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# Making College Pay

SHEEO Policy Conference  
November 10, 2021

## Game of Loans; Reconciling the Rhetoric and Reality of Student Debt, Beth Akers and Matthew Chingos, 2016

- College is worth it
- Student loans are affordable
- Affordability of student loan repayment has increased over last few decades

Beth Akers and Matthew M. Chingos

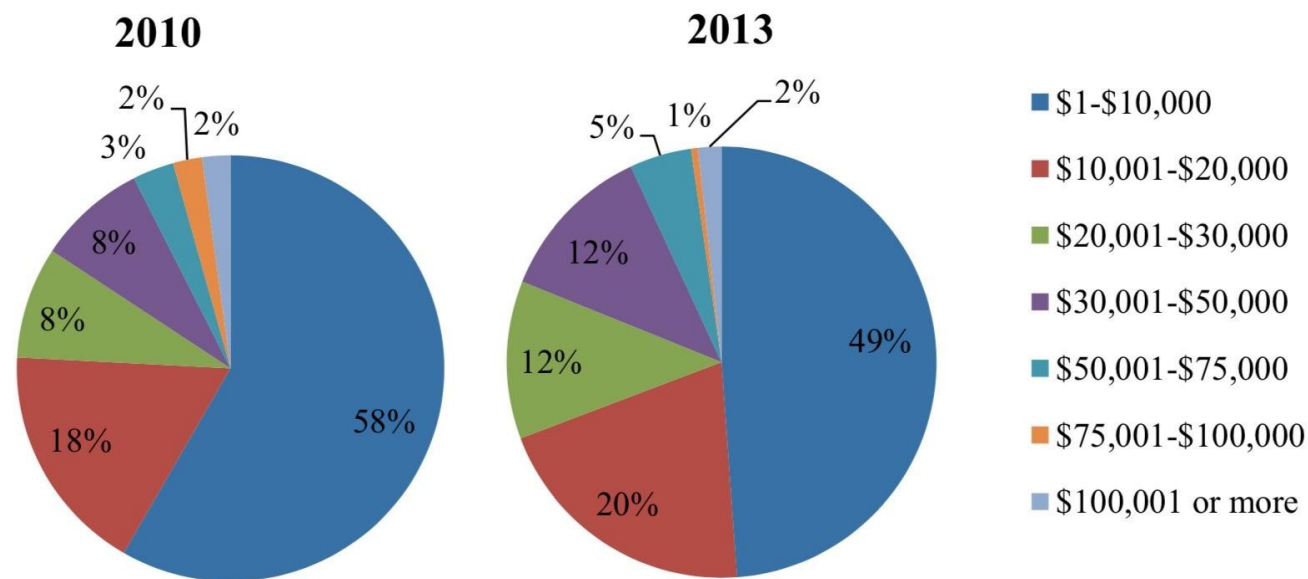
# GAME *of* LOANS

The Rhetoric and Reality of Student Debt



# Game of Loans; Reconciling the Rhetoric and Reality of Student Debt, Beth Akers and Matthew Chingos, 2016

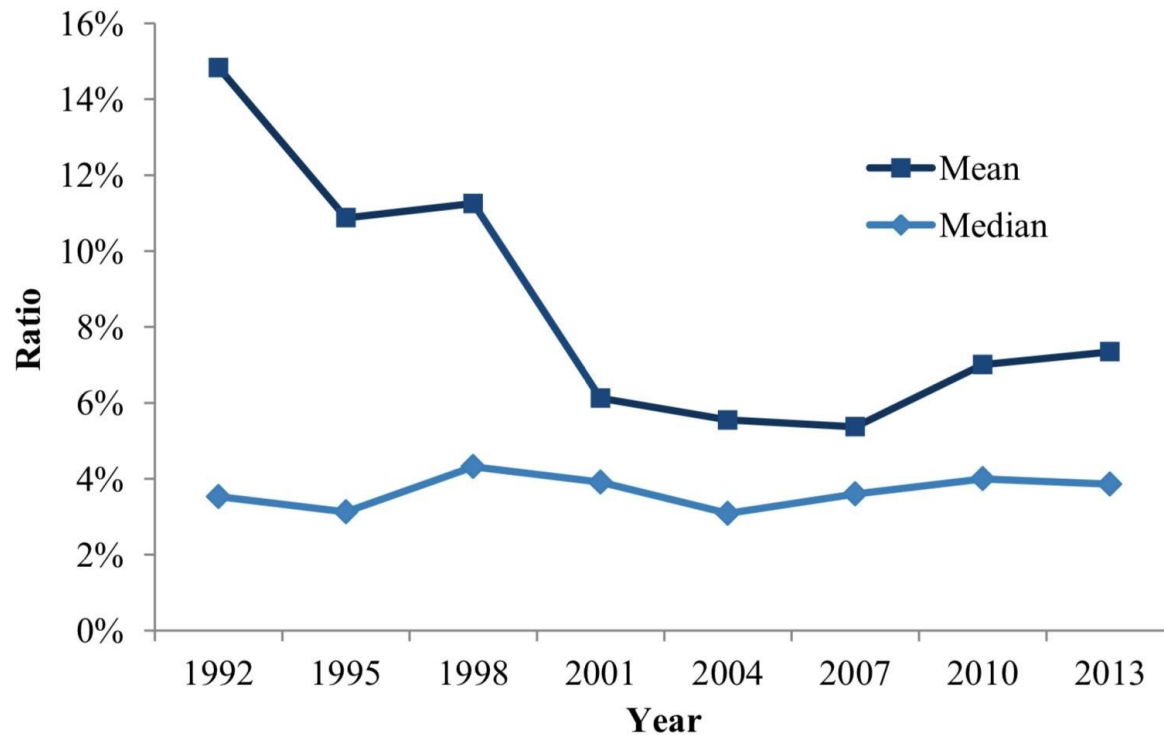
of 7 Figure 1. Distribution of Debt, 2010 and 2013



Notes: Based on households age 20-40 with education debt. All amounts are in 2010 dollars. The apparent increase in the percentage with more than \$50,000 in debt (i.e. the sum of the three highest categories of balances) is due to rounding error. The percentage actually decreased slightly, from 7.46 to 6.93 percent.

# Game of Loans; Reconciling the Rhetoric and Reality of Student Debt, Beth Akers and Matthew Chingos, 2016

Figure 3. Monthly Payment-to-Income Ratios, 1992-2013

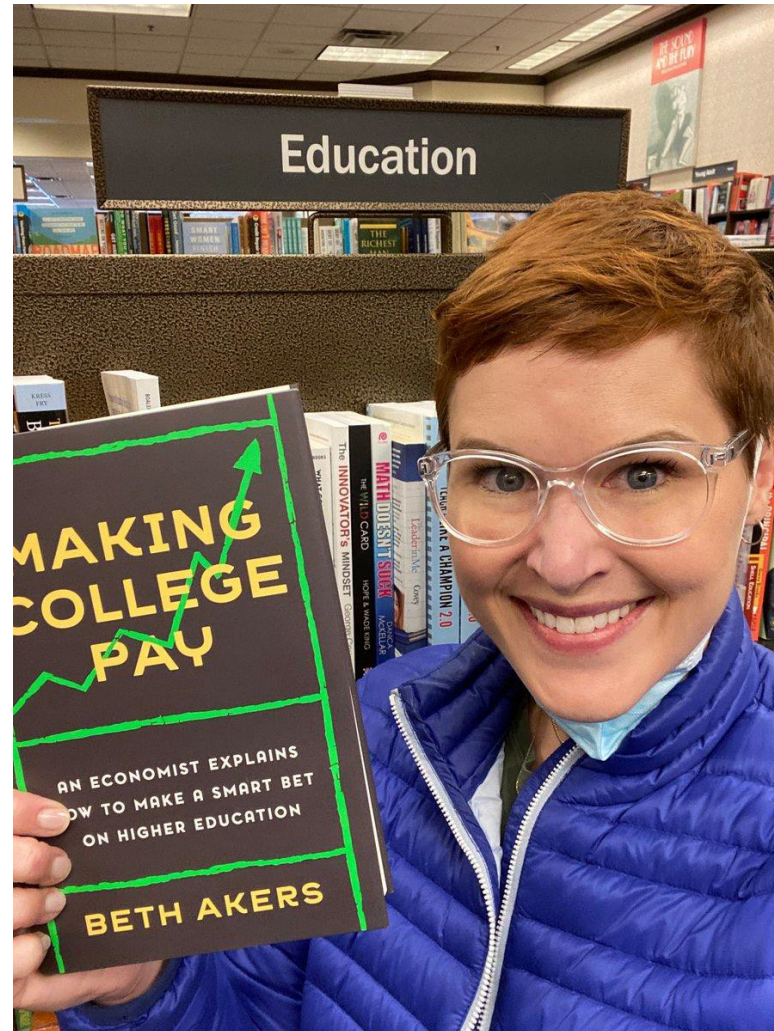


Notes: Based on households age 20-40 with education debt, wage income of at least \$1,000 (in 2010 dollars), and that were making positive monthly payments.

## My Manifesto on Higher Education (in Brief)

- Affordability in education should be based on long run economic returns relative to upfront cost. (Not based on price tag relative to current income.)
- Borrowing to pay for college isn't always bad.
- It is the responsibility of colleges, as the stewards of taxpayer dollars, to deliver an economic return to every individual student.

I wrote another book...



## Making College Pay: An Economist Explains How to Make a Smart Bet on Higher Education, 2021

- Share what I've learned “on the inside” over ten years in this funny world of higher education policy...
- To EMPOWER students and their families to make college pay for themselves
- MCP teaches readers how to assess the value of the options in front of them, choose an institution with a track record of success and select a major that will deliver opportunity.

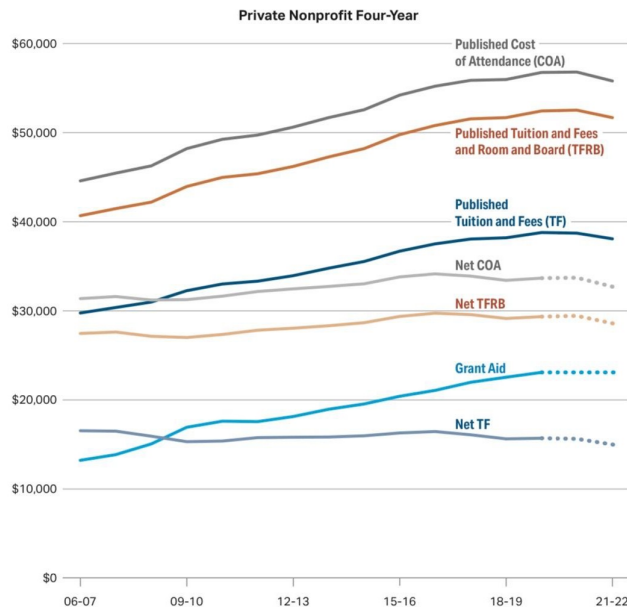


**MAKING COLLEGE PAY is  
more important than ever  
before.**

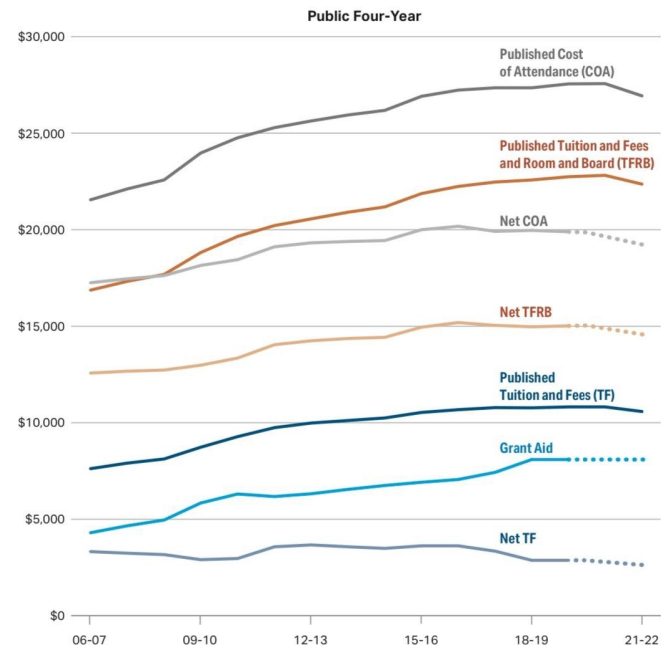
Today's students WANT and NEED an economic return.

# Prices are higher than ever before.

**FIGURE CP-10** Average Published and Net Prices in 2021 Dollars, First-Time Full-Time Undergraduate Students at Private Nonprofit Four-Year Institutions, 2006-07 to 2021-22

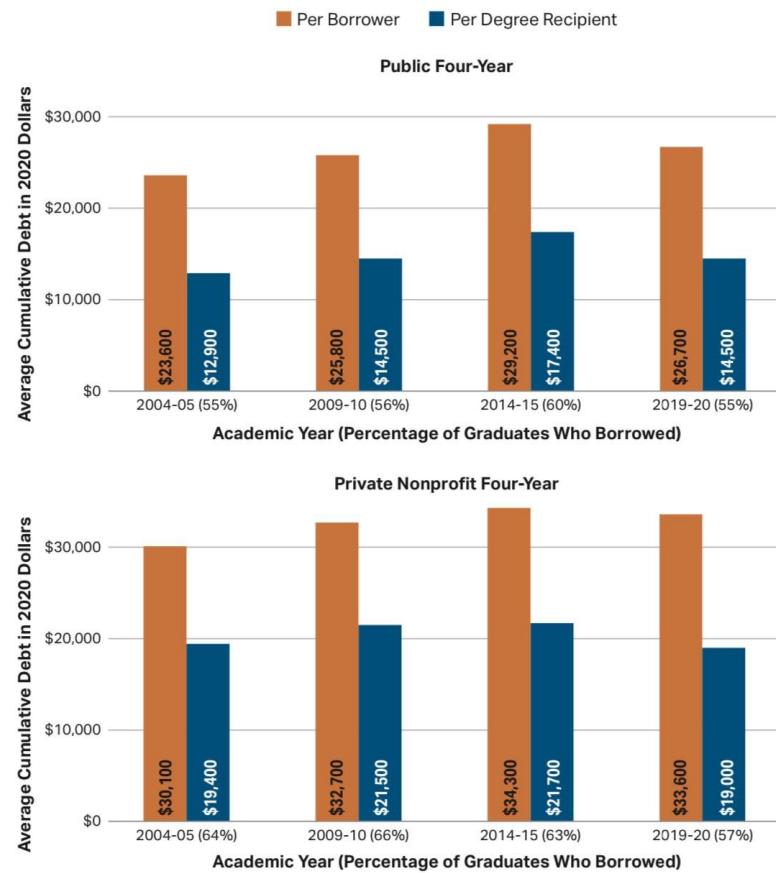


**FIGURE CP-9** Average Published and Net Prices in 2021 Dollars, First-Time Full-Time In-State Undergraduate Students at Public Four-Year Institutions, 2006-07 to 2021-22



# Students are more financially leveraged than ever before.

**FIGURE SA-14** Average Cumulative Debt Levels in 2020 Dollars: Bachelor's Degree Recipients at Public and Private Nonprofit Four-Year Institutions, 2004-05 to 2019-20, Selected Years



# The mystique of “college” is crumbling...

newsweek.com

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Racial Slurs Written in Frost on Cars in Student Lot Prompt Investigation

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## EDUCATION

### 25 Private Colleges Whose Graduates Go on to Earn the Most Money

BY **TOM FISH** ON 7/11/21 AT 7:00 AM EDT

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## These are the most desirable and well-paid college degrees in America

MICHELLE SHEN | USA TODAY | 11:53 am EDT  
October 28, 2021

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A Bankrate study used three factors to determine the most desirable and well-paid degrees in America.  
STAFF VIDEO, USA TODAY

**The Washington Post**  
*Democracy Dies in Darkness*

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## Education

### Will that college degree pay off? A look at some of the numbers.



Graduates line up before their commencement ceremony. (Seth Wenig/AP)

By Jon Marcus

And they don't need you anymore... not like they used to.

cnn.com

**CNN BUSINESS** Live TV

## No college degree? More employers than ever just don't care

By Jeanne Sahadi, CNN Business  
Updated 2:38 PM EDT, Tue October 12, 2021



If you don't have a four-year college degree, you're hardly alone. The majority of US working age adults do not.

You may assume you have little chance of developing a well-paying career with benefits and growth potential at a Fortune 500 company. After all, so many jobs

**CNBC** WATCH LIVE

WORKFORCE WIRE

## A vicious job market feedback loop is making the Great Resignation even worse — for employers

PUBLISHED FRI, NOV 5 2021 6:30 AM EDT  
UPDATED FRI, NOV 5 2021 6:07 PM EDT

Eric Rosenbaum  
@ERPROSE

WATCH LIVE

### KEY POINTS

- Exactly half of U.S. workers describe their companies as being understaffed, and these workers are more likely to say they have recently considering quitting, according to a new CNBC/Momentive workforce survey.
- As companies struggle to hire new employees amid the labor shortage and an economic demand boom, employers also face greater risk of losing staff already dealing with high levels of pandemic-induced burnout and

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-0.06%	-0.38%	-0.09%	+4.76%

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## The Great Resignation isn't just about employees demanding higher paychecks, it's about people completely rethinking their relationship to work.

Ed Zitron Nov 7, 2021, 8:06 AM

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