Forgiving Student Loan Debt Leads to Better Jobs

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Problem Statement:

The potential relationship between the forgiveness of student loan debt and its impact on employment prospects and consumer strength raises the need to investigate and understand the extent to which student loan forgiveness positively influences job opportunities and consumer financial well-being. This necessitates an exploration of the various facets and implications of student loan debt forgiveness on individuals' economic conditions and the broader economy.

For example: Alberta Gator is a first year dependent undergraduate student. Her cost of attendance for Fall and Spring terms is $17,600. Alberta's expected family contribution (EFC) is $10,000 and her other financial aid (such as grants, scholarships and work study) totals $9,000.

Because Alberta's EFC and other financial Aid exceed her Cost of Attendance, she is not eligible for need-based, Subsidized Loans. She is, however, eligible for an Unsubsidized Loan. The amount she would be awarded would be $5,500. Even though her cost of attendance minus other financial aid is $8,600, she can only receive up to her annual loan maximum (which is $5,500 for a first year dependent undergraduate).

Dataset:

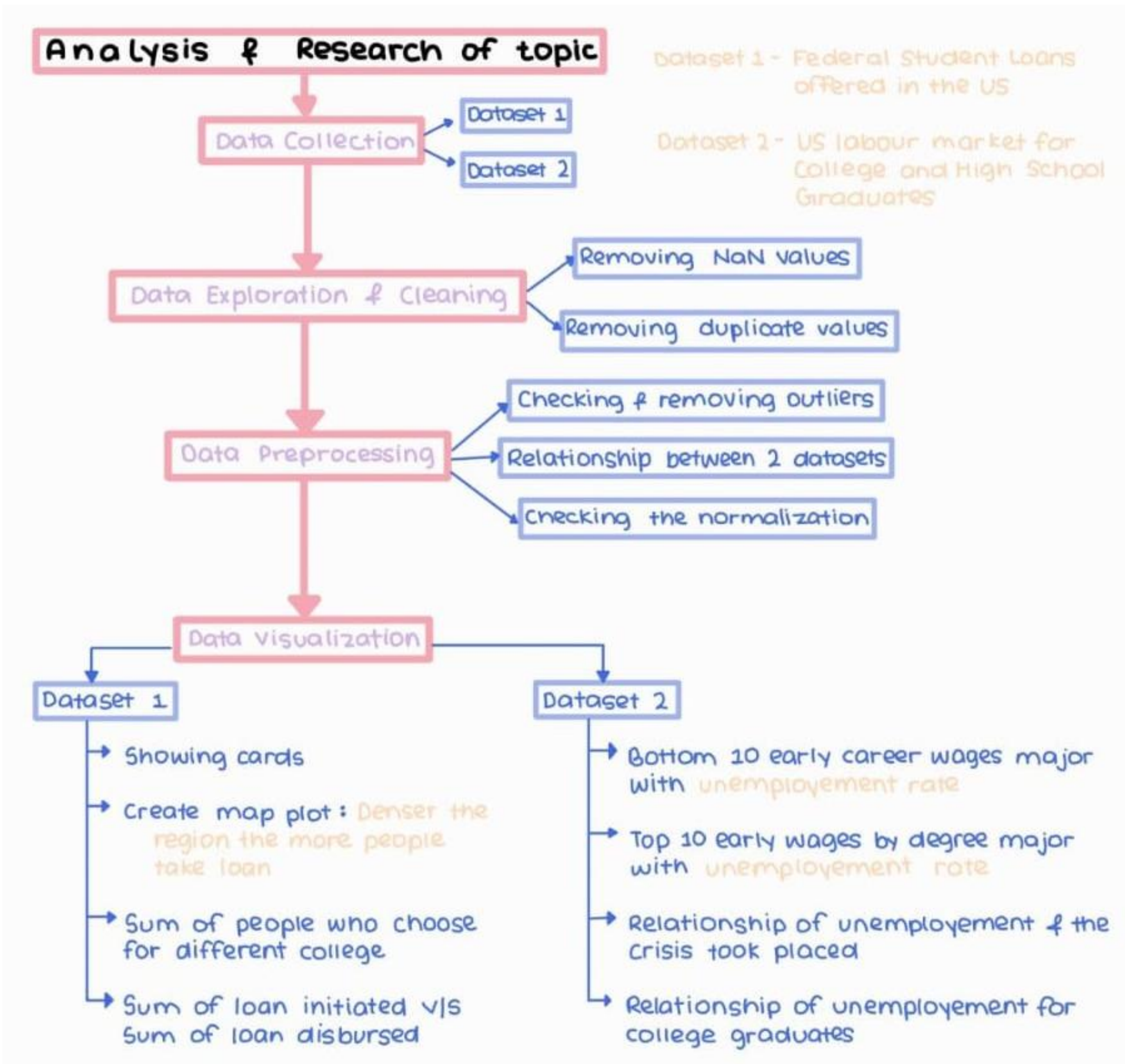
1. **Federal Student Loans offered in the United States:**

	Subsidized Loans	Unsubsidized Loans	Parent PLUS Loans	Grad PLUS Loans
Eligibility	Subsidized loans are need-based loans available to undergraduate students who demonstrate financial need as determined by the Free Application for	Unsubsidized loans are available to both undergraduate and graduate students. Eligibility is not based on income or financial circumstances.	Parent PLUS loans are available to parents of dependent undergraduate students. Eligibility is based on	Grad PLUS loans are available to graduate and professional students. Eligibility is based on parent's credit history.

	Federal Student Aid (FAFSA).		parent's credit history.	
Interest	The key benefit of subsidized loans is that the federal government pays the interest on the loan while the student is in school at least half-time, during the grace period, and during periods of deferment.	Interest accrues on unsubsidized loans from the time the loan is disbursed. Borrowers can choose to pay the interest while in school, during the grace period, or defer it, in which case the interest is capitalized when repayment begins.	Parent PLUS loans have a fixed interest rate. Interest begins accruing as soon as the loan is disbursed.	Grad PLUS loans have a fixed interest rate, and interest begins accruing upon disbursement.
Repayment	Repayment begins six months after graduation or when the borrower drops below half-time enrollment. The borrower is responsible for both the principal amount and any accrued interest after the grace period ends.	Repayment typically begins six months after graduation or when the borrower drops below half-time enrollment.	Repayment generally begins within 60 days after the loan is fully disbursed. Parents can request a deferment while the student is enrolled at least half-time, but interest will continue to accrue.	Repayment generally begins six months after graduation, but students can request deferment while in school. Interest will accrue during deferment.
Loan Limits	Subsidized loan limits vary by academic year and a student's grade level.	Unsubsidized loan limits are higher than subsidized loan limits and vary by academic year, grade level, and whether the student is a dependent or independent student.	Parents can borrow up to the cost of attendance minus other financial aid received by the student.	Grad PLUS loans allow graduate and professional students to borrow up to the cost of attendance minus other financial aid.

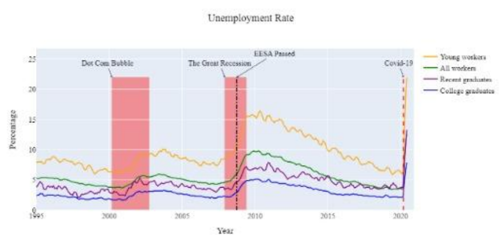
2. **US labor market for College and High School Graduates:**
    A. **US wages for college majors:** It includes data on specific college majors and their median earnings early in their career along with mid - level in their career.
    B. **Unemployment and Underemployment rates:** This data contains the unemployment and underemployment rates over the last few years in the United States for recent college graduates along with college graduates overall.
    C. **Wages:** Median annual wages for those holding a high school diploma, along with the 25th median and 75th percentile annual wages for those holding a bachelor's degree.

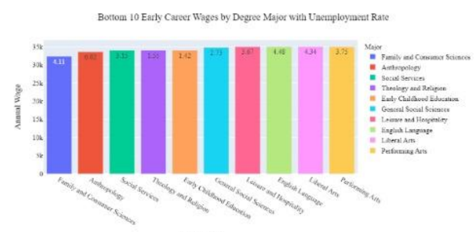
Work flow:

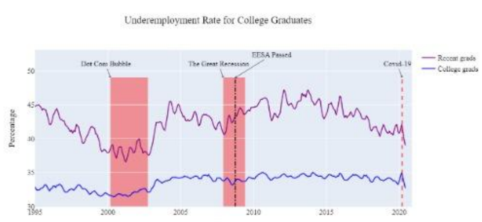


Output:

US labor market for College and High School Graduates







Insights:

As you can see, student loans are getting higher and higher for students with more interest rates. Due to this, student could not choose their dream job due to financial problem. So, we have created 2 dashboards on the analysis of:

A. Student Debt Analysis:

i. With analyzing, we can see around 15K students applied for loans in 2018, but only around 3K students got are. With this we can say, it is hard to get student loan for our dream job.

ii. So, we looked into it, then found that bank offers jobs loans to which students? According to the data, 40% students get loans who are selected for public universities. As they prestige university.

iii. But, also another trend that the students who go public universities does not take much loan than foreign – profit college as their fees are much higher than public universities. By this, we can say that the students who gets to select public college gets the loan.

iv. Now, they got in the school but do they get their favorite stream? No, because they were forced to do that because they needed to learn something to earn something.

B. Rising Jobs for Recent Graduates:

i. The jobs for early career wages signifies only for certain majors and streams like law, computer science etc. while the bottom career wages signify only for certain major and stream like humanities and planetary etc. gets low wages.

ii. Sometimes, also due to market crashes like 2008 dot.com dubble and the great recession affects the job market by15%.

iii. And you can see the trend unemployment rates and underemployment rates after recession and covid they have declined or remained same.

Conclusion:

As per the statistics and analysis, due to increase in the student loan debt and no jobs in market or decrease in it, student cannot look for better or dream jobs.