

organization's job is to educate young people about the benefits of collective action—without resorting to old vocabulary. And that means avoiding the word "union," at least for now. "We're trying to create a new institution for a new economic time," Quigley said. "This isn't about organizing in the traditional union way. It's about a collective voice, and it is about helping this age cohort find a voice. I wouldn't use 'union' language, because I think 'union' has a very specific meaning. This is something different."

Another union surrogate is Working America, a branch of the AFL-CIO. In effect, Working America is a union for people without a union in the workplace, with over 1.6 million members nationwide. Through Working America, members can access a health savings account, participate in local advocacy campaigns around issues of economic inequality, and support more traditional union organizing. In the St. Paul, Minnesota area, Working America members contributed 3,968 signatures to a petition in support of a nurses' organizing drive at a local hospital. Unionization had met stiff resistance from management but was eventually successful, in large part because of community support, said David Wehde, Minnesota state director for Working America. And after learning about the nurses' union, some Working America members expressed interest in unionizing their own workplace and were put in touch with organizers.

Working America has had particular success signing up people under 30 and people of color. Jenn Jannon, Working America's state director in Pennsylvania, explained, "When we reach out into suburban neighborhoods, a lot of folks in the 18-to-30 age range are living at home." Their living situation is a daily reminder that service jobs without health insurance, overtime, and other benefits don't allow people to build adult lives. The culprit isn't cultural malaise but economic insecurity.

Some commentators assume that young workers prefer to flit from job to job, rather than settle down, but this pattern is more the result of the structure of the labor market than a reflection

of worker preferences. In their first 16 years of work, today's average American will switch jobs 9.2 times. Frequent job changes can inhibit unionization, since unions rely upon workers rising through the ranks into leadership positions, and upon a work force highly engaged with its place of employment. But there's also an upside. Danica Finley, an SEIU organizing director in Oregon, said today's 20-something health-care workers will often risk more to unionize than older colleagues. Since they don't expect to be tethered to their employer for decades, young workers are less scared of angering management. "The fact that these workers are not especially afraid of losing their jobs gives them a courage and confidence that would have been hard to hold on to otherwise," Finley said.

In many cases, economic security and mobility are simply more important to young workers than job security. Tom Woodruff, executive vice president for organizing at the SEIU, said more often

than not, labor organizers hear from young workers that they are frustrated and depressed about their inability, over time, to buy real estate, educate children, and save for retirement. "They're not being paid properly, and they know that," Woodruff said. "They're looking to raise a family without having to work two or three jobs."

If the labor struggles in Manhattan and Los Angeles television studios have helped more typical young workers in any way, they have at least forced the mainstream media to look at organized labor and portray it as a pragmatic champion of Americans challenged by the new economy. That helps people like Jonathan Upright explain to workers on the ground how unionization can change their lives. And getting involved with a union can foster a real commitment to progressive politics. "With the upcoming election, I hope whatever candidate runs supports unions," Upright said. "Because you know, Bush doesn't at all." **TAP**

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## Democracy Versus Debt

*Students are getting serious about organizing to change the rules of the game that leave young adults burdened with college and credit-card debt.*

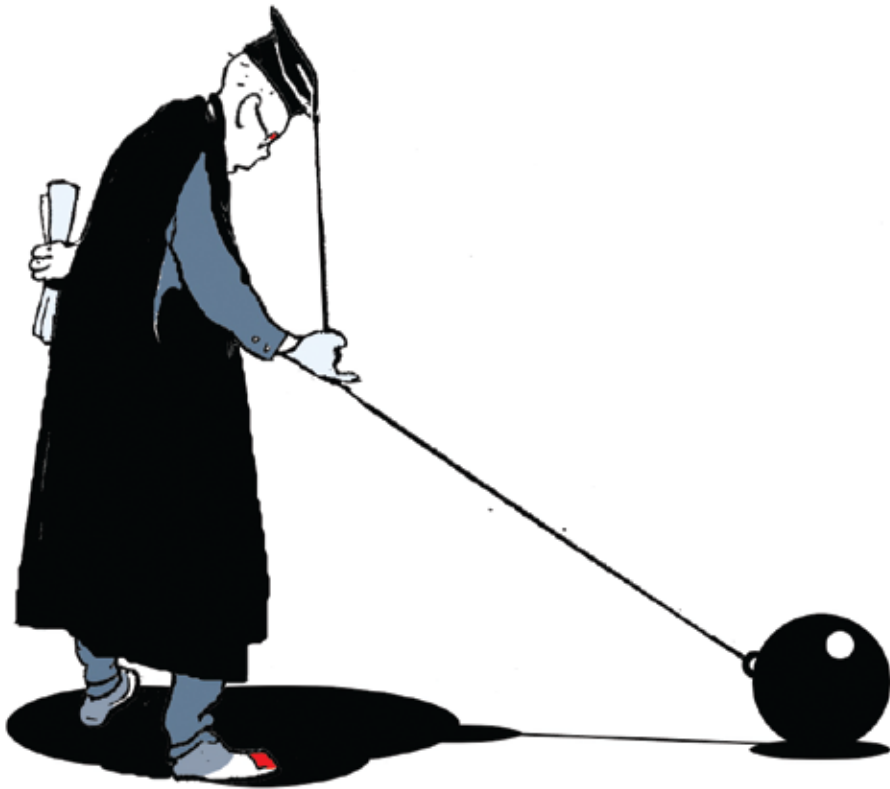
BY KAY STEIGER

**A**NTHONY DANIELS IS THE CHAIRPERSON of the National Education Association's student program but is saddled with nearly \$58,000 of debt in student loans from his undergraduate and master's programs. He's considering getting out of teaching. With payments of roughly \$600 a month and an interest rate of 11.71 percent, he just can't afford the payments on a teacher's salary, typically starting at less than \$30,000. "The passion is here," Daniels said, "but I just can't afford it."

Daniels, in a way, is lucky. At least he managed to get a degree. About one in five students at a four-year col-

lege or university end up dropping out, and financial stress is a prime cause. At community colleges, that number is one in four. The drop-out rate among white students at 43 percent is high, but the rate is even higher among Hispanics (56 percent) and blacks (61 percent). Debt burdens hit hardest at those with the steepest climbs into the middle class. Without a degree, there's little hope of earning enough income to pay back loans.

Debt levels have been increasing over the last several years. Once, student loans were labeled by financial advisers as "good debt" incurred in service of



over the next five, when the maximum award will be worth \$5,400. What's more, only about 22 percent of students who apply for the Pell grant ever receive the maximum. The act did cut the interest rate of federally subsidized loans, like Stanford loans, in half—from 6.8 percent to 3.4 percent. Furthermore, the law caps loan payments at 15 percent of discretionary income. The act also expanded loan forgiveness programs for those who spend 10 years or more in a public service profession, like teachers or soldiers. But what the legislation didn't do was make the Pell grant worth what it was in 1965, when it covered nearly all higher education costs. What the act didn't do was increase the amount of direct loans; it relies instead on an inefficient private loan system that saddles students with large debt burdens. Nor did the act curb double-digit tuition hikes. Of applicants to colleges and universities around the country,

increased earning capacity. But today the average student graduates with a debt load of more than \$19,000, more than double the average debt in 1993 of \$9,250. In 2005, the average student took 10 years to pay off college loans. Debt has become economically crippling—a drag on the disposable incomes of young adults and a deterrent to the enrollment or completion of college educations for students from non-affluent families.

Federal grant and direct loan aid is a much better deal than commercial loans, but the process of applying for federal aid is byzantine. The multipage application is daunting in comparison to seemingly friendly “sign here” private loans.

The private, for-profit student loan industry was created by The Higher Education Act of 1965, which Congress has been working to renew since 2004. The act set up a system of subsidies for the banking industry. Even if students defaulted on their loans, banks were virtually guaranteed repayment from the government. At the time, state universities were close to tuition-free, and student loans were a niche product used by a small number of students attend-

**Today, the average student graduates with a debt load of more than \$19,000—more than double the average debt in 1993.**

ing private universities. Excluding loans from parents, only about a third, 34.3 percent, of students in 2004 graduated without some kind of debt.

The private lending industry represents a needless middleman, extracting profits from federal funds that should be helping students. The industry has been afflicted by scandal, with some lending companies giving kickbacks and stock options to financial-aid offices employed by colleges and universities.

Because of the political power of the lending industry, the conservative Republican presidency, and the reluctance of fiscally cautious Democrats to increase net spending, reform has been largely blocked.

The College Cost Reduction and Access Act of 2007 produced meager and disappointing results. The maximum Pell grant award, the best shot at help for low-income students, will only increase by an average of \$218 per year

about 400,000 never go because they can't afford it and about 600,000 qualified young people don't even apply to higher education.

Major student organizations, including U.S. PIRG, Campus Progress, and United States Student Association, endorsed the College Cost Reduction Act as better than nothing but far from adequate. Ideally, student groups want free or near-free tuition and housing for any student who is qualified for college and can't afford it. USSA would also like to see the elimination of predatory private lenders altogether, but recognizes that that's not an entirely feasible scenario, especially given conservative Republicans' control of the executive branch. PIRG, on the other hand, advocates a more moderate position of simply increasing funding to grants and direct loans but leaving private lenders more or less alone. State-level groups tend to work more on curbing tuition-cost increases by lob-

bying for an increase in state funding.

“The student debt crisis is getting worse every year,” says Rebecca Thompson, the legislative director at USSA. Thompson held three jobs on and off campus during her time at North Michigan University, often working more than 40 hours a week while going to school full time. She still managed to graduate—but with more than \$35,000 in student debt. “The economic ladder from below the middle class and the middle class is education,” Thompson said. She adds that sometimes we forget that colleges are often where young people become activists. “Without a college education I would not be doing the work that I do today,” she said.

**THE OTHER KIND OF DEBT, THE KIND** usually labeled as “bad debt” by financial advisers, is credit-card debt. A study in 2005 showed low- and middle-income adults under 34 carry an average of more than \$8,000 in balances on their credit cards. Three out of four young people carry balances rather than pay off credit-card debt monthly. Thanks to aggressive marketing to college students, young people are encouraged to take on unmanageable debt. Colleges and universities have accepted millions of dollars in co-branding deals that include the university’s logo on credit cards. What we really need are serious restrictions on predatory lending practices, both for student loans and credit cards.

The good news is that the bad financial deal afflicting students is becoming a political issue, even a mobilizing issue. Students in Maine organized a ballot initiative that provides student-loan relief to Maine’s college students in the form of tax credits. Students can get up to \$2,100 in tax credit (the price of Maine’s state tuition) a year if they decide to stay in Maine following graduation. Volunteers collected 73,000 signatures, many from students themselves, to get the initiative to Maine’s legislature. When it got there, an impressed state legislature simply passed it rather than send it on to the public for a referendum vote. Gov. John Baldacci signed legislation into law this summer. The initiative

was popular with Maine’s small business owners and helped the state counteract the brain drain.

In California, where tuition at public universities has more than doubled in the last six years, Gov. Arnold Schwarzenegger suggested that his recently proposed budget was aiding higher education, when in fact his proposed budget will have net higher education spending cuts of more than \$1 billion. As Tuition Relief Now organizer Chris Vaeth points



**Hasta La Vista, Baby:** Students protest against budget cuts and rising tuition and student fees at California’s public colleges and universities.

out, increases in fees are used to disguise higher student costs while tuition rates are kept fairly stable. Berkeley students, for example, can see \$8,000 in fees tacked on to their tuition bills. The students in California are organizing to curb skyrocketing costs by proposing a tuition-and-fees freeze for the next five years. After that, they propose tying tuition increases to inflation increases. They propose paying for this initiative by increasing taxes on the richest 1 percent of California’s population by 1 percent.

The average total cost, including room and board, of attending a four-year university was more than \$12,000 a year in 2006. Such tuition increases are

in part caused mostly by funding cuts from state budgets. “It ends up being, in bad budget times, the first thing cut and in good budget times the last thing funded,” said Luke Swarthout a higher education advocate for U.S. PIRG. Students fall low on the priority list because they aren’t perceived as wielding real political power.

That could be starting to change. Iowa, home to the first presidential contest, is also home to the nation’s second-highest burden of debt per student, totaling an average of \$23,680. Students had the opportunity to ask candidates, “What’s your plan?” in a campaign with PIRG to pressure candidates to come up with plans for reducing student debt. Hillary Clinton advocates a detailed program that would expand AmeriCorps, allowing loan forgiveness to students who spend time after college in public service. She also proposed a \$3,500 annual tuition tax credit, and proposes increasing the maximum Pell grant. Her total higher education package would put an additional \$8 billion a year into higher education spending, but other than a student borrower’s bill of rights, she mainly leaves private loan industries alone. Barack Obama’s plan includes a tuition tax credit of \$4,000 and advocates a simplification of the application process. Obama’s plan doesn’t address predatory lending practices. Obama and Clinton both voted for the College Cost Reduction Act.

If politicians are wise, they will pay more attention. Young people are starting to leverage their power on economic issues. Rather than plugging their ears with headphones, students are beginning to make changes by lobbying Congress, volunteering for ballot initiatives, and pressing candidates to address the raw economic deal facing the young. If candidates expect the support of young voters, they need to offer more than vague appeals to youthful idealism—and deliver tangible help. **TAP**

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