# Student Loan Debt: The Bottomless Pit of Our Generation

Rodney Johnson, Senior Editor of “Survive & Prosper,” a newsletter from the economic research firm Dent Research, calls student loans the “worst business idea” of the decade. According to his findings, he could be right. As of right now, America has 1.2 trillion in student loan debt, and this debt is rising dramatically.

According to the Consumer Finance Protection Board, “Student loans now comprise the second largest form of consumer debt behind home mortgages.” Thirty-one percent of all Direct student loans (comprising $570 billion, more than half of the student loan market), are held by people still in school or in a grace period, so their repayment process hasn’t yet begun. More than one quarter, or 26 percent, of these loans are in forbearance, deferment, or default.

Only 42 percent, or less than half, are currently in their repayment period. Rodney says, “That’s huge … and there’s really no way this student loan bubble can end well … Right now our economy is creating around 150,000 jobs per month, most of which are part-time and being filled by workers aged 55 to 64.”

What happens when these young people get out of school and are not able to find employment? If you were an investor, do you think student loans would be a good investment?

“We’re creating a growing class of educated young people who are willfully choosing to saddle themselves with unaffordable debt because they’re too young to understand the reality of economics … and because they’ve been brainwashed all their lives to believe this is the path to a better life.

As they reach their late 20s and early 30s without being able to afford to grow their personal lives by getting married, having kids, or simply buying the trappings of the middle class, they'll get frustrated and demand relief. The only way they'll find that relief is if government saddles American taxpayers with yet another burden. If you pay taxes … watch out," Rodney says.

Recently, I called the holder of my student loans and asked them how long it would take me to pay of my student loans, and they told me, "Mrs. Brown, it will take you approximately 17 years to pay off your student loans paying the minimum payment each month." "What???" I thought. "That means I will be 47 years old!" So, for sure, I am going to paying off as much as possible each month to avoid additional interest. I don't want to be paying for school past age 35!

But, what should we do if we need to go to school for what we want to do, and we don't have the money?

From living through "the school of hard knocks" in this area, I would recommend two things:

1. Try everything possible to go to college debt-free.

2. Always have a job; preferably in the field you want to be in.

In this type of economy, extensive experience and a portfolio of results is more valuable than a piece of paper. Of course, both are great—and for people who need a degree to do what they want to do, such as being a doctor, lawyer, or a teacher, education is invaluable.

But for people wanting a job in business, employers are going to be very choosy in who they hire, and if I were a business owner, I would choose someone with experience and a passion for their job who could get the job done versus a degree.

Even better, start a business yourself!

What are your thoughts on this growing dilemma?

Want to find some ways to go to college debt-free? Check out this guide from Dave Ramsey.

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