf ej kft gp0"Vj cv'o gcpu'c'uwduncp'kcn'pwo dgt'qh'r gqr ng'ctg'j qrf kpi "f gdv'y j q'ctg'gkj gt'rkxkpi " qp"—"qt"j gcf gf "qy ctf"—'hz gf 'kpeqo gu'kp'y gk'tgvtgo gpv'Ukpeg'y qug'i qrf gp"{'gctu'ctg'rkngn{ " vq'rcuv'nqpi gt'y cp'y gk'r ctg'p'w'f'kf . 'y j g{ ag'cnuq"o qtg'rkngn{ "vq"gpewp'vgt'kpetgcugf "ectg"equu. " y j lej 'etgcvgu'cf f gf 'r tguwtg0P qv'qpn{ 'ku'y ku'c'hkpcpekcn'kuuwg'hqt'hc'o kkgu'vq'eqp'v'p'f'y kj . 'k' kpetgcugu'y g'rkngnj qqf "qh'f ghcwn0

Ugeqpf . 'y j g'rqo kpi 'ur gev't'qh'f gdv'cr r gctu'vq'dg'ch'gevkpi "ctgcu'qh'y g'geqpqo { 'y cv'ctg" hwpf co gpv'n'vq'i tqy yj OT gugctej 'd{ 'y j g'Rj kcf gr j k'Hgf au'Equpuwo gt'Hkpcpeg'kpu'kwg."cu'y gmi' cu'v'y gtu'kp'y g'Hgf gtcn'T gugtxg'U{u'vgo . 'uj qy u'y cv'uwwf gpv'f gdv'ku'ch'gevkpi "dqj 'uo cm'dwukpguu" hqto cvkqp'cpf 'j qo gqy pgtuj kr 'tcv'gu⁵ "Vj gtg'au'c'pcttcv'kg'q'w'y gtg'y cv'o kngppkcn'f qp'w'y cpv' vq'dw{ 'j qwugu0Dw'y j cv'h'y g{ 'f qp'w'hgg'n'y cv'dw{ kpi 'ku'cp'qr v'kp'A"

Ectt{ kpi "c'uwwf gpv'nqcp'dwtf gp'kp'ku'g'h'ecp'dqj 'ch'gev'gctn{ "ectggt'ej q'legu⁷"cpf 'f ku'wcf g'r gqr ng" htqo "o cnkpi "cpqy gt'kpxguwo gpv'0Dw'k'cnuq'ch'gevu'y g'cdk'k{ "vq'f q'uq0Dw{ kpi "c'j qwug'o gcpu" j cxkpi "c'f qy p'r c{o gpv."cpf 'ku'f k'h'ew'n'vq'ceewo w'v'g'c'f qy p'r c{o gpv'y j gp"{'q'w'g'r c{ kpi "qh' nqcpu0K'cnuq"o gcpu'i gw'kpi "c'o q'ti ci g. 'y j lej 'tgs wktgu'i qqf "etgf k'c'p'f 'y cv'etgf k'ku'ch'gevgf "d{ " y j g'f gdv'f'q'w'ectt{ 0Vj g'tc'v'q'qh'f{ q'w'q'w'w'cp'f kpi "nqcpu'vq"{'q'w'ew'tt'gpv'kpeqo g'ku'q'p'g'h'ev'qt" n'p'f gtu'cu'guu. 'cpf "o ggv'kpi "cp'ceegr vcdng'dct'ecp'dg'gur gekcm{ 'f k'h'ew'n'hqt'r gqr ng'kp'y gk'htu'v' hgy "lqdu'q'w'qh'eqmgi g. 'y j gp'uc'rt'kgu'ct'gp'w'cu'j ki j 'cu'rc'vgt'kp"{'q'w'ectggt0K'ecp'cnuq'r tqxg" f k'h'ew'n'hqt'r gqr ng'kp'ectggtu'y cv'r c{ 'nguu'qxg'tcm'dw'ctg'kpetgf kdn{ 'xc'w'cdng. 'rkng'v'gcej kpi "qt" uqekcn'y qtn0"

² Consumer Financial Protection Bureau, *CFPB Warns Student Loan Servicing Problems Can Jeopardize Long-Term Financial Security for Older Borrowers* (2017), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-warns-student-loan-servicing-problems-can-jeopardize-long-term-financial-security-older-borrowers/>.

³ Brent W. Ambrose, Larry Cordell, and Shuwei Ma, "The Impact of Student Loan Debt on Small Business Formation," Federal Reserve Bank of Philadelphia Working Paper 15-26 (2015).

⁴ Zachary Bleemer, Meta Brown, Donghoon Lee, Katherine Strair, and Wilbert van der Klaauw, "Echoes of Rising Tuition in Students' Borrowing, Educational Attainment, and Homeownership in Post-Recession America," Federal Reserve Bank of New York Staff Report 820 (2017).

⁵ Jesse Rothstein and Cecilia Elena Rouse, "Constrained After College: Student Loans and Early-Career Occupational Choices," *Journal of Public Economics* 95:1-2 (2011), pp. 149-163."

Uwf gpv'f gdv'ku'cmq'c'f hngt gpv'cpko en'vj cp'uc { . 'cwaq'ncpu'qt'o qtv ci gu.'dgecwug'kx'pqp/
f kiej cti gcdng0Vj cv'ku.'gxgp'kh' { qw'hkg'dcpmt wr ve { . " { qw'ecpø'i gvt'kf "qh'k0Vj ku'ku'tqqvgf 'kp'c"
eqpegt'p'vj cv'r gqr ng'y km'iqm'vq'vph'ctn' { f'kuo ku'vj gkt'f gdv.'gxgp'kh'vj g { 'j cxg'uw'hk'elpv'kpeqo gu0'
Kuj qwf 'pqv'vj cv'tgugctej 'd { 'o { "ux'h'cpf'q'vj gtu'f qgu'pqv'h'kf "gxkf gpeg'v'q'uw r qtv'vj cv'vj ggt { 0⁸"

Cm'kp'cm'tgugctej 'd { 'vj g'Hgf øu'Dqctf "qh'I qxgtpqtu'h'kf u'vj cv'kp'vj g'hktu'h'xg' { gctu'chngt'uej qqn "
c'r gtuqpø'ej cpeg'qh'qy p'kpi "c'j qo g'f tqr u'd { "3'v'4'r gtegp'ci g'r qkpw'hqt'gxgt { "32'r gtegp'v'qh'
uwf gpv'f gdv'c'r gtuqp'j qrf u0⁹"

Wmko cvgn' . 'kh'vj g'cdk'k' { "qh'qwt' { qwpi gt' i' gpgtcv'kpu'v'q'r ct'v'ekr cv'g'kp'vj g'geqpqo { 'ku'cf xgtugn' "
ch'gevgf . 'uq.'qxgtcm'ku'qwt'geqpqo { 0

Hkpcmf . 'vj gtgø'vj g'kuwg'qh'r ctk' { "cpf'ceeguu'v'j' ki j gt'gf wecv'kqp0Vj ku's wgun'kp'qh'ceeguu'ku"
ko r qtvcpv'dgecwug'vj g'f cv'uj qy 'vj cv'vj g'kpxguo gpv'ku'cduqnwgn' { y qtv'j 'k0T'gugctej 'Itqo "c"
pwo dgt'qh'uqwt'egu.'kpen'f kpi "qwt'eqm'gci wgu'cv'vj g'Ucp'H'cpeku'eq'cpf'P gy 'I qtm'Hgf u.'uj qy u"
vj cv'qxgtcm'vj g'kpxguo gpv'k'eqm'gi g'uv'km'f g'kxgtu'c'i qqf'tgwtp0 "Y g'j cxg'c'xkuk'kpi 'uej qm'c'cv'
vj g'Rj k'kf gm'j k'Hgf 'y j qug'tgugctej 'f g'kxgu'gxgp'f ggr gt.'uj qy kpi 'h'kg/e { eng'tgwtpu'qp'xct { kpi "
f gi tgg'o clqtu'ð "dwuk'p'guu'cpf'UVGO 'r c { "qh'h'vj g'o quw'k'v'gto u'qh'h'k'cpekn't'gwtp.'h'qm'qy gf 'd { "
uqek'n'uek'pegu.'vj gp'vj g'ctu'cpf'j wo c'pk'k'gu0 'J ku'pco g'ku'F qwi "Y gddgt.'j gø'c'r tqh'guuqt'cv'
Vgo r ng.'cpf'j g'cewcm' { j cu'c'ku'v'qh'g'zr gevgf 'h'kg'ko g'gct'p'kpi u'dt'qngp'f qy p'd { 'o clqt'kh' { qw'
y cpv'v'q'ugg'y j cv'ku'k'v'ut'g0¹⁰"

⁶ Rajeev Darolia and Dubravka Ritter, "Strategic Default Among Private Student Loan Debtors: Evidence from Bankruptcy Reform," Federal Reserve Bank of Philadelphia Working Paper 17-38 (2017).

⁷ Alvaro A. Mezza, Daniel R. Ringo, Shane M. Sherlund, and Kamila Sommer, "On the Effect of Student Loans on Access to Homeownership," Finance and Economics Discussion Series 2016-010, Washington: Board of Governors of the Federal Reserve System, <http://dx.doi.org/10.17016/FEDS.2016.010>.

⁸ See, for example, Jaison R. Abel and Richard Deitz, "Do the Benefits of College Still Outweigh the Costs," *Current Issues in Economics and Finance*, Federal Reserve Bank of New York, 20:3 (2014), and Mary C. Daly and Leila Bengali, "Is It Still Worth Going to College?" FRBSF Economic Letter (2014).

⁹ Douglas A. Webber, "Are College Costs Worth It: How Ability, Major, and Debt Affect the Returns to Schooling," *Economics of Education Review* 53 (2016).

¹⁰ Douglas A. Webber, "Projected Lifetime Earnings Broken Down by Major," http://www.douglaswebber.com/expected_all.pdf.

Vj g'qpg'ecxgcv'ltqo "cm'vj g'tgugctej 'ku'vj cv'vq'tgcr 'vj g'tgy ctf u'qh'eqmgi g." {qw'j cxg'vq'hkpkuj 0' Vj g'tgwtpu'vq'cwgpfi kpi . 'dw'pqi tcf wcvkpi . 'ctg'pqv'cu'uki pkhecpv.'cpf 'vj qug'y j q'f qpø'hkpkuj " utwi i ng'o wej 'o qtg'y kj 'vj gkt'f gdv'dwtf gp0"

Kuj qwf "uc { 'j gtg'vj cv'Kj cxg'dggp'ur gcnkpi 'cdqw'r quv'ugeqpf ct { 'gf wecvkqp'kø'ku'dtqcf guv'ugpug." cpf 'vj g'kuwgu'cuuqekcvf 'y kj 'mqpu'ð 'r ctvewrctn' 'vj cv'vknkpi "qp'f gdv'cpf 'pqv'hkpkuj kpi "c'eqwtug" qh'uwf { 'ecp'j cxg'cf xgtug'hkpcpekn'ghgevu'ð 'cr r rku'vq'cm'ku'hqto u'OKdgrkxg'hkto n' 'vj cv'pqv' gxgt { qpg'y cpw'qt'pggf u'c'tcf kkpncn'dcej gntø'f gi tgg.'cpf 'vj g'Rj krcf gr j k'Hgf 'j cu'f qpg" gzv'pukxg'y qtn'qp'cngt'pcv'xg'r cvj u.'ltqo 'cr r tgpv'eguj kr u'vq'un'ku'v'ctkpkpi 0'Vj gtg'ctg'c'j quv'qh' lqdu'vj cv'o { 'u'chh'j cu'f ggo gf "ðqr r qtwpk'v' 'qeewr cvk'pu.ø'y j kej 'r c { 'cv'qt'cdq'xg'vj g'o gf kcp" kpeqo g'dw'f qpø'tgs wkt'g'c'dcej gntø'0Rtcevekn'v'ctkpkpi "cpf 'un'ku'f gxgr r o gpv'k'pqj " eqpxgpv'kpcn'cpf 'pqpeqpxgpv'kpcn'lugev'qtu'hkn'ð wej 'pggf gf 'i cr u'hqt'go r mq { gtu'cpf 'qh'ht'ectggtu" hqt'r gqr ng'y j q'r tghg'vj cv'tqwg'0Dw'vj g'eqpu'cv'cetquu'cm'vj gug'qr v'kpu'ku'vj cv'gf wecvkqp'cpf " v'ctkpkpi 'ctg'pgeguuct { 0Crr tgpv'eguj kr u'cpf 'qj gt'ðngctp'cpf 'gctp'ø'r tqi tco u'ctg'gzegngpv" o qf gnu'vj cv'gcu'ghkpcpekn'dwtf gpu'0Dw'hqt'vj qug'y j q'f q'y cpv'c'hqwt/ { gct'f gi tgg.'cpf 'hqt'cp { qpg" y j q'cngu'q'w'c'iqcp'hqt'cp { 'v' r g'qh'gf wecvkqp.'Ky cpv'vj gkt'qr r qtwpk'k'gu'cpf 'ceegu'vq'dg'vj g" uco g'cu'vj gkt'y gcmj kgt'r ggtu0"

Kco "eqpegtpgf 'vj cv'vj g'ltqo kpi 'uj cf qy 'qh'uwf gpv'f gdv.'eqwr ngf 'y kj 'kpetgculkpi 'wpegtv'kpv' " cdqw'ltqcp'hqti kxgp'guu'r tqi tco u'cpf 'kpeqo g/f tkxgp'tgr c { o gpv.'o c { 'f kuwcf g'uo g'r qv'p'v'cn' uwf gpw'ð 'r ctvewrctn' 'vj qug'ltqo 'mqy /'cpf 'o kf f ng/kpeqo g'hco k'k'gu'ð 'ltqo 'i qkpi "v'eqmgi g'qt" r wtuw'kpi 'lqdu'k'p'r wdrle'ugt'x'leg'0Cpf "Kco 'cf f kkp'cm' 'eqpegtpgf 'vj cv'uej q'qnu'ð'w'f i gwt { " eqp'ut'k'p'w'ð c { 'eqp'v'k'dw'g'v'q'hgy gt'qh'vj qug'uwf gpw'uweegf kpi 'kh'vj g { 'f q'cwgp'f 0"

Vj g'hkpcpekn'eqpuk'f g'cv'k'pu'hqt'hco k'k'gu'ctg'hwpf co gpvcn'dw'vj gtg'ctg'qj gt.'nguu'v'cpi k'k'ng" hcev'qtu'vj cv'gk'j gt'gt'gev'dctt'k'gtu'v'q'gpv'gt'kpi 'eqmgi g'qt'ch'ge'v'uwf gpw'uweegu'q'peg'vj g { ø'g" gpt'q'ngf 0'Vj gtg'ctg'o qtg'grgo gpw'v'q'vj g'uej q'qni'gzr gt'k'peg'vj cp'l'wuv'w'k'k'qp'cpf "dq'qmu.'cpf " eco r wugu'ct'q'wpf 'vj g'eqw'p'v' { 'j cxg'f qpg'i t'gcv'y qtn'v'q'cf f'g'uu'vj cv'hce'0Y j gy gt'k'ø'u'p'cxki cvkpi " qh'h'eg'j q'wtu'qt'k'p'f kpi 't'gu'q'w'eg'u'h'k'ng'lt'gg'w'w'qt'kpi . 'r tqi tco u'vj cv'hq'ewu'qp'w'p'f gt'ugt'x'gf "uwf gpw" j cxg'dggp'ko r qt'cv'p'hcev'qtu'k'p'vj gkt'uweegu'0'Vj gt'g'ø'u'c'i q'qf "dqf { 'qh't'gugctej "v'q'dcen'vj cv'w' . "

students who scored the highest on the tests weren't any more likely to hold a patent than wealthy kids with below-average math scores. There were similar results for women, minorities, and people who lived in the southeast portion of the country.¹³ Since women alone make up more than half the population, the simple math tells us we're missing out on a lot of potential and productivity in a majority of the population.

Conclusion

The bottom line is that education is a good investment for the country as a whole. An educated workforce is a driver of growth and is crucial for sustained prosperity, and that's important for all of us.

It's vital that we ensure people can access the education they want and need and that we find ways to ease the financial burden for everyone. It's a fundamental element of the U.S. economy, and we'll be better off for it.

¹³ Alex Bell, Raj Chetty, Xavier Jaravel, Neviana Petkova, and John Van Reenen, "Who Becomes an Inventor in America? The Importance of Exposure to Innovation," Stanford Institute for Economic Policy Research Working Paper 17-041 (2017).