

Forgive Student Loans for Teachers

A teacher in Nevada wrote me a letter. It was thoughtful and kind with strong penmanship, a clear sign of care and discipline. Her name was Marjorie. She lived in Las Vegas and had taught middle school for nearly 21 years. Math was Marjorie's subject. She held a masters degree and earned about \$61,000 per year.

Marjorie's hope, she said, was not to become a millionaire, that had never been a dream of hers. She loved preparing lessons, teaching in the classroom, seeing the light bulbs spark as children learned something new. That special enlightenment drove her, kept her going.

But she said, "I'll pay off my student loans just about the time I'm ready to retire. I'm not asking for a lot, but it would be nice, one of these days, not to have that burden hanging over my head."

Marjorie's story is repeated throughout Nevada and in every town and city of America. The United States needs to re-think our student loan policies.

Presently, we follow an ironclad policy of lending regardless of creditworthiness. What that means is that we issue student loans to all who apply regardless of their current or future ability to repay them.

At first glance, that seems fair and equitable. Each person is eligible for the same loan amounts, the same interest rate, the same deferment, the same terms for the life of the loan until it's paid off.

But the U.S. Bureau of Labor Statistics helps paint a different view. On average, a teacher in America earns \$62,730 annually; chief executive officers, \$196,050; computer and IT managers, \$149,650; marketing managers, \$138,650; aerospace engineers, \$115,300; financial analysts, \$104,570; and the list goes on.

All these professionals are wonderful and noble and indispensable. All required advanced degrees, and in most cases, every one of them took out student loans. All received the same terms on their loan packages—interest rate, duration, and amount. But their ability to repay is different based on what we know of their future income potential. Marjorie, our devoted teacher of 21 years, has the same student loan terms as a CEO or an aerospace engineer. Doesn't seem right. It isn't right.

As tuition continues to rise (a reality worthy of another story), the disparity in wage potential among these professions discourages the heartwarming hardworking Marjories of America from choosing teaching as a profession. We need Marjorie. We need a lot of Marjories, in fact. We can't do without them.

The solution is not to set different rates or terms for different people based on their likely profession or earning potential. Such an approach would get messy and bureaucratically burdensome, but we can craft a simple policy that would help people like Marjorie while encouraging others to fill gaps in vital areas of our labor force.

A simple policy might look something like this. Forgive student loan debt for teachers after 15 years of teaching in an urban area, or 10 years in a rural area. This approach is simple and clean, and it encourages students to choose teaching as a profession with the added kicker of attracting them to rural areas where recruitment has been particularly difficult.

A similar approach could be used for social workers, another indispensable profession, as well as doctors and nurses, who each have greater earning potential than teachers and social workers, but whom we need in greater numbers to fill ever expanding labor shortages.

In the end, this re-thinking in student loan policy would help Marjorie who, as she said, is “not asking for a lot,” and it would increase the available pool of what America needs, and always needs most—hardworking, thoughtful teachers with good penmanship.