

# Oregon students face massive debt

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The average debt in 2011 for graduates of the Oregon University system is \$25,497. Tuition fees have jumped more than 40 percent since 2007, and enrollment has risen considerably as more young Americans are staying in college to delay entering the bleak job market.

As with workers nationwide, thousands of Oregonians saw their jobs wiped out in the recession, and entire industries—including manufacturing, education, health care, and finance—have been entirely transformed in the past five years. Many workers are returning to school in hopes of improving their chances at a better career in the future, as well as to delay the start date of loan repayment.

An article in the *Oregonian* newspaper recently reported that tuition and fees amounted to 20 percent of the university system's funding in 2009 and shot up to 38 percent last year. Nationwide, tuition has tripled in the past 20 years.

Oregon's for-profit schools, such as Everest College and Le Cordon Bleu College of Culinary Arts in Portland are more expensive than the state's public universities. Such schools have become popular "retraining" options after job loss because of their lower admission standards and shorter (two years or less) programs. The predatory nature of these institutions quickly becomes clear. "I borrowed \$25,000 for school. I now owe \$86,000," Katie W., a former Le Cordon Bleu College student, told the *World Socialist Web Site*. "How can I succeed?"

As more and more people borrowed substantial loans and tuition was rising, college towns in Oregon saw a spike in their economies. The colleges themselves were able to expand and provide more jobs. With opportunity in the work force dwindling, students have been turning to college campuses in hopes of either waiting out the economic slump or a chance at a new beginning. The *Oregonian* reports that the influx of

students "sparked spending and hiring," providing a "boost" to Corvallis and Eugene, Oregon's major University cities.

Oregon State University in Corvallis employs one in four people. At 6.2 percent, Corvallis's unemployment rate is 2 percent lower than the state as a whole. While work may be easier to find in these towns while attending school, once students graduate, full-time permanent work is scarce. The work that is available is often part-time and low-wage and provides far less than a decent standard of living.

Forced to shoulder the burden of a failed capitalist economy, students are facing an extremely bleak future post-graduation. A bachelor's degree has become the new high school diploma, and with an unemployment rate of 8.2 percent, Oregon employers are demanding that applicants have more education and experience for even the lowest-paying positions.

More than 100,000 students were registered at Oregon's public universities in 2011, 25 percent more than in 2006. In 2009, students and their parents signed off on \$532.1 million in loans. Twenty-four percent of the annual income of those who make only \$21,044 goes to student debt.

Nationally, outstanding student loans surpassed \$1 trillion in March 2012—outstripping credit card debt. With 10 million people under the age of 35 having debt from school loans, this is an epidemic of disastrous proportions. Students face a lifetime of debt from which there is no escape. Not only did Congress exclude private student loans from bankruptcy, but the Obama administration doubled the interest rate of the unsubsidized Stafford Loan to 6.8 percent in July.

"I was lucky and graduated with only \$10,000 in loans," Portland resident Jennifer A. told the WSW. "I've been working on paying them off for eight and a half years now and only have it halfway paid off. I can't imagine how people with bigger loans are

managing. When I hear all the stories about student loan debt, I become more and more convinced that higher education is a business, first and foremost.”

Such a massive burden of debt on so much of society, paired with fewer and fewer available jobs, makes default on the loans inevitable. Currently, one in six students have defaulted. Collection agencies can seize tax refunds as well as Social Security. The only limit is that the individual’s pay cannot go below \$750 per month due to garnishment. There is no city in which this would be a livable amount. There is a clear trend of forced indebtedness of broad layers of the population.

Education, employment and a decent standard of living are basic rights. The financial crisis that has been placed on the backs of students and the working class at the hands of the Wall Street bankers is a crime that can only be fought through the political struggle against the Democrats and Republicans and breaking education from the grip of the financial elite.



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