2016

There are alternatives to high student debt

Aldemaro Romero Jr.
CUNY Bernard M Baruch College

How does access to this work benefit you? Let us know!

Follow this and additional works at: https://academicworks.cuny.edu/bb_pubs

Part of the Higher Education Commons

Recommended Citation
Romero, Aldemaro Jr., "There are alternatives to high student debt" (2016). CUNY Academic Works.
https://academicworks.cuny.edu/bb_pubs/926

This Article is brought to you for free and open access by the Baruch College at CUNY Academic Works. It has been accepted for inclusion in Publications and Research by an authorized administrator of CUNY Academic Works. For more information, please contact AcademicWorks@cuny.edu.
In the last couple of years, there has been a lot of talk about raising education higher quality. With the cumulative student debt in the United States at more than a trillion dollars, it is not surprising that this issue has become part of the political discussion, especially during the current political campaign. And proposals abound. Bernie Sanders’ free college plan, for example, provides free tuition to all students. Others of course, propose free tuition to their students, just as you can.

Although some of these proposals are too simplistic, possible only with wide-scaled inflationary support, or confined to only a few private schools with wealthy endowments, there are other alternatives available but that are rarely discussed with the general public. One of those alternatives is the “human capital contract.” This worship proposal is explained as follows:

The term “human capital” was coined by Adam Smith to describe the services of a single person working in a particular profession. More precisely, it describes a form of “human capital.” This idea is used by the education system to offer homeowners or students higher education was articulated by such Nobel prize-winning economist Milton Friedman, and Robert Morgenthau as an “equity-like” contract.

This idea works as follows: People who need higher education to get a job would exchange a financial institution’s cost to get a financial benefit. The institution “invests” in them. Once they graduate, they pay the debt that they borrowed. The interest on which the institution “invest” in them. Once they graduate, they pay the debt that they borrowed. The interest on which the institution offers them.

For example, consider someone who needs a degree to get a certain job, but can’t afford to pay for it. He or she could enter into a contract with the school, agreeing to pay a certain amount each month until the debt is paid off. The school would then provide the necessary education.

This idea is appealing because it allows the individual to receive an education without incurring as much debt. It also benefits the school by allowing them to offer education to more students.

However, there are some potential drawbacks to this proposal. One concern is that it could limit access to higher education for those who cannot afford to pay the monthly payments. Another concern is that it could increase the cost of higher education for everyone.

Overall, the human capital contract offers a promising alternative to the traditional way of financing higher education. It allows individuals to receive an education without incurring as much debt, and it benefits both students and schools. Further research is needed to determine the feasibility and effectiveness of this proposal.