

Published based on [Student Loan Debt](#)

Student Loan Debt

Student loan debt has escalated during the last 2 decades as students have become victims of major changes in the way they receive funding. The increase in fees has been a major factor and students are having to pay the higher fees with loans that reflect these increases. These loans are available to enable students to fund a place at college or university level.

The thinking behind the concept of [student loan debt](#) is that students who receive a college education, will be in a better position to repay their loan, as it is thought that they will have better job prospects.

Even though this may appear to be a reasonable assumption, the reality is that students who are awarded the loans are often unable to deal sensibly and effectively with them. The fees are generally paid directly to the college institution, but the remainder of the loan is the responsibility of the student. Some students consider they should be able to spend the money as they like, instead of seeing it as borrowed money that is accruing interest and will, one day have to be paid back. There are always those who believe they should enjoy themselves while at college and worry about repaying the debt when they leave and get a job.

Careful budgeting and wise spending is paramount and students should be encouraged to only spend what is absolutely necessary. Most students go to university to have a good time as well as to study, but if they are to enjoy the best of both worlds they need to understand how to budget. Their student loan debt can be managed very effectively with careful budgeting.

In the US \$7,600 is the average yearly cost of a course for an in-state student who attends college for 4 years. The cost for an out-of-state student will be in the region of \$11,900. The total cost of a course lasting 4 years which includes other living costs could work out at around \$30,000

Is it worth having Student Loan Debt?

There are many excellent arguments in favor of the necessity of student loan debt including receiving a good high level education and the possibility of employment with good prospects, however, there are other matters to take into consideration. Let us not forget that these new graduates are in substantial debt and are going into their first jobs with the prospect of having to repay their student loan for many years to come. They now believe that it is ok to be in debt. A lot of these young people will manage to get good jobs but some will find work less easy to find. This is a complex business and our present students need to receive help to teach them how best to manage their complex finances.

It is unsurprising, given the above information, that, according to the US Department of Education, at the present time almost 9% of graduates default on their [student loan repayment](#). Sadly a steady increase is expected each year. It is thought that one of the main reasons for this could be that a lot of students do not fully understand the loans process. Many of them take out additional private loans to help to fund their time at college, not realizing the future implications regarding the future repayment of the loan.

Students need all the advice they can get to help them to handle their loan sensibly. If they do your research thoroughly they will ensure that they are not a victim of student loan debt.