



M. President,

We have a major crisis in our country today in terms of the high cost of college and the incredible debt burden that college students and their families are facing. Our job is to improve that situation, to lessen the burden on students and their families - not to make it worse.

Mr. President, at a time when we need the best educated work force in the world, hundreds of thousands of bright young Americans who are qualified to pursue a higher education – don't. They choose not to go to college, not because they don't want to, but because they can't afford to. According to a Pew study of 18-34 year olds who haven't completed college, 48% say they cannot afford to.

Higher education for middle class families and working class families is simply too expensive and they can't afford to pay. What sense does it make for a nation not to take advantage of the intellectual capabilities of millions of bright young people?

Further, millions of our young people who graduate college graduate are saddled with an incredible debt burden which radically impacts their lives. In America today, the average debt for a college graduate is 27,200. For those who go to graduate school or medical school or dental school that debt can be many, many times higher. I met last year with some young dentists in Vermont who had accumulated over \$200,000 in debt.

This horrendous debt burden impacts the lives of young people in many, many ways. It can determine the type of profession they choose. How can you become a teacher, a child care worker, a legal aid attorney or even a primary care physician if the salary you earn will not enable you to pay off your debt and take care of the obligations you face? This debt burden literally determines where people will live and whether or not they can afford to buy a home. How can you afford a home if 25% of your income is going to pay off a student loan? This debt burden on our young people determines, in many cases, whether or not they can get married and have children.

Mr. President: The higher-education debt burden that the American people are now carrying, at \$1.1 trillion, is now higher than our credit card debt, and is having a significant impact upon our economy. In fact, the Federal Reserve and the Department of the Treasury have both issued warnings that high levels of student loan debt could drive down consumer demand and have negatively impact economic growth.

- According to a report released by the New York Fed:
  - o Student Loan Debt has nearly tripled since 2004.
  - o Total student loan debt in the United States now exceeds \$1.1 trillion.
  - o Average student loan balance has increased 70% since 2004.

Mr. President, if we do not act immediately the subsidized Stafford loan program will see a doubling of interest rates on July 1<sup>st</sup>. The rates will go from 3.4 % to 6.8%. That would be a disaster for millions of students and their families in our country. We must not allow that to happen. At the very least we must immediately pass legislation that

extends, for several more years, interest rates on the Stafford loan program at 3.4%. Meanwhile, as part of the Higher Education Act, we must begin work on a long term solution that guarantees the students of this country that they will be able to attend college and not be burdened with suffocating loans.

Mr. President: As we contemplate new policy on student loans, one thing we should not be doing is making a profit off of the needs of low income and working families who utilize the Stafford loan program. And that is where we are today.

- According to CBO, the federal government makes a substantial profit from student loans.
  - For loans made in 2013 alone, that profit is expected to exceed \$50 billion dollars.
  - This is higher than the profits made by Exxon Mobil, the most profitable company on earth.
  - Higher than the profits of JP Morgan Chase, Goldman Sachs, Bank of America, Citigroup and Morgan Stanley combined.

Mr. President we live in a competitive global economy every day I hear on the floor of the senate how America is doing a poor job in educating its students in such areas as science engineering technology and math. Making it in possible for millions of young Americans to go to college does not make America more competitive. It makes us a weaker nation. We must not allow that to happen.



And countries all over the world understand that it is imperative that they invest in their young people that they provide them with the best education possible regardless of the income of their families.

According to a report released just yesterday by the OECD, the United States was one of the few advanced countries in the world that did not increase its public investment in education.

- In fact, the vast majority of advanced nations do everything possible to make higher education more affordable for all students
- In Canada, average annual tuition fees were \$4,288 in 2010 – roughly half of what they were in the United States. And yet, the OECD says Canada is one of the most expensive countries for a student to go to school.
- Germany is in the process of phasing out all tuition fees. Even when German universities did charge tuition, it was roughly \$1,300 per student.
- According to the European Commission, in 2012 the following countries do not charge their students any tuition:
  - o Austria
  - o Denmark
  - o Finland
  - o Norway
  - o Scotland
  - o Sweden