

COLLEGE GRADS PAY HEAVY PRICE FOR DEBT BURDEN



For most college graduates the burden of their student loan debt is weighing heavily on them, forcing them to accept jobs for which they are not suited and with less than the expected pay. Six out of ten grads feel that their seniors were better off and that they will end up financially less successful than them. Lack of jobs ensured that the young grads were more likely to work as attendants or in local restaurants rather than as engineers, scientists or mathematicians. A study from the Rutgers University, based on a survey of hundreds of people who graduated between 2006 and 2011, exposed a gloomy, negative outlook from those interviewed. According to the study, 12 percent are under employed or unemployed and the rest are still in school, in the military or volunteers. Almost 25 percent of the graduates interviewed expressed unhappiness over their salaries and said that their current jobs paid much less than what they had estimated. Students, who had graduated during the recession, were drawing a salary that was less than the earlier graduates. Current graduates earned an average annual salary of \$27,000, which was around \$3000 less than their earlier counterparts. Female graduates fared slightly better than their opposite numbers, earning \$2000 less per annum. Fresh college grads were disappointed that their first jobs could not be used as stepping stones, to gain knowledge and experience that could leverage them to better jobs and said that their first-jobs would not help them in advancing their careers. Others said that their first jobs positions did not merit a four-year degree, indicating that they have had to make a compromise. 25 percent of the grads felt that they had to settle for jobs below their educational levels and outside their professional fields. Four in ten grads said that they have taken the job, to bide their time and meet unavoidable expenses, until better opportunities come by. Many grads have also had to accept less-than-optimal hours and go without health benefits. The salary that they earn is hardly able to meet their needs and most of them get some type of help from their family, be it living at home and not having to pay rent, or get monetary help for housing costs. A quarter of the grads, have their families helping them with food and medical costs. Student-loan debts, which are a burden they can be scarce relieved off, are the biggest source of financial worry for the grads. 25 percent of all recent grads have not been able to make any progress towards clearing the loans and four out of ten recession-era grads also said that they have not been able to take any steps towards clearing what they owe. Student-loan debts, which totaled \$1 trillion or more, are more than the total credit card debt for all Americans and currently being hotly debated in the Senate. The pressure and burden of the loans are taking a huge toll and student borrowers are having to pay a heavy price. 40 percent of the graduates have said that they have put off major purchases, such as a home or a car. Advancing their education is also off the agenda for around 30 percent. On a social level, marriage and committed relationships are not conceivable for 14 percent of the debtors. An interviewed student said, "I don't feel like I will ever be able to get to a better place, buy a home or start a family."