How Student Debt is Helping to Increase the Wealth Gap and Reduce the Return on a Degree: Are Children's Savings Accounts (CSAs) a Viable Alternative?

Oct 2016

AEDI Brief

Abstract

In a time when wealth inequality increasingly threatens the U.S.—our sense of fairness and possibility, the fabric of our shared democracy, and the institutions that are supposed to undergird our economic opportunities--and when these anxieties are voiced particularly acutely by students who contemplate their own futures and question the ability of higher education to act as an equalizer in society, the discussion around student debt has grown stale. These conversations, usually consisting of the same few voices, echo with researchers investigating questions that all too often seek to maintain the status quo rather than challenge it and that seem, to a public plagued with disillusionment that borders on panic, divorced from their lived experiences. Within these confines, proposed solutions tend to mostly comprise tweaks around the margins (e.g., income-based repayment modification), rather than fundamental reconsiderations of how to finance higher education in a way that will simultaneously strengthen the return on a degree, improve educational outcomes such as attainment, and reduce wealth inequality. In this brief, I seek to provide a fresh look at what America gets from student loans. This begins with shifting the conversation from talking about whether or not college pays off for students who have to borrow to shining a bright light on the equity of having to pay for college with student loans. I do this by bringing together bodies of evidence that reveal: (a) the amount of wealth your family has matters for whether you will attend and complete college, (b) low-income and minority students receive less of a return on a degree than their wealthier, white counterparts, and (c) college goers—including those who graduate—with debt have less wealth than their peers without debt. This not only has implications for borrowers but for their children who grow up with less wealth and who will then be less able to use education to climb the economic ladder themselves. Given this, I conclude that a financial aid system for the 21st Century must not only help students pay for college but also help them build assets. Children's Savings Accounts (CSAs) work on many fronts, from early preparation to college access to completion and then post-college financial outcomes, to address concerns about the differential return on a degree and wealth inequality. However, in order to make CSAs a true tool for fighting wealth inequality, they must be combined with a significant wealth transfer. Possibilities for this wealth transfer might include such approaches as augmenting existing scholarship or grant programs, such as the Pell Grant program, with opportunities for early-commitment asset building or diverting funds now going to poorly-targeted tax subsidies. It has been estimated that CSAs with a wealth transfer could reduce the racial wealth gap in America by 20% to 80%, depending on participation and the size of the investment in these accounts. This pivot to asset-based financial aid could be the centerpiece of a new economic mobility system that makes good on the promise made to American children, that through their own effort and ability in school they can achieve the American Dream.

Introduction

The primary question driving research on student debt has been, "Is a young adult who borrows to attend college better off than if he or she did not attend college at all?" This research implies that the most informative comparison will be between college goers and non-college goers (e.g., Dynarski, 2016). However, while this research confirms that college usually does pay off, compared to only a high school degree, it tells us little about the *equity* of the student loan program. In order to truly understand how student debt may be affecting relative returns and the ability of college, then, to serve as a catalyst of equal opportunity for upward mobility, researchers must compare college students—and graduates—with debt to those without debt. From this perspective, the question to ask is, "Do college goers with outstanding student debt achieve outcomes similar to college goers without outstanding student loans?" This is not merely a question of semantics, nor of interest only to scholars. Instead, asking the right question is important for understanding whether how we finance college is exacerbating wealth inequality in America. It is particularly urgent question since people do not rely equally on student loans to pay for college.

Higher-Income Students Don't Need to Rely on Student Loans

Lower-income groups and Black students may be particularly vulnerable to student loan debt. For instance, Huelsman (2015) reported that 84% of bachelor's degree recipients at public colleges who receive Pell Grants take out student loans, compared to only 46% of those with incomes too high to qualify for Pell. Huelsman's research highlights the importance of accounting for the assets a person has available when applying for college. It further suggests that there is a negative correlation between family financial standing and vulnerability to student borrowing.

Race Represents another Dimension of Debt Inequity

This finding alone has important implications for student loan policies. Considering racial disparities adds another layer to the difficulties lower-income students may encounter when it comes to financing college. More specifically, Grinstein-Weiss, Perantie, Taylor, Guo, and Raghavan (2016) found that the odds of a Black low- and moderate-income (LMI) student having outstanding student debt were twice as high as a white LMI student. Moreover, Black LMI students carried more student loan than white LMI students, which amounted to about $7,721 more student debt than their white counterparts over the course of their college career.

Student Debt Influences Life Course

Inequalities propagated through the current student debt system undermine equity in the education system and can affect the overall trajectory of those taking on student loans. For some students, the specter of debt acts as a deterrent and prevents them from even enrolling in college (Callendar & Jackson, 2005). Even when they do decide to enroll in college and take on student debt, the burden of such debts can depress their performance while in college (Cappelli & Won, 2016). Student borrowing may then influence whether students complete college (Kim, 2007), what career they choose (Rothstein & Rouse, 2011), when they marry (Gicheva, 2011), and even when they have children (Baum & O'Malley, 2003). So, while the focus of this brief is on post-college financial health, the case for seeking alternatives and reducing the importance of loans in financing higher education is broader; to the extent to which reliance on debt as the primary mechanism of college financing may be undermining higher education's equity and mobility functions on many fronts, there are just as many reasons to consider a new paradigm in financial aid.

Student Debt is an Important Part of the Story of Growing Wealth Inequality in America

A widely-discussed body of research documents substantial increases in wealth inequality in the United States over the last three decades (Piketty, 2014; Saez & Zucman, 2014). Notable not just for its size and scope, growing wealth inequality may reduce economic mobility and weaken the effectiveness of education as an equalizer.

Student Debt and Wealth Inequality

Research (discussed in more detail below) indicates that students who graduate with average student loan debt may be forced to delay wealth building such as homeownership during the early part of their working lives (Brown & Caldwell, 2013; Dynarski, 2016; Stone, Van Horn, & Zukin, 2012; Houle & Berger, 2014; Shand, 2007). In some scholarly discussions, these delays have been characterized as inconsequential. For example, Rose (2014) states, "A sizable number of people are certainly *inconvenienced* for their first 10 years after graduation and face a long period of repayments, but a relatively small percentage confront default" (p. 30, emphasis added). This analysis seems to accept a system that delivers a delayed return on a degree for student borrowers when compared to their peers who do not have to borrow to pay the high cost of college.

There are several problems with this framing, beginning with its apparent acquiescence to the concept of disparate outcomes for college goers, based on initial starting positions. Even more concretely, there is growing evidence that it often takes even more than 10 years to see a full return on a degree—a timeline most would characterize as far more than just an 'inconvenience'. The average time that it takes to repay student loans grew from about seven years in 1992 to a little more than 13 years in 2010 (Akers & Chingos, 2014). This trend may only continue with growth in uptake of Income-Based Repayment (IBR) plans (Akers & Chingos, 2014). Touted as a way for students to cope with the immediate cash strain presented by their debt burdens, these programs, which have doubled in use over the last two years (Akers & Chingos, 2014), extend normal repayment plans from 10 years to up to 25 years. While IBR may help students avoid default, these delays may account for a meaningful amount of the wealth inequality seen later in life between college graduates with and without outstanding student debt, as they divert borrowers' income from asset accumulation to debt service, sometimes for more than half of their careers.

Homeownership. Student loan repayment is more than an inconvenience for those who want to purchase a home. In America, houses are the main source of wealth accumulation for the middle class and represent about 64.5% of all U.S. wealth (Mishel, Bivens, Gould, & Shierholz, 2013). There is evidence from the Federal Reserve Bank of New York to suggest that credit constraints as a result of student loan debt are related to delays in home purchase among young adults with outstanding student debt. Brown and Caldwell (2013), for instance, showed that as credit scores of borrowers declined and student debt per borrower increased, homeownership rates of 30-year-old student loan borrowers decreased by more than 5%, compared to 30-year-old non-borrowers. The analysts characterize this as a fairly substantial drop, particularly given that the overall homeownership rate for 30-year-olds is below 24%.

Even when they purchase homes, student debtors may face terms that compromise their asset accumulation potential. Mishory and O'Sullivan (2012), found that the average unmarried student debtor would have to pay close to half of his or her monthly income toward student loans and mortgage payments. As a result, the debtor would not qualify for a favorable Federal Housing Authority loan or many affordable private loans (Mishory & O'Sullivan, 2012). Instead, higher interest rates may make it harder to earn equity in the house and price indebted households out of the most desirable real estate markets.

However, this research has been questioned by some. In particular, Dynarski (2016) contends that the correct comparison is between the homeownership rates of college goers and non-college goers. There, Dynarski (2016) finds that before the recession, 35% of college goers owned a home, compared to 23% of non-college goers. After the recession, homeownership rates dropped to 26% among college goers, compared to 17% among non-college goers. But, again, if education is to be a true equalizer, people who exert similar levels of effort and ability should attain similar financial outcomes, on average; it is not enough, in other words, for college-goers to do better than those who did not go to college. When Dynarski (2016) compared college goers who had student debt to college goers who did not, she found that statistically significant differences in homeownership rates persisted until the college goers reached the age range of 33 to 35. These delays in homeownership may reduce student borrowers' ability to accumulate home equity, thus compromising their overall net worth.

Similar to Dynarski's findings, other researchers who compare college goers with outstanding student debt to college goers without outstanding student debt find that homeownership is delayed among borrowers. For instance, Hiltonsmith (2013) found that households with four-year college graduates and outstanding

student debt had $70,000 less in home equity than similarly-situated households without outstanding student debt. Stone, Van Horn, and Zukin (2012) found that 40% of students graduating from a four-year college with outstanding student loan debt delay a major purchase, including a home. Cooper and Wang (2014) found that student loan debt among individuals who attended college during the 1990s lowered their chances of buying a home by age 30. Similarly, Houle and Berger (2014) found that student debt was associated with a delay in buying a home among college graduates with outstanding student debt compared with those without outstanding student debt. Houle and Berger (2014) also found that Black students were more strongly affected by outstanding student debt than other student groups. Overall, these studies present evidence of distortions in student borrowers' post-college asset acquisition and raise serious concerns about the ability of the current student loan system as a foundation of financial security and an engine of upward mobility.

Shand (2007) also found evidence that student debt had a negative relationship with homeownership rates when comparing four-year college graduates with and without debt. However, she found little evidence to suggest that the presence of student loans on a household's balance sheet renders the household *unable* to obtain a mortgage. Instead, households with outstanding student debt may be *averse* to obtaining a mortgage for a home. In this manner, student loans may introduce additional levers of inequality into students' post-college lives, artificially constraining home purchase and then preventing the development of a powerful asset base (Shapiro, Meschede, and Osoro 2013).

Retirement savings. Studies examining the relationship between student debt and retirement savings generally show that young adults with outstanding debt have less in retirement savings than young adults without outstanding debt (American Student Assistance, 2013; Egoian, 2013; Elliott, Grinstein-Weiss, & Nam, 2013). For example, Hiltonsmith (2013) found that dual-headed households with a college graduate and median student debt ($53,000) had about $134,000 less in retirement savings than dual-headed households with a college graduate and no student debt. Similarly, Egoian (2013) found that four-year college graduates with median debt of $23,300 had $115,096 less in retirement savings by the time they reach age 73 than four-year college graduates with no student loans. However, a more recent study by Rutledge, Sanzenbacher, and Vitagliano (2016) found mixed, sometimes negative, and sometimes positive evidence for the relationship between student loans and retirement savings. However, this study only looks at employer retirement savings plans among college graduates at age 30. The concern with focusing on employer retirement savings at age 30 is whether or not differences in the amount of retirement savings may take longer to emerge. College graduates are more likely to have jobs that offer retirement savings plans than high school graduates (Steverman, 2016), so more pronounced differences might arise when examining other types of retirement savings. Finally, the authors assume that what really matters is the *amount* of student debt and not simply having student debt. As a result, they largely ignore or discount findings in their own study that show negative results between having student loans and participation in employer retirement savings and in the amount of employer retirement savings college graduates have by age 30. While much can be said about the rising amount of student debt, it may be that simply having student debt affects borrowers' confidence in investing in their own asset accumulation.

Net worth. Several studies have tested whether there is a relationship between outstanding student debt and family net worth (total assets minus total liabilities) (Cooper & Wang, 2014; Elliott & Nam, 2013; Fry, 2014; Hiltonsmith, 2013). For example, Fry (2014) found that a household headed by a college graduate without outstanding student debt has almost eight times ($64,700) the typical net worth of a household headed by a college graduate who has outstanding student debt ($8,700). Cooper and Wang (2014) found evidence that student debt had a negative correlation with wealth for households with at least some college experience and a head or spouse 40 years old or younger. Underscoring the contribution of homeownership to net worth, they found that the negative relationship between student loan debt and net worth was more noticeable among homeowners than among renters.

In part in an attempt to downplay concerning evidence about student debt, some researchers suggest that there really isn't a student *debt* problem but a student *completion* problem (e.g., Baum, 2016)—in other words, that students themselves are to blame for the long-term financial consequences of their student debt, due to their failure to complete the degrees for which they borrowed. However, given that most of the studies reviewed here sample students who graduated from college, it appears that student loans still play a role in defining winners and losers, even among college graduates. So, while it has become vogue to

suggest that the only real problem is the student debt of non-completers, this does not seem to be the case with regard to student debt and wealth; instead, disturbingly, no amount of effort—or even academic success—on the part of student borrowers seems to guarantee equitable returns for those who have to borrow.

The return on a college degree. The discussion about the negative relationship that student debt has with wealth accumulation is really a discussion about the return on a degree for students who have to pay for college with debt, particularly among lower income and minority students. In line with this evidence, researchers at the Federal Reserve Bank of St. Louis found that Hispanic ($68,379 income/$49,606 net worth) and Black American students ($52,147 income/$32,780 net worth) receive less benefit from having obtained a degree than their White ($94,351 income/$359,928 net worth) and Asian ($92,931 income/$250,637 net worth) counterparts with regard to their 2013 annual median income and median net worth (Emmons and Noeth, 2015). While this research does not test the relationship between student debt and the return on a degree specifically, it indicates that increased levels of overall debt likely help explain why education pays off less for minorities than their white counterparts. More specifically, the Government Accounting Office (2003) found that borrowers pay a $6,000 premium for a college education, even prior to some of the dramatic escalations in the observed 'student debt crisis'. In a more recent study, Elliott and Rasucher (2016) measure mobility as the likelihood and rate of achieving median household net worth among four-year college graduates who were at least age 22. After controlling for key differences, they found that acquiring the relatively small amount of $10,000 in student loans is associated with a 18% decrease in the rate of achieving median net worth. In total, this evidence tells us that students who have to pay for college using student loans receive less of a return on their degree than those who have financing alternatives.

Baking Inequality into the Higher Education System

The relationship between student debt and the return on a degree matters not only for graduates themselves and the larger economy, but also for their children. Researchers have found that children from lower wealth households are far less likely to attend or complete college than children from higher wealth households (Pfeffer, 2015). Therefore, if college graduates with student debt have less wealth, it means their children are disadvantaged from the start. While it might be argued that these student borrowers still have more wealth than those who do not attend college at all, this calculus should not obscure the unavoidable conclusion: student debt is implicated in the increasing stratification of higher educational attainment in the U.S. Indeed, as Pfeffer (2015) found, even as you move up the net worth quintiles, the relationship holds: households with less net worth are less likely to attend or complete college than their wealthier counterparts. Nor can these findings be explained away by pointing to differences in children's achievement, even though those inequalities, too, have their roots in unequal opportunities. Disturbingly, even superior academic performance is not enough to overcome family economic disadvantage; the highest-achieving children from low-income families attend college at roughly the same rate as the lowest-achieving children from high-income families (69% to 65%) (ACSFA, 2010). Inequality, then, is baked into the higher education system and reinforced across generations, greatly reducing the ability of education to function as an equalizer in society.

In recognition of the true nature, scope, and gravity of the student loan problem, I suggest we must begin to imagine meaningful alternatives. We must insist that our financial aid system perform up to the standards of our American values, which hold that only the effort we expend and our innate abilities should determine our outcomes, not where we start out in life. The United States invests in education—particularly higher education—as the principal path to prosperity and the royal road to economic mobility. It cannot play that role without a financial aid system that enhances, rather than compromises, education's potency as an equalizer.

An Alternative to Student Loans: Combing Children's Savings with a Promise

It would seem to me, given the role that: (1) wealth inequality plays in children's educational attainment, (2) student loans play in young adults' ability to build wealth, and, in turn, (3) student debt has with the educational attainment of children with lower-wealth parents who borrowed to pay for college, a financial aid system for the 21st Century needs to encompass not just paying for college, but also building assets. The biggest problem we face as a country is not finding a way to pay for college, but growing wealth inequality

and its corrosive effects on all aspects of our society. However, described below, how we pay for college can go a long way in helping to reduce wealth inequality and making education the great equalizer we need it to be.

Children's Savings Accounts (CSAs) may be an alternative to debt dependency that simultaneously addresses concerns about the differential return on a degree and wealth inequality in America. Typically started at birth or kindergarten, CSAs can be combined with Promise programs that provide substantial financial resources to subsidize students' college costs in order to leverage families' investments with an initial deposit and savings matches. Unlike student debt, CSAs have the potential to work on multiple dimensions—early education, affordability, completion, and post-college financial health—to improve outcomes and catalyze opportunity.

With regard to early education, the SEED for Oklahoma Kids (SEED OK) research experiment, run by the Center for Social Development at Washington University, tested the effects of CSAs opened at birth in the state of Oklahoma.[1] SEED OK found that infants who were randomly assigned to receive a CSA demonstrated significantly higher social-emotional skills at age four than their counterparts who did not receive a CSA (Huang, Sherraden, Kim, & Clancy, 2014). These effects were strongest among low-income families and may have substantial implications for children's later success. Children with improved social and emotional skills display attitudes, behavior, and academic performance that reflect an 11 percentile-point gain in achievement, compared to controls (Durlak, Weissberg, Dymnicki, Taylor & Schellinger, 2011). CSAs may improve children's social-emotional skills by giving parents new hope for their children's future educational attainment, which in turn may change how they interact with their children. Moreover, Kim, Sherraden, Huang, and Clancy (2015), using experimental data from SEED OK, found that parents who received the CSA have higher expectations for their children's educational attainment and that their expectations are more likely to remain constant or increase over time than parents in the control group.

With regard to enrollment and graduation**,** the term **"**wilt" refers to the sizable number of minority and low-income students who fail to transition to college despite having the desire and ability to continue their educations. CSAs may reduce wilt by helping students form a *college-saver identity.* Students who form a college-saver identity expect to go to college *and* have identified savings as a strategy to pay for it (Elliott, 2013). From this perspective, it's not enough for a student to have big dreams for her future; she has to have a tangible reason to believe that there's actually a way to get there. This is what asset empowerment can do. In line with this, research using secondary data has found that students who have designated savings for college and expect to attend college are more likely to end up actually enrolling in and completing college than those who may have the ambition but not the tangible strategy (e.g., Elliott, Song, & Nam, 2013).

However, it is perhaps in the ***post-college*** **period** that CSAs rise highest above other forms of financial aid. Unique among financial aid interventions, CSAs may have particular potential to strengthen the return on a degree and create equity. Research on the relationship between parental educational supports may be informative. Rauscher (2016) found that predicted household income and net worth is higher for adults who received parental financial support for education than those receiving no parental educational support when parental support exceeded $600 in the case of income and $2,200 in the case of net worth. These findings suggest helping parents build assets to pay for their child's education is associated with their child having more income and wealth in adulthood. Moreover, evidence suggests that CSAs may be a gateway not only to greater educational attainment, itself a conduit of economic mobility, but also to a more diversified asset portfolio that may result in greater wealth accumulation in other forms such as stocks, retirement accounts, and real estate (Friedline & Elliott, 2013; Friedline, Johnson, & Hughes, 2014). These types of investments carry some risk but also provide the opportunity for greater returns. CSA programs delivered through state 529 college savings plans allow low-income families to take risks associated with higher returns. For instance, SEED OK's initial $1,000 deposit into a 529 account has grown more than 40% over seven years despite losses during the recession (Clancy, Beverly, & Sherraden, 2016). Participation in and profit from these financial investments are particularly crucial in today's economy, where, among the top one percent

[1] For more information and initial findings go to http://csd.wustl.edu/AssetBuilding/SEEDOK/Pages/SEEDOK.aspx

of households, only 39% of personal income is derived from labor income (Rosenberg, 2013), while 53% is capital income (e.g., business profits, dividends, net capital gains, taxable interest, and tax-exempt interest). The wealth gap will never be eliminated if low-income families are not given the opportunity to participate in wealth building.

In this context, assisting families in building wealth through saving may be particularly important for reducing economic inequality. For example, researchers found that 71% of children born to high-saving, low-income parents move up from the bottom income quartile, compared to only 50% of children of low-saving, low-income parents (Cramer, O'Brien, Cooper, & Luengo-Prado, 2009). So, by helping families and children build savings and by building a more diversified asset portfolio post-graduation, CSAs may result in increased asset accumulation, which, in turn, may provide younger adults with higher odds of moving up the ladder and increase the return they get on a college degree. There is no substitute, after all, for money in the 'bank' (or other asset-building instrument)—and asset approaches are the only financial aid vehicles capable of delivering that.

Combining CSAs with Promise Programs – Closing the Wealth Gap

Given rising inequality and the divergence of income and productivity, essential redistribution is unlikely to happen without a wealth transfer. Children's Savings Accounts provide a vehicle for such wealth transfers, in addition to their effects on early education outcomes and as facilitators of families' own savings. As formulated here, the idea of a wealth transfer is completely consistent with American history and with our collective narrative of individual effort. It is about equipping all children with tools that complement their own contributions. We are no strangers to wealth transfers; in the 19th Century there was the Homestead Act and in the 20th Century there was the GI Bill. Both required considerable individual effort, yet offered real promise to change the distributional consequences of existing systems—property ownership, on the one hand, and higher education, on the other—in ways that helped to transform power and pathways to prosperity for generations. In the 21th Century there has yet to be such a wealth transfer, although the need has never been more urgent. CSAs, combined with a transfer of assets into these accounts, provide just such an opportunity.

Possibilities for the next wealth transfer using CSAs might include augmenting existing scholarship or grant programs with opportunities for early-commitment asset building in order to intervene earlier in the academic trajectory and more comprehensively shape the institutions that govern students' success. For example, historically important and respected programs like the Pell Grant could be leveraged by dedicating a portion of funds each year to students starting as early as fifth grade, allowing the student and her family to accumulate assets for college and signaling early on that children are justified in their development of college-saver identities. Foundations could deploy their scholarship dollars in similar ways. Additionally, some CSA programs are also looking to employers to contribute toward this wealth transfer by matching employees' college savings much as they do for retirement. Finally, we could divert funds now going for poorly-targeted (Maag, Mundel, Rice, & Rueben, 2007) tax subsidies to fund a substantial wealth transfer into CSA accounts. Research finds that introduction of tax credits did not increase the probability that eligible individuals would attend college (Long, 2004) but, instead, exacerbates inequity within higher education by investing considerably in affordability for those likely to attend college even without any assistance. These resources could be more efficiently and potently deployed to seed accounts with transformative balances early enough in children's lives to disrupt the patterns of relative disadvantage and place all children on a truly level playing field. Crucially, CSAs would allow us to do so while also tackling the issue of wealth inequality, one of the greatest challenges we face. The Annie E. Casey Foundation (2016) estimated that children's accounts could reduce the racial wealth gap in America by 20% to 80% depending on participation and the investment in these accounts.

Short-Term Solutions also Needed

It is important to acknowledge that CSAs are a long-term solution, bearing the greatest fruits as children age toward and through higher education. For existing student debtors and those soon to borrow, there is a need for restorative justice, even while we plan for a different future. Here, student groups and some other advocates have called for a bailout on the scale of those that accompanied the Great Recession. Fears of moral hazard are avoided (i.e., the next generation will not need a bailout) if a long-term solution is in

place. Even if bailing out every student debtor is politically impossible, financially inefficient, and potentially unwise (Huelsman et al., 2015), our governmental systems are more than capable of approaching student loan bailout with some nuance, in order to direct relief at those who might benefit most. For example, Huelsman et al. (2015) find that eliminating student debt among those making $50,000 or below would reduce the Black-White wealth gap by about 37%, while aiming for those making $25,000 or below would reduce it by over 50%.

Even if debts are not discharged, all student debtors should be protected from abusive collection practices and supported in their efforts to build assets while discharging their debts. Relatively minor changes in policy could reduce the extent to which having student debt means having fewer opportunities for asset development. Student debtors could benefit from more forgiving underwriting guidelines in mortgage markets, for example, and from repayment modifications that encourage savings, as with an escrow account and/or a hiatus in repayment obligations at specific points. Changes to bankruptcy laws might also help. In conclusion, making student debt the centerpiece of our higher education financing is fundamentally incompatible with the function of our higher education system as an equalizer. In contrast, CSAs capitalized with significant transfers are capable of strengthening the return on a degree in a time when it is increasingly being questioned, while simultaneously supporting economic mobility and reducing the wealth gap. When we position student loans next to CSAs, we begin to realize that it is not enough to say that the negative relationship debt has with wealth accumulation is a mere "inconvenience." Students deserve a financial aid system that has strong, positive, lasting effects. Seen through this lens, the moment for a financial aid revolution seems imminent. Fear is no longer an excuse for maintaining the current system of financing higher education.

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