

“Even by the standards of this town, that’s
A Load of You-Know-What”

- BARACK OBAMA, 2/28/12

Obama Fails On College Costs

In Des Moines Register Interview, Obama Claims He Made College More Affordable, But A Newly Released Report Shows College Costs Continue To Rise

Obama: “I said that we would make sure to make college more affordable -- we have.”

(“President Releases Transcript Of Register Interview,” [Des Moines Register](#), 10/24/12)

UNDER OBAMA, COLLEGE COSTS CONTINUE TO INCREASE

In The Past Year, Average In-State Tuition For Four-Year Public Colleges Increased 4.8 Percent.

“Average published tuition and fees for in-state students at public four-year colleges and universities increased from \$8,256 in 2011-12 to \$8,655 in 2012-13. The 4.8% increase in tuition and fees was accompanied by a \$325 (3.7%) increase in room and board charges for students living on campus. At \$9,205, room and board charges account for more than half of the total charges for these students.” (“Trends In College Pricing 2011,” [College Board](#), 2012-13)

- **“Room-And-Board Charges Grew By A Comparable Amount, Raising The Full Cost For Students Living On Campus To \$17,860.”** (“Latest College Cost Hikes Modest, But Still Bite, College Board Figures Show,” [The Associated Press](#), 10/24/12)

In The Past Year, Average Tuition For Public Two-Year Colleges Rose 5.8 Percent. “Average published in-state tuition and fees at public two-year colleges increased by \$172 (5.8%), from \$2,959 in 2011-12 to \$3,131 in 2012-13.” (“Trends In College Pricing 2011,” [College Board](#), 2012-13)

Sandy Baum, Senior Policy Analyst At The College Board: “The Burden On Students Is Rising.” “‘The burden on students is rising. The federal government cannot and will not continue their (subsidies) at the same rate,’ Baum said.” (Kathleen Kingsbury, “College Costs Stall As Borrowing Falls, Study Says,” [Reuters](#), 10/24/12)

Due To A Decrease In Pell Grants, “The Average Family Is Now Paying \$960 More Per Year For A Public College Education Than It Was Three Years Ago, A 49 Percent Increase In Net Costs.”

“Overall, federal grants declined to \$49 billion last year, after doubling from \$26 billion in the fall of 2008 to \$52 billion for the 2010-2011 school year, according to the College Board. Policy changes, falling enrollments and economic conditions are all factors behind this drop. A significant cause was the end in 2011 of a three-year experiment that allowed students to qualify for two Pell Grants per calendar year and attend school year-round. Secretary of Education Arne Duncan has said the decision to cut the program was made in order to sustain the Pell's maximum grant at \$5,500 amid budget deficits. As a result, the average family is now paying \$960 more per year for a public college education than it was three years ago, a 49 percent increase in net costs, the College Board said.” (Kathleen Kingsbury, “College Costs Stall As

Borrowing Falls, Study Says," [Reuters](#), 10/24/12)

RIISING COLLEGE COSTS "OUTPACE INFLATION AND GROWTH IN FAMILY INCOME"

"Tuition Continues To Outpace Inflation And Growth In Family Income." "But the rapid growth of federal grant aid in recent years also appears to be leveling off, and tuition continues to outpace inflation and growth in family income." (Mary Beth Marklein, "College Costs Going Up At Slower Rate," [USA Today](#), 10/24/12)

- **FactCheck.org: "Family Income Also Declined, By \$3,290, To A Median Of \$60,974 — A Drop Of 5.1 Percent Under Obama."** ("Obama's Numbers," [FactCheck.org](#), 10/8/12)
- **The Price Of College Increased "More Than Double" The Rate Of Inflation Between July 2010 And July 2011.** "That increase is more than double the inflation rate of 3.6% between July 2010 and July 2011. Family earnings dropped across all income levels. And state funding per student declined by 4% in 2010, the latest year available, and 23% over the past decade, the report says." (Mary Beth Marklein, "Tuition And Fees Rise More Than 8% At U.S. Public Colleges," [USA Today](#), 10/25/11)

The Figures Highlight That Higher Education "Is Devouring An Ever-Increasing Share Of Family Incomes, Which Are Lower Than A Decade Ago." "Altogether, the latest figures send mixed signals. They highlight that higher education, while increasingly essential economically, is devouring an ever-increasing share of family incomes, which are lower than a decade ago." ("Latest College Cost Hikes Modest, But Still Bite, College Board Figures Show," [The Associated Press](#), 10/24/12)

STUDENT DEBT HAS "STRETCHED TO A RECORD NUMBER OF U.S. HOUSEHOLDS"

The Share Of Households With Student Loan Debt Has "Increased Sharply." "Even as the nation's households have reduced their total debt in recent years, the share that owes student loans has increased sharply, an analysis of the latest available Federal Reserve data shows." (Mary Beth Marklein, "Report Shows Increase In Those With Student Debt, Loans," [USA Today](#), 9/27/12)

- **"Student Debt Has Stretched To A Record Number Of U.S. Households - Nearly 1 In 5."** "With college enrollment growing, student debt has stretched to a record number of U.S. households - nearly 1 in 5 - with the biggest burdens falling on the young and poor." (Hope Yen, "Student Debt Stretches To Record 1 In 5 Households," [The Associated Press](#), 9/27/12)
- **"Among Households Headed By Someone Younger Than 35, A Record 40% Owe Student Debt, The Highest Share Among Any Age Group."** "The Pew center's deeper dive into the data found, that among households headed by someone younger than 35, a record 40% owe student debt, the highest share among any age group. Among households earning less than \$21,000, outstanding debt represented 24% of household income." (Mary Beth Marklein, "Report Shows Increase In Those With Student Debt, Loans," [USA Today](#), 9/27/12)

Two-Thirds Of Graduates From The Class Of 2011 Have Student Loan Debt, With An Average Of \$26,600, An Increase Of Five Percent From Last Year. "We estimate that two-thirds (66%) of college seniors who graduated in 2011 had student loan debt, with an average of \$26,600 for those with loans. The five percent increase in average debt at the national level is similar to the average annual increase over the past few years. ("Student Debt And The Class Of 2011," [The Institute For College & Success](#), October 2012)

- **"It's The Latest Snapshot Of The Growing Burden Of Student Debt And It's Another Discouraging One."** It's the latest snapshot of the growing burden of student debt and it's another discouraging one: Two-thirds of the national college class of 2011 finished school with loan debt,

and those who borrowed walked off the graduation stage owing on average \$26,600 — up about 5 percent from the class before.” (Justin Pope, “Average Debt Up Again For New College Grads,” [The Associated Press](#), 10/18/12)

According To The Department Of Education And CFPB, Outstanding Student Loan Debt Totals More Than \$1 Trillion. “As in the housing market, securitization of student loans led to more aggressive underwriting for borrowers who could not possibly afford the debt they took on, according to a government report. The 131-page report was formally released by the Education Department and the Consumer Financial Protection Bureau on Friday. It provides new estimates for total outstanding student loan debt: more than \$1 trillion in 2011, composed of \$864 billion in federal government loans and \$150 billion in private student loan debt. Cumulative defaults on private student loans exceeded \$8 billion, a sum from over 850,000 distinct loans.” (Catherine Rampell, “Report Details Woes Of Student Loan Debt,” [The New York Times](#), 7/20/12)

- **Student Loans Have “Surpassed Credit Card Debt As The Biggest Source Of Unsecured Debt For U.S. Consumers.”** “It has surpassed credit card debt as the biggest source of unsecured debt for U.S. consumers.” (Daniel Wagner, “Study: Student Loans Went To People Who Couldn’t Repay,” [The Associated Press](#), 7/20/12)

More Borrowers Are Defaulting On Student Loans

“Student Loan Defaults Have Risen For The Sixth Straight Year.” “Student loan defaults have risen for the sixth straight year, as students from traditional non-profit universities have an increasingly difficult time paying off their college debt.” (Megan Hoyer, “More College Students Defaulting On Student Loans,” [USA Today](#), 9/30/12)

Last Year, 13.4 Percent Of Borrowers Defaulted On Student Loans Within The First Three Years Of Payments. “The percentage of borrowers who defaulted on federal education loans within the first three years of payments rose to an average of 13.4 percent last year — 22.7 percent for those who attended for-profit colleges — according to statistics released on Friday by the Department of Education.” (Tamar Lewin, “Education Department Report Shows More Borrowers Defaulting On Student Loans,” [The New York Times](#), 9/28/12)

- **“The Rate Of Students Defaulting On Federal Loans Within Two Years, Also Released On Friday, Increased To 9.1 Percent, The Highest Level In More Than A Decade.”** (Tamar Lewin, “Education Department Report Shows More Borrowers Defaulting On Student Loans,” [The New York Times](#), 9/28/12)