Is a college degree really worth the debt?

New college graduates have more student loan debt than ever.

According to an analysis of government data by Edvisors publisher Mark Kantrowitz published in the Wall Street Journal, the average student loan debt for the class of 2013 earning bachelor's degrees is about $30,000. As the WSJ reports, “Even adjusting for inflation, the average debt burden was half that size 20 years ago.”

Is college really worth accruing student loan debt into the tens of thousands? It depends who you ask.

A mortgage on a new life

Sometimes, students are faced with only two options: student loan debt or no college degree.

For Stephen Castillo, who graduated in 2010 from The University of Texas at Tyler with a bachelor's degree in communication, he came from a really poor family. The grants he received didn't cover his college bill and he didn't land scholarships.

“It was the necessary way to get a new life,” said Castillo, who accrued well over the average student loan debt amount. “A better life than I wouldn't have had otherwise.”

Castillo believes his degree helped make him a better communicator and a better employee. He works in advertising, where he’s talking on the phone and emailing with clients throughout the day. The benefits of a college degree can make the student loan debt worth it for some, as it did for Castillo. It can be “a mortgage on a new life,” as Castillo described it.

Although a college degree doesn't guarantee anyone a job or that they'll make more money, there are general correlations between having a degree and earning more money.

According to the Bureau of Labor Statistics (BLS), the unemployment rate for those with a bachelor's degree in 2012 was 4.5 percent, versus 7.7 percent for those with some college but no degree and 8.3 percent for those with just a high school diploma. The median weekly earnings in 2012 for someone with a bachelor's degree was $1,066, compared to
$727 for those with some college but no degree and $652 for those with a high school diploma.

But there will always be variances in those numbers depending on the individual and the job, according to Jim Anderson, director of financial aid at Montclair State University.

“There’s always going to be a certain percentage of people with a high school diploma who make more than a person with college degree,” Anderson said. “But there’s plenty of evidence to show a return on investment for getting a college degree.”

If a college degree can possibly help you land a relevant job, earn more money or benefit you personally, then the student loan debt may be worth it.

**The smart way of approaching student loan debt**

Despite the many possible benefits of a college degree for your career or just personally, student loan debt is not always justified, according to Anderson. At least, not a ton of it.

“If you’re going to take out loans, ask yourself, ‘What kind of income will I need to afford these loans?’” Anderson said. “You really shouldn’t be taking out loans unless you have reasonable expectations of paying them off. If your income’s not going to be substantial to pay off the debt you acquire…..in that instance, economically it might not make sense.”

Anderson thinks everyone could benefit from education after high school, whether that’s at a college or through an apprenticeship of some kind outside of college. If you can afford it, then student loan debt could be worth it, but it’s a decision only the student can make, according to Anderson.

Be sure to apply for scholarships and reel in whatever grants you can, possibly even working a little bit during school or during the breaks to help fund college. While student loan debt may be justified, taking out more than you need is not wise no matter who you ask.

Whether you accrue below the average of $30,000 in student loan debt or above it, the ultimate answer to the question of student loan debt being worth it rests with the individual. You can look at data all day and research all you want but if you don’t want the debt, you don’t want the debt. It’s important to give student loan debt and your future plans a lot of thought and to take out as little student loans as possible, according to Anderson.

“I don’t think student loan debt is a bad thing when the benefits of college is such a great thing,” Anderson said.

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