

# Understanding the Student Loan Explosion

## JA Influencer Discussion Guide

The following discussion guide can be used to further expand upon the information provided in the JA Influencer paper.

### What are some of the benefits of having a college degree?

People with four-year and advanced college degrees tend to make more over their lifetime than those without a college degree. Also, people with college degrees often have more job opportunities than those without degrees. There are also what are called “alternative pathways” in higher education (community college, trade school, certifications). These options can also result in jobs that pay better than just having a high school diploma.

### What are some of the ways you can pay for college?

There are many ways to pay for college. Working during college is one way. There are also scholarships and grants that can help pay for college. In many cases, parents help students pay for college. Finally, student loans – borrowing money from lenders to pay for college now and paying them back later – is a common way of paying for college.

### What are some of the pros and cons associated with taking out student loans?

**Pros** - Student loans can help pay for college now. That’s a big benefit. They are also backed by the federal government, so they are often easier to obtain than other lines of credit. Student loans can also have a lower interest rate than other types of loans.

**Cons** – The more money you borrow for college, the longer it can take to pay off the loan. Payment of student loans typically begins when you leave school, so if you don’t get a job right away, it can cause problems. Also, if you take out student loans and do not finish college, you still owe this money. It’s important to ensure that your expected level of income after college will be enough to pay your loans off in a reasonable amount of time.

### What are steps you can take to make sure you don’t borrow too much for student loans?

There are many ways you can reduce the amount of money you borrow for higher education. First, public universities, such as state colleges, are usually less expensive than private colleges. Second, choosing a “commuter school,” colleges where you do not have to live on campus, can reduce your costs since you will not be paying the school for room and board. This can be extra beneficial if you are living at home or with family or friends. There are also many careers that require only a two-year degree, such as from a community college, or a certificate, from a technical or trade school. These “alternative pathways” are often less expensive and take less time preparing students for the job market. Regardless of what approach you take, it’s important to investigate the cost of education for your given career choice and your potential ability to pay off any student debt you may take on.

