



Obama's Report Card For Grads: F

Obamanomics Has Failed Millenials Who Are Out Of Work And Struggling For Opportunity

Today, Obama Will Be Joined By College Students At The White House To Advocate For Action On Student Loans. WHITE HOUSE PRESS SECRETARY JAY CARNEY: "Before I take your questions I wanted to let you know that on Friday, the President will be joined by college students here at the White House for an event where he will call on Congress to prevent student loan interest rates from doubling on July 1st. The President's budget includes a proposal to guarantee students a low rate in July. Democrats in the House and Senate have also put forward solutions to achieve that goal." ([Press Briefing](#), Washington, D.C. 5/29/13)

OVER FOUR YEARS OF OBAMA'S FAILED POLICIES HAVE LEFT COLLEGE GRADS STRUGGLING WITH HIGHER UNEMPLOYMENT AND LESS OPPORTUNITY

Since Obama Took Office, The Unemployment Rate For Youths 20 To 24 Years Of Age Has Increased From 12.5 Percent To 13.1 Percent. ([Bureau Of Labor Statistics](#), Accessed 5/30/13)

Since Obama Took Office, The Average Cost Of In-State Tuition At A Four-Year College Has Increased By 31 Percent, From \$6,585 To \$8,655. ("Trends In College Pricing," [College Board](#), 2012; "Trends In College Pricing," [College Board](#), 2008)

Obama's Promises To Address College Costs Have Drawn "Tepid Responses" From Educational Groups. "The steps that President Obama promised in his State of the Union address to control college costs and give consumers more information on the prices and values of individual colleges drew tepid responses on Wednesday from educational groups, who said the measures seemed generally positive but had many blanks to be filled in." (Richard Perez-Pena, "Scorecard For Colleges Needs Work, Experts Say," [The New York Times](#), 2/13/13)

While Student Loan Debts Rise, Obama's Government Rakes In Billions

Due To Obama's Student Loan Policy, The Government Will Turn A \$51 Billion Profit From Student Loan Borrowers, Which Exceeds Last Year's Profits Of Exxon Mobil, Apple, Chevron, And Many Of The Nation's Largest Banks. "The Obama administration is forecast to turn a record \$51 billion profit this year from student loan borrowers, a sum greater than the earnings of the nation's most profitable companies and roughly equal to the combined net income of the four largest U.S. banks by assets. Figures made public Tuesday by the Congressional Budget Office show that the nonpartisan agency increased its 2013 fiscal year profit forecast for the Department of Education by 43 percent to \$50.6 billion from

its February estimate of \$35.5 billion. Exxon Mobil Corp., the nation's most profitable company, reported \$44.9 billion in net income last year. Apple Inc. recorded a \$41.7 billion profit in its 2012 fiscal year, which ended in September, while Chevron Corp. reported \$26.2 billion in earnings last year. JPMorgan Chase, Bank of America, Citigroup and Wells Fargo reported a combined \$51.9 billion in profit last year." (Shahien Nasiripour, "Obama Student Loan Policy Reaping \$51 Billion Profit," [The Huffington Post](#), 5/14/13)

Student Loan Debt, Which Now Exceeds \$1 Trillion, Has Made It Harder For Millions Of Younger Americans To Get Ahead To Such A Degree That It Is Now Becoming A "Drag On Growth." "The anemic economy has left millions of younger working Americans struggling to get ahead. The added millstone of student loan debt, which recently exceeded \$1 trillion in total, is making it even harder for many of them, delaying purchases of things like homes, cars and other big-ticket items and acting as a drag on growth, economists said." (Annie Lowrey, "Student Debt Slows Growth As Young Spend Less," [The New York Times](#), 5/10/13)

"Student Debt Now Exceeds Aggregate Auto Loan, Credit Card, And Home-Equity Debt Balances—Making Student Loans The Second Largest Debt Of U.S. Households." "Student debt now exceeds aggregate auto loan, credit card, and home-equity debt balances—making student loans the second largest debt of U.S. households, following mortgages. Student loans provide critical access to schooling, given the challenge presented by increasing costs of higher education and rising returns to a degree. Nevertheless, some have questioned how taking on extensive debt early in life has affected young workers' postschooling economic activity." (Meta Brown and Sydnee Caldwell, "Young Student Loan Borrowers Retreat From Housing And Auto Markets," [Federal Reserve Bank Of New York](#), 4/17/13)

"Student Loan Debt Is Not Only Constraining Young Adults, But Also, At Least In The Near Term, Holding Back The Recovery Itself." "Student loan debt is not only constraining young adults, but also, at least in the near term, holding back the recovery itself, some economists say. The shadows might remain even as the economy picks up, by making young workers more cautious when it comes to decisions about their careers and their finances." (Annie Lowrey, "Student Debt Slows Growth As Young Spend Less," [The New York Times](#), 5/10/13)

Millennials Face Low-Skill, Low-Purchasing Power Futures, More Often In Their Parents' Homes

Due To Increasing Student Loan Debt, "Millennials Might End Up Buying Less Expensive Homes Or More Often Choosing To Rent Than Previous Generations." "Millennials might end up buying less expensive homes or more often choosing to rent than previous generations." (Annie Lowrey, "Student Debt Slows Growth As Young Spend Less," [The New York Times](#), 5/10/13)

"Hit Disproportionally Hard By The Recession, The Millennial Generation Is Much More Likely Than Older Workers To Be Laying Out Merchandise At Retail Stores, Selling Cell Phones Or Performing Other Low-Skill Jobs, According To The Study." (Tiffany Hsu, "Younger Workers Are Unsettled," [Detroit News](#), 9/3/12)

- **This Is Occurring Despite The Generation's High Level Of Education.** "And that's despite the generation's high level of education. About 63 percent of full-time professional workers in that generation have a bachelor's degree, 12.8 percent have a master's degree and 1.7 percent have doctorates." (Tiffany Hsu, "Younger Workers Are Unsettled," [Detroit News](#), 9/3/12)

"More Of Today's Twenty- And-Thirty-Somethings Are Living With Their Parents Than In Generations Before Them." (Rosa Ramirez, "Study: More Young Adults Living With Parents," [National Journal](#), 8/1/12)

- **24 Percent Of 20-34 Year Olds Lived With Their Parents In 2009, Compared To 17 Percent In 1980.** “About 17 percent of the adults between the ages of 20 to 34 lived with their parents in 1980, compared with 24 percent during the Great Recession period, which the study describes being between 2007 and 2009.” (Rosa Ramirez, “Study: More Young Adults Living With Parents,” [National Journal](#), 8/1/12)

With More Young People Living At Home, The Rate Of Household Formation “Is Now On Par With The 1940s.” “With more young people living at home, the rate of household formation – a leading driver of housing demand – is now on par with the 1940s, according to a Harvard study.” (Shannon Bond, “Jobless Generation Puts Brakes On US,” [The Financial Times](#), 7/30/12)

FEWER JOB OPPORTUNITIES AND HIGHER COLLEGE COSTS ARE STRAINING STUDENTS AND THEIR FAMILIES

“The Starting Salary For A Graduate Is \$27,000, 10% Less Than Five Years Ago.” “The starting salary for a graduate is \$27,000, 10% less than five years ago, the Rutgers study found. ‘Unlike those who graduated five years ago,’ Zukin says, ‘the long-term expectations of this generation are not being met.’” (Quentin Fottrell, “Trading Caps And Gowns For Mops,” [The Wall Street Journal](#), 8/23/12)

“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)

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 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)

- **“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)

With “Record Numbers Of Student Borrowers In Financial Distress,” Parents Are Also A “Less Visible Generation In Debt.” “There are record numbers of student borrowers in financial distress, according to federal data. But millions of parents who have taken out loans to pay for their children’s college education make up a less visible generation in debt. For the most part, these parents did well enough through midlife to take on sizable loans, but some have since fallen on tough times because of the recession, health problems, job loss or lives that took a sudden hard turn.” (Tamar Lewin, “Child’s Education, But Parents’ Crushing Loans,” [The New York Times](#), 11/11/12)