



Get a degree, not debt

By Gordon H. Wadsworth

In an article written for an online Focus on the Family magazine, Heather Koerner writes about the student loans that have entrapped a college graduate she refers to as “Mary Jo.”

Mary Jo was excited to be accepted to law school following her college graduation. There she received her long sought law degree and is presently an attorney in Denver, Colorado.

Her only problem is the debt that still hangs on and never seems to go away. In fact, it won't go away until she pays some \$500 a month for the next 30 years.

Mary Jo realizes that she may be a grandmother before she is rid of her student loan. But today, she says, her first concern is to be a stay-at-home mom when the children arrive.

“According to most experts, for student loan debt to stay ‘manageable’ the monthly payment can't exceed 8 percent of monthly income,” Koerner says. “So to cover that \$500, Mary Jo would need to earn at least \$6,250 a month or \$75,000 a year.”

A lingering load

Student loan debt has become a huge problem in America. It's easy. You get to college where you

hear, “No problem, just sign here and all this money will be transferred into your account.”

Although colleges frequently address their concern about the number of students graduating with massive debt portfolios, they are keenly aware that without Uncle Sam's deep pockets, they

Students are allowed to borrow up to \$138,500 in government-backed loans without any known source of income or credit.

Many ask themselves, “Is it worth it?” The survey found that 54 percent said they would borrow less if they had to do it over again. My advice: Make student loans a last resort!

Years ago Larry Burkett, cofounder of Crown Financial Ministries, said, “Student loans themselves are not the problem. The problem is students who borrow in excess of what they need to get a college education. A student loan should only be considered as the last resort.”

I've never forgotten Larry's words and have a chapter titled “The Last Resort” in my book, *Cost Effective College*.

Every year I receive phone calls from students plagued by debt as well as guilt. One lady cried as she told me her story and how

year of college credit when an incoming student has successfully passed four AP tests. That's a 25-percent cut in the cost of a four-year degree.

Good SAT scores help students get into the best colleges and help them qualify for scholarships, which also reduce college costs.

The new SAT introduced this month presents some interesting challenges. According to Paul Mulkerrin, President of CollegeLab, there will be three timed sections, including a 50-minute section devoted to testing writing skills.

Of that, students will have only 25 minutes to organize, compose, and write a brief essay. There will also be 25 minutes of multiple-choice questions on grammar, usage, and word choice.

The test is 35 minutes longer (3 hours, 35 minutes total) and presents a new scoring system that yields three subscores of 200 to 800 points each for a total of 2,400 possible points.

However, there are some positives in all this. Mulkerrin says the new content in the test, particularly the writing sample, “is more easily coached.” As a result, he says, the test will “increase the benefits that students will get from tutoring, practice, and working on their test strategies.” This is an opportunity that every prospective college student should utilize.

Every student competes head-on nationally with other students who not only take the SAT and the SAT II multiple times but also take advantage of SAT prep classes. So, it's important to plan ahead, and students who do this can achieve graduation success without a millstone of debt strapped around their necks.

For more financial aid tips, log onto costeffectivecollege.com.

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would struggle to survive leaning only on state subsidies. In fact, since 9/11 nearly every state has had major funding cuts to their postsecondary institutions.

Based on the 2002 National Student Loan Survey,

- the average undergraduate student loan debt in 2002 was \$18,900,
- students who attended private four-year colleges borrowed an average of \$21,200,
- students going on to graduate school opted for an additional \$31,700, and
- law and medical student borrowers report an average accumulated debt from all years (undergraduate and graduate study) of \$91,700.

difficult it is to have two children at a day care center every day because she and her husband have over \$40,000 in student loans, all in default. My own doctor told me that he is going to be in his seventies by the time he pays off his student loan.

Avoiding the debt

What can students do today to offset the incoming student loan missiles? They can begin by enrolling in several Advanced Placement classes and by taking the SAT as early as the 7th grade, which allows them to become familiar with the test at an early age. Hundreds of colleges across the nation will grant up to one



Debt growing on you?