



NEWS RELEASE
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Survey: Americans Want Relief from Rising Student Debt
Groups File Administrative Petition Seeking Rewrite of Loan Payment Rules

WASHINGTON, DC – According to a new survey, Americans view a college education as more important than ever, but also worry that it is becoming less and less affordable. They see students graduating with more debt, and see paying off student loans as a serious problem for both middle-class and low-income families. They believe government should be doing more to help, and support reforms to make loan payments more manageable. These are among the findings of a new public opinion survey released today by the Project on Student Debt.

Citing concerns about how rising student debt and interest rates affect American families, groups representing students, parents, educators and the loan industry today asked Secretary of Education Margaret Spellings to make regulatory changes that would create more affordable ways to repay student loans. Their request is known as an administrative petition.

The national survey, conducted by the bipartisan polling team of Hart Research Associates and American Viewpoint, also found:

- Eighty percent of adults say a college education is more important today than it was ten years ago. But 66% also say that affording college is more difficult now, and 70% expect it to be even harder in the future.
- Three in five adults (59%) and two in three parents of current college students (63%) say students today graduate with too much debt. Two-thirds of adults (66%) say it is hard to repay student loans.
- Sixty-four percent of adults say the federal government is doing too little to make higher education available and affordable.
- Sixty-one percent of adults and 77% of recent college students favor a proposal to cap student loan payments at 10% of income, even if it involves some additional government spending.
- More than three out of four adults (78%) support a refundable tax credit for student loan interest costs. That support, which crosses demographic and ideological lines, is strong despite possible costs of up to \$2 billion per year.

“Students and parents understand that loans help open the door to college,” said Robert Shireman, Director of the Project on Student Debt, which commissioned the survey. “But they also know that student debt can be an enormous burden, particularly for a recent graduate. Our

goal is to promote practical, cost-effective policy changes that will make student loans more affordable for America's families.”

“Concerns about the cost of higher education have been with us for some time, but they are taking on a new dimension as more Americans conclude that the debt students and families are taking on for college is unmanageable,” said American Viewpoint Senior Vice President Gary Ferguson. “Most say that today's college graduates have too much student debt and that the government is doing too little to make higher education more available and affordable for people of all backgrounds.”

“We found widespread support for a plan to establish an income-based tax credit for student loan interest, as well as majority support for a proposal that would limit the amount of student loan payments to 10% of an individual's income,” added Hart Research Associates Senior Vice President Guy Molyneux. “That support is wide and deep. Most respondents said the country is on the wrong track when it comes to keeping the cost of a college education affordable. Lawmakers should pay attention because concern about this issue will only grow.”

The administrative petition filed today addresses the deepening public concern about student debt. It calls on the Secretary of Education to repair rules that are “inconsistent, confusing, and contradictory” and “do not provide clear and meaningful protections to borrowers who make good faith efforts to meet their obligations.” The petitioners seek regulatory changes that would limit required loan payments to a manageable proportion of income, and forgive certain debts after 20 years of repayment.

The petition was filed by an unusual industry-student coalition concerned about the effects of skyrocketing debt on educational opportunity and family life. The coalition consists of: two student loan agencies, American Student Assistance and the Great Lakes Higher Education Guarantee Corporation; two student groups, the United States Student Association and the State Public Interest Research Groups; the College Board; College Parents of America; the Council for Opportunity in Education; the Howard Center for Family, Religion, and Society; and the Project on Student Debt. They are represented by Public Advocates, a non-profit civil rights advocacy group led by Jamiene S. Studley, former acting general counsel at the U.S. Department of Education.

“To support opportunity and encourage widespread access to college,” Studley said, “student loan repayment terms need to be more responsive to individual circumstances and economic challenges.”

The tax credit on student loan interest included in the poll is based on model legislation developed by the Project on Student Debt. It would complement the changes called for in the administrative petition. “There are practical steps that both Congress and the Department of Education can take now to address public concerns about rising student debt and to provide relief when families need it,” Shireman said.

Results from the poll, the full text of the administrative petition, and information about the model tax credit legislation are available at www.projectonstudentdebt.org.

The survey was conducted March 13–18, 2006 with 804 adults, plus oversamples of 251 recent students (18- to 29-year-olds who are enrolled or have attended college) and 254 college parents (parents of current college students or recent graduates). Its margin of error is 3.5 percent for all adults, 4.7 percent for college parents and 5.2 percent for recent students.

The Project on Student Debt is managed by The Institute for College Access and Success, a nonprofit, nonpartisan organization dedicated to expanding educational opportunity. The Project is supported by the Partnership to Reduce the Burden of Student Debt, an initiative of the Pew Charitable Trusts with support from the Surdna Foundation. The Project's other funders include The Rosalinde and Arthur Gilbert Foundation, and The William and Flora Hewlett Foundation.

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For Americans of all socioeconomic backgrounds, borrowing has become a primary way to pay for higher education. The Project on Student Debt works to increase public understanding of this trend and its implications for our families, economy and society. Recognizing that loans play a critical role in making college possible, the Project's goal is to identify cost-effective solutions that expand educational opportunity, protect family financial security, and advance economic competitiveness. For more information, go to projectonstudentdebt.org.