

# Easing the Student Debt Crisis:

## Financial Management Tools to Empower the New Generation

FAIRUZ ABDULLAH

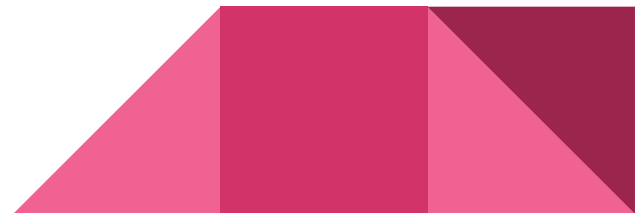
Director of Public Interest and Public Service Programs,  
University of California, Hastings College of the Law  
Co-Founder, Outlaw Coaching

TORY MESSINA

Senior Career Advisor  
Columbia Law School

# What we are covering today

- Debt: The role of debt in the lives of students and graduates
- Empathy: Manage student concerns and questions
- Knowledge: Tools
- Discussion/Questions



**Go to [menti.com](https://menti.com) and enter 58 63 96**

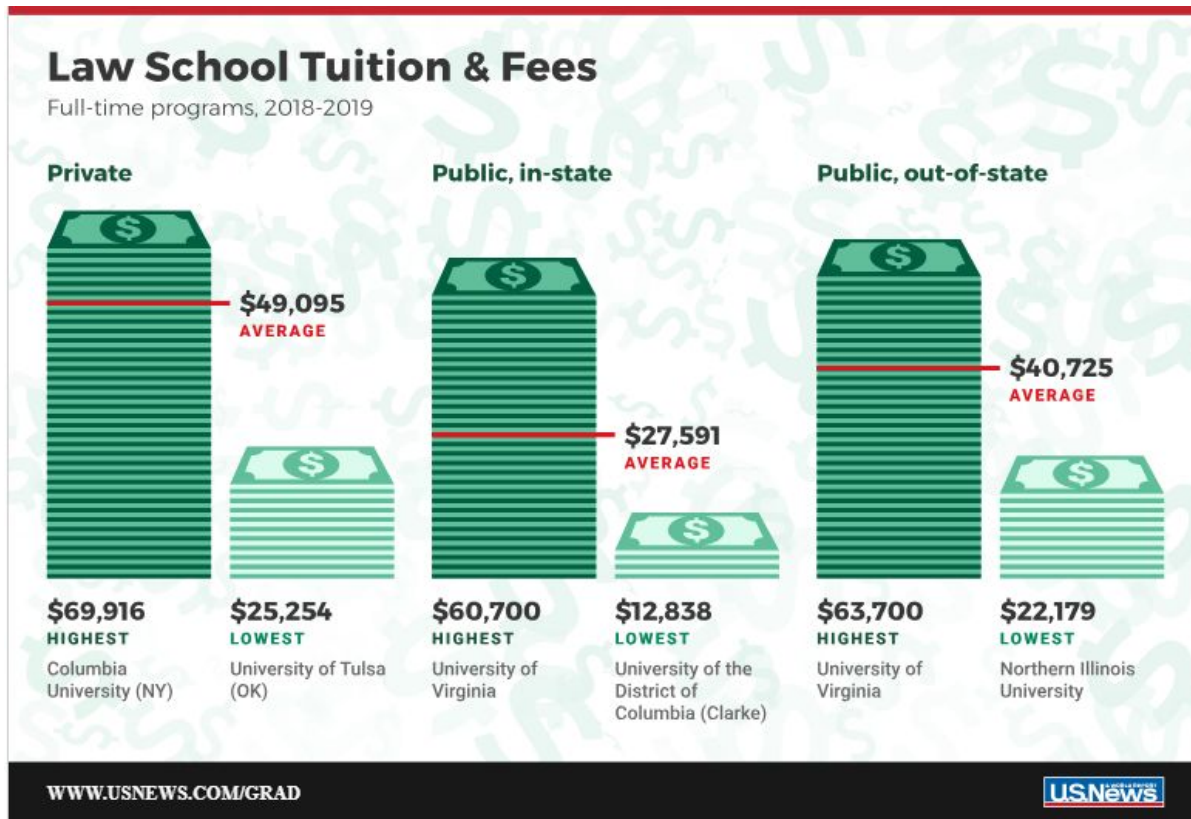
***When I think about debt, I feel...***



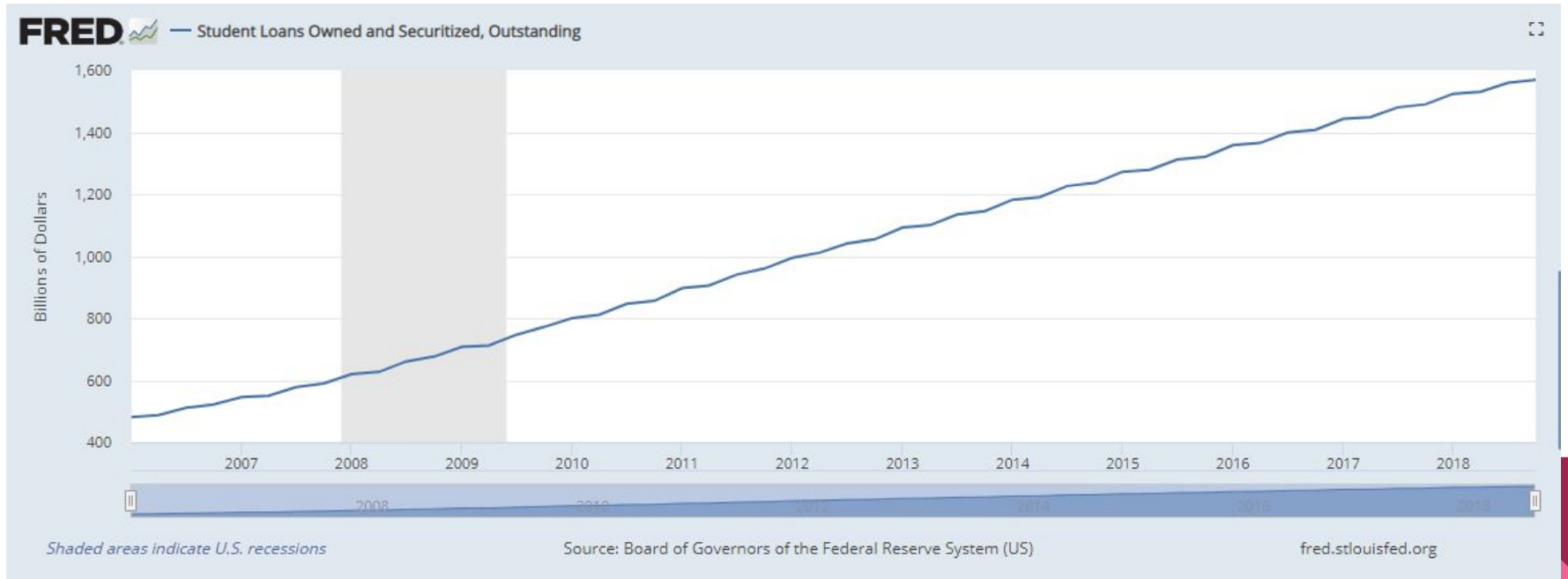
# Costs were significantly lower in the past

In 1985, the average public school tuition was \$2,006 (1985 dollars) for residents, which would have cost a student \$4,670 in 2018.

In 2018, the average public school tuition was \$27,160 (2018 dollars) for residents.



# What changed between the 1950s, 1980s, and now?



# Average Law School Debt

According to the American Bar Association in 2012, the average debt taken on by a law school graduate was

- \$75,700 if you attend public schools and
- \$125,000 if you attend private schools

By 2016, Law School Transparency reported average debt:

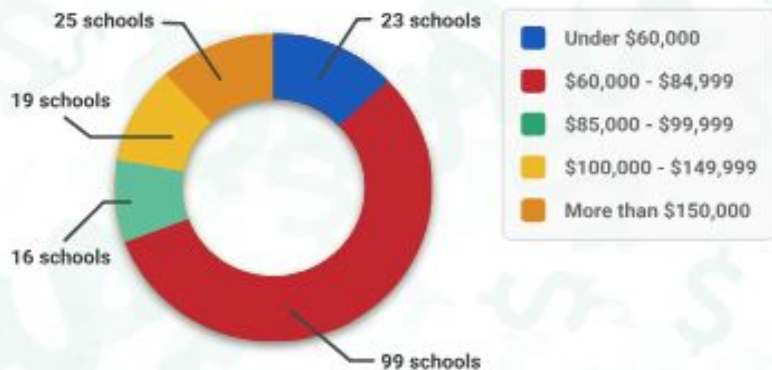
- \$96,054
  - \$134,497
- 

# The Level of Salary Does Not Keep up with Debt

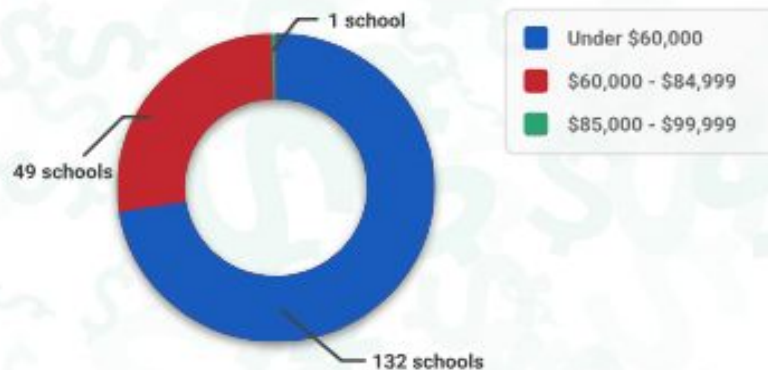
## Median Starting Salaries for Law School Graduates

Class of 2017 grads from ranked public and private schools

### Private Sector



### Public Sector



# Credit Card Debt



**43%**

of Americans carry over a credit card balance every month.

**57%**

of Americans use credit cards for convenience and do not carry over a balance.

# You can assist students in managing their debt and finances

Empathy: the ability to sit with students to help empower them to deal with difficult issues in their lives

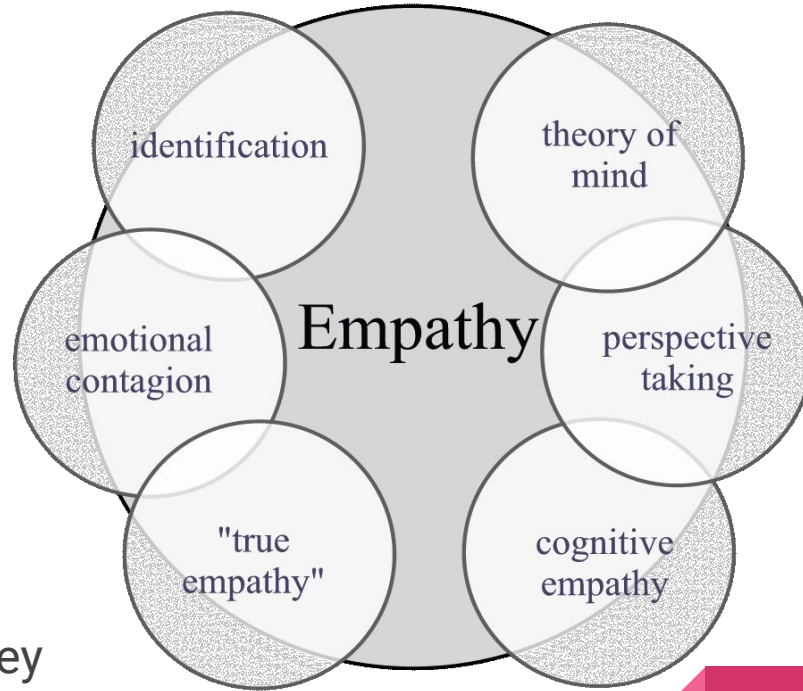
Knowledge: financial information, background, and resources so that you can provide information and help students make decisions from a place of knowledge



# How you can help?

Students are experiencing . . .

- Stress
- Depression
- Denial
- Fear, Panic
- Anger
- Lack of financial literacy
- First generation view on money
- Parental stress



# Fairuz's programs


1. Bring up debt as part of the counseling session
2. Financial Literacy sessions with a Consumer Attorney
3. Student Panels on how they manage public interest careers and loan repayment
4. Having Lunch and Learn sessions with Financial Aid, CDO and students
5. Student Group involvement and co-sponsorship of panels and events
6. Work with social justice concentration students to get information to them



# Tory's programs

Quick videos, FAQs, and snapshots accessible online

“Financing a Public Sector Career Series” - About 6-8 programs a year

1. Introduction of financing landscape
  2. Joint program with the Office of Financial Aid - LRAP Q&A
  3. Joint program lead by students
  4. Panel of public sector grads dishing the truth of their stories
  5. \*Fearless questions to grads on practitioner panels
  6. \*The CLS public sector salary survey
  7. One-on-one conversations
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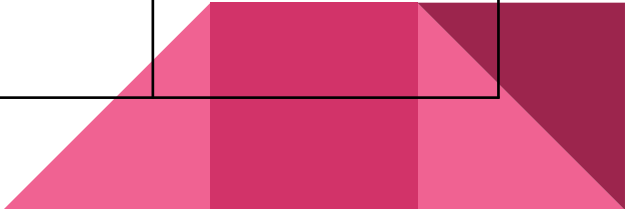
# MentiMeter Quiz on Financial Terms

**Go to [menti.com](https://www.menti.com) and enter 58 63 96**



# Income-Driven Repayment

Repayment Plan	Eligible Borrowers	Monthly Payment	Eligible for PSLF	Repayment Term without PSLF
<b>Standard 10 Year Repayment Plan</b>	Any loans	120 equal payments based on the size of the debt	No	10 Years
<b>Revised Pay As You Earn Repayment Plan (REPAYE)</b>	Direct Loans only	10% of your discretionary income	Yes	25 Years
<b>Pay As You Earn Repayment Plan (PAYE)</b>	Direct Loans only. New borrower as of Oct. 1, 2007, and must have received a <i>disbursement</i> of a Direct Loan on or after Oct. 1, 2011	10% of your discretionary income, but less than Standard 10 Year Repayment Plan	Yes	20 Years



# Factors that grads should consider when calculating loan repayment?

1. What are your career goals?
2. Big life changes?
3. Cost of living?
4. Is PSLF a factor?
5. Debt to income ratio



# Use Calculators

Secure | [https://studentloans.gov/myDirectLoan/repaymentEstimator.action?\\_ga=2.30200122.429365534.1513200686-1830500757.1513200686](https://studentloans.gov/myDirectLoan/repaymentEstimator.action?_ga=2.30200122.429365534.1513200686-1830500757.1513200686)

## REPAYMENT ESTIMATOR

- ① Repayment Plans
- ② Estimate Your Payments
- ③ Next Steps

You're currently not logged in  
You must log in to complete and submit federal student loan processes.

LOG IN

### Repayment Plans

Which loans are included? ▾

What assumptions do we make? ▾

Projected Loan Forgiveness ▾

Projected Loan Forgiveness for PSLF ▾

### Estimate Your Payments

#### Your Loan Information

- Use Your Loans
- Use Average Loan Balances

Your Loan Balance

\$ 0

#### Your Tax Filing Status

Select your tax filing status:

Single ▾

# How do LRAPs work?

## It's a Loan

Sponsor of the LRAP makes you a loan for the payment of your student loan

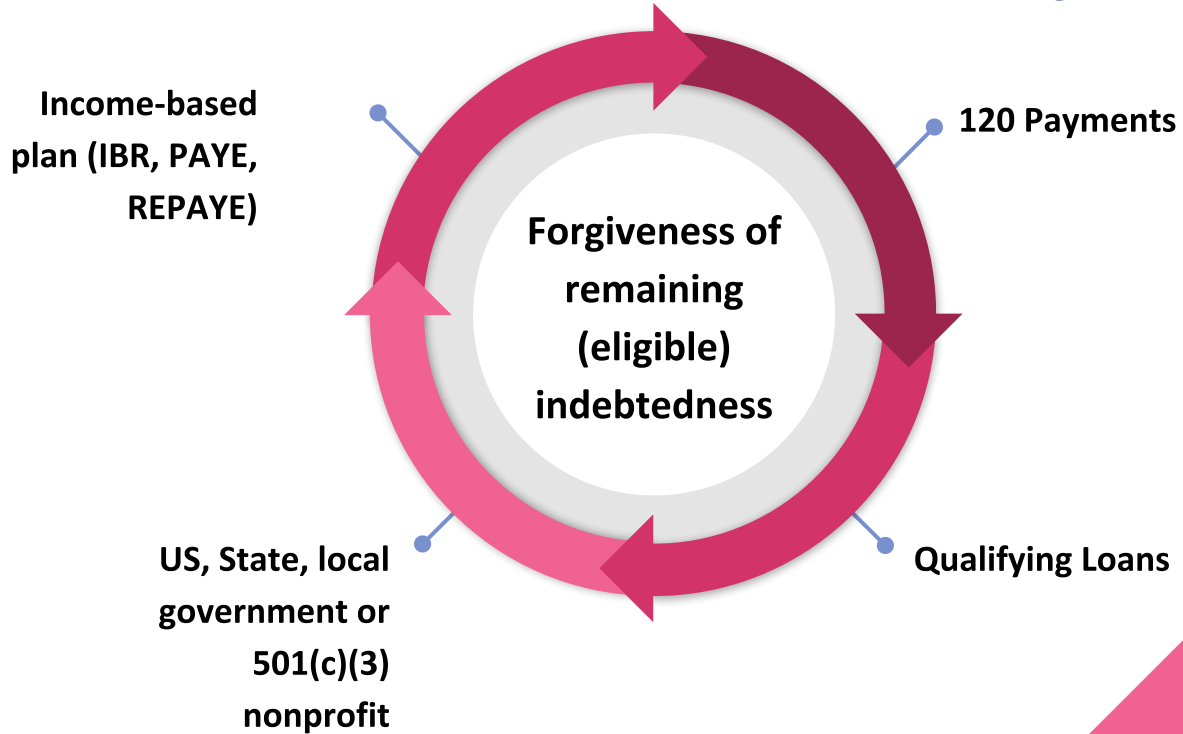
## Qualified Work + Period of Service

LRAP recipient preforms qualifying work for an agreed time period.  
Recipient pays student loans using the LRAP money.


## Forgiveness of the Loan

Sponsor organization then forgives the LRAP loan. If conditions are met, the recipient receives the benefit of the LRAP without tax implications.

# What about Public Service Loan Forgiveness?



# Tools you can use

- Studentloans.gov
  - Consumer Financial Protection Bureau
  - Nerd Wallet
  - Equal Justice Works (E Book)
  - Access Lex
  - Local and national experts for presentations
  - DIY by Fairuz, Tory, and you
- 

# Local and National Experts

## National Experts

- Heather Jarvis
- Jeffrey E. Hanson (Jeffrey Hanson Education Services)
- AccessConnex
- Jordan Rothman of Student Debt Diaries

## Local Experts

# Did we cover it?

Income-driven vs. Standard loan repayment programs

What's up with Public Service Loan Forgiveness?

Building a team within the law school

Leveraging outside resources



What have you been doing that is . . .

Working



