

Education & student debt

Principles of Economics // Fall 2025

Prof. Santetti

marcio.santetti@emerson.edu

First things first

First things first

U.S. Bureau of Labor Statistics: Education pays

The market for college graduates

The market for college graduates

Federal Reserve Bank of New York: The Labor Market for Recent College Graduates

Two important articles

- Paul Krugman: Bad Times for College Graduates
- Brad DeLong: Policy Uncertainty, Not “AI”-Automation, Is Almost Surely Behind the Bulk of Recent Graduates’ Job Discontent

Student debt

Student debt

The *logic* of debt

Student debt

More than *half* of undergraduates rely on *federal* student loans to finance college.

Primary sources:

- *Stafford loans*:
 - *Direct Subsidized Loans*: on the basis of financial need.
 - *Direct Unsubsidized Loans*: regardless of financial need.

Student debt

More than *half* of undergraduates rely on *federal* student loans to finance college.

Primary sources:

- *PLUS loans*:
 - *Parent PLUS*: Loans to parents of dependent students.
 - *Graduate PLUS*: Additional loans (beyond Stafford) to graduate and professional degree students.

Student debt

Interest rates on student loans

Student debt

Project on Student Debt (The Institute for College Access & Success)

Student debt

- Household debt balances
- Student Loan Debt Statistics

Next time: Financialization