School Optimism: Fast Life and Slow Debt in the Financialized University

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The Graduate Center, City University of New York

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SCHOOL OPTIMISM:
FAST LIFE AND SLOW DEBT IN THE FINANCIALIZED UNIVERSITY

by

Mark Alan Porter Webb

A dissertation submitted to the Graduate Faculty in Anthropology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

2019
School Optimism: Fast Life and Slow Debt in the Financialized University

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Mark Alan Porter Webb

This manuscript has been read and accepted for the Graduate Faculty in Anthropology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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Over the past two decades, educational debt has quickly transformed US colleges and universities into spaces of cruel optimism: the higher education that students desire is all too often an obstacle to their flourishing. This study maps the contours of the white, middle-class attachment to the college dream, paying particular attention to the moments when the optimism surrounding higher education turns cruel. As this optimism wanes in the face of mounting educational debt, students deploy a myriad of fast life strategies—a flurry of actions that include work, activism, protest, leaving school and/or satirical critique—with the hope of mitigating the impact of looming debt repayment.
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Introduction

Over the past two decades, educational debt has quickly transformed US colleges and universities into spaces of what Lauren Berlant calls cruel optimism: the higher education that students desire is all too often an obstacle to their flourishing. In recent years, educational loans surpassed credit card and automobile debt to become the largest source of US debt after home mortgages (Brown et al. 2015). Over forty-four million US Americans now hold nearly 1.5 trillion dollars in federal educational debt (Student Loan Hero 2018). Equally alarming is the inability of these debtors to make loan repayments consistently. According to recent statistics, nearly 45 percent of the twenty-two million student debtors with federal student loans up for repayment are not making regular contributions towards their debt. Nearly four million have not made a payment in over 360 days and are in default. Another three million are at least a month behind on their payment and considered delinquent. Still another three million have officially postponed repayment by either showing economic hardship and declaring forbearance, or deferring their loan repayment to return to school or engage in some other form of formal training (Mitchell 2016).

Amidst rising tuition and diminishing government aid, the cruelly optimistic double bind of educational debt is changing the university experience for segments of the population previously protected from economic stress. What for decades had been a rite of passage for much of the US white middle-class, has now become, in the Berlantian sense, a moment of impasse where traditionally privileged students scramble to recalibrate their present lives in relation to the uncertainty of their financial futures. To capture the transition of the university experience from passage to impasse, this dissertation examines the affect of white middle-class student debtors at New York University (NYU). While each student has their own unique story, the NYU students
that participated in this study collectively revealed a shared set of embodied experiences: the
deep longing of leaving home to attend a prestigious university; the celebratory exhilaration of
opening the acceptance letter; the initial nonchalance of signing on to large sums of debt; the
simultaneous feelings of heartache and liberation of saying goodbye to family members who
hold great expectations for their success in school; the gut-punch of the realization that student
debt must someday be repaid with interest; and the ongoing shame and anxiety of living with
debt when others around you do not. Focusing on the affect of these key moments, as well as the
smaller, more ordinary ones that rest in between, allows for a careful study of the relationship
between the ongoing development of raced and classed subjects, and the broader and ever-
changing economic, political, and cultural contexts in which they act and interact.

In the words of Sarah Ahmed, affect helps identify “how bodies turn towards things”
(2010, 31). In highlighting the specific ways that indebted student’s encounter shifting political-
economic and cultural forces today, this dissertation deploys and develops Berlant’s concept of
cruel optimism to gain insight into the nuance and complexity of contemporary capitalism’s
increasingly financialized forms of life. The college dream has been integral to the fabric of
white middle-class livelihoods (at least) since the GI bill propelled millions of predominantly
white, male, World War II veterans into stable jobs, home ownership and higher education
(Katznelson 2005; Brodkin 1998). This dream is an illuminating example of the affective force
of optimism, which following Berlant, optimism reveals itself in the form of tightly held
attachments (2011, 13). These attachments, in turn, manifest themselves as diverse “structures of
relationality” (ibid.), that is, as varied forms of emotional and bodily expression as people find
ways to maintain the continuity of their hopes and aspirations amidst change, crisis, and
upheaval.
All attachments are inherently optimistic (Berlant 2011, 23), and the college dream especially so. For the white middle-class students featured in this study—many of whom are idealistic, politically progressive, artistically inclined, and with parents and grandparents who also have a university degree—college represents both the possibility for continued upward social and economic mobility, as well as the chance to escape the stifling and at times oppressive doldrums of one’s hometown to seek personal growth and self-actualization. This makes the double bind of student debt even crueler. On the one hand, upward mobility and individual growth through higher education become complicated and uncertain by looming debt repayment; on the other hand, and despite its rapidly diminishing returns, the college dream has been such a defining and sustaining attachment within their lives that it seems impossible to imagine themselves going on without it. Letting go of this dream feels more difficult and damaging than the decision to take on debt to make it possible.

Berlant (2011, 14), however, is quick to remind us that attachments, no matter how cruel, are not a matter of human error, naivety, or irrationality. While many of the white middle-class debtors in this study did not fully understand the terms of their loans, the way compound interest would cause their debt to grow exponentially, or the emotionally embodied burden that would accompany the indebted life, ignorance or manipulation are not the main reason that these debtors took on student loans. Rather it was the way that the attachment to the college dream acts as a “cluster of promises” (Berlant 2011, 23): the promise of the university experience, of going off on one’s own, of obtaining or maintaining a presence within the professional sectors of society. This attachment is thus a host of promises that bind these students to a specific, and increasingly cruel trajectory. In light of the driving force of the college dream, the lack of knowledge held by many white middle-class student’s about the details of their loans—read
through Eve Sedgwick’s (1990, 4) important reframing of ignorance—can be understood as a crucial enabler of the pursuit of the college experience. In a context defined by increasing tuition and decreasing federal aid, not knowing exactly what it means to repay student loans may actually be necessary when taking on debt is the only way to keep the college dream alive.

Financialization, Financial Expropriation, and Fast Life

In the chapters that follow, affect will help measure the encounter between the embodied lives of student debtors and the financial systems in which they are entangled. Finance, in its most basic role, is a way to (attempt to) smooth over the crisis points built into the capitalist circuit where money is converted into more money. The bringing together of the materials and labor to produce a commodity, and the sale of that commodity occur at different moments in time and in different geographic spaces; the circuit of commodity production and consumption is thus made vulnerable to crisis at multiple points (Marx 1939, 148). If a capitalist cannot find the money to initiate production, production does not happen. If consumers do not have the money to buy the commodities produced, commodities remain unpurchased. And, of course, these two moments are mutually dependent: if commodities are not produced then no one can buy them; and, conversely, if no one buys them, there is no capital available to start production anew.

When a capitalist needs money to start a business or wants to start production again before the previous batch of commodities have been sold, they take out an interest-bearing loan from a financier, start production immediately, and then pay the financier a portion of their profits later. When a consumer needs money\(^1\) to buy a television, home, or college education,

\(^1\) Again, it is important to emphasize that the capitalist also “needs” the consumer to have money so that this consumer can purchase the products they produce and allow for this productive circuit to begin anew.
they sign up for a credit card or takes out a home or educational loan. In this way, finance is the “distinctive child of the capitalist mode of production,” playing a “very special role with relation to the circulation of capital” (Harvey 1984, 253). But finance, like all children, has a life of its own; it does not always stay within the bounds of the productive circuit. Financialization thus occurs when financiers move beyond the mutualistic role of supporting the circuit of industrial capital to seek the generation of profits through more parasitic relationships with the productive sector. Within periods of financialization, the primary purpose of finance is not to guarantee commodity production or consumption\(^2\), but “simply to extract income in the form of interest, fees, and amortization [fixed repayments] on debt and unpaid bills” (Hudson 2015, XIX-XX).

This extraction of income through interest and fees is what Costas Lapavitsas (2015) calls “financial expropriation.” Whereas the enclosure of the commons or the privatization of communal natural resources is often a disruptive and overtly violent process in which the unequal power dynamic between the dispossessor and dispossessed is clearly made evident, dispossession of wealth through financial expropriation deceptively appears as routine, normal and as part of a fair agreement between debtor and creditor (Graeber 2011).

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\(^2\) I want to be careful here to not mistakenly imply that financialization is the source of all the economic problems in the US and beyond, and the solution is simply more financial regulation by governments that would allow us to return to an era where finance aided industrial capitalism rather fed off it. This line of thinking is problematic for two interconnected reasons. First, it sets up a false dichotomy between “good” industrial capitalism and “bad” finance capitalism, thus idealizing industrial capitalism and glossing over the damage that this regime of accumulation has done and still does to workers and the environment. And second, it both wrongly assumes that financialization emerges because financiers greedily overstep their boundaries, and also overlooks capitalism’s internal contradictions that create “systemic cycles of accumulation” (Arrighi 1999, 54) within which financialization has appeared as a reoccurring phase throughout capitalism’s history. The current moment of US-led, global financialization is not the first. In fact, throughout capitalism’s history financial expansion and growing economic instability have continually marked the “autumn” that precedes a “winter” of crisis. This was true within the rise and fall of the Genoese, capitalist diaspora in the late sixteenth century; Holland’s proto-nation state and chartered companies in the eighteenth century; and the British empire in the nineteenth century. In all three of these capitalist epochs, the emergence of finance marked the moment when the then current leader of the global economy reaped the benefits of their hegemonic position while simultaneously being displaced by a new, emerging leader (Ibid., 56). Financialization has historically been capitalism’s response to crisis in production; even if we wished to return to the era of industrial capitalism in the US, capitalism’s internal logic of crisis and crisis management significantly complicates that desire.
For the participants in this study, student debt creates a unique temporal relationship between the present and the future. After their loans have been dispersed and the student debtor has started school, repayment looms ominously on the horizon impacting their lives in concrete ways. This impending moment of financial expropriation is often hidden or ignored in the excitement of the transition to life at college. Eventually it starts to sink in, whether in one big moment of terrible epiphany or through a series of small everyday events when debtors realize their lives are not the same as those around them who do not carry such a burden. For many of these debtors, this impending moment of debt repayment changes how they experience university life. Stress and anxiety become normal for them as they more fully comprehend the burden of their loans or of the loans their parents have taken for them. They find ways to reduce spending even when their friends continue to splurge. In addition to their school work, many work long hours on or off campus. The jobs they take are usually in non-professional, service, retail, and domestic spheres. Increasingly, many female students turn to sex work to help pay tuition and living costs. Some become involved in campus activism, protesting rising tuition and/or tirelessly working to support other debtors understand and survive life with debt. Others simply choose to drop-out rather than continue to take on more debt.

Berlant (2011, 95-100) uses the concept of “slow death” to describe how individuals and groups are physically worn down in the maintenance of their daily lives. Slow death is not a singular moment of spectacular crisis, but, an ongoing and continual deterioration of lives in a way that has become completely ordinary and integral to them. It is a period of impasse, not in the sense that it completely inhibits the movement of those caught within, but rather that the movement of subjects is restricted to finding one’s bearings and managing “the incoherence of lives that [now] proceed in the face of threats to the good life they imagine” (Ibid., 4, 10).
Resigning oneself to a life of debt repayment, to endlessly having the fruits of one’s labor both exploited by a boss and expropriated by a financier is an example of slow death. Debt repayment, slow debt if you will, is the lived contradiction of gradually exhausting the actual self as an act of preserving access to an imagined one; it is a slow drowning that holds out for a miraculous rescue.

As a complimentary to the concept of slow death, I introduce the term “fast life” to theorize the affect of this hectic period for student debtors who are still in school. Fast life marks the initial period of slow death found at the beginning of the impasse, the stretch where the canyon begins to narrow but there is still room to maneuver or even try to turn back. Time is of the essence, however; the walls will eventually close in. Fast life corresponds with the moment or moments that a subject senses that their future trajectory may no longer be what is promised, where school optimism becomes cruel. It is student debtors’ emotional flurry of choice-making and action-taking in the present in an attempt to stave off dispossession in the future. It is the creative reorganization of college life to maintain, remake, and sometimes even attempt to let go of the attachment to the college dream. Studying the fast life of student debtors while in school means focusing on how they navigate to avoid, postpone or renegotiate the slow death of debt repayment that is scheduled to come after. It reveals how the normalcy of eventual financial expropriation, what Berlant (2011, 10) would call crisis-ordinaryness, is often preceded by a period of rupture, turmoil, and protest that highlight the numerous complications student debtors live and embody while readjusting their relationship to their college dreams.
Calculated Risk Versus Radical Uncertainty

When Marx (1992b, 137) began to broaden his focus beyond the productive sphere in the second and third volumes of *Capital*, he quickly concluded that, from the standpoint of the capitalist, making a commodity is not the purpose of productive capitalism but merely a “necessary evil for the purpose of money making.” If capitalists can find ways to make money without the messy and crisis prone step of bringing labor and raw materials together to make things that then must be moved somewhere else and purchased by someone else, they will. In turning money into more money, seemingly the same way a casino is able to generate huge profits without producing anything, financial transactions are one such way to avoid this step.

But is it accurate to describe financial transactions as casino capitalism? Casino capitalism is a concept that was first developed by Susan Strange (1986) in the late 1980s to describe how government led financial deregulation and opened the door for risky speculation which in turn brought economic crisis. Use of the term became commonplace during the 2007 financial crisis, prompting casino culture anthropologist Rebecca Cassidy (2009, 10) to question its usefulness as an analytical framework. “‘Casino capitalism,’” writes Cassidy, “is a conflation of a particularly unhelpful kind. It offers no insight into how either international finance or casinos work in practice.” Rather than use this term abstractly then, I will follow Cassidy’s lead by examining how casino culture can help think through the financialization of higher education generally and the role of the federal government more specifically.

The big difference between casino culture and the broader financial economy is their relationship to uncertainty. Whereas casinos only deal in calculated risk, the financial sector is mired in the “radical uncertainty” that accompanies economic transactions “vulnerable to rumor and to the actions and inactions of charismatic individuals and firms” (Cassidy 2009, 13). In
most jurisdictions, casinos are required to inform players of the exact rate of return each game offers over time; in theory, there are no surprises because everybody knows the risks involved and that the house is always favored (Ibid.). This is not the case regarding finance capitalism. The 2007 housing crisis is a clear example of how a system seemingly “too big to fail” can come crashing down when its foundations, the ability of millions of citizens to make mortgage payments, began to crumble.

Financial transactions oriented around educational debt would be shrouded in the same “radical uncertainty” except for one, crucial difference: until very recently, the federal government assumed all risk of investments in student loans. Starting in 1972, Sallie Mae began to facilitate the flow of private capital to support federal student loans. Until 2010, when President Obama terminated the Federal Family Educational Loan (FFEL) program, Sallie Mae along with banks and other private lending firms could invest in student loans with the confidence that the federal government would guarantee repayment even when a student could not. This federal guarantee made the bundling and reselling of student loans as Student Loan Asset Backed Securities (SLABS) a financial transaction free of the “radical uncertainty” that marred the housing market. Short term investors could buy up individual student’s debt from Sallie Mae and other lenders, package the debt together into SLABS and sell them for a quick profit. Long term investors could buy up these SLABS and count on even greater returns guaranteed by the federal government. Dispensing, buying, and selling student debt became, in the words of Obama, a “sweetheart deal” for private lenders (Branigin 2010). The easy money involved in the financialization of student loans combined with the decrease in government spending on higher education and rising tuition have combined to produce the massive surge in
the quantity and size of student loans that we have witnessed since the turn of the twenty-first century.

The White, Professional, College Attachment

In the opening pages, I have used the label, “white middle-class,” to describe my research participants. Now, I wish to problematize this term as I more carefully describe how an analysis of class and race will be deployed throughout this dissertation. Quite simply, the term “middle-class” is too imprecise to be useful as an analytical tool. It is currently applied by institutions and policy makers to define a group of people that share a multitude of different things including how much you earn, how much you have saved, how much you consume, if you own a home, and/or if you have a college degree (CNNMoney 2018). Amidst this confusion and disagreement, The White House Task Force on The Middle Class concluded that being “middle class” is much more about aspiration than it is income. More specifically, they say “middle-class families aspire to home ownership, a car, college education for their children, health and retirement security and occasional family vacations” (2010; 10). Thus, people who have different levels of income can and do have a shared set of “middle-class” aspirations, regardless of whether, or how often, they are able to fulfill such aspirations.

The problematic result is that the concept of “middle-class” does not help explain how, when, or where exploitation of labor or expropriation of value through finance (or rent on real estate) occurs, nor who benefits and who loses as a result. On the contrary, the term “middle-class” serves to mystify and obscure the class relationship between those who produce value and those who accumulate it. Regardless of their relationship to exploitation or financial expropriation, almost everyone in the US can find a way to define themselves as being in the
“middle-class,” either based upon what they have or what they aspire to have. And most do. Though the percentage has decreased in the years since the Great Recession, the majority of US Americans still believe they are middle-class (Newport 2015). This belief persists even when the bottom 90 percent of US Americans average thirty-thousand dollars annually, a sum which looms dangerously close to the “low-income” bracket as defined by the federal government (Inequality.org 2015, ASPE 2018).

For this reason, class is used in this dissertation to refer to the explicit relationship of people and groups to the production, expropriation, and distribution of surplus-value. Linking class exclusively to surplus value may appear, at first glance, to be an oversimplified approach given the long and extensive history of theorizing class with relationship to property ownership (Kautsky 1911; Sweezy 1970), power relations (Weber 1946), political consciousness (Thompson 1964) or some combination of the three. Following Wolff and Resnick’s (2003) call to return to Marx’s own theorization of class as related to surplus value that he develops across the three volumes of Capital, this straightforward approach is both politically important in a moment defined by increasing economic inequality, and theoretically useful as the foundation of a more complex analysis of contemporary society. Property, power, and consciousness are not ignored by this definition but, to understand and challenge material inequality, are examined in relationship to who controls surplus value and how they maintain such control.

Furthermore, the term “middle-class” also fails to illuminate how hierarchical systems are based upon perceived racial differences that both facilitate and are perpetuated by exploitation and expropriation of surplus-value. When aspiration is all you need to be considered “middle-class,” it becomes easier to gloss over the huge material inequalities facilitated by racism in the US that stretch back to its colonial foundations defined by the displacement of indigenous people.
and enslavement of Africans and their descendants. Magically today, everyone who aspires to a certain style of life gets placed in the “comfortable” and “stable” middle strata, no matter how long they have been systematically oppressed because of the color of their skin or documentation status.

Rethinking the category of “middle-class” thus also requires careful attention to the ways that the continually developing systems of race and racism have in shaping everyday life in the US. Race is not a natural or inevitable system of categorization based upon observed physical distinctions between people but rather a human creation with significant social, political, and economic consequences that are lived daily. Racism, in turn, is not only discrimination and exclusion based upon skin color but a complex and often violent relation where one group gains social and material benefits at the expense of others. It is a conglomeration of “practices, structures, beliefs and representations” that convert phenotypical perceptions of difference into oppressive economic, social, and political hierarchies rooted in “subordination, stigmatization, exploitation, exclusion, various forms of physical violence, and sometimes genocide” (Mullings 2005, 684). Racism, importantly, is not merely an unwanted side-effect of systems of racial categorization but lies at their foundation. It is the driving force behind, and integral to the perpetuation of, human divisions organized around race (Ibid., 669).

Given these hesitations about using the term “middle-class” which include the urgent need to forefront an analysis of race and racism, I have two strategic conceptual clarifications. First, I identify my research participants as people who come from professionalized sectors of the working-class rather than as “middle-class.” The working-class, of course, is the group in society that creates, through labor in production or service, more value than they are paid by their capitalist employer (Marx 1867). The professionalized sector of the working-class, then, is
composed of those who help manage, organize, and replicate the people, institutions, and systems that make possible the immediate exploitation of others. They do not create surplus value directly but facilitate its production by the non-professionalized sector of the working-class. They are paid from the surplus value created by the working-class but the portion they receive pales in comparison to that accumulated by the capitalist class\(^3\) (Resnick and Wolff 2003, 19-20).

Second, I continue to label my research participants as white, but with the caveat that this label is much more than just a static description of their skin color but rather an attempt to contextualize my analysis within the historical development of race and racism in the US. People of color, and in particular impoverished people of color, continue to experience disproportionate levels of exclusion, exploitation, and oppression. Furthermore, they are the targets of some of the worst practices of predatory student loan lending at for-profit colleges that have left too many with meaningless degrees and piles of debt (Nasiripour 2015). It is thus worth asking: why should we care about the impact of student debt on professionalized sector of the white working-class? As I explain this second conceptual clarification, and tie it together with the first, I also respond to this important question.

Stretching all the way back to its foundation as a project of welfare colonialism\(^4\), citizenship in the US, and the political and economic rights that accompany it, has never been universal. Rather, it was conditionally granted to some while strategically denied to others. Race

\(^{3}\) The reality today is that there is a huge disparity between those at the top of the so called “middle-income” level and those with the highest income levels in US society: a difference of over four-hundred thousand dollars when comparing this “middle-income” group to the top five percent, well over a million dollars when comparing them to the top one percent, and nearly a seven million dollar difference when comparing them to the top tenth of the one percent (Inequality.org 2015).

\(^{4}\) Welfare colonialism is the process where, through economic dispossession and political subordination, colonizers make those whom they colonize dependent upon them for their welfare (Beckett 1988).
and race making have been part and parcel of this process. The millions of Europeans who arrived to the US, often escaping persecution, famine, and poverty back home, did not arrive fully formed as the white people we understand them to be today (Allen 1994; Painter 2010). Rather, they were gradually made white(r) in a series of cumulative moments that include but are not limited to: the colonial laws granting political and human rights to Europeans while denying them to African and Indigenous people (Buck 2001, 22-25), working-class positions in the slave economy that granted them psychological and physical power over black slaves (Du Bois 1935, 12), strategic alliances between European immigrant communities and the then pro-slavery democratic party (Ignatiev 1995, 75), and ongoing acts of racial bigotry (Ibid., 50) and mob violence (Ibid., 119). Continuing this practice, the GI Bill’s “affirmative action” for white(r) people granted a plethora of social benefits to European descended, male military veterans including widespread access to higher education (Katznelson 2005; Brodkin 1998).

In light of this broader history, labeling my research participants as white, and more specifically as members of the professionalized sector of the white working-class, is not meant to hastily stuff them into a static or unchanging category. On the contrary, it is intended to situate their identities within a longer, dynamic, historical process where political and economic elites have continually granted access to social, political, and material privileges to some working-class European descended US Americans while strategically denying them to most people of color. At the same time, these elites have attempted to placate the rest of the white working-class through social and psychological benefits while still largely excluding them from the material gains bestowed on their middle-class counterparts. Such placation occurs through the ongoing renewal of racist practices and institutions that reinforce the idea that “whites,” no matter their class position, are superior to “blacks” (Du Bois 1935; Allen 2001).
It is thus important to study the impact of the student debt crisis on the professionalized, white working-class [hereafter PWWC] because this group plays a critical role in the ongoing maintenance of race and class hierarchies in the US. I have chosen to use the term PWWC rather than “white, middle-class” to capture the fluidity of these formations and forefront this group’s current relationship to the production and distribution of surplus value, but the fact that most US Americans believe themselves to be “middle class” speaks to the power of this category to create and sustain a belief that upward economic mobility is possible for all.

Yet, in a prolonged moment of economic turmoil that has resulted in stagnant wages and a falling share of the national income for the so called “middle-class” (Bergeron and Duke 2014), the mobilizing power of the American Dream built upon this mythical, flourishing “middle class” has begun to wane. Much of the PWWC in the US emerged from the ranks of the working-class with help from the post-War economic boom and programs like the GI bill. The extra bit of income, however, that separated the PWWC from the rest of the working-class has steadily eroded since the 1970s because of increasing global competition, the replacement of skilled jobs with automation, and the strategic dismantling of labor unions in the US led to the decline of secure jobs with decent wages and benefits (Wartzman 2018). This has only increased since the 2008 financial crisis when banks foreclosed on the homes of millions of US Americans (Cassidy 2018) and financiers lost over 2.4 trillion dollars from their retirement funds (Ghilarducci 2015).

The PWWC attachment to the college dream and the fast-life responses that they deploy as they attempt to hold onto it amidst mounting student debt is very significant when understood within the broader decline of the professionalized sector of the white working-class. Given the important role of the “middle class” in maintaining US hierarchies of class and race, the
increasing economic strain and loss of social privilege that the PWWC is experiencing today may well mark a moment where these hierarchies begin to undergo major reorganization. Affect, or embodied responses to larger social, political, and economic forces, will thus be used as a window into the often small, on the ground, real-time shifts that are now occurring with the PWWC as they take on more and more student debt.

**Overview of Field Site: New York University**

New York University is an ideal site to examine the cruel attachment to the college dream held by many PWWC youth today. In a historical moment where PWWC families are feeling the strain of ongoing financial crisis and disappearing professional jobs, access to a prestigious university education gains even more importance to families looking to pass on their professional livelihoods to their children. As entrance to Ivy League and historically elite schools grows more competitive, newcomers to the circle of prestigious higher education institutions like NYU play a complex yet important role in catering to the desires of PWWC students. With the exorbitant price tag of an elite, east coast school, but without the massive endowment of a Harvard or Yale, NYU has become an institution that models a new strategy of debt-driven expansion on local, national and global levels. PWWC students at NYU have parents who earn too much to receive large amounts of need-based educational grants and scholarships, but too little to afford the institution’s extremely high cost of tuition. They are thus taking on more and more student debt so they can fulfill their college dreams of attending the most prestigious university possible. Chapter one will detail the transformation of NYU from a regional commuter school into a globally, recognized research institute. In the following pages, I will give a brief
overview of how NYU’s high cost and demographic composition make it a prime university to understand the effects of the student debt crisis on white, middle-income student debtors.

NYU is one of the most expensive university experiences in the US, more expensive, in fact, than many Ivy League institutions. Taking tuition and room/board together, NYU cost over sixty-five thousand dollars during the 2015-2016 academic year in which I conducted field work (The Chronicle of Higher Education 2018). Though it shares a price tag with many Ivy League universities, NYU has slightly fewer students from extremely wealthy families and more students from middle-income backgrounds. Eleven percent of NYU students come from families with annual incomes of over $630,000. This figure is significantly higher than most US public universities, even selective ones, and somewhat lower than many other elite, private schools. Families that make roughly between $20,000 and $100,000 annually are nearly 33 percent of NYU students, as compared to 25 to 30 percent of the students at other elite institutions and 40 to 50 percent of students at many of the fairly selective public universities⁵ (The New York Times 2017).

These family income demographics provide essential background information that frame this study. NYU is a prestigious and expensive school that—like other elite universities—attracts a significant population of students from the country’s wealthiest families. At the same time, NYU is also home to a large group of students from PWCC families who cannot afford to attend the university without substantial amounts of financial aid. Whereas Ivy League schools like Yale and Princeton have endowments of over twenty billion dollars, and Harvard over thirty-five billion (Powell 2017), NYU’s endowment is just over four billion dollars (New York University

⁵ The Big Ten schools (such as Illinois, Purdue, Michigan, Wisconsin, and Penn State) serve as a good example for the kind of selective public universities I am referring to. I choose the Big 10 as a reference both because it includes the flagship public university of eleven different states and because some of my research participants talk about these schools as places they considered but did not end up attending.
The results of these combined factors are multifaceted and complex but most notably, NYU students take on a significantly larger sum of federal student loans than their Ivy League counterparts. During the 2015-2016 school year, 35 percent of NYU’s over twenty-five thousand undergraduate students collectively took on over sixty-five million dollars in debt. Compare this to the 4 percent of Harvard’s nearly ten-thousand undergraduates who combined to take on only three million dollars in debt during that same academic year. At the same time, and despite a much smaller endowment, NYU still manages to provide much greater amounts of institutional scholarships and grants to its students than the Ivy League schools (National Center for Education Statistics 2018b; National Center for Education Statistics 2018a). While this may appear counterintuitive at first, NYU keeps up with other prestigious schools with bigger endowments by borrowing billions of dollars each year in the form of municipal bonds. Chapter one further explores this process.

Finally, it is important to note that NYU is also more “ethnically” diverse than most Ivy League and selective public universities: a little over a third of NYU’s undergraduate students are “white,” nearly 20 percent are “Asian,” just over 16 percent are international students, about 12 percent are “Hispanic/Latino,” and right around 5 percent are “black or African American.” Both Ivy League and selective public universities tend to be much more “white.” Forty-five percent of Harvard, Yale and the University of Pennsylvania’s undergraduate student body is “white;” nearly 48 percent of the undergraduate students at the University of Illinois are white, nearly 65 percent at Purdue, and over 70 percent at the University of Michigan (College Factual 2018). The “ethnic” makeup of NYU is significant for this research because the particular sector

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6 Unfortunately, there are no public statistics that breakdown NYU student demographics by “ethnicity” and income together. This makes it challenging to assess the exact “ethnic” makeup of student debtors at NYU. Given the fact that “white” students compose the largest demographic group at NYU makes it probable that the majority of student debtors at NYU are “white.”
of the PWWC it features was attracted to NYU precisely because it offers a diverse, cosmopolitan university experience. The liberal and often progressive politics of many of these students, exemplified by their desire to embrace diversity, also significantly shapes their response to life with student debt.

**Data Collection Methods**

From April of 2015 through May of 2016, I conducted field work at New York University and interviews with NYU students, alumni, and one person who left NYU after her second year because she could not afford to continue without taking on more student debt. Doing an ethnography of student debt is challenging because, general speaking, students understand debt as a personal issue that is dealt with individually. To overcome this challenge, my collection of data through participant observation occurred primarily in three spaces where debt was made a public issue: in protests and workshops organized by NYU’s Student Labor Action Movement (SLAM), at the *Life and Debt* workshop series that was organized collaboratively by an NYU Gallatin Student and professor, and the weekly meetings of the Gallatin Student Debt Collective that emerged out of the *Life and Debt* series during the 2016 spring semester. Within these three spaces and over the course of the academic year, I observed dozens of events, activities, marches, speak-outs, and meetings where life with student debt was discussed, untangled, lamented, challenged, and endured collectively.

This specific focus limited my data to the actions and testimonies of more politically active and progressive, PWWC students, the majority of whom attend or attended NYU’s Gallatin School for Individualized Study. In the annual student orientation at the start of the academic year, Gallatin’s Dean, Susan Walker, welcomed her incoming class of students as
“individualized, innovative, interdisciplinary, [and] awesome.” The students in this study are thus from a very particular subset of the PWWC. As NYU students, they are generally ambitious, go-getters, who seek adventure in a cosmopolitan, urban-center. As NYU Gallatin students, they attend a school where they design their own major, often combining academic disciplines in unique and creative ways. They tend to be more artistically inclined and more open to critical perspectives of the world around them and their experiences within it. And finally, as student activists, the majority of students in this study tend to be much more out-spoken about the injustices they perceive in their indebted college experience and willing to take organized, public action to confront them. While these students do not represent all or even most of the PWWC today, their experiences with debt do help build conclusions that can be generalized beyond this subset. Their stories exemplify a particularly strong version of the PWWC attachment to the college dream at an institution that is a global leader in the financialized reorganization of higher education today.

In addition to attending activities in activist spaces, I observed many other singular events that were important moments in my data collection process. Some of the more fruitful data collection experiences at NYU include: viewing *The House Edge*, a student led theater piece that analyzed and satirically critiqued student debt at NYU; participating in a campus tour led by a student “ambassador;” streaming the 2016 NYU graduation live; and attending the NYU Gallatin College Graduation ceremony in person at the Lincoln Center. Furthermore, a four-day trip to the US Department of Education’s 2015 Federal Student Aid conference was immensely useful towards understanding the relationship between campus financial aid officers and the federal government. This was even more so because I spent the conference in close contact with a
current financial aid office coordinator from one of the City University of New York (CUNY) schools.

Across the spring semester, I conducted semi-structured interviews with seven of the debtors that I had been observing, as well with three alumni and the debt “dropout” who I connected with through snowball sampling. Interviewing cohorts of current students, graduates, and one “drop-out,” allowed me to follow up on my initial observations, gaining further detail and insight into what I was seeing and hearing. After first asking for basic facts about the amount and types of student loans they held, I would usually ask my research participants about the meaning of higher education within their families. In answering this question, participants gave me insight into who in their family had attended college, what kinds of work their family members did, and how their own relationship to the idea of college developed as they were growing up. Following this query, I would usually ask how they ended up at NYU before inquiring about how debt shaped their experiences there. If they were graduates or “drop-outs” I would ask about their financial, work, and social lives after they left NYU. To finish, I would end with the question of how debt impacts their future hopes, plans, and goals.

In addition, statistical and archival research were a crucial complement to my first-hand observations and interviews. Reading the history of NYU against the backdrop of a changing global economic context and national educational policy is indispensable towards understanding the present-day student debt crisis. Statistics about the rising cost of tuition, growing number of college students, and stagnant family incomes do not tell the whole story, but do help to succinctly highlight some of its major underlying tensions. Moreover, delving into the connections between US institutions of higher learning and growing financial markets also reveals how the fate of education today is integrally tied to both the debt students take on to pay
tuition, as well as the debt universities take on to fund their own expansion as they attempt to remain relevant in an increasingly competitive higher education market.

Finally, it is important to say a word about my own subject position as the participant observer, data analyzer, and author of this dissertation. As the son of two life-long inner city public school teachers in the mid-west—and with grandparents who grew up in rural areas, some of whom were family farmers—I also consider my own background to be that of the white, professionalized, working-class. I mention this here to be transparent about the perspective from which I am writing and to clarify my own subject position in relation to my research participants. While my college experience at a small, liberal arts college in rural Indiana was very different than my research participant’s experience of attending NYU, I can very much relate to their attachment to the college dream. I too have no memories before I knew I would go to college and was raised with the belief that I would attend a competitive, private university away from home. The allure of being a student in New York City also eventually brought me to the Big Apple where I eventually undertook this academic project as a graduate student. In the pages to come I am both critical of the PWWC attachment to the college dream as well as sympathetic to the choices that the PWWC make given the broader political, economic, historical contexts in which we have been raised.

Argument and Chapter Summaries

The financialization of education has turned the university experience into a moment of cruel optimism and fast life for many members of the professionalized, white working-class. While it is too early to conclude definitively, there are early indications that the student debt crisis is opening the PWWC to aspects of slow death—the gradual deterioration of lives in the
attempt to maintain them—unexperienced by recent generations. Chapter one tells the story of NYU. In its rapid rise from regional commuter school to internationally recognized university over the past four decades, NYU exemplifies the progression from corporatization to financialization that has become commonplace in many US institutions of higher education today. In response to global economic downturn, the US government slashed tax bases, leaving universities to scramble for new sources of funding. Corporate sponsorship on college campuses became commonplace. Once in the door, business leaders helped remake universities, turning education into a financial asset and student debt the only way to keep up with rising tuition.

Chapter two examines the push and pull factors that bring many progressive PWWC youth to NYU even though they must take large amounts of student debt to do so. Growing up with the expectation that they were always heading to college—and set in the belief that their educational and life goals cannot be realized at a state school—these students are attracted to NYU and New York City for its promise of cosmopolitan diversity, urban adventure, and growing international prestige. They also hope to escape their families and hometowns where they feel constraints to their individualism and possibilities for personal growth.

Chapter three explores the moments where school optimism turns cruel. The insignificance the students in this study place upon signing the promissory note to take out their loans foreshadows just how unprepared they are for college life with student debt. The moments where their optimism becomes entangled with the financial uncertainty of their debt manifest themselves through the affective genres of silence, humor, and stress. Interactions between debtors and non-debtors, as well as relationships between debtors and their families, are frequently sites where the cruelty of the college attachment is revealed.
Chapter four unpacks the fast-life responses that these WPWC student debtors take as the realities of the indebted student experience become increasingly clearer to them. Hoping to stave off the narrowing impasse as they approach debt repayment, these debtors take a variety of actions while in school including paid work, debt activism and protest, dropping-out, and satirically critiquing their circumstances. Studying the fast life choices of these student debtors also unveils the parallel fast lives of many universities today that find themselves taking their own massive sums of debt as they scramble to stay competitive in a growing global market of higher education.

The conclusion provides a brief window into the lives of a few of my research participants after graduation before offering a few thoughts about the challenges and possibilities of breaking free of the PWWC attachment to the college dream. In unpacking the comparisons other have made between the current student debt crisis and colonial indentured servanthood, I argue that the claim that student indebtedness parallels previous practices of indenture is an oversimplification. There are many similarities between the two; but rather than simply mirror previous practices of colonial indenture, the student debt crisis may be better understood as the bookend of one particular race and class formation in the US that began with the calculated division of European descended indentured servants from their African descended counterparts. The ongoing project of bestowing privilege and the possibility of upward mobility on those who we have come to understand as white(r) in the US has now been severely complicated by the effects of student debt on the PWWC. Given these complications, the PWWC walk a road that forks in two very different directions: they can double down on their attachment to the college dream and the race and class hierarchies in which it is embedded; or they can work to let go of this attachment and the promise of the “middle-class” good life that it has come to represent, as
they contribute to broader struggles to end oppressive race and class systems in the US and beyond.
Chapter 1 // The Financialization of Higher Education

Over a hundred million dollars in student loan debt gathered in Yankee Stadium and no one said a word. It was a crisp May morning in the Bronx and the sun broke through the clouds just in time for the start of the New York University (NYU) graduation ceremony. “We can see the power of the class of 2016,” began William Berkley, NYU business school alum, CEO of the WR Berkley corporation, and chairman of the NYU board of trustees, “as they will the clouds to part for this wonderful day.” The lower level of the stadium was a blur of graduates in purple gowns and black caps; the upper deck a colorful sea of parents, families and friends. Tents, violet and white, covered the infield, a podium rested beneath the center canopy, and Berkley stood behind it leaning into the mic. “The nation’s earliest universities were founded as ivory towers, removed from society that surrounded them,” he continued with confidence. “NYU’s model, from the beginning, has been otherwise: to immerse ourselves in that society. True to our founder Albert Gallatin, we have translated his magnificent vision of a university that is in and of the city to one that is also in and of the world.”

In the place of baseball pennants, NYU banners flew above the scalloped, white arches of the picket fence-like frieze lining the stadium’s upper deck. A gust of wind picked up, sending the white torch emblazoned on the iris flag into a jig. “We share with the city a notable history of struggle and achievement.” Berkley reminded the crowd. “We have weathered tough financial times when New York’s fortunes faltered in the 1970s. We stayed strong. Through the days after 9/11 and today, we are prospering in a city that constitutes a magnificent reservoir of cultural and intellectual talent.” NYPD lined the field, staring intently into the crowd, prepared to confront and contain the unruly spectator, the on-field streaker, or, heaven forbid, the terrorist attack. “Our exceptional faculty and students flourish at Washington Square and in our other major
centers throughout New York from Greenwich Village to our health corridor on First Avenue in Manhattan, and now over the river to the great borough of Brooklyn.” Staring out through his tinted reading glasses, Berkley concluded, “Beyond New York a true global network of talent and ambition thrives at two other degree-granting campuses at Abu Dhabi and Shanghai, as well as eleven global academic centers operating on six continents, from Accra to Sydney to Florence to Buenos Aires and Prague to Berlin, to Madrid and Tel Aviv, London and Paris and Washington DC.”

Speaking before thousands of students and families now burdened with massive sums of educational debt, Berkley neatly summarized the current recipe for the financialization of education: increased university attendance as “ivory towers” now “immerse” themselves in a society where a college degree has replaced the high school diploma as the minimum hiring requirement for ever more scarce professional jobs; decreased city, state, and federal support for higher education amidst ongoing capitalist crisis and the austerity politics administered in an attempt to fix it; and the sprawling expansion of corporatized and now increasingly financialized universities across urban centers and the entire globe. Unmentioned in the celebration of NYU’s storied history and globalizing present was the massive amount of student debt sitting in the Yankee stadium bucket seats that morning. In a national context where millions of US Americans now collectively hold trillions of dollars in student debt, mapping NYU’s emergence as a global leader in debt-driven educational expansion sheds light on the complex dynamics of the financialization of higher education today.
Let it be named MANHATTAN UNIVERSITY, or the UNIVERSITY OF THE CITY of NEW-YORK, or give it any other significant title that may be agreed upon. Let it be located in some central part of the city, and have for its accommodation a building or buildings, substantial, commodious and plain. Let it be supplied with a well-selected and extensive library in all the departments of human knowledge, with specimens for illustrating Natural History, and an apparatus for conducting the various experiments in Natural Philosophy. Let Professors be appointed to teach every branch of human learning. Let the University thus founded be open to all persons of good moral character, and sufficiently instructed to avail themselves of its privileges. Let them attend one or more courses, as shall suit their capacity or their intended profession or occupation in life. And, lastly, let the benefits of the University be attainable at an expense so moderate that no respectable person need to be excluded on this account. Such is an outline of the plan proposed.

-Lewis Morgan, Hugh Maxwell, & Edward Grattan, *Considerations Upon the Expediency and the Means of Establishing a University in the City of New-York: Addressed to the Citizens*

Of the 175 shareholders who financed the founding of New York University in 1831, most were merchants, bankers, lawyers, and clergymen (Frusciano and Pettit 1997, 8-9). They were buying into a vision for a new and different type of university, one based upon the idea of education that could meet the growing needs of white middle-class men, and not just their economically elite counterparts in New York City (NYC). Columbia University, the oldest institution of higher education in NYC that still remains today, had already been in Manhattan for nearly eight decades but was “aristocratic in social attitude and resolutely classical in curriculum” (Bender as cited in Roff, Cucchiara, and Dunlap 2000). In contrast to this elite vision for university education, NYU’s founders were inspired by institutions like the University of London that were dedicated “not only to the classics and religion but also to modern languages, philosophy, history, political economy, and physical science-subjects” (Dim and Cricco 2001, 20). Captivated by this approach to higher education, a group of nine “prominent citizens” (Frusciano and Pettit 1997, 5) gathered at the home of clergymen James Mathews in
December of 1829. Solidifying discussions that went back more than five years, one member read out loud an address that captured the educational vision espoused by this mix of NYC leaders in finance, law, science and religion (Ibid., 5-7). “Let it be located in some central part of the city” (Lewis, Maxwell, and Grattan 1830, 6) he pronounced before the group. “Let [students] attend one or more courses, as shall suit their capacity or their intended profession or occupation in life” (Ibid., 7), he continued. “And, lastly, let the benefits of the University be attainable at an expense so moderate that no respectable person need to be excluded on this account” (Ibid.). And so began New York University.

Financial uncertainty, however, has defined NYU from the very beginning. Massive debt accompanied the construction of the university’s first permanent home in 1835, a huge neo-Gothic building on the northeast corner of Washington Square built “of marble from the quarries of Sing-Sing” (Woodworth, Morris, and Willis 1834 as cited in Dim and Cricco 2001, 27). This act of “extravagant expansionism” (Dim and Cricco 2001, 27) on the part of the university’s first Chancellor, James M. Mathews, brought financial peril and his eventual resignation in 1839. To clear this debt that still lingered into the mid-1860s, NYU’s third chancellor, the Reverend Isaac Ferris—with help from the Dutch Merchant, Myndert Van Schaick—solicited donations from wealthy families in and around Washington Square Park (Ibid., 31). Financial precarity, however, would soon return when NYU’s fourth chancellor, the Presbyterian minister Howard Crosby, decided to offer free tuition in 1871. This was a “tactical error” (Ibid., 34); despite the university’s originary mission to serve NYC’s middle class, higher education in general across the nation continued to be “a prerogative of the elites” (Frusciano and Pettit 1997 as cited in Dim and Cricco 2001, 34). NYU was no exception. The new tuition policy “alienated” (Dim and Cricco, 34) well-to-do alumni donors who saw the school as becoming a charity institution. To
make matters worse, over $100,000 of the institutions endowment disappeared at the same time in a failed stock venture with the Jersey Central Railroad (Ibid.).

By 1881, the university found itself in major crisis and on the brink of closing. Enrollment had plummeted as free tuition continued to repel, rather than attract children of the elite in the city (Frusciano and Pettit 1997 as cited in Dim and Cricco 2001, 34). NYU was not the only university in New York City struggling to find its place in a society where clergy leaders and business elites had vastly different opinions about what universities should do and who they should be for. Even the College of the City of New York—what today has grown into the City University of New York (CUNY) with a long history of serving the city’s working-class—was a school composed of male students largely from the PWWC in the mid to late 1800s. Despite offering free tuition and with the vision that “children of the rich and poor [would] take their seats together” (Roff, Cucchiara, and Dunlap 2000, 4), CUNY’s curriculum in the early years imitated that of Columbia with an emphasis on Latin, Greek, and classical literature. Despite being cost free, the majority of families in NYC could ironically not afford to send their sons to a school where they would study subjects “scarcely relevant to the world of work” (Gorelick 1982, 5).

Suffering a crisis of identity and lacking many of the quintessential elements of the US college experience—a defined campus space, dormitories, and athletic teams—NYU’s future looked bleak. This, in addition to the conversion of the Washington Square Park area into a growing commercial and industrial district (Jones 1933 as cited in Dim and Cricco 2001, 35), made NYU appear as a “sorry place” (Ibid., 36) to the average youth of the time. A solution emerged in 1894 under the guidance of NYU’s sixth chancellor, Henry Mitchell MacCracken: move the core of the university from Washington Square Park to the “then distant borough of the
The NYU University Heights campus in the Bronx was designed by nationally recognized architect, Stanford White, and featured “spacious dormitories, generous athletic fields, and multiple classrooms and laboratories” (Ibid.). Under MacCracken’s leadership, the university finally began to fulfill its founding vision (Ibid., 37).

The turn of the century brought a new influx of immigrants, many of whom were Jews from Central and Eastern Europe who came to New York fleeing religious persecution and searching economic opportunity. NYU, with its “reasonable tuition and emerging heritage of academic distinction” (Ibid., 41), was a good fit. Attendance began to rise, from 280 students at the start of the 20th century, to nearly one-thousand by 1910, to even more when the Interborough Subway System finally connected Manhattan and the Bronx in 1917 (Ibid.). Despite this immigrant fueled growth, NYU could not escape the dominant anti-Semitism rampant in higher education at the time; like many other universities in the early twentieth century, they placed a cap on the number of Jewish students in order to—in the words of a NYU Dean at the time—“contain elements from any source in such proportions as to threaten our capacity for assimilating them” (Steinberg 2001, 237-238)

As the NYU University Heights Campus was growing, major changes were also taking place at Washington Square. The original, neo-Gothic building was demolished and replaced by the NYU Main Building, which still stands today. The School of Commerce, Accounts, and Finance—today known as the Stern School of Business—opened in 1900. Housed together within the main building with School of Law and Schools of Pedagogy, the School of Commerce was a two-year program that offered classes Monday through Friday from 8 to 10 pm to meet the needs of a working student population. Enrollment flourished, growing from sixty students in 1900, to 441 in 1905, to over two-thousand by 1913 (Dim and Cricco 2001, 43). While the
institution’s first one hundred years were marred with frequent financial peril, as New York City began to grow rapidly in the early part of the 20th century, so too did NYU.

Growth

Fearing a wave of mass unemployment when millions of US soldiers returned home from service in the Second World War, Congress enacted the GI Bill in 1944. As briefly noted in the introduction, the GI Bill provided an abundance of benefits to mostly white male military veterans: unemployment insurance, health and counseling services, access to home mortgages, as well as grants for tuition, books, and living expenses for any educational program. Close to half of the fifteen million military veterans took advantage of these educational benefits in some form; enrollment in US institutions of higher learning doubled in the six years following the War as two million veterans attended college with help from the bill. Furthermore, this legislation helped establish the idea that higher education in the US was no longer just for an elite few (Cohen 2010, 194).

The impact was noticeable at NYU. Over twenty-five thousand veterans enrolled in the university for the 1946-1947 academic year, and the total student body grew to upwards of sixty thousand students (Frusciano and Pettit 1997, 198). The large increase in applicants after the War allowed NYU to raise the bar on entrance requirements and increase curriculum offerings. Both tuition and faculty salaries increased (Ibid.) and NYU began to set its sights on becoming a nationally recognized institution. To do so, NYU would need to expand both of its core professional schools, those of law and medicine. With help from John D. Rockefeller, and other private donors, the New York University Bellevue Medical Center took shape across the 1950s until construction was complete in the early 1960s. The eleven-acre stretch along the East River
was complete with a new academic building, a university clinic, a teaching hospital as well as a residence hall for medical students (Ibid., 203). The plan to construct a law center on the southwest corner of Washington Square, however, was met with protest by Greenwich Village community members. Fearing a “threat to community life” (Ibid.) and setting the foundation for future community opposition to NYU expansionism, community leaders formed the “Save Washington Square Committee,” circulated petitions, and held rallies with hopes of stopping the eviction of nearly three hundred residents who lived on the proposed construction site. Despite local resistance, NYU plowed ahead with its construction plans and the Law Center opened in 1951 (Ibid., 208). This initial disregard for community opposition became the norm across the 1950s, as NYU continued to buy land and expand its campus across Greenwich Village (Ibid., 208-212).

NYU’s post-War growth was reflected in institutions across the nation. University enrollment grew nearly ten-fold, from just over a million and a half students in 1945 to a little bit more than eleven million in 1975, and over two hundred new institutions of higher learning opened their doors during this time (Cohen 2010, 188). Following the initial push of the GI Bill, federal legislation continued to support this boom. In response to the Soviet Union’s launching of Sputnik, Congress spent a year crafting the 1958 National Defense Education Act (NDEA) which directed funds to emphasize and strengthen the teaching of science, math, and foreign languages at all levels of education (Shermer 2015). By the mid-1960s, as baby-boomers came of university age, it was clear that NDEA funds alone could not keep up with growing demand for higher education (Ibid.). In addition, the Civil Rights and Women’s Rights movements helped bring about policy changes that increased access to university education (Soederberg 2014, 109).
The growth of US higher education in this period also marked a time of major reconfiguration of the educational market structure. What had previously been a collection of small, geographically isolated markets where colleges and universities in close proximity competed with one another to attract a small pool of local applicants was steadily becoming a highly competitive, regional and even national, education market. Increased competition pushed individual schools to offer a higher quality education which meant increasing money spent on infrastructure, administration, and professors; and this increased spending usually correlated with a rise in tuition costs (Hoxby 1997, 1-2). While it would take a few decades for this competition between schools to really ramp up, the roots of the massive increases in college tuition seen in the last decades stretch back to increased access and demand for higher education and the corresponding structural shift of the higher education market.

In 1965, the Higher Education Act (HEA) was implemented to support the post-War higher education boom. While the original HEA legislation focused on giving direct financial support to universities, it also included a seemingly inconspicuous section on the creation of student aid programs—grants, work study opportunities, and low-interest loans—tucked away in the middle of the act (Shermer 2015). These initial student aid programs would subtly lay the groundwork for the collaboration between universities, the federal government, and the finance sector that drives the student debt crisis of today.

Not all was well at NYU, however. The institution had taken big strides in the post-War era to change its reputation as a school with “no admission standards,” where a “live body with cash was almost assured of admission,” as one professor reflected (Baldbridge 1971 as cited in Frusciano and Pettit 1997). But by the 1970s, the drive to become a nationally recognized university and the flurry of expansion in the fifties and early-sixties began to backfire. Raising
admission standards and tuition had only led to decreased enrollment and overall revenue (Surak 1993). NYU pressed ahead with its drive for national prestige, but something had to give. In 1973 the university opened Bobst Library at the southeast corner of Washington Square. It was one of the biggest open-stack research libraries in the country at the time and representative of the overall changes to the Greenwich Village Campus (Dim and Cricco 2001, 49). This landmark event, however, happened in the same year as a massive financial transaction committed out of desperation: the sale of the University Heights Campus in the Bronx to the City of New York. This financial exchange allowed NYU to pay off its forty million-dollar debt, as well as add over thirty million-dollars to its endowment (Ibid., 47).

Tension

NYU’s financial struggles in the seventies took place amidst broader global political economic crisis that would have serious repercussions for government support of higher education in the US moving forward. In response to massive economic changes such as the formation of OPEC, Europe’s post-War recovery, and the emergence of Asia’s export economy, transnational capitalists collaborated with national governments to restructure both state and economy. Over the course of the final decades of the twentieth century, they ushered in a new phase of global capitalism that replaced the rigidity of Fordist assembly line economics with a more flexible system of finance, production, and consumption (Harvey 1992, 141-145). The

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7 SLAM members note that the sale of the University Heights Campus in the Bronx occurred amidst the organization of NYU Clerical workers who were demanding union representation. NYU administrators argued that workers at the Bronx University Heights Campus, workers who were isolated from the union organizing campaign and inundated with anti-union messages, should be eligible to vote in the election for union representation. The Bronx campus workers were given the vote and most voted no, turning the tide against union representation at NYU. Just after the vote, NYU administrators announced the decision to sell the University Heights Campus (Krause et al. 2008, 115)
slashing of corporate taxes to further reduce production costs and attract investment was one significant political and economic policy decisions that accompanied these broader economic shifts (Ibid., 178).

It was in this context that government funding for higher education, which had been on the rise through the fifties, sixties, and early-seventies, began to stagnate and decline by the start of the eighties (Gumport et al. 1997, 30-34; Fergus 2014). While government support decreased in these decades, demand for university education continued to grow, fueled both by the momentum of increased access to higher education in previous decades as well as the broader economic shifts that were steadily eliminating industrial jobs and placing new expectations for training and education upon the workforce. Furthermore, the national educational market continued to become increasingly competitive as more and more students left their home states to attend school. This competition drove up both the quality and cost of colleges and universities (Hoxby 1997, 1-2). With less funding, more expenses, and a growing applicant pool, something had to give.

Two important changes in higher education legislation thus occurred in 1972. First, the federal government reauthorized the HEA and included the expansion of federal aid in the form of the Pell Grant, which was money explicitly designated to help low-income students pay for higher education. Second, they initiated the Student Loan Marketing Association, or Sallie Mae. This originally public, and later private, government sponsored enterprise was set up to “raise capital and ensure liquidity to assist in guaranteeing federal student loans” (Soederberg 2014, 107). To entice private financiers to invest their capital in student loans, Sallie Mae was given government permission to service, buy, bundle and resell, student loans that were dispensed, guaranteed, and subsidized by the federal government (Ibid., 109). In short, Sallie Mae facilitated
a relationship between the government and private capital that made investing in student loans both highly profitable and completely risk free; if the debtor failed to repay, the government picked up the tab. Sallie Mae would play a key role in the federal government’s transition from a provider of student aid to a manager of student loans. When, under President Reagan, federal funding was slashed by over 25% between 1980 and 1985—594 million dollars in student assistance and 338 million dollars in Pell grants to be exact—a mechanism was already in place to provide students with loans instead of the government aid they had received previously (Fergus 2014).

Crisis

The broader global economic transformations of this time also had direct effects on the financial health of New York City. On October seventeenth of 1975, NYC faced quite a dilemma; the following afternoon, over four hundred million dollars in debt would come due, yet the city only had thirty-four million dollars on hand (Nussbaum 2015). NYC’s Medicaid and social welfare programs, which had been amply funded by the federal government in the fifties and sixties, had to be paid for with bank loans when this government funding was cutback in the seventies. Furthermore, the profitability of NYC’s manufacturing industry base had been undermined by the same global economic shifts described above. This, in addition to the flight of the city’s white middle class to the suburbs, had undermined New York City’s tax base, leaving it heavily dependent on debt to finance its daily operations. When the entire nation began to feel the effects of these new economic pressures, the banks came calling on NYC for repayment (Phillips-Fein 2013). If not for the New York Teacher’s union’s last minute decision to pay off a
significant portion of the city’s debt from their pensions, NYC would have gone bankrupt (Nussbaum 2015).

Even after barely emerging from the fiscal crisis of the 1970s, NYC was still a far cry from the global business and tourist capital for which it is recognized today. In fact, it took a concerted effort by NYC elites to transform the image of the city “from that of a cesspool of disorder, dirt, crime, and racial unrest to that of a modern, cosmopolitan, orderly, business-and tourist-friendly city” (Brash 2011, 104). To do so, these elites implemented a two-pronged strategy: first orchestrating strategic marketing campaigns such as the now universally recognized “I ♥ NY” slogan; and second, using state policies to boost the post-industrial and real estate sectors of the NYC economy while making “invisible poverty, crime, and the city’s working-classes” (Ibid.).

While this strategic push hit a speed bump with the economic recession and stock market crash of the early 90s, the 9/11 terrorist attacks “catalyzed a new round of rebranding” (Brash 2011, 104) led by Mayor Michael Bloomberg who took previous strategies to new heights. Bloomberg’s 2003 State of the City address laid out a “comprehensive and coherent economic development strategy” (Ibid., 112) organized around the idea of building the brand of New York City as high end, luxury product. Bloomberg fully understood that NYC would never be able to compete with other cities to attract businesses based upon cost; expensive real estate and high business taxes made that impossible. What NYC could offer, in a manner unparalleled by any other city in the world, was a combination of highly talented labor force with the “excitement” of the city itself: the hard to measure but ever-present mixture of “culture, diversity, density, and cosmopolitanism” (Ibid., 109) at the center of its urbanism.
At its root, cosmopolitanism is the belief that humankind is essentially one. It is a claim to universalism that treats the human species as a singular subject, while recognizing differences as integral to the unity of all humans (Fine 2007, X, XVII). Given this definition, there is seemingly a glaring contradiction in Bloomberg’s strategy of simultaneously invisibilizing poverty and working people while using cosmopolitanism as a selling point to attract the corporate elite. Seen from a different angle, however, elite cosmopolitan aspirations are also the perfect justification for the ongoing impoverishment and exploitation of the working-class. Difference, class difference included, can be written off as a natural component of human unity. Rather than abolished, it can merely be controlled, contained, and geographically reordered. The rebranding of NYC as a “luxury” city was thus an integral piece of a broader class project that—in touting “culture and diversity” and embracing a particular vision of cosmopolitanism—remade the city as “both a good place to do business and a good place to be a businessperson” (Brash 2011, 129).

The economic shifts that helped generate New York City’s financial crisis also had significant consequences for higher education in the city and beyond. In 1976, CUNY began to charge tuition for the first time in 1976 after operating for over one hundred and thirty years cost-free (Renfro 1999). This occurred less than a decade after community and campus mobilization helped usher in an open-admissions policy that gave unprecedented college access to working-class African-American and Hispanic city residents (Newt Davidson Collective 1974). The imposition of tuition costs, however, complicated this grassroots push towards open-admissions. While many working-class families still received a tuition-free education at CUNY, students from families with professional incomes now had to pay. Many of these students, and particularly those PWWC students who were looking for a free alternative to private colleges and
state universities, began to turn elsewhere. The result was that CUNY was left with a much higher concentration of working-class students of color, many who were educated in struggling New York City public schools that were suffering from the same funding cuts (Renfro 1999). By the turn of the twenty-first century, CUNY would come under attack for admitting under-prepared students with low graduation rates and longer than average time to degree completion. These attacks helped justify CUNY’s own decision to raise tuition and admissions standards while increasing corporate involvement in the first two decades of the new millennium (Schmidt 1999).

Public universities in the US, however, were not the only ones to suffer under crisis and tax cuts. Even Columbia, Harvard, Princeton, and Yale operated under a deficit in the early seventies (Schrecker 2010, 159; McCaughey 2014). At NYU, the university’s pre-existing financial problems were only exacerbated by the decrease in government support of education and this was only made worse by the declining economic health of NYC. Amidst the financial crisis of the early seventies, city residents became less willing to pay for their children to attend a private university, less still given the fact that the CUNY system was tuition free until the latter part of the decade (Honan 1995). So, in addition to the sale of the University Heights Campus in 1973, NYU was forced to sell of the C. F. Mueller Company in 1976, a pasta factory that was technically owned by the NYU law school. The university administration was eager to more widely spread the profits from the pasta factory that had helped the law school thrive in the midst of the decline of the broader institution as a whole (Dim and Cricco 2001, 49).

NYC’s financial crisis also provided a window of opportunity for Martin Lipton to start down a path of leadership, both at NYU and within the city itself. Lipton, a NYU law school alum, corporate lawyer, and NYU adjunct professor of law, played a significant role in resolving
the financial crisis of both the city and the university. In 1975, he was a member of the legal team that represented the city of New York during the financial turmoil, helping them to negotiate a deal with the banks that allowed them to roll over their debts (Harper 2013). He was also a key actor in the sale of the Mueller pasta factory. It was his legal expertise that helped broker a deal between the law school and the greater university that divided the 115 million dollar profit from the sale in a way that allowed NYU as whole to “embark on a grand plan” of overall improvement, while simultaneously providing the law school enough of the money that it could continue to grow (Dim and Cricco 2001, 49).

The deal also created a clause that guaranteed the law school the permanent right to nominate four trustees for election to the NYU Board. The stated purpose of this clause was to provide oversight to the law school portion of the university endowment, while preventing the university from overtaxing the law school (Lipton 2016, 6). While seemingly inconspicuous, this aspect of the deal would influence the direction of the university for years to come. Lipton himself was one of the first law school nominees and became a member of the NYU Board of Trustees at the end of 1975 (Ibid.). He would go on to become chair of the NYU Board in 1998 and be a significant player in the events leading to the increasing corporatization of the university in the eighties and nineties, followed by the financialization of the institution that picked up speed at the start of the new millennium.

**Corporatization**

The sale of the Mueller pasta factory was crucial to salvaging NYU’s financial future, but alone it was not enough. With enrollment declining, inflation rising, and government support for education decreasing, the late-seventies at NYU were a “wrenching, cost-cutting period” (Dim
and Cricco 2001, 50). Nevertheless, with the profits from the Mueller transaction and continued cuts across the board, the 1976-1977 academic year saw NYU issue its first balanced budget since the late-sixties (Ibid.). After nearly 150 years as a struggling regional commuter school, NYU was finally in position to make a move towards becoming the nationally recognized institute its administrators had long aspired for it to become. And what a move it was.

From 1984 to 1994, NYU fundraisers averaged two million dollars a week for five hundred weeks (Honan 1995). The source of this unprecedented growth was the increasing connections between their board of trustees and the corporate sector. It all started with the chair of the board, Laurence Tisch. Tisch was an NYU business school grad and one of the original members of the Forbes 400. Throughout his long business career, he made ventures in hotels, movie theaters, insurance, watches, tobacco, oil and natural gas. He famously bought a quarter of the shares for the CBS broadcasting company when CNN attempted to purchase it in the eighties, before turning around and selling the company for a profit ten-years later (Ackman 2003). In 1988, Tisch donated thirty million dollars to NYU and other members of the board from the corporate sector quickly followed suit. Leonard Stern, the owner of the NYC commercial real estate firm, the Hartz Group, made a matching donation soon after. Furthermore, NYU Board Members like George Heyman of Lehman Brothers and Alan Greenberg of Bear, Stearns used their large networks in the corporate world to help generate funds for the campaign (Honan 1995).

The billion-dollar campaign ushered in what some at NYU refer to as the institution’s “Golden Age” (Dim and Cricco 2001, 55). Over half of the money raised went into the renovation of the Washington Square Campus. NYU built, bought, or remodeled twenty-two buildings, including eleven dormitories to house the new influx of students from all-across the
nation. The university raised the average Scholastic Assessment Test (SAT) score of entering students, making it one of the more selective schools in the country, and high profile faculty were hired to fill eighty-eight new department chairs (Honan 1995). With the help of corporate donations, and a mixture of “aggressive entrepreneurship, creativity, opportunism, [and] a willingness to take risks” (New York University 2008), NYU had catapulted itself into the nation’s top tier of universities (Honan 1995).

NYU was far from the only US university in the eighties and nineties to witness the encroachment of corporate culture on campus. In fact, higher education and private corporate interests merged in a myriad of ways that included: the corporate branding of sports teams; the conversion of university food and retail services into corporate chains; the corporate funding of research projects, individual researchers, and even entire research departments; and even the installation of some of the corporate sector’s biggest names into university administration. While some (such as former Harvard President, Derek Bok) limit their definition of the corporatization of higher education to profit-making from “teaching, research, and other campus activities” (Bok 2005, 3), Giroux’s (2002) has a broader view of the expansion of “corporate culture” into all aspects of contemporary society. Giroux’s analysis is a more useful starting point for this conversation, particularly when trying to understand how the corporatization of universities opened the door for the increasing financialization of US higher education.

According to Giroux, corporate culture is composed of both ideological and institutional forces that combine to govern the life of an organization using both politics and pedagogy. Within the hierarchal structure of the corporate workplace, and guided by beliefs and practices oriented around the pursuit of profit, senior managers work to shape and control compliant workers, consumers, and citizens. The type of citizenship strived for by this worker-consumer
becomes an “utterly privatized affair, whose aim is to produce competitive, self-interested individuals vying for their own material and individual gain” (6). In this way, the values held by those at the top of the corporate hierarchy are projected at and through those at all other rungs of the corporate ladder, even if the material gains generated by this system are not distributed throughout that hierarchy with the same zest. The corporatization of higher education is thus not just the drive to make universities profitable, but a deeper change within the operating principles and practices of contemporary universities. Moreover, it is not only how corporate administrators manage and operate universities towards specific ends, but also how university students are implicated by the corporate university as researchers, consumers, and citizens.

The corporatization of higher education pushed the reorganization of the university under specific political and economic interests to new heights. When generating profit became a primary goal of higher education, the results ranged somewhere between the insidious and the absurd. The Kmart Chair of Marketing at Wayne State, the Taco Bell Distinguished Professor of Hotel and Restaurant Administration at Washington State University, the Yahoo! Chair of Information-Systems Technology at Stanford University, and the Lego Professorship of Learning Research at Massachusetts Institute of Technology are just a few of the corporate sponsored faculty positions that popped up across the eighties and into the nineties (Klein 2009, 101). The biotechnology company, Novartis, went as far as funding the entire Department of Plant and

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8 Before giving further detail about the changes corporatization brought to universities, it is important to recognize the error in idealizing the pre-corporate university as a site where critical inquiry reigned and bias-free, intellectual growth was continually championed by administrators and faculty alike. This of course, was not the case; education is always connected to particular political and economic interests (Gramsci 1971), and the development of higher education in the US is no exception. We need only to look at US higher education in the fifties and sixties to see one example of how this plays out. Expanded access to, and increased funding for, higher education after World War II was largely driven by Cold War desires to outdo the USSR in science, industry, and military might. This was by no means an era of intellectual freedom as anti-communist McCarthyism played a devastating role in silencing dissenting viewpoints at universities (Rahdert 2007).
Molecular Biology at UC-Berkeley in 1998 (Schrecker 2010, 176). In fact, from 1980 until the mid-nineties, corporate funding increased at universities from $235 million to $1.2 billion, helping to fill the void left by decreasing government funding (Soley 1995 as cited in Fox 1997, 237).

Conflict of interest between academic integrity and corporate desire to publish research that supported their products, occurred all too frequently. This was especially the case in the testing of new pharmaceutical drugs, that, by the new millennium, was a billion-dollar enterprise that averaged around 60,000 trials with 14 million human subjects annually (Bok 2005, 67). When UC-San Francisco medical researcher, Dr. Betty Dong, unexpectedly found that the expensive drug she was testing was no different than the much cheaper generic version, the company that was paying for her to do the research tried to delegitimize her study by accusing her of methodological errors and ethical breaches. When she went ahead and submitted her findings for publication, the company took her to court. It took her seven years before she could finally publish the results of her study (Klein 2009, 99). In another well-publicized case, a Harvard research fellow deemphasized unfavorable results in a clinical study for eye medication. As it turns out, the research fellow, as well as their supervisor, owned stock in the company that produced the medication; the positive outlook of their research helped drive the price of their stock up, which they sold before the negative aspects of the drug were later revealed (Bok 2005, 67).

Not only was the purpose of higher education distorted by corporatization but also the practical organization and management of universities took on new forms. A major part of this change was the disproportionate increase of administrators to faculty. Starting in the eighties, universities began to hire more non-teaching staff than professors. While full-time faculty
members increased by 8.6 percent between 1985 and 1990 there, the number of non-teaching staff increased by 13 percent during that same time. Most of these non-teaching staff were categorized as “professionals,” that is, accountants, bookkeepers, fundraisers, and athletic coaches (Soley 1995, 30). Carrying those numbers forward to present day reveals that faculty have grown by 50 percent in the last four decades, administrators by 85 percent, and the number of staffers needed to aid those administrators has grown by an astounding 240 percent (Mills 2012). In addition, services previously run by the university—from book stores to dining halls to health insurance—were outsourced to private companies (Giroux 2002, 446), while still requiring management by a multitude of administrators (Schrecker 2010, 178).

Critics of this change have disparagingly called it, “administrative bloat.” Some even go as far as to say that such “bloat” is responsible for the massive rise in university tuition over the last three decades (see, for example, Campos 2015). A close examination of the parallel increase in tuition costs and the number of university administrators reveals that neither is cause of the other, but rather, both are symptoms of a broader process of corporatization that occurred in response to increased competition, higher costs, greater demand, and a decrease in government funding per student. Seen in this light, the disproportionate increase of university administrators over the last decades should be understood as an integral part of not only the transformation of higher education, but of a global rise of “audit culture” where practices of corporate accountability and management seep into the gaps left by diminishing state social services (Strathern 2000). When financial crisis struck governments in the seventies and eighties, universities turned to the corporate sector to help them stay afloat (Schrecker 2010, 33). NYU’s corporate driven, billion-dollar, fundraising campaign that catapulted it into the national spotlight is one example of how this process unfolded.
Once their foot was in the door, these corporate actors only multiplied. Members of university boards, university presidents, and high ranking administrators continued to pour in from the private sector (Soley 1995, 20-21), helping to thoroughly instill corporate culture into the halls of academia. Furthermore, universities became caught up in a fully corporatized, “amenities arms race,” competing against one another to attract prospective students by offering top-end fitness centers, fancy dining halls, and sleek computing centers (Kirp 2004 as cited in Schrecker 2010). The high, six-figure salaries of administrators today appear overinflated and unnecessary until you consider that universities no longer just compete amongst themselves to attract these leaders to their institutions. Because an increasing number of these administrators come from the business world, universities now also compete with corporations themselves (Soley 1995, 14).

By the turn of the century, the corporatization of higher education was in full effect; the entire university, from trustees and administrators to faculty and staff all played new roles within the corporate university. Students, of course, were also deeply implicated in this shift. No better example exists of the embodiment of corporate culture in higher education than the story of Chris Barrett and Luke McCabe, who after graduating high school in 2001 offered themselves up as “walking billboards” for any company that would agree to pay for their costs to attend college. Barrett and McCabe were willing to “put corporate logos on their clothes, wear a company's sunglasses, use their golf clubs, eat their pizza, drink soda, listen to their music or drive their cars” (chrisandluke.com as cited in Giroux 2002, 426). First USA, a subsidiary of Bank One, took them up on the offer, helping them to become the “first fully corporate sponsored university students (Giroux 2002, 426). This was a symbolic moment for the emergence of financialization from within the corporatized university. Both students and financiers had shown a new
willingness to convert—not just athletic teams, dining halls, or academic research—but university education itself into a commodity that could be bought and sold on the market. It would not be long before the financing of higher education through educational debt and the conversion of students themselves into financial assets would become the new norm on college campuses.

Financialization

In 1998, Laurence Tisch retired as chairmen of the NYU Board and Martin Lipton took his place. In his twenty-year stint as Chairmen of the board, Tisch had overseen the transition of NYU from a regional commuter school to nationally recognized university. Tisch was an old-fashioned, by-the-book, numbers guy who detested fads and avoided trendy investments (Booker 2012). His complete avoidance of investing NYU money in the bull market of the eighties and nineties won him a standing ovation from the board after the major stock market crash of 1987. Even so, David Swensen (2009, 326), the former manager of Yale’s endowment, estimates that Tisch’s choice to ignore stock investments during his tenure as NYU’s chairman of the board cost the university a billion dollars in potential endowment growth. While his steady hand and wide business network helped raise NYU’s profile, his cautious approach to financial management ultimately held the university back. The limits of NYU’s endowment would become a factor in eventually pushing the university towards increased financialization in the new millennium.

Where Tisch was cautious, his successor was creative. Lipton made his name in the world of corporate law by inventing the “poison pill,” a strategy for corporate boards to fend off hostile takeovers by devaluing a company’s shares in response to the threat (Fabrikant 2014). As the
legal representative of the Getty Oil Company in 1984 (while Tisch sat on Getty’s Board), Lipton’s slick financial maneuvers ended up at the center of a messy court battle between Pennzoil and Texaco over who had the right to purchase the company (Petzinger 1999, 232). He had served on the NYU board of trustees since the mid-seventies after his key role in the sale of the Mueller Pasta factory helped bring him into university leadership circles. He was an integral part of the board during the NYU “Golden Age,” and his close relationship with Tisch, evidenced by his role as Tisch’s lawyer in corporate affairs outside of NYU, ultimately led to his selection as chairman of the board in 1998.

Lipton’s most significant move as board chairman soon followed. In 2001, he handpicked the next NYU president without interviewing any other candidates. John Sexton, who had been serving as the dean of the NYU School of Law since 1988, was his first and only choice to lead the school in the early years of the new millennium. Sexton was a master of both the worlds of education and finance, the perfect hybrid president needed to lead NYU into a spectacular process of debt-driven educational expansion. Sexton originally taught religion at St. Francis College in Brooklyn before graduating from Harvard law school in the late-seventies and joining the NYU faculty at the School of Law in 1981 (Aviv 2013).

Whereas, Lipton had been a corporate lawyer before becoming an NYU professor and board member, Sexton was first and foremost a passionate educator. During his freshman year in college he volunteered to start a debate team at his sister’s Catholic high school in Brooklyn. Monday nights, team sessions were dedicated to classical music and slides of sculptures and paintings; Tuesday nights, discussions of literature. “It was a total education,” explained one former debate team member in a magazine interview. “He’d be all over the blackboard, running from side to side, drawing arrows all over the place” (Aviv 2013). Sexton’s transition into the
world of finance was gradual, and, arguably, driven by educational aspirations. As the dean of the NYU School of Law in the eighties and nineties he reinvigorated the program by bringing in elite faculty, making the curriculum more interdisciplinary and theoretical, and fundraising over one-hundred million dollars (Aviv 2013).

It was likely his legal expertise, in combination with this drive to raise funds, that led him to take on established positions within financial institutions and rub elbows with corporate leaders. From 1996-1998, while still dean of the NYU Law School, he served on the board of the National Association of Securities Dealers (NASD) (New York University 2017a), the entity that created the world’s first electronic stock exchange, NASDAQ, in the early-seventies (Terrell 2012). Soon after, he became founding Chair of the board of NASD Dispute Resolution (New York University 2017a), the body responsible for helping to resolve monetary and business conflicts between investors and finance firms (The NASDAQ Stock Market LLC 1999).

These roles would only grow in importance once he became NYU president. In 2003, he became Chairman of the board of the Federal Reserve Bank of New York, and then in 2006, he spent a year as Chair of the Federal Reserve Systems Council of Chairs (New York University 2017a). This involvement in the New York Fed is quite significant for two reasons. First, this Central Bank plays a crucial role in maintaining the health of the broader economic system by both guaranteeing the legitimacy of the monetary transactions of all the other banks (Harvey 1984, 247) and holding the power to adjust interest rates, thereby either encouraging or discouraging the lending of money within the economy as a whole (Ibid., 294). Second, the board of the New York Fed is full of corporate and financial leaders from across the nation; most notably, JP Morgan Chase CEO, Jamie Dimon (who now serves on the board of the NYU Medical Center) was on the board of the New York Federal Reserve concurrently with Sexton. In
sum, Sexton had both the passion for education and deep ties in the financial sector to help develop and enact Lipton’s vision for NYU in the new millennium.

While Lipton’s unilateral selection of Sexton as NYU president in 2001 angered many faculty, the message he had sent was clear: NYU was now fully under corporate management where the board leads and everyone else follows (Fabrikant 2014). For the next fourteen years, Sexton would both receive the credit and criticism for what was originally Lipton’s vision for NYU’s next phase of growth. Central to this vision was an expansion plan titled, “NYU Framework 2031.” Launched by the board in June of 2008, the plan outlined a strategy for NYU’s continued growth in the Washington Square Park area and beyond. The “Framework” begins by naming two challenges facing contemporary research universities in general and two challenges specific to NYU. Domestically universities have come under fire as tuition continues to rise in response to the ongoing decrease in federal funding. Internationally, the document continues, competition is growing between universities all over the world—from Europe to Australia to China—to recruit the brainpower and tuition dollars of foreign students. For NYU in particular, challenges emerge as a result of the relatively small size of their endowment when compared to the large size of their student body; NYU is the largest private university in the country but holds the thirty-second largest endowment. Of the twenty-two other private universities with endowments over two billion dollars, NYU has the lowest endowment per full time equivalent student. Finally, the plan states that NYU does not have the physical space to match its new status as an elite research university or house the growing student body. If Colombia University describes itself as “space deprived” with 230 square feet per student, NYU is “space starved” with just 160 square feet per student (New York University 2008, 5-8). Given these global, national, and local challenges, the document recommends that NYU act
strategically if it hopes to remain one of the world’s “truly great” research universities on its two-hundredth year anniversary in 2031 (Ibid., 12).

To meet these challenges, the expansion plan proposes that NYU build on its two strengths: its “locational endowment” (New York University 2008, 9) that stems from having a main campus in the heart of lower Manhattan, and its attitude of academic entrepreneurship that is driven by a willingness of “key stakeholders to view NYU as a ‘common enterprise’” (Ibid., 11). The foundation of NYU’s plan is simple—continue to act like a corporation and build up the campus around Washington Square Park and beyond. What this looks like in practice is then outlined: expand and enhance arts and science programs (Ibid., 15-16 & 23), improve coordination between undergraduate programs to provide a more dynamic academic experience to match the increasing quality of students (Ibid., 19), enlarge the medical center and invest in new research initiatives (Ibid., 21-22), and create a “Global Network University” with nodes across the world from Abu Dhabi to Buenos Aires of which all NYU students and faculty will be a part (Ibid., 17).

On paper, the 2031 Framework details a convincing plan for how NYU would continue its rapid rise towards becoming one of the world’s most prestigious research universities. The plan, however, does not explain how such expansion would be funded. NYU’s early growth spurt was propelled by a mixture of corporate donations, increased enrollment and rising cost of tuition. While corporate sponsorship continued under Sexton—he in fact led a historic three billion-dollar fundraising campaign in his first six years as president (Aviv 2013)—NYU was reaching a cap on enrollment due to the limited amount of space they had available in their Washington Square Campus. It was, of course, this very lack of space that pushed NYU towards ongoing expansion in the first place. These constraints, combined with their relatively small
endowment, meant NYU had to look for new forms of financing to implement the Framework 2031 plan. Given the NYU administration’s increasing immersion into the world of finance, as well as the explosion of student loans nationwide in the first ten years of the new millennium, it should come as no surprise that debt would play an integral part in NYU’s new plans for growth.

Aware of how much of the burden of the expansion plan fell squarely on the shoulders of students, NYU faculty quickly mobilized against the expansion plan. In 2015, they formed FASP (Faculty Against the Sexton Plan) and published a no-holds-bar critique of NYU in a three-part series titled, “The Art of the Gouge.” Part one takes NYU to task for endlessly raising tuition, overcharging international students, profiting from selling mandatory health insurance, and imposing countless hidden fees (Faculty Against the Sexton Plan 2015a). Parts two and three detail NYU’s real estate ventures in Manhattan and Brooklyn which now includes a series of luxury condos and beach houses for high profile professors and top-level administrators. They also delve into how the top leadership at NYU collectively make over twenty million dollars in annual salary (Faculty Against the Sexton Plan 2015b; Faculty Against the Sexton Plan 2015c). Combining facts and statistics with first-hand accounts of students and faculty, the documents paint the picture of a corporatized university that has clearly lost touch with its original mission to provide a quality and affordable education to its students.

Under increasing criticism, but ultimately because of his choosing, Sexton decided to retire from his role of NYU president halfway through the ‘15-‘16 academic year. While the public face of the NYU Framework 2031 proposal is gone, the leadership needed to pilot NYU’s financialized expansion remains in place. Incoming president Andrew Hamilton has proven himself an adept corporate fundraiser as the Vice-Chancellor of Oxford University while previously having played an integral role in Yale’s own expansion as the institution’s provost.
(Lyall 2016). And the new chair of the NYU Board, William Berkley, who took over for Lipton when he quietly retired at the end of the 2015 academic year, has deep ties with the financial sector, most notably spending nearly two decades on the board of First Marblehead Corporation, a Boston based private student loan lender (McNamara 2014).

In 1988, NYU’s tuition and fees were just over $11,000 a year. By 2015, that number had skyrocketed to nearly $50,000 (U.S. Department of Education 2017). And this does not include the nearly $20,000 more NYU students now pay annually for room and board. NYU’s corporatized and increasingly financialized transformation from regional commuter school to globally recognized research institute—a transformation that mirrors this massive increase in tuition—sets the stage for understanding the tensions faced by PWWC in higher education today. While all sectors of higher education, both public and private, have seen significant tuition increases over the past four decades, the extremely high cost of private university education today has a particular and significant effect on contemporary PWWC youth who largely remain convinced that private university education is their best option to maintain or improve their social and economic standing. As tuition rises and average family income stagnates, the work of maintaining their standing falls increasingly upon their shoulders. Later chapters will examine the stories of NYU student debtors with a focus on the affect of this class and race maintenance work. To better understand this phenomenon, we will first explore why members of the PWWC are so willing to take it on in the first place.
Chapter 2 // School Optimism

For the PWWC NYU students and recent graduates of this study, the college dream has been a sustaining attachment their entire lives. Growing up, going to college was a desire that was carefully cultivated by parents and teachers; it was seen as an important bundle of social, cultural, and professional possibilities. Yet, despite the importance of this attachment in defining the future trajectory of their young lives, none of these students ever expected to take on debt to make this dream a reality. Given this tension, this chapter first explores the early foundations of the attachment to the college dream and clarifies why these students insisted on holding so tightly to their dreams, even when it required taking on enormous student debt to attend NYU when other, less expensive, options were available. Second it shows how they were both pulled to NYU by the allure of studying at a prestigious school in a cosmopolitan city and pushed by a strong desire to escape from their hometowns where growing up they experienced serious constraints to achieving individual growth and self-actualization.

The attachment to the college dream started early for my research participants; growing up, almost all of them tell me that they expected to go to college. I first meet Steve at a bar in New York City after a mutual friend introduces us. Raised in the Chicago suburbs, Steve graduated from NYU Steinhardt in 2011 with a bachelor’s in music. His parents went to college in Illinois where they first met. His mom, the family breadwinner, is a registered nurse and works for the Illinois department of health. His dad moves from one business venture to another, occasionally leading him and the rest of the family into financial turmoil. Through it all, there was never a doubt that he would attend college. “For my family,” Steve tells me, “going to college, it was like assumed that you would. When I think to cousins, cousins that we saw regularly growing up, I can only think to one who didn’t attend some sort of college.”
Steve lived in a cheap, two-bedroom, sublet apartment in Chinatown with his friend Sarah, who also graduated from NYU a year before he did. Sarah hails from the suburbs of Dallas and was a political science major in NYU’s Wilf Family Department of Politics. Her mom, a freelance IT project manager, was the first in her family to get a college degree. Her dad never finished school and ended up in the hospitality and restaurant business. Like Steve, going to college was always expected of Sarah. “My sister and me,” she explains “we’re both raised with the idea that you had to go to college after high school, at least that was the goal.” She goes on to state proudly, “I am the first person in my family to get a graduate degree.”

Liz, Adam, and Hue were NYU students at the Gallatin School for Individualized study who I first got to know through their participation in Student and Labor Action Movement (SLAM) activities. Liz grew up in Charlottesville, Virginia as a part of a family she calls “quintessentially middle-class” because everybody got bachelor degrees but not much more. After her dad died when she was very young, her college-educated mother dated a wealthier guy who helped pay for private elementary school in an advanced learning program. It was there she tells me that she began to understand herself as “someone special” and as someone that “was always definitely expected to go to college.” She reflects on how she grew up trick or treating on the lawn of the University of Virginia and affirms that “college was a big part of what I considered community to be and education to be.”

Adam was raised in Birmingham, Alabama. His dad was the first to go to college on his side of the family, and his mom was the second generation to go to college on her side of the family, though his grandma never finished. He tells me that shifts in the regional job market where he grew up made it difficult to find a well-paying job without a college degree. “I don’t know when I started thinking of going to college, but I think it was always assumed I would. My
high school had incredibly high college attendance rates and I think there was a recognition in my community that to get employed above a minimum wage job you had to go to college. There weren’t any mills to go to: Birmingham de-industrialized pretty [early] on.” He tells me that he can consciously remember knowing that he would be going to college by the 9th grade, but adds that unconsciously he probably knew since kindergarten, if not the day he was born.

Hue grew up in Wichita, Kansas where he was raised by his grandparents. His father never finished college because of mental health issues and he was never that close to his mother. She had also dropped out of school but then went back and got her degree when Hue was twelve or thirteen. His grandfather did finish college, but his grandmother did not. At least not yet. Hue joyfully explains that, at sixty years old, she recently went back for a degree in business administration. He sees the barriers to higher education in his family as motivation for his own pursuit of a college degree. “I think where the importance of education stems from,” he explains, “is that most of my family did not really get through college; they had started but they never really finished. To them it was very important that I had a better life than they did, that I was more successful and more educated than them.” More specifically, Hue’s grandparents had a vision for his future driven by the narrative that each new generation in their family should be better off than the one that preceded them. “My grandparents still very much believe in the American Dream and they thought that they had achieved it in their own right and they wanted me to do even better than they’ve done.”

Laura and Jessica were also students at NYU Gallatin who I met through attending financial literacy workshops that are a part of the ongoing Life and Debt (L & D) series. Laura, who was raised in the L.A. suburbs helped organize the L & D workshops in collaboration with a Gallatin professor. Laura comes from a very well-educated family on both sides; her
grandfathers were doctors and engineers and both her parents have master’s degrees and work as a visual effects specialist for the film industry. She tells me that growing up, going to college “was always kind of taken for granted” and “something that seemed inevitable.” Moreover, she explains that “pretty early in high school I was already really thinking, and maybe even in middle school, I was already thinking that everything matters for college.” This meant being involved in countless extra-curriculars from an early age to make herself “a more well-rounded applicant.” “I think I probably pursued certain things in high school with that in mind,” she adds. “So things were always sort of boring down that path.”

Jessica is from the suburbs of Chicago. We connect through the Gallatin Student Debt Collective, a student group that Laura forms to continue the work of the L & D series. Jessica is the director of The House Edge, an interactive theater piece about student debt at NYU which she organized as her senior capstone project. Her parents are college graduates: her father earned an engineering degree and her mother, after a seven-year hiatus during which she raised Jessica, finished her degree in arts education. She also recently went back to school to study creative and critical thinking online through Boston College. Her mother’s determination to both finish school and now return again reflects the importance of higher education in her family. “So education is kind of a big thing for [my mom],” Jessica observes, “and growing up it was definitely expected that, I have a younger brother, so that both of us would eventually go to college.”

Laura introduces me to two former NYU students: Shannon and Lucy. Shannon is from central Oregon. She graduated from Gallatin in 2015 with a focus on food sociology, immigration, and literature. Both her parents have engineering degrees but only her mom put it to professional use as a manager in the training department of a software company. Her dad became a carpenter. “His degree didn’t do much for him,” Shannon explains, and for that reason
her mom was always much more adamant about the importance of a university education than her dad. Jessica’s parents eventually split up but her mom raised her and her two brothers to “put a lot of emphasis on school.” Laughing, she remembers being good at reading from a young age. So much so that when she told her kindergarten teacher that she planned on going to community college like her mother, her teacher responded, “well, with how well you are doing, I am sure you can get into a much better college than that.” The knowledge that she would go to college was also “very foundational” to Shannon’s childhood education. “It wasn’t an option not to go,” she emphasizes before adding that she also knew “that it was likely going to be a fairly prestigious school.”

While at NYU, Lucy was involved with SLAM’s campaign to promote the telling of student debt stories. After the end of her second year, however, she chose to leave NYU instead of becoming more indebted. She explains to me that education in her family had “mixed meanings” because, while her mom had a master’s degree in library science, her dad chose not to go to college because and became an instrument maker instead. Lucy says her mom came from a rural, working-class community in Virginia; that side of the family, she emphasizes, “all lived on tops of mountains.” In contrast, her dad, who passed away when she was fourteen, came from a “middle-class” family in urban Ohio and experienced “downward mobility instead of upwardly mobility” because of his decision to forgo college. But, despite this “mixed” approach, both her parents thought college was important for Lucy and demonstrated this by saving money for her to one day attend. When, in an act of teenage rebellion, sixteen-year old Lucy told her mom she was moving out to hitchhike and live the squatter life of a crust-punk, her mom immediately put her in her place. “Lucy, you’re still going to be an illegal minor,” Lucy gently mocks the words her mother said to her. “If you don’t go to college and you leave, I’ll call the cops on you.”
Heather is an old friend of mine from high school in Cincinnati. She graduated from NYU Tisch in 2004 with a theater degree. Like Lucy, her parents came from different sectors of the working-class, and each had a different take on the importance of college. Heather tells me she was the most “academically inclined” person of her generation on her dad’s side. Even though her dad did have both a bachelor and a master’s degree in art, he was still paying those degrees off when Heather was growing up and he was not sure if the cost had really been worth it. Her father’s doubt about the value of higher education came out the day that Heather’s parents dropped her off at NYU. As tears began to well up in her eyes at the thought of watching her family drive back to Ohio, her dad urged her to reconsider her decision, reminding her that she did not have to go to college to become a successful artist. For her mother, however, there was never a question as to whether Heather would go to school, and her mom’s confidence trumped her father’s doubts. “I was always oriented toward going to college out of high school,” Heather explains. “[My mom] never said anything like, ‘there’s not a choice,’ it was just the culture of my family that I would go.”

For these current and former NYU students, college had been a defining attachment for most of their young lives. “All attachment is optimistic,” Berlant (2011, 1-2) reminds us, “if we describe optimism as the force that moves you out of yourself and into the world in order to bring closer the satisfying something that you cannot generate on your own.” For these students, the college dream had always been that hopeful and driving force: it was an assumption, an expectation, a “big thing,” and a “foundational” idea they were raised with. College was something they were always “boring down” towards, an opportunity to achieve more success than previous generations, a part of family culture, and sometimes a nonnegotiable future imposed upon them by their parents. In a few cases one parent would raise doubts or be
supportive of considering other life choices, but always the steadfast vision that the other parent had of sending their child to college would win out.

Yet, while these current and former students always expected to go to college, not one of them spoke about always expecting to take on debt to do so. This is a particularly striking fact considering the large number of loans that most of them have and the huge impact that this debt has upon their college experiences and beyond. Collectively, the ten core PWWC NYU students that I interviewed and interacted with will hold close to half a million dollars in educational loans by the time they have all finished their NYU experience. Hue borrowed three-thousand dollars after his full scholarship was placed on hold when he took an unexpected medical leave; Lucy had fifteen-thousand dollars in loans before she left NYU for a much cheaper public school; Steve, Laura, Adam and Shannon each hold between twenty-three and thirty-four thousand dollars in debt; Liz has thirty-two thousand dollars in loans after her second year and expects to finish with over seventy; Heather had sixty-thousand dollars, Jessica close to seventy, and Sarah had a massive one hundred and thirty thousand dollars in student debt when she finished her NYU degree. The following pages unpack the pull and push factors that led these students to indebtedness.

Pull

“People always ask me what the average NYU student is like,” explained Liz, who that day was our official campus tour guide. “That’s hard to answer. We are all so different but what we have in common is that we want to do something big and achieve our dreams.” Spring was in the air as I stood Washington Square park surrounded by a small group of high school students and their parents. We were just finishing a walking tour of NYU’s campus. Liz had led us
through dorms, noting that “Rick Rubin created Def Jam records in room 712 in Weinstein Hall” while Lady Gaga used to rock out in the basement of the Third Avenue North. She showed us academic buildings while boasting how “Etsy, Twitter, and BuzzFeed were all started by NYU students” and 89% of students hold internships, some of whom work with “HBO, Louis Vuitton, and Marie Claire.” Liz ended the tour in equally dramatic fashion. Pointing north to the Empire State Building that looms over 5th Avenue and then south beyond Thompson Street where the Freedom Tower now stands in place of the World Trade Center, she stated deliberatively: “The past is behind us and the future ahead, NYU stands in the middle, shaping the present.”

NYU has mastered the art of selling the cluster of promises around which many PWWC students develop their attachment to the college dream. From exciting career opportunities to limitless prospects of personal and professional growth, to being at the heart of it all in New York City, NYU has a carefully crafted message for prospective students that comes out clearly through its public relations. “So endless possibilities are your thing?” reads the official web page about “Life at NYU.” “Then consider the vibrant, eclectic, exciting, multicultural, entertaining, inspiring hub of energy that is NYU” (NYU.edu, 2017).

This idea is repeated over and over in major university events such as the annual graduation celebration. A month after the tour with Liz, I was glued to my computer screen watching the livestream of the NYU commencement ceremony at Yankee Stadium in the Bronx. I watched as the Steinhardt Singers, one of NYU’s student choirs from the Steinhardt School of Music (named after the Wall Street investor and hedge fund manager Michael Steinhardt), sang the classic hit, “New York, New York,” made famous by Sinatra the early 80s, “Start spreading the news, I am leaving today” a male soloist belts, hamming it up completely. “I want to be a part of it, New York, New York!”
The song perfectly captures the ethos that NYU is a place where dreams become reality, an ethos echoed throughout the graduation proceedings. Moments before the song, a video flashed across the stadium jumbotron featuring graduates from each of NYU’s nearly thirty schools and colleges. Diverse, smiling faces appeared on the screen juxtaposed with sweeping images of sunny NYC landscapes. “My first day at NYU I felt like my dreams had come true!” A black, female, student exclaimed. “NYU was my dream school,” a Latino, male affirmed. “I was in total awe,” a black, male added. “I feel really lucky at NYU because not only am I getting this education from New York University, but also the education of being in New York City,” explained a white, female student. “I get to see the best theater and meet the best people and eat the best food, and really I’m already learning how to be an artist in the city.” These student vignettes are followed up by video recorded congratulatory messages from famous and successful NYU alums including the actor Alec Baldwin, NYC Mayor Bill de Blasio, Fox News Anchor Maria Bartiromo, and comedian Billy Crystal. Crystal explains that he has been at graduation, both as a student and parent. He then admits that as he watched his own child graduate, he was thinking the same thing that all the other parents were thinking: “Thank God I don’t have to pay for college anymore.”

Towards the end of the ceremony, President Andrew Hamilton—fresh from his first semester in leadership at NYU after taking over for John Sexton—reaffirmed the oft repeated theme of the day. He explained that one of his favorite things about his new job is that students tell him what they love about NYU. “Being able to embrace all of the different aspects of myself,” Hamilton enthusiastically recounted the words a student recently shared with him, “with no limit, no limit at all about how many dreams I can pursue in this magical city.” After giving a few more examples of student testimonies, the former Yale provost and Oxford vice chancellor
ended his remarks with a flourish. “In these reflections and hundreds of others, the same themes recur: NYU is a place of opportunity.” He paused briefly before quickly picking up steam. “A place where people help each other reach their fullest potential. A place where everyday memories of college life take place against the most stunning urban back-drop on the face of the earth. A place where people from all over the world gather with the dream of making that world a better place. This is the NYU that generations of freshman before me have come to know and love.”

When I ask current students and alum how they ended up at NYU, the very same “dream school” ethos that NYU espouses through their public relations is often echoed back. “I chose NYU when I was thirteen,” said Sarah, who we recall graduated in 2010 with a degree in political science in addition to her $130,000 in debt. “When I was 13, I just knew that NYU was my dream school, it was always where I wanted to go.” She went on to explain that “NYU is, as far as universities go, it’s a very well-advertised school. Their marketing is fantastic and they get a lot of free publicity just from movies- movies, TV shows, pop culture. You know, it’s a very popular school for these kinds of things to take place.” NYU’s “free publicity” and resounding popularity is, of course, directly connected to its location in New York City. Growing up, Hue “really wanted to be an actor.” He became interested in NYU when he met an NYU graduate while working together in a theater company during his first or second year in high school. After talking to some other NYU graduates and doing some internet research, he emphatically told himself “NYU is your dream school.” Soon after, he took some school trips to NYC. “We saw Broadway shows and things like that, and that kind of solidified my interest in being the city.”

At the first meeting of the Gallatin Student Debt Collective, a NYU student organization dedicated to supporting student debtors through education and mutual support, I observed the
following exchange between three students and Cyd Cippolo, a Gallatin professor and sophomore class advisor. The students were raising the concern to Cyd that NYU’s 2031 expansion plan comes at the expense of student debtors:

*Laura:* Well, here there is a constant drive to expand on the backs of debt.

*Cyd:* What can I do? Tell students not to come here?

*Liz:* The lure to come to NYU is so strong. It is self-actualization in New York City. My high school self would not have listened.

*Hue:* Me neither.

*Laura:* Mine didn’t and there were so many red flags!

Here these students made evident that the desire to attend NYU—a university of “endless possibilities;” a university “where people help each other reach their fullest potential;” and a university that seemingly breeds movie stars, important politicians, wealthy business people, and pop icons, all in the middle of a “magical city” where you can “see the best theater and meet the best people and eat the best food”—overrides any possible drawbacks that might come from taking out the student loans that make that dream possible. Halfway through her NYU experience, when Jessica realized exactly how much debt she was going to accrue, she angrily asked her parents, “Why didn’t you make me apply anywhere else!??” Her parents responded with exasperation, “We couldn’t make you! You just weren’t going to go anywhere else!”

**Push**

The possibility for endless personal and professional growth in the middle of New York City is a clear factor that draws many PWWC students to NYU. But what pushes students to leave for school so far from home? Sarah took out student loans and left her home in the Dallas suburbs to attend NYU in large part because she wanted to find a place where she fit in. “I went
to high school at a place called Highland Park. Which is a very…” Sarah trailed off. “They called it ‘the boggle.’ It’s like very preppy, rich, white, spoiled, bratty people, you know. And it was just, I just wanted to get the hell out of Texas so bad. And I just didn’t vibe there, I didn’t agree with the culture, the political environment, all of it. I just desperately wanted to be in New York.” Sarah simply did not fit in Highland Park and starting college at NYU was her escape.

A significant part of Sarah’s conflict with life in the suburbs stemmed from growing up Jewish in a mostly Protestant community. “Oh my God. Oh my God,” she shook her head and laughed, “Highland Park High school is a school of two-thousand, and I was like, say maybe one of like five or six Jewish kids. I grew up being teased a lot for being Jewish. Constantly being tricked into converting to Christianity by other little douche bags in middle school and high school. You know, things like [the Christian youth ministry organization] Young Life. They would invite you to do Young Life events.” Speaking in a high-pitched, squeaky voice Sarah said mockingly, “Hey we’re Young Life, we’re going to have a sleep over!” Returning to her normal voice, she finished her thought. “And at some point, they pull you aside and try and get you to sign this piece of paper that says you believe in Jesus. It’s very intimidating. And you’re like twelve. It’s extremely inappropriate. Kids would like tease you and say really ignorant shit.”

For Sarah, NYU and New York City represented a cosmopolitan refuge where she could find relief from the anti-Semitic “little douche bags” back home that would make fun of her for being Jewish and interact with her in “extremely inappropriate” ways. “[NYU] was everything I thought it’d be,” she confided in me. “I’d gone from a very known, 99 percent white, extremely wealthy, all Christian, small-minded kind of place to within weeks I had met tons of people. I finally had black friends, and I had gay friends, and I had people from all sorts of cultures and mentalities, and I had hippy friends and the guys at the business school.” Her words recall the
wide spectrum of faces—black, Latina, white, male, and female—captured in the NYU promotional video from graduation, all enthusiastically espousing how their NYU education had helped their dreams come true. Sarah concluded her thought with a statement that speaks to the general success of Bloomberg’s plan to convert NYC into a place of cosmopolitanism, luxury, and opportunity: “[NYU] was so diverse and so cultured and you could do anything you wanted in the city.”

I asked Steve why he chose to take out close to forty-thousand dollars in student loans and leave the Evergreen Park suburb on the South Side of Chicago to attend NYU. “That’s a whole big can of worms,” he responded slowly. “So, the South Side of Chicago is very uhhmm,” Steve paused for a moment, “like I said its Irish Catholic, a lot of it. The part I grew up in is very blue-collar and it’s surprisingly—I would say even today its surprisingly culturally and socially conservative despite Chicago being such a blue city, blue being democratic. And I think it’s partly because of the presence of the Catholic Church.” Steve, we remember, is a 2011 graduate of NYU’s Wagner School of Public Service with a degree in music. Growing up, Steve’s passion for music made him out of place at a Catholic school that prioritized sports over the arts. “There’s not a focus on arts” he said about his high school, “and so with the blue-collar background there, it’s very—the culture is very sports driven. My high school won the state championship in football when I was [a student] but in the years since I’ve graduated they’ve all but eliminated the band program, which when I was there was not even a [big] thing. So, for somebody who was not exceptionally athletically inclined, I didn’t really fit in with a lot of that culture and that really strongly contributed to my wanting to leave.”

The many differences he had felt between him and most of his peers growing up was reaffirmed when he returned home for Thanksgiving break after his first semesters at NYU:
So there’s a huge drinking culture there. Everyone wants to play up how Irish they are, right? The South Side Irish is a huge thing. The Sunday before St. Patrick’s day is the South Side Irish parade. This is the parade that my band marched in high school and you’d go and it was like a mile away from my house. It’s just this massive public drinking festival and that’s like the culture there. You’re an athlete and you play your football game and you’d go out and it would be like this raging party; that was a thing going back to high school. So, you’d come back for Thanksgiving and you’d go to the bars because everybody was going to the bars.

While Steve participated in the Irish Catholic, youth culture of sports and drinking, he never saw this world as belonging to him. He was not an athlete who played his football game and then went out to party. He found his own way to participate in this culture through the marching band, but in the end, he went to the bars just because “everybody was going to the bars.”

Growing up then, Steve knew he needed to leave Chicago, but he was not quite sure where he would end up when he began his college search. He filled out an online form for prospective students and received what he described as “really nice marketing materials” from NYU. Because very few other students at his high school applied for schools outside of the mid-west—and because most mid-west schools only required ACT test scores for their applications—his high school guidance counselors never advised him to prepare for the SAT or SAT subject tests that many east coast schools required. The fact that the application for NYU’s Steinhardt school of music had the option of doing an audition instead of taking SAT test propelled Steve to come to NYC. And once there, the city as much as the university convinced him to stay. “So I came out here and I auditioned,” he told me. “I do distinctly recall feeling connected to NYU. Having not visited other schools, I don’t know if it was so much—” he paused for a moment. “If it was as much the city or if it was more the school itself.” His mom’s father had grown up in the Bronx and, while he died before Steve was born, he grew up hearing enough stories about him to already “[feel] some ties to the city.” Furthermore, the prestige of musical performance on the
east coast was a big draw. “You hear about the big five orchestras, the major orchestras in the country,” he affirmed, “and they’re all in the northeast.”

Another factor that played a part in Steve’s decision to leave the Chicago suburbs for New York was the racial tensions that exist between the people in his section of the predominately white, Irish Catholic suburb and what he described as the “black and Hispanic neighborhoods” surrounding it. He explained that when his parents moved to Evergreen Park it “was in a good area at the time,” subtly implying that the people in his community now believe that things are getting worse because of its changing demographics. Steve told me that as a sophomore in high school, he was attacked and robbed by a group of black, male teenagers. This happened after ordering food with a black bandmate at the McDonalds in the low-income, predominantly black neighborhood next to his school and about two miles from his house. They busted his lip, stole his five-dollar dinner, and then fled when an elderly, black man pulled up in his car and chased them off. Steve ended up getting stitches in the ER and watching the concert he was supposed to perform in from the audience. Steve was quick to point out that he had “black” and “Mexican” friends but clarifies that he met them outside of his neighborhood in a private music school in downtown Chicago. This distinction resonates with Bloomberg’s vision of cosmopolitan NYC where race and ethnic difference are embraced, while class difference is feared and buffered through spatial arrangements of city neighborhoods.

It took a few semesters, but Steve soon concluded that being at NYU and in New York City was the right choice for him. “It was interesting because I felt when I came to NYU, I definitively started to feel in my own element.” At first, however, he was not so sure. “Part of me initially really struggled to reconcile [my choice to go to NYU],” he reflected. “Once I realized my friends were at these Big 10 schools and they were going to football games, I felt like I was
missing out on the college experience, and I lost sight a little bit of like, ‘[going to NYU] is exactly what you wanted.’” The thought of leaving NYU did cross his mind. “At the start of my second semester after coming back from winter break, I was like, ‘Should I transfer? Did I make the wrong choice? Should I be in the Midwest? What am I missing out on?’” It was his visits home, however, that reminded him he was in the right place. “But, I would go back and I don’t know, the whole scene back home felt more and more like a charade.” After just a short time at NYU, the blue collar, Irish Catholic sports culture he grew up in felt increasingly fake to him. “And I think NYU, but partly being in New York City and being independent and functioning on your own in a city that large, gave me this sense of independence and confidence that helped me thrive in that environment in a way that I wasn’t aware of in high school.” At NYU and in NYC, Steve could grow in ways he never realized were possible back home.

Hue, who grew up in Wichita, Kansas tells a similar story. “Definitely some of the motivation was I needed to get away from conservative ideology,” Hue explained. He continued quickly, before I could ask for clarification about this first statement. “As an individual I needed a break from my family.” He immediately qualified what he meant. “Not like a break as in I needed to get away from them, but I needed—” he started and stopped. “But I’m thinking of it like in terms of I needed to find out who I was as an individual.” He was raised by his grandparents and explains that he and his grandmother were at times unbearably similar. “My grandma and I are very much alike.” He continued, emphasizing what he said before about needing space for personal growth. “As I was getting ready to leave for college, there was a lot of strife between us just because I needed that break from her and I needed to not necessarily sever the ties but find who I was individually.” Here, Hue got more specific. “And that also related to my sexual orientation. At the time I wasn’t comfortable with that yet.”
As Hue made this last comment here about his sexual orientation, I remembered a conversation I had with Lucy a few months earlier. I met Lucy at an outdoor café in Ridgewood—a neighborhood in southern Queens of working immigrant families predominantly from eastern Europe and Latin America—where she had lived since she left NYU the year before. Lucy, of course, chose to drop-out of NYU rather than to continue to take on large sums of student debt. “I came to NYU,” she explained to me, “knowing there was a chance I would have to drop-out because I am from a single parent, more or less working-class, I guess the upper-end of working-class, family. And the money just isn’t there.” She now attends City College which is one of the many public colleges that are a part of the City University of New York (CUNY).

After she left NYU, Lucy made national headlines when the Huffington Post ran a story about her online that detailed the “heartbreaking” letter she wrote to then NYU president John Sexton. “The moment I stepped onto NYU’s campus for my admissions visit, it felt like home to me,” she wrote in the letter. “I came here after spending seventeen years growing up gay in conservative rural Virginia. I faced such violence as a result that I needed to come somewhere that I could feel safe and confident in my identity—New York City offered that safety more than anywhere else” (Parks as quoted by Kingkade 2014). In our interview she expanded on the question of LGBTQ safety and how that shaped her decision to initially take on debt and come to NYU. “I think with queerness and student debt,” she stated, “especially like upper class liberal arts colleges which tend to be—I don’t know if they are in practice—but in idea are the safest and the queerest place, like that’s what’s associated with them.”

She sat with this idea for a few seconds, reflecting silently on her brief time at NYU before continuing:
In my limited experience, to an extent that is true. Like NYU is definitely a safer place to be a queer person than City College is. And I think that often makes queer people, especially when you are just in high school and coming out of the closet and all that, makes you more likely to choose a more expensive institution. It feels like you have to buy your safety a little bit. Like you can go to a place where you will maybe less safe or comfortable and pay less money. Or go to a place that has amazing resources and pay more money for it. Which I think is a really, really tough decision to make and I think it impacts most queer college students to some extent, or most queer students not from upper class families, but it doesn’t get talked about that much. Cuz I think people might not even think about it that much. They will just be like: “I wanna go to this liberal arts school because they have the program that I wanna take.” Which I think is probably also true, but it’s probably also, like, the queer factor.

Here, Lucy clearly explained her perception that “queer people” must make a tough choice between affordability and safety when it comes to selecting a college. Saving money by going to a cheaper school also often means that a “queer person” will be “less safe or comfortable.”

According to Lucy, this “queer factor” is equally, if not more important, than how good a fit academically a school might be for an LGBTQ student.

Lucy’s explanation of the “queer factor” sheds light on Hue’s more indirect comments about needing a place away from his family and conservative politics where he could find space for personal growth. Growing up in Wichita, Kansas Hue did not feel safe or supported to understand or get “comfortable” with his sexual identity. NYU then was not just a place where he could fulfill his dream of becoming an actor or enjoy the occasional Broadway show; NYU was also a place where Hue believed he would finally be able to understand important aspects of himself. In fact, all four of these students—Sarah, Steve, Lucy, and Hue—took out debt to come to NYU to find a place where they would both fit in and feel safe: Sarah to escape discrimination for being Jewish in the protestant suburbs of Dallas, Steve to leave the conservatism and racial tension of his Irish Catholic neighborhood outside of Chicago, and Lucy and Hue to get away from the homophobia of their home towns in Kansas and Virginia respectively.
School Optimism

The collective desires of these politically active and artistically inclined PWWC NYU students shed light on the particular contours of their attachment to the college dream. For them, college is not just about economic mobility but an experience where personal growth occurs, an experience where you finally can find out about yourself and test your limits. “My dad always pushed it, not so much that you go to school to make money but you go to school to become a person,” one research participant explained to me. “Yeah, I guess going with that mentality, that I was going to [NYU] not to come out—to make money or to even break even, but just to kinda realize something about myself.” He concludes by emphasizing this idea once more. “So I think that’s the way we looked at as like: you go to school, partly to make money but also because you wanted to become a person.”

For these PWWC students, the attachment to college is just as much about individual growth as it is a path to finding an economically stable or even prosperous career. Exploring this distinction further makes it clearer why these students are willing to take on such large sums of student loans to attend NYU instead of choosing to attend a much cheaper public university closer to home where they could have paid in-state tuition. State schools, rightly or not, represent a continuation of all the things about their hometowns that they are trying to escape: monotony, mediocrity and restraint on freedom and personal growth. Above, we saw Steve grapple with the question of whether NYU was right for him when most of his peers went to Big 10 state schools much closer to home. He had to decide whether his college experience was going to be defined by tail-gate parties at football games with his buddies from high school or, in his own words, “being independent and functioning on our own” in New York City.
For others in this study, the choice was not so hard. “I think that it was just kind of an assumption I guess, that I wasn’t going to go to a state school,” Shannon admits. “I knew that I didn’t want to stay on the west coast, I wanted something different and most of the east coast schools that I knew about were prestigious schools.” Moreover, based upon her academic abilities she was expected to aim for these more prestigious schools. “I had the grades. I had the standardized test scores and I think that a lot of people just assumed that I was going to apply to an Ivy League or at least trying to get into an Ivy League. I don’t think anyone ever told me I couldn’t,” she says laughing lightly.

Similarly, Liz chose debt at NYU over a full scholarship at the University of Massachusetts because of the potential benefits of attending a more prestigious school. “As a seventeen-year-old, I was like, Gallatin School of Individualized Study [at NYU] or like a theater degree from UMass? One is $16,000 in debt, one is free. I’ll go with the $16,000 in debt and be in New York City and realize more of my potential than I would if I was at UMass.” While Sarah eventually went on to law school at the University of Texas (UT), and had a great experience there, she is emphatic that there is no way she would have gone to a state school directly out of high school because it was not different enough from the Dallas suburb where she grew up. “At the time, I think, when you’re in that mind set of being a teenager, you just need something so different. If you’re like that, if you’re not satisfied with your environment, you need something different. UT was just too much of the same.”

Laura echoes this belief that she would not have fit at state school. “My dad really didn’t want me to go [to NYU] because of the money,” she explains. “He really wanted me to go to a UC school in California because that would be a lot cheaper, but I just couldn’t stand the idea of going to the University of San Diego for some reason which was kind of like the other choice. I
just realized that I didn’t wanna go there or any of the others.” I ask her why. “I don’t know,” she replies slowly. “Not my kind of places. I mean, so I applied—if I had gotten into UC Berkeley I probably would have gone there, but I didn’t get in. I was attracted to the Bay Area, I have family there and I like the vibe up there, and I like Berkeley as a school.” Her logic remains consistent here; while Berkeley is a public university, both the school and its location have a cosmopolitan feel (Douglass 2016) that parallel NYU. Going to a public university in San Diego, on the other hand, was out of the question. “But I didn’t get in, so the best option was UCSD and I was just not a San Diego type. When I visited I knew that it was not my place.”

So not only did these PWWC NYU students always believe that they would go to college, they also pretty much always knew that it would be a more prestigious institution, and definitely not a state school. They were looking for “something different,” for their “kind of place,” a place where they could “realize more of [their] potential,” Moreover, they were looking for a place where they could “become a person,” where they could be safe and comfortable to explore and express parts of their selves that had been suppressed back home. NYU, located in Greenwich Village—in the heart of the “luxury,” cosmopolitan metropolis of New York City—was that place.

Today, NYU’s Greenwich Village campus is a gentrified, academic bubble that caters to many PWWC youth who arrive with a specific attachment to the college experience. They value opportunities for self-actualization and personal growth as much as upward mobility. They appreciate and embrace many forms of diversity, and—having often been the target of them—frown upon identity-based microaggressions. They are attracted to the possibility of a university experience at the center of the “luxury” city where they experience firsthand the legacy of Bloomberg’s carefully crafted cosmopolitanism: a perfect blend of adventure and safety, urban
grit and manicured space, cultural diversity and the projection of class homogeneity. As they pay
the price of admission with borrowed money, however, they also find something quite
unexpected: life in the “luxury” city is quite different for those with student debt.
“Anxiety,” explained Bryan Ashton, The Ohio State University’s director of student life, “has surpassed depression as the leading mental health issue on college campuses.” Ashton was speaking to a group of college financial aid officers from across the country at the Department of Education’s Federal Student Aid annual training conference in 2015. He went on, adding that “finance is [now] the leading cause of adult stress.” Given these alarming trends, Ashton had recently helped Ohio State University implement a mandatory financial intervention program for their student body which consists of an online financial knowledge survey followed by an hour-long session of peer to peer coaching. The preliminary results of this program shed light on the role of financial stress on college campuses today. “First and foremost,” Ashton continued, “we saw an increase in financial stress, which earned me a beautiful call from our counseling center director, who said, ‘what are you doing here?’” Ashton chuckled lightly. “But more importantly I think that raised a very significant research question which is, ‘what is the appropriate level of financial stress?’ We know that stress in and of itself is not necessarily a bad thing, right? Stress in and of itself is not necessarily debilitating, but what is that appropriate level of financial stress that encourages and pushes students to make appropriate financial decisions and may actually be that catalyst?”

Amidst ongoing financialization of higher education and increasing amounts of student debt, universities are no longer view their student’s financial stress as something that must be eliminated or relieved. On the contrary, it is something to be managed, measured, and manipulated so that an “appropriate” level of financial stress can be maintained that “pushes” students to make “appropriate” financial decisions. This revelation is both alarming and indicative of the power of stress and anxiety to remake the worlds of those living with them.
Berlant’s (2011) elaboration of cruel optimism helps provide a dynamic way to think about growth of financial stress on college campuses today. Students who hold an attachment to the college dream are, of course, optimistic about its eventual fulfillment; this optimistic attachment creates specific structures of relationality that manifest themselves in and through affective genres of emotional and bodily expressions. Student debt complicates the college dream and thus brings turbulence and tension to the ongoing work of maintaining optimism. Financial stress, then, is an affective genre that provides a window into how this attachment changes when growing consciousness about the realities of student debt places the college dream in jeopardy.

With an eye for these shifting modes of affective relationality, this chapter follows the emergence of financial stress in PWWC NYU students. The initial optimism that these students have about taking on debt to fulfill their college dream is clouded by confusion that results from the complex mechanics of their loans. While in school, silence and laughter are often signposts on the road to more explicit expressions of debt-driven shame, guilt, and stress. Student debtors express themselves through these affective genres in specific moments: when lack of knowledge about the ways that debt repayment works or interest accumulates comes back to bite them, when financial troubles makes it hard to fulfill basic student functions, when interacting with other students who have no debt, and when confronting the expectations placed upon them by their families and the sacrifices their families do or do not make in the name of those expectations. Collectively, these moments reveal the growing friction that results when the attachment to the college dream comes into direct contact with a mounting student debt crisis.
Promises

It is significant that the stress that accompanies student debt does not usually emerge right away. While it is easy to assume that the moment where debt is accepted with the signing of a master promissory note might be one of the more significant moments in the process of taking on student debt, most debtors I spoke to do not remember it that way. “The first few rounds of signing promissory notes were pretty much just things to be checked off my to do list,” Shannon explained. “I don't remember giving them much thought as an 18-20 year old.” Laura and Lucy both echoed this nonchalance when recalling the moment they became debtors. “It doesn’t feel like it sticks out that much in my memory,” Laura told me. “I actually don't remember specifically signing the promissory notes,” said Lucy. “For me I don't think that it was that big a moment.”

For Liz, there was some anxiety and confusion around this moment of accepting her loans, but it had more to do with navigating the FAFSA system correctly than the stress of taking on large sums of student debt. “I remember feeling really confused,” Liz began. “Like, the whole process is quite difficult. You have a FASFA ID and some other ID that I can't remember now, and it’s hard to remember which is which. I remember the moment being accompanied by a feeling of anxiety, like ‘we have to get this done and do it perfectly or else I'm not going to college, and I have no idea how this works.’” Other than that, though, there was little memorable about the moment. “I don't remember it feeling particularly significant outside of that, because it didn't feel real,” she concluded. “I just clicked a button online. It was very abstract.”

With the click of a button, and very few second thoughts, these students committed to repaying tens of thousands of dollars that would soon be distributed to them as student loans. In general, they recall placing very little significance in the moment; the structure of relationality
that shapes the signing of the promissory note is defined by the hope and excitement of starting college rather than the stress of eventual debt repayment. While Liz did feel some anxiety in this moment, what made her anxious was not the thought that she would have to take on loans to go to college. It was, rather, quite the opposite: she was stressed that she would incorrectly navigate the financial aid system and then not be able to take out loans to fulfill her dream of going to college. The attachment to the college dream was so strong for her that the student loans she signed for—the last obstacle standing in her way of finally accessing this dream—“didn’t feel real.”

Moments where individuals become entangled in the bureaucracy of the state are always more politically charged than they might first appear. The poor and dispossessed across the globe confront a myriad of everyday “political, judicial, and administrative actions or inactions” (Gupta 2012, 5) that complicate the ability of to access adequate food, clothing, shelter, and sanitation. For immigrants, even those state interactions intended to provide care and security often mirror and enhance the stigmatization and xenophobia of broader society (Graham 2019). The PWWC experience of signing the promissory note, of course, is quite different than the structural violence that poor and immigrant communities face while in the “caring” hands of the state. Nonetheless, it is a significant moment when previously protected populations begin to interact with state bureaucracy in ways that ultimately lead to financial stress and expropriation.

Part of what is disingenuous about this bureaucratic moment is the disguised hierarchy of contemporary debt relationships. This no doubt plays into the nonchalance that these PWWC students have when they take on debt. Just as the capitalist wage appears as fair pay for work rendered, an educational loan appears to be an equitable deal for both student and financier. Hidden in both these structures is the way that wealth is extracted; through exploitation in the
case of labor and financial expropriation in the case of student debtors. The unequal power
dynamic between the capitalist who owns the means of productions and/or is sitting on financial
capital to be loaned with interest is generally and strategically left out of conversations about
work and debt. The result is that unequal exchange is frequently presented as a just and
reciprocal relationship (Graeber 2011; Marx 1867; Marx 1894).

At the same time, pinning the educational debt crisis entirely upon student’s lack of
consciousness about the hierarchical nature of the debt relationship fails to consider the
significance of their affective attachment to the college dream. While debt is packaged as a gift
that generally hide its dangers, it is inaccurate to say that students accept this “gift” solely
because they fail to see what debt really is. On the contrary, the experiences of the students in
this study reveal the tangled complexity of taking on and living with debt. Ignorance to the
dynamics of debt certainly play an important part in the rise of student indebtedness, but the
attachment to the college dream is the underlying motor that pushes this dream forward and
seemingly at all costs. It is important to first learn about the kinds of loans that were offered and
taken, before examining the affective rationality that comes with them.

Loans

My nine-month old son was giggling hysterically. We were in the NYU Gallatin College
fifth-floor computer lab watching Tina⁹ struggle to log in to the Federal Student Aid (FSA)
website so she could complete her mandatory, online, student loan exit-counseling interview. “Is

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⁹ Tina is a US Citizen who grew up in Mexico and therefore not a part of the WWPC student debtors who were
raised in the US and makeup my core group of research participants. Nevertheless, I include a detailed description
of my participant-observations of her exit-counseling session (here and in chapter five) because it helps illuminate
the general student loan panorama shared by most, if not all, of this core group.
there something funny about student debt?” she facetiously asked the laughing baby bouncing on my leg. The week before, Tina was sitting in Yankee stadium where she graduated with an NYU degree from Gallatin College. She did a self-designed major in the “philosophy of interconnectivity,” which she explained is a mix of anthropology, human rights, and philosophy. Laura introduced me to Tina via email when I asked if she knew anyone who might be willing to let me sit down with them as they complete this final loan counseling step. Tina agreed, and on that afternoon we attempted to navigate the exit-counseling session together, starting with the first step titled “Understand Your Loans.” But first, we had to figure out how to log-in to the system.

After close to ten, long minutes of frustrated phenagling with passwords, she finally succeeded. “What are you looking at now?” I asked Tina as she busily clicked away at the screen. She had successfully navigated her way to the start of the first step.

“Just making sure all of the loans are right,” she replied.

“Your loans are organized per year here?” I inquired.

She nodded, not taking her eyes from the screen. “I’m going year by year because I know for some people there was like a difference between what the NYU website said and what the FSA said.”

The next thirty minutes were spent looking carefully at her financial aid package year by year. Her aid during her senior year was representative of the mixture of scholarships, loans and grants she received throughout her time at NYU: a NYU scholarship of $30,350, a Federal Pell Grant for $5,025, a Federal Subsidized Stafford Student Loan for $2,000, a Federal Unsubsidized Stafford Loan for 5,500, a Federal Perkins Loan for $2,400, and a Federal Parent Plus Loan for $22,777. In total, Tina received an average of $35,375 in scholarships and grants, and $32,677 in
loans shared between herself and her parents. The scholarships and grants, of course, do not have to be repaid. The loans, however, will have to be paid back in full plus the interest that accumulates. Over four years, these loans add up to $130,708, close to $40,000 of which Tina is responsible for herself, while the rest falls on her parents. If Tina and her family average the twenty-one years that most US student debtors take to repay their loans (One Wisconsin Institute 2013) this figure could come close to doubling given the way that compound interest can rapidly increase the principle of a loan.

Tina and I then took some time trying to figure out the differences between the kinds of loans that she has. “The Stafford is subsidized, right?” Tina asked out loud, trying to parse out why the same loans are labeled differently in different places. “Here it says subsidized but then the year before it says Stafford.” I am also confused, so we did some quick web investigating about Federal Subsidized and Unsubsidized Stafford loans.

“I don’t even understand the difference, to be honest,” Tina admitted.

“Between the subsidized and unsubsidized loans?” I asked.

“Like I still don’t understand.”

“They have to do with interest.”

“Well, yeah but…” she stated with frustration before trailing off.

I quickly found some answers on my phone from the Federal Student Aid website and do my best to explain what I found to Tina. “So, subsidized Stafford loans are need-based loans,” I paraphrase as I scan the tiny text on my phone, “and the government pays the interest while the student is in school.”

Later, I read about these loan differences more carefully. Federal Pell Grants are awarded to undergraduate students based upon financial need and do not need to be repaid unless a
student withdraws from school or their enrollment status drops below full time. The maximum amount a student can receive in Pell Grants changes annually and currently sits at $5,920 (Federal Student Aid 2018a). Subsidized Stafford loans (now referred to as Direct Subsidized Loans by the Department of Education) are need-based loans for undergraduates. The maximum amount of Subsidized Stafford Loans a student can take annually is $5,500, but the number can vary based on other factors including a student’s year in college. The interest rates on Subsidized Stafford Loans have fluctuated between 6.8 percent in the academic years between 2006-2008, down to 3.4% in the academic years between 2011-2013, back up to 4.66 percent in the 2013-2014 academic year, back down to 3.76 percent the last year Tina took out loans, and as of 2018 back up to 4.45 percent. Students with Subsidized Stafford Loans are not responsible for paying interest on these loans until six months after they graduate or leave school. The current loan dispersal fee for Subsidized Stafford Loans is 1.066 percent (Federal Student Aid 2018e; Federal Student Aid 2018b). Based upon the fee rates for recent years, I calculate that Tina paid around $33 each year in fees for her Subsidized Stafford Loans.

Unsubsidized Stafford loans (now referred to as Direct Unsubsidized Loans by the Department of Education) are not tied to financial need and available to both undergraduates and graduates. The maximum amount of Unsubsidized Stafford Loans a student can take annually is $20,500 minus the amount of any subsidized loans taken, but the number can vary based on other factors including a student’s year in college. The interest rates on Unsubsidized Stafford Loans for undergraduates dropped from 6.8 percent to 3.86 percent in 2013 and have fluctuated between 3.76 percent and 4.66 percent over the last five years. It currently sits at 4.45 percent. Students with Unsubsidized Stafford Loans are responsible for paying interest on these loans, compounded daily, from the moment they are dispersed. The current loan dispersal fee for
Subsidized Stafford Loans is 1.066 percent (Federal Student Aid 2018e; Federal Student Aid 2018b). Based upon the fee rates for recent years, I calculate that Tina paid around $90 each year in fees for her Unsubsidized Stafford Loans.

Perkins Loans are available to undergraduate, graduate, and professional students who show “exceptional need” (Federal Student Aid 2018c). Undergraduate students may receive up to $5,500 in Perkins Loans annually and up to $27,500 lifetime. The school is the lender of the Perkins Loan, though the money originates from the Federal Government and not all schools participate in the Perkins Loan program. The participating schools have a limited amount of loan money to give, and decide themselves to whom and how much they lend. The interest rates on Perkins Loans is a fixed 5 percent and interest payments on the loan are subsidized by the Federal Government until the grace period expires nine months after graduation. Perkins Loans have no fees (Ibid.)

Finally, Parent Plus Loans are loans available to the parents of undergraduate students who still need financial aid after calculating all other scholarships, grants, and loans. The parents must not have an “adverse credit history” (Federal Student Aid 2018d). The maximum amount parents can take in Plus Loans is the cost of attendance determined by the university minus all other financial aid received (Ibid.). The current interest rate for these loans is 7 percent and this rate has fluctuated between 7.9 percent and 6.31 percent over the last decade. Fees for Parent Plus Loans are currently 4.264 percent (Federal Student Aid 2018b). Based upon the fee rates for recent years, I calculate that Tina’s parents paid close to a thousand dollars in fees each year on their Parent Plus Loans.

Like many other NYU students I observe and interact with, Tina had not taken the time to understand the different kinds of loans she had while she was in school. But even if she had put
more effort into better understanding her debt, there is no guarantee that she would have fully comprehended her complex loan situation. She and her parents collectively hold four different types of loans, each subject to a specific loan dispersal fee taken out of the loan itself and each with a specific relationship to interest. These fees and interest rates are, of course, subject to a change tied to the fluxuations of broader financial markets. To further complicate things, these loans are issued twice a year, once per semester. Four different types of loans across four years, each type dispersed once at the start of each semester, means Tina and her parents took on thirty-two different loans, with all but the Perkins loan having interest rates that fluctuate annually. And on top of all of this, two of these loan types are subsidized, and two are unsubsidized. This means that half of these thirty-two loans were accumulating interest from the moment they were dispersed while the other half will start accruing interest when the grace period ends six months after graduation.

Back in the NYU Gallatin computer lab, my son was crawling around on the floor. He grew frustrated and cried out loudly. Tina looked down at him, commenting dryly, “I don’t think he likes loans.”

Affect

Amidst crisis and change, Berlant notes that “people develop worlds for their new intuitions,” by forming new habits that find expression through “genres of affect management” (2011, 93). These genres are composed of the diverse ways that bodies absorb, brush up against, and/or collide with the larger material and symbolic forces in the world; they provide a window into the structure of relationality that binds a subject to a particular attachment. I begin by
examining three interconnected affective genres that PWWC student debtors embody at NYU as they navigate the impasse of indebted college life—silence, laughter, and shame.

Silence about debt is often more prevalent than verbalized anxiety. While student groups like the Student and Labor Action Movement (SLAM) and the Gallatin Debt Collective work hard to open up spaces at NYU where debt can be challenged and understood, they do so because otherwise it would hardly be talked about at all. “There was this really interesting thing I’ve noticed about students with debt,” Lucy explained to me. “They know that they are going to graduate with a lot, but they haven’t had to make any payments yet.” She continued, speaking frankly, “Cuz I know a lot of people who won’t talk about it, if student debt comes up, they’ll be like, ‘I can’t talk about it. It will make me too upset.’” She concluded by connecting this silence to the state of denial that many student debtors find themselves in before graduation. “That’s an interesting way that [debt] impacts people’s lives while they are in school. So many people just literally try to ignore it. They can’t deal with the fact that they will have one-hundred thousand dollars in debt upon graduation.” This tendency for students to remain silent about their debt was repeated across various interviews and in multiple interactions with students. It’s not that people are actively hiding the fact that they have debt, one NYU student confided to me, “it feels like a more passive thing, you know, you just don’t talk about it.”

The silence around debt, in combination with the fact that debt, at least at first glance, leaves no visible identifiers, makes debtors and non-debtors seemingly indistinguishable at NYU. “Debt is like a weird, sort of invisible identity, where you never know,” Laura told me. “People who seem like they might not have debt, do, and people who do seem like it, don’t, or the other way around. You just never know. So it’s hard to tell who doesn’t and who does and what the perceptions are [about] it.” The silent, “invisibility” of debt despite its massive presence
creates complex tensions between students at NYU. Present-day debtors don’t want to confront the fact that they will one day have to pay dearly in the future, and those lucky enough to study debt-free—particularly the few who have earned a free ride—feel guilty and don’t want to admit to others that they have no loans. The result is that debt becomes an isolating, individual experience, and a burden that students often feel that they must carry alone.

Silence is a difficult affective genre to grasp because it both acts on its own and as a potential stand-in for other emotive expressions. Accompanying the silence of the debtor could be anxiety, rage, indifference, blissful ignorance or a complicated affective mixture. It is just not easy to tell through observation alone. Berlant cheekily reminds us that “all babies smile, but it could be gas” (2011, 158). It is less important to pinpoint the exact genre through which bodies communicate their encounters with broader political-economic and symbolic systems, and more crucial to focus on “repetitions of relation, the buildup, the pressure over time that becomes a habit that seems intuitive” (Ibid.). Humor is one such place where the affective pressures building beneath a debtor’s silence casually slips out in frequent and notable ways.

Jokes, sarcasm, and laughter are a common way that students hint at the existence of debt at NYU. As Jessica explained to me, “[NYU Students] don’t joke about debt, but they joke about the cost of tuition. People don’t joke about debt, that’s for sure. I mean, maybe they do, but no one is making fun of people for having debt. It’s not that. It’s sort of, ‘Oh my God, why is this elevator broken!? I pay $60,000!’ That’s the kind of stuff you hear, like, all of the time. All of the time.” When a student phoned into a Debt Collective meeting via the internet in an NYU conference room, the facilitator asked, “You can hear us right?” “Yeah,” the student responded. “Thanks, NYU!” the facilitator sarcastically feigned surprise that the wi-fi was actually working. Laura found the overreliance on laughter to break through silence a bit disturbing. “I resonate
with this feeling that no one talks about [debt] but everybody jokes about it in this creepy way,”

she says. “It does strike me as creepy.”

These humorous jabs at NYU can be interpreted in multiple ways. First and foremost, they are a relatively safe affective genre through which to cut through the silence around debt without having to out yourself with regards to your financial status. In this sense, these jokes provide a momentary release of tension, a brief reprieve from the anxiety of the debt burden. Second, they are a way of publicly verbalizing the absurdity of NYU’s cost of tuition and the incongruity of paying such a steep price while elevators or Wi-Fi connections still do not always work properly. Finally, these jokes are a casual way of building power and solidarity amongst students by pointing out the flaws of a seemingly impeccable institution (Meyer 2000, 312-315).

When students do speak openly about debt at NYU (something that I witness only in political spaces organized explicitly to break through the silence or in personal interviews when I ask directly about their debt experiences) they often talk about feelings of anxiety, shame, and guilt. In a political space organized by SLAM, a group of around fifteen students gathered in a classroom on the ninth floor of the Kimmel Center for University life. A gentle, evening sun streamed through the massive glass windows at the back of the room, illuminating the conference table around which the students sat. They were going in a circle, taking turns sharing debt stories. A young man began to speak slowly, “I have…” he paused, “definitely some debt.” Still speaking slowly, he continued. “I don’t even know how much it is, it’s actually like… it gives me so much anxiety that I like… literally all discussion about money with my parents makes me feel super, super anxious because I feel so guilty. And I think ‘guilty’ is actually historically apt because in German the word ‘Schuld,’ which means debt, also means guilt.” This
last statement rippled out across the room before sinking in with someone across the table. “Oh, shit!” they exclaimed, shaking their head.

The speaker went on to talk about the stress of getting calls from debt collectors when he took a medical leave of absence during his freshman year. He noted the frustrating contradiction of paying NYU tuition to study abroad in Berlin while the locals he shared classes with there were paying next to nothing. And finally, he talked about the “existential crisis” of graduating with debt and feeling like he must “sell himself” to a big corporation he does not “ethically agree with” rather than following his dreams and going on to do a PhD. Here, the affective genre of financial stress clearly emerged as this student describes the guilt he carried because of his debt, while lamenting the limitations it has placed upon his professional possibilities. This is a key moment because it is where the PWWC student debtor recognizes an impending impasse; they notice that the walls of the canyon through which they traverse narrow slowly but steadily ahead, complicating any notion of easy arrival to their desired destination.

And the worst part is how inescapable this impasse begins to feel. “It is so interesting how this guilt becomes internalized and the debtor/creditor relationship now exists in my brain,” the speaker concluded. “Of part of me being like: ‘Oh, you can’t ask your parents for so much money to eat, so steal some bananas from the dining hall.’ It is the fact the debtor/creditor relationship is internalized in my brain. [That is what] is frustrating for me.” Echoing these same sentiments, the NYU student debtors I interviewed described their debt experiences using words related to paralysis, loss of mobility, shame, and self-doubt. Jessica told me that “there is something so wrong about having a shadow hanging over you. The regret part is so real.” Liz described debtors as “shackled” to their debt, that debtors feel as if they are “not enough and that
is very shameful.” Similarly, Sarah explained how her wealthy roommate, who went out a lot and was frivolous with her money, “clearly didn’t feel the weight” of student debt.

What is striking here is how these students talk about the ways that the stress of debt takes over the body. The debtor/creditor relationship is internalized, it takes perch inside the brain of the indebted subject. It drapes like a shadow over the debtor, it attaches to them and confines their movement like the manacles worn by a prisoner in transport, it becomes a burden whose weight can always be felt but not easily lifted. The attachment to the college dream, an attachment to a motivating cluster of promises around personal growth and professional possibility, is transformed by debt into something that feels cumbersome and invasive. Shame and sarcasm reveal the deep anxiety lingering beneath the silence of many debtors. They are signposts on the affective path where an optimistic attachment turns increasingly cruel.

Stress

But where and when exactly do PWWC student debtors at NYU encounter these moments of financial stress? One of the largest sources of financial stress stems from not understanding how their student loans work. Tina’s confusion about her debt, made evident in her student loan exit-counseling session, is a widely shared phenomenon. Laura, in another notable framing of debt as physical encounter with the body, described her ongoing financial stress at NYU as punctured by “consistent moments over the last five years where my loans kicked me in the shins.” One such moment was during her second year at NYU when, for financial reasons, she started working full-time and became a part-time student. Little did she know that in dropping below six credits she was starting the clock on the six-month grace period that precedes loan repayment. “I am sure it was written somewhere but I didn’t see it,” she told
me with clear regret. “Otherwise I would have never, ever done that.” She shook her head and laughed. If she had known, she would have figured out how to take two more credits and avoided the whole mess. But she did not know, and the financial stress that resulted was intense. “So that was a surprise when you know that following summer I got the letter in the mail that my loans were about to be due in a month and I was, you know, just completely, like…” she fumbled with her words for a moment before regaining composure. “I mean it was probably the biggest anxiety attack I have ever had. And I don’t usually get anxiety attacks. It was so stressful because I had no idea what was going on and nobody could even really answer my questions.”

The dynamics of student loan repayment are also commonly misunderstood by many. The way that interest accrues, continually growing and compounding, often takes students by surprise. “I remember when I started paying my loans.” Steve told me. “I remember thinking to myself, ‘Damn it, I really wish someone—” he stops and shifts the blame back on himself. “I really wish I understood at the time the ramifications of allowing all of the interest on the loans to accrue.” It is not that he would have taken out less loans or not gone to NYU, but he would have made different decisions about the money he earned while working during school. “I was sitting on all this money as an undergrad, and I happily would have paid that if I’d had any clue. But like, I don’t know what the fuck a subsidized or unsubsidized Stafford loan is, you know, and it’s just like, I don’t know. It was difficult.”

In a public forum to share debt experiences organized by SLAM, Steve’s frustration and confusion is echoed by an NYU Gallatin senior. He recounted his own experience doing his student loan exit-counseling. “I actually did [my exit-counseling] twice because my browser crashed and my debt amount had increased by $25 in the week because of how unsubsidized
loans work, and how interest accrues. So it went from $32,006 to $32,033, I think. And I said, ‘Jesus Christ! This is going to be happening for the rest of my fucking life!’”

It is worth noting that ignorance, following Sedgewick (1990), rarely acts merely as a neutral and benign absence of information. On the other hand, confusion and ignorance “collude or compete with knowledge in mobilizing the flows of energy, desire, goods, meanings, persons” (Sedgewick 1990, 4). Ignorance has consequences and serves a purpose, sometimes unwittingly, sometimes not, but usually to maintain some version of the status quo. When the attachment to the college dream is fundamental to your sense of self, and debt is the only way to maintain that attachment, not knowing the exact mechanics of compound interest may actually be a sensible approach to taking on massive amount of student loans. The problem is, when you do begin to understand just how easily it is to trigger debt repayment or how quickly interest accumulates, an overbearing amount of stress and regret results as the attachment to the college dream is shaken to its foundations.

A second major source of financial stress for NYU students is the inability to comply with basic student tasks like registering for classes or completing their work study hours. In the same public debt forum, a white, female Gallatin student shared her exasperation of struggling to pay tuition despite receiving a scholarship from NYU that covers half of her tuition. “I have like a, sort of, a half-tuition-off scholarship. But even then it’s like I can’t pay for the normal amount cause whatever…” She trailed off but began to gain more confidence as she got into her story. “Cause I’m in Tisch and that’s like thirty-nine thousand still. And you just have the experience of thinking that the school is in invested in you because they give you this kind of like big

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10 Sedgewick provides a few examples of the organizing power of ignorance: the speaker who lacks the ability to talk in the foreign tongue demands that others operate in theirs; or how men who commit acts of sexual violence “without realizing” are all too often legally protected by their ignorance to the dynamics of consensual sex. (Ibid., 4-5).
scholarship, but then they don’t help you out later out when you are like, ‘Hey, I can’t pay this. I can’t pay this.’ She shook her head slowly. “I have talked to a bunch of people who have had a similar experience, but it is like every single semester not being able to register in time because you have an outstanding balance in your account, which like the shittiest feeling. And going around to all of the financial aid people like, ‘Please wave this, I can’t register!’ she coughed out in a slow, raspy voice, as if she were on her deathbed whispering her final words.

The frustration of trying to resolve their financial problems with the NYU registrar, bursar, and financial aid office only compounded their feelings of stress. For Laura, it was talking to “three different financial aid officers to even figure out what happened.” And even then, all they could tell her was to call her loan servicers because they could not determine the source of her problem. When Steve had problems deferring one of his loans after graduation, no one in the bursar’s office would return his calls. He found this especially egregious given a previous experience where the bursar had “freaked out” because he signed his name on his loan promissory note in a slightly differently manner his second year as compared to his first. “You call me,” Steve recounted angrily, “you threaten to drop me from all my classes if I don’t show up with an hour to fix this problem, and you mean to tell me that you can figure that out but you can’t ever have somebody have a face-to-face conversation with me and actually, like, explain the realities of [the deferment process] because you don’t wanna hire the additional staff it would take to do that for such a large class of kids who are borrowing all of this money!”

Hue told me about how he was given the runarounds as he tried to figure out why he had lost his aid package after coming back from medical leave. He appealed the decision and demanded the full funding he had been given previously. In the middle of that appeal he got a bill for fifteen-thousand dollars. He immediately went to the bursar to explain his appeal and ask why they had sent him the bill. They told him he would have to pay at least half because that was
the normal procedure. When he said there was no way he could pay half, they told him to go talk to the financial aid office. He went to the financial aid office. They told him to go back to the bursar and tell them that he was in the process of appealing. So he went back to the bursar, under instruction of the financial aid office, to tell them again what he had told them in the first place. “Because they are in the same building,” Hue explained, “it’s easy for them to be pawning you back and forth. And the bursar has its own set of jurisdictions. They deal with the bills, and that’s what they deal with. If aid isn’t getting disbursed to the bursar from financial aid then you know, it’s not under their purview I guess. And the same can be said about financial aid; they make sure you have the aid, the bills are not under their concern.” Caught in the classic bureaucratic nightmare where the left hand is unaware of the movement of the right, Hue expresses the feeling of being “pawned” between one office and the other—a chess metaphor that captures his belief that NYU was okay with sacrificing his wellbeing in order to advance their own greater strategic objectives.

In these testimonies, NYU comes across as woefully underprepared to support its students in understanding and fulfilling their debt-incurred financial obligations. The multiple stories of student confusion around, frustration with, and ignorance about the ways their loans work and the functions of the various offices at NYU that administer and disperse those loans speaks directly to the lack of support So not only are indebted students being asked to pick up the financial slack left by decreased government funding and perpetually rising tuition, they now must also compensate for the lack of resources NYU has dedicated to educating and supporting debtors on campus. The result is that many of these debtors themselves are the ones organizing to build the support networks the school lacks.
These forms of debt activism will be highlighted in the next chapter. Here I continue to explore the affective genre of financial stress by focusing on two specific moments where student debtors express it: in interactions with wealthier students who have no debt, and in relation to their family’s expectations of their future lives.

**Disparity**

For many student debtors, interactions with non-debtors can be highly stressful. Sarah tells me the story of what it was like living with a wealthy roommate who had no debt. “She was just very frivolous with her money,” she started, “and she’d go out a lot and she didn’t understand why the rest of us had to be, kind of like, tight with our money.” Sarah’s roommate was a friend from back home, so her feelings toward her at NYU was a continuation of the anger and jealousy that Sarah felt growing up surrounded by families that had more money than hers. “Yeah, I was a huge brat. I was a total bitch to my parents. I was really ungrateful a lot because we were very much middle-class, and I was surrounded by people who could have whatever they wanted all the time and I didn’t really understand that.”

She continued, explaining how this dynamic played out in her adolescence:

*Looking back on it now, I had it pretty good. I had everything I needed, I had a lot of stuff I wanted, I had a very comfortable life. But compared to the people I was surrounded by, they were just so frickin’ spoiled and I was so ungrateful about it. Cause you’re like a teenager and all you understand is like, ‘Why don’t my parents have that much money and why don’t I have all of this stuff?’ And you get teased for not having expensive clothes, whatever it is, or a nice enough car. Stupid shit.*

In emphasizing her ungratefulness toward her parents, Sarah recognized that she should have been happy given the economic stability of her family growing up. Yet, at the same time, the pressure to want more “stuff,” and the judgement from her peers because she did not have it,
clearly led to Sarah to feel a good amount of anguish as a teenager. These feelings spilled over into her NYU experience. “It’s a bit different in college,” Sarah told me. “It’s not quite so immature. It’s just more like, you begin to feel a little bitter towards the people who don’t have that stress [around money]. I think as soon as you become an adult and then money becomes an issue where one person has more money than someone else, especially when you live together and are very close friends, it’s a very tense dynamic.”

At the heart of that tension is the pride of now wanting to accept help from someone who has more. “Even if your friend is generous and they want to give you money and take you out,” Sarah explained, “then it becomes this whole pride thing like, you don’t let them pay for you. And it becomes a much more sort of mature kind of, maybe not mature, but it’s definitely a different type of stress and tension between someone that has more than you.” Here, Sarah first attempted to label the stress and tension between her NYU roommate as a “not quite so immature” version of what she felt growing up; by the end of her reflection, though, she was not so sure if this tension is more “mature” or just “different.” One major difference is that her anger was no longer directed at her parents and what she perceived was their inability to provide her the material things that her peers enjoyed. Her anguish was now directly connected to her everyday interactions at NYU with people who had more money than her.

The wealthy roommate thus represents two interconnected things that Sarah wanted but that had become increasingly complicated by her debt: the material and social comforts that accompany class mobility, and a college experience free of financial stress and hard economic choices. Interactions with her roommate served as an agonizing, daily reminder of the debt impasse into which Sarah was entering. She could see her desired destination both on the horizon of her college-driven life trajectory and reflected in the class position of her wealthy friend and
roommate who would offer to give her money and take her out. But debt has turned the path to reach this destination into an increasingly narrow and treacherous ravine. Accepting money from her roommate would have only replicated the debt relationship that first put her in this predicament. It would perhaps have been a momentary respite, but not a clean escape from this impasse.

Other student debtors navigate this conundrum in different ways. When Liz first arrived at NYU, her initial attempt to manage this wealth disparity between students was to act like she had money. She told me she blew through close to two-thousand dollars in spending money her first month at NYU. It got so bad that her mom had to step in. “I remember my mom saying, ‘You cannot try and keep up. You can’t try and live a lifestyle like everyone else and go get a drink here, grab dinner there, go shopping on the weekends, whatever. You have to actually budget your money.’” But this was not easy for Liz because she was in the process of making friends with other students who did not have the same financial restraints. “I would say most of my friends have an allowance or have their parents credit card on hand. Many don’t have a cap on what they are spending and it is so, just really, unlimited.” It was not easy, but she learned to adjust. “And, yeah, it’s definitely very difficult and still something that’s hard because I like to spend money. You have to kind of train yourself to be like, ‘Oh, I can’t do that.’ Or think of a way to do it in a creative way, to be like ‘I’ll go out with you guys but I will eat dinner before I go.’” To survive in an environment with a massive wealth gap between students, Liz learned to discipline herself to refrain from many social activities or find creative ways to interact with her peers as they spent money without spending money herself.

Steve dated a student from a very wealthy family from the end of his first year at NYU until halfway through his junior year:
She’s a lovely girl but, like, absolutely silver spoon. One hundred percent. That was fascinating. Here you have me, racking up five figures, well into five figures of student loan debt and you have a girl who the university is pursuing her father for a seven figure bequeathment, a contribution to the school, and they’re going to name a building after him. So this is the disparity. And when you see the day-to-day life, I am going out and getting dollar pizza, I’m living on dollar pizza on St. Marks. I don’t have a problem with that. My classmates are living in Williamsburg and Bushwick, that is what they were doing. But meanwhile, my girlfriend at the time is like, “I’m just gonna order this meal for us.” It was very nice, don’t get me wrong. “I’m just gonna order, like, really nice delivery or whatever.” And it’s just going on the AmEx. Like absolutely no concept of how you’re spending money on food, on shopping, on things like that.

Here, Steve made a stark contrast between his mounting student debt and the staggering wealth of his ex-girlfriend. “This is the disparity,” he affirmed before qualifying it with a few major differences between his financial world and that of his girlfriend. He and his friends had to move out of Manhattan to save money on rent; when he goes to campus in Greenwich Village he lives from dollar pizza ordered from the small storefronts wedged between the dive bars and tattoo parlors on St. Marks street. Meanwhile, his girlfriend has “no concept” of what it means to be constrained by money. Out comes the credit card and shortly after, “really nice delivery” appears.

For many student debtors, silence is also a typical response to the wealth divide at NYU. Lucy explained, “I think it’s especially isolating for people who have a lot of debt or are having trouble financially in any way, who like, feel surrounded by people who have no financial problems and have never had financial problems. So then they just sort of like clam up.” Silence here becomes the physical action of closing oneself off to the world and actively preventing any feelings of shame or anxiety from escaping. This act of hiding feelings is necessary to maintain the debtor’s “invisible identity,” to project to your peers that you, too, might be experiencing college debt free. “No one talks about,” explained Shannon, “and you don’t really want to know about other people’s situations.” Knowing about other people’s situations, of course, would
expose the ruse. For the debtor it might mean fully facing their own situation, thus piercing the armor of ignorance protecting them from facing the looming impasse of debt repayment that lurks on the horizon.

It is not until later in the college experience or immediately after graduation that the differences become more apparent. “Like senior year and the first year out of school when everyone is trying figure out their lives,” Shannon continued, “[when non-debtors have] the freedom to do the things you wanna do instead of the things you have to do, I think that that is when the tension comes up.” Shannon gives a frustrated laugh about how her friends without debt continue to not understand these differences, now a few months after graduation. “A lot of my friends have encouraged me to go do the research that I wanna do and do like the art projects that I wanna do, and yeah that’s great but I work seventy hours a week!”

Another aspect of debt silence is the prevalent belief at NYU that student debtors have no right to speak up about the stress or unfairness of their loans because they made the choice to take on debt. Multiple research participants mentioned this belief to me, usually expressing frustration about it. Lucy is one. As a student debt activist and NYU debt drop-out, this belief bothers her to no end. “People say some dumb shit about student debt at NYU sometimes,” she complained, shaking her head in disapproval. “I had a lot of people who were like, ‘You shouldn’t have gone here’ and my response was usually just like…” She was too exasperated to finish the sentence. Later, in an NYU public debt forum, I heard another student repeat her frustration. “Like NYU would be very fun if only the people who could afford to come here were here,” she exclaimed. “Oh, my God!”
A final entry point for understanding the financial stress of student debtors at NYU is examining the expectations placed upon them by their families, as well as what their families give up, or not, to keep those expectations alive. The previous chapter detailed both how the PWWC student debtors I interviewed grew up expecting that they would go to college, and how these expectations were embedded in the values of their family and school culture. As financial stress begins to become a defining force in the lives of student debtors during their NYU experience, examining that stress in relation to both family expectations and sacrifices is revealing of both the power of those expectations and the weight of student debt.

While Hue received a full scholarship to attend NYU initially, an unexpected medical leave at the end of his first year put him at risk of losing this funding. For him this was very stressful on two interconnected fronts: not only was he worried about his financial status and future at NYU, but he was also worried about letting his family down. The latter concern was so persuasive for him that he hid his stress and fear from his grandparents, telling them that everything would be fine. “I never really went in depth with it about how worried I was because I didn’t want to disappoint them,” he shared. “And that is what I was worried about: disappointing. Even though, like, it’s weird. You go on medical leave because you have to, but you’re are worried about disappointing them because you are not getting your aid back.”

Hue would lay awake at night thinking about what might happen if his aid was not restored. “There were nights when I couldn’t go to sleep because all I could think about was, ‘What if I don’t get the scholarship restored? What will I do? Will I take out loans or will I drop-out of this university? Where will I go?’ And because education was so important to my family, it was expected that you will go to college. ‘Where will I end up? Will I disappoint people?’”
The possibility of disappointing his family loomed heavily over Hue and he began to think about what previously had been unthinkable: going to college at a state school. “Everyone is so proud of me being here at NYU. Will I disappoint them if I have to go back to a state school because I can’t afford this because my aid wasn’t dispersed back to me for going on medical leave? So these were all of the questions that I had and I would literally lay awake thinking like, ‘What am I gonna do?’”

Hue’s story adds another dimension to the affective genre of debt silence. Not only do students hide the stress and shame of their financial precarity from each other, they also conceal their turmoil from their families. This makes sense considering the important role of PWWC family culture in generating the attachment to the college dream developed in the previous chapter. To speak to family members about the stress of paying for college and the possibility of leaving NYU for a state school would be to risk disappointing them. It would mean not only calling into question one’s own attachment to a specific college dream, but also the attachment to that dream held by one’s family. “My grandparents still very much believe in the American Dream,” Hue confides in me, “and they thought that they have achieved it in their own right and they wanted me to do even better than they’ve done.” Hue’s grandparent’s expectation that he would use his NYU education to gain continued upward mobility and professional success for his family pressed down so heavily upon Hue that he felt he had to conceal the magnitude of his financial stress from them.

For other students like Sarah, the financial stress she felt while at NYU manifested itself as anger at her parent’s inability to help her pay for college rather than a fear of disappointing them. “I resent my parents a little bit for [having to take out loans] because like, you know, it’s not like it came as a shock for [those] guys that I was going to go to college
someday.” Sarah was pointing out the contradiction between the long-standing expectation that she would attend college and the inability of her parents to pay for it. “You know, the people whose parents clearly see them going to college, it was such a big deal and their parents were willing to make sacrifices. They saved up a lot of money to make sure they could take care of them so they could focus on school.” Even though Sarah grew up knowing she would go to college, she still differentiates her family from “the people whose parents clearly see them going to college.” For her, those parents that have a “clear” vision of sending their children to school have an ability to pay for that education. This perceived lack of clarity on her parent’s part makes her angry. “And I was kind of pissed because I had to stress out about….” she stopped mid-midsentence, thinking carefully about her next words. “It’s not that much money to live off to begin with and it does stress you out that you know that you don’t have that much, that you are going to have to pay it back someday, that you are drowning in debt.”

But those students whose parents do pay for their education, or share a portion of their loans, face a different type of stress: they worry about placing an undue financial burden on their family. Shannon told me about the strain her parents felt because they were helping to pay for her NYU degree. Her mom and dad were already separated when she started school and instead of paying her mom child support, her dad just paid for her rent the first few years at NYU. “That in and of itself was a strain on my dad,” she explains. “That’s why I never asked him for any other money because I knew it was hard enough to get together eight-hundred dollars a month to send to me.” It was also hard on her mom. Even though her older brothers were out of the house and economically independent, Shannon affirmed that “it was definitely a strain” on her mother’s finances. Perfectly capturing the financial impasse of the PWWC today, Shannon’s mom had to sell the family’s ski boat to help pay for her college expenses. While the selling of a ski boat may
appear to be a small sacrifice, this example is significant because it is evidence of the stripping away of the extra bit of surplus value that separates the professionals from the working-class. In trading a luxury item for access to the university in the heart of the “luxury” city—a nuanced example of the kind of lateral movements integral to slow death—her mom was selling off the spoils of her family’s professional lifestyle with the hope, but no longer guarantee, of continuing to pass on that lifestyle to her daughter.

This stressful familial relationship also manifests itself through the affective genre of guilt. Laura, in particular, is filled with guilt when she thinks about the fact that her parents took on debt so that she could go to NYU. “My parents and I have almost a fifty/fifty split on the loans that I have taken out so I can attend school here. And I feel guilt already that they have taken out a significant amount of money. Actually, they definitely took out more than I did. Because they counted my scholarship as part of what I was contributing.” In a cruel twist, Laura’s NYU scholarship becomes a source of guilt about her debt. Because her parents count this aid as a part of her contribution towards the payment of her education, they ended up taking out a lot more loans than she, even though they have agreed to technically share the cost evenly. “So I think up until I actually start paying my loans, most of my association with what it means to be in debt is mostly like guilt over the fact that my parents are in more debt now because of me. They like celebrated paying off their own loans like three years ago, like not that long ago. So—” Laura stopped her reflection abruptly as she stumbled upon another aspect of the PWWC contemporary financial conundrum: many PWWC parents of student debtors had, or still have, their own student loans (Boak 2018). The debt burden is thus double for these families, causing an increased amount of anxiety for the younger generation as they compound the financial problems of their parents.
Guilt with relation to families takes other complex forms. At a SLAM organized debt sharing space, a student described his mixed feelings after his family’s financial troubles led him to receive more financial aid:

_I also really related to the thing about feeling guilty about my parents taking money. So, like, when I came into NYU, I came from a, not wealthy, but comfortable background, my family was definitely middle-class and my financial aid covered roughly half of tuition. And my parents, my dad took out… it was about every year, he would take out about twenty-thousand or ten-thousand and that was going to be ok or whatever. And then my family ran into lots of financial trouble over the last three years. And I remember feeling this sick happiness about it because I was like, “Oh it means my financial aid’s gonna go up.” Cause then I got a Pell Grant and then I got a full Pell Grant and then I got my financial aid increased a lot. So now my debt is lower. It was going to be one hundred and twenty K in total and now it’s just one hundred and ten K in total. Just like being happy about my parents being poorer was like this really fucked-up thing that like happened. I was like “Oh, cool, I don’t have as much debt now because my parents are like struggling to like feed themselves and my brother,” and like that was really shitty._

In a definitive moment of cruel optimism, this student is filled with feelings of “sick happiness” when his parents run into financial problems causing his expected family contribution to decline and his financial aid from both the government and NYU to increase. The contradiction is glaring: to pay less for college his family must become “poorer;” to stay on a PWWC trajectory, his family must move back towards the non-professionalized sector of the working-class. A student debtor who is excited about having just found a stable, professional job after graduation, shares this same sentiment to the group. “I’m gonna make more than both of my parents combined” he explains, “and I feel so guilty about the fact that they have to pay off double the debt that I do and now I am making money and they are not.”
Cruel Attachments

The affective genres of silence, humor, guilt, shame, and anxiety provide a window into moments where the student debtor’s mounting loans create friction with their attachment to the college dream, an attachment that previously made signing for those loans seem both necessary and insignificant. Through these affective genres we see shifts and strains in the optimism of this attachment. Student debtors “clam up,” slip into debt silence, and refuse to discuss their stress with their peers and families. Frequently, their anxiety slips through these silences when they sarcastically joke about things not working properly at one of the most expensive universities in the country. In spaces dedicated to sharing stories about their debt, they come forward with the details of their guilt, shame, and resentment. They are stressed by wanting, but not having what others without debt have. They feel guilty for placing financial stress on their families or angry that their parents could not pay more of their college experience.

Stealing bananas from the dining hall to avoid asking mom and dad for more food money; begging the registrar’s office to ignore your outstanding tuition balance so you can register for classes; eating dinner at home before you “go out to eat” with your wealthier, debt-free class mates; hiding your financial worry from your family to save them from that worry; selling the family ski boat to help pay for a prestigious school on the east coast; wishing financial hardship on your parents to increase your financial aid packet—these are the moments where student debtors begin to see that what they desire most has become an obstacle to their flourishing, where what they thought would be a clear path to personal growth and professional opportunity has become treacherous terrain, where optimism has become cruel.

These PWWC student experiences of debt-driven cruel optimism are important because they provide a first-hand glimpse into what our current race and class formations look like when
they come in tension with the experiences and expectations of those who embody them. The purpose here is less to evoke sympathy for young, privileged people who are experiencing social and economic stress for the first time, and more to capture the nuances of that stress to better place these experiences within the longer, detailed story of the ongoing development of race and class in the US. The next chapter continues to uncover those nuances in the fast-life responses that the PWWC student debtors at NYU make.
Chapter 4 // Fast Life

“We are the Student Labor Action Movement! We demand a solution to the student debt crisis!” During the first week of classes, a small circle of students gathered at the mouth of the pedestrian alley wedged between the Bobst Library and the New York University (NYU) Welcome Center. Head tilted back, hand cupped around lips, Adam continued to shout towards the sky, “We attend the least affordable, most profitable university in the country.” A slow, September rain drizzled on the group of eight or so students as they listen and then collectively repeat each phrase out loud, “We attend the least affordable, most profitable university in the country.” Despite the weather, West Fourth Street bustles with mid-day movement, and a few passersby stopped to take in the scene. “Today we will be sharing some of our experiences with debt. I will start. My name is Adam. I am a second-generation college student. My family doesn’t speak a lot about their finances, but for grandfather, education is everything to him.” A pigeon took flight, gliding through the trees across the street into Washington Square Park.

“NYU is not affordable,” Adam continued, pausing with each sentence to let the others echo his words. “We are indebted while [NYU President] John Sexton makes 2.5 million dollars a year. Students are homeless, working for escort services, taking on jobs in order to allow NYU to continue to make the 100 million dollars in surplus every year.”

As their attachment to the college dream comes under increasing strain from student debt, the PWWC students in this study respond in a combination of ways: working long hours in on and off campus jobs, scrambling to create spaces where students can learn more about their debt and the resources available to support them as debtors, protesting rising tuition and low wages on campus and beyond, satirizing the financialization of NYU, and by simply dropping out of NYU. This chapter examines those responses in detail and theorizes them as acts of fast life. Fast life is
a complimentary analytical tool to Berlant’s (2011, 95-100) notion of slow death, which is the ways that people are physically worn down in the maintenance of their daily lives. Slow death is not a singular moment of conflict or crisis, but a steady and gradual decay of lives that grows normal, if not comfortable. Fast life, I am theorizing, is the opening prelude of slow death, when a subject sees their potential decline on the horizon and moves quickly in attempt to avert it. If slow death is the ongoing, monotonous impasse where movement is restricted to treading water with no lifeboat in sight, fast life begins the moment one realizes their boat is sinking and that, without evasive action, they will soon be in the water.

Escaping the impasse, however, is no small feat. The double bind of optimistic attachments makes it so letting go of harmful things often feels more disorienting and dangerous than holding on to them (Berlant 2011, 23). Rather than challenge or transform their attachment to the college dream then, these PWWC student debtors’ emotional flurry of fast life choice-making and action-taking frequently serve to tighten their grip on it. What may appear on the surface as either an attempt to back out of this impasse or plunge ahead towards the promises of the good life they hope still awaits them, are often just lateral movements (Ibid., 116-117) that not only “confirm our attachment to the [dream]” but also “confirm the [dream] and the legitimacy of the affects that make one feel bound to it” (Ibid., 237).

Work

As the cost of college has steadily increased in past decades while average family income has remained stagnant, working while in college has become the norm for most US American students. In fact, fourteen million post-secondary students, or 76 percent, are in the labor force. They compose nearly 10 percent of all people working in the formal US economy (Carnevale et
al. 2015, 10). Not surprisingly, students who work more than twenty hours a week have lower GPAs, take longer to finish school, and are more likely to drop-out of school before receiving a degree (Hammond 2006). For better or worse, work has become an integral part of contemporary student life in the US.

At NYU, nearly ninety-two percent of the undergraduate class of 2016 were either working in part-time jobs or internships (NYU Wasserman Center for Career Development 2016). There is, of course, a big difference between a job and an internship; lumping the two together as NYU does in their annual report about each graduating class obscures the vastly different university experiences between the students with debt and those who have none. Steve explained to me that non-debtors at NYU are “freed up” to take on unpaid internships which grants them access to more professional possibilities after they graduate:

*I didn’t take any unpaid internships until going into my senior year of college, whereas a lot of these other kids who don’t have to worry about that are interning freshman year, like right away. Just that alone perpetuates [the divide between debtors and non-debtors because of] the work experience that they get. I think that a huge part of the value of NYU is that you are in New York City, your professors are professionals in the fields that they are teaching in most likely and you have the opportunity to intern, not just with them, but with any number of amazing companies and employers, year-round, by living here. Whereas other kids only have that chance for a couple of months in the summer. But if you’re a student who has to constantly worry about working and you’re overloading yourself [with a paid job] you don’t have the opportunity to take those internships. But then we all know that when you graduate, those internships become success. And your ability to get your foot in the door, whether its politics, or the entertainment field or something like that, is dependent on the prior contacts you’ve made.*

NYU does not publish the number of graduating students that solely engage in paid work each year, but if there is a correlation between debt and inability to take on as many unpaid internships as Steve observes, then roughly one third of NYU’s students (the percentage of students with debt) are faced with a tough choice of how to navigate work options while in school. The paid
work that my research participants did while at NYU—in the service and retail sectors, as well as (for some of the female students) domestic work as nannies—is one fast-life response to indebtedness that is a clear attempt to hold firmly to their attachment to the college dream.

Today, 60 percent of US students who work while attending school are either in food services, retail, or office support occupations (Carnevale et al. 2015, 25). Shannon described working in bakeries and coffee shops as “boring” but did note that these jobs have certain perks. “I took home extra food. I didn’t have to buy food,” she explained. “I think my mom called me at one point my freshman year and was like, ‘You haven’t taken out money out of your account in 3 weeks and I’m just making sure that you’re eating.’ And I was like, ‘Yeah, I have been eating. I’m also getting paid in tips so nothing’s going in and out of my account.’” As a first year NYU student, Shannon worked two or three six-hour shifts a week at a bakery. This ramped up in the years to come as she had an off-campus unpaid internship and work-study at Bobst library on campus her second year, took on three night-shifts at a bar while studying abroad in London as junior, and then finally worked full time at a bar in Brooklyn when she returned to NYC her senior year.

Shannon’s jobs in the service sector and beyond provide a window into the fundamental contradiction of working while in school to keep the college dream alive: work diminishes the very experience it helps make possible. Shannon readily admits that with so much work she was unable to “focus on school as much as she would have liked to begin with,” which ultimately led her to get “less” from her education than she had initially hoped for. In fact, she is not exactly clear how she continued to live this fast life across her four years at NYU. “I’m not always totally convinced that I balanced anything,” she explained. “I made it to all of my shifts and finished all of my school work, but that was more because I didn’t know how to not get things done.”
end, however, it was her education and her health that were sacrificed to keep up with her paid labor. “I know my schoolwork and sleep were what took a hit if I ended up with extra shifts or during busy seasons.”

Steve shared a similar experience to Shannon having also worked a wide spectrum of jobs while at NYU, including work in service and retail. “My schedule was insane,” Steve confided in me. “I was packed to the gills, like trying to just stack nine a.m. to eight p.m. days of class so that I could work and be on campus. Or that I could be on campus, and days that there were big chunks either in the morning or in the evening I was able to work. And then, to top that off—so that was like for the work-study and for the retail [job]—and to top that off, I was [planning and running social] events outside of that. And this was all to like bring in money.”

Steve was pulling fifty to sixty-hour weeks between his full course load, work-study, and his multiple off campus jobs. And this did not include the time spent he spent on homework or, at least, the time he should have spent on homework. “In many ways I feel like I wasn’t able to maybe fully give the attention I should have to some of—” Steve caught himself mid-sentence, “to a lot of the school work.”

For Laura, becoming a part-time student at NYU and working full-time as a live-in nannie was the only way she could keep her college dream alive. “They basically cut me off,” she recounted. “[My parents] were like, ‘We can’t do this. You have to figure something else out.’ And then I had some more conversations with my mom and was kind of debating, do I really want to go home after this?” Laura was faced with a tough choice after her first year at NYU when her parents backed out of the promise they had made to help pay for her tuition costs. The original plan was for her to max-out on federal loans while her parents would pick up the rest. When her father’s job as a visual effects specialist in the Los Angeles TV and film industry
suddenly disappeared as a result of company outsourcing, her parents informed her of the bad news. She would receive no more financial support from them if she chose to continue at NYU. But for Laura, like other PWWC student debtors, going back home contradicted the vision she had for herself, the vision of escaping the suburbs to come of age through the cosmopolitan diversity and excitement of the NYU experience. At NYU, she “felt a strong sense of community” that stemmed from finally finding other people that cared about the political and environmental issues that she did. She was building relationships and starting meaningful projects with others. Going home was never an option. “I mean, I love my mom, and I love my family,” Laura explained, “but I don’t really wanna go under my mom’s roof again and be in Southern California again in that stupid suburb that I didn’t even like very much.” She was determined to “stay in New York by any means possible.”

Laura needed a steady source of income to keep her college dream alive. “I decided to look for a job,” she explains “and I got the crazy idea to be a live-in nanny because it solved my two problems of needing a job and a place to live. And it was like two weeks before I was getting kicked out of the dorms and I didn’t know what I was doing so I went on to sittercity.com and made an account.” It did not take long for her to be hired. “One of the first ladies to contact me, I went to their house and interviewed with them and their kids and she was like, ‘All right you can move your stuff in whenever you want.’ So I moved my stuff out of the dorm and into their house. And I ended up staying in their house for two-and-a-half years, which was not the original intention.” Working forty-five hours a week as a live-in nanny allowed Laura to pay NYU tuition as a part-time student and save money to eventually return full-time.

For Liz, finding the money she needed to live in NYU and go to school at NYU led her to doing what she described as sex work as a sugar baby. Sugar babies give their time,
companionship, and often, but not always, intimate affection in exchange for the money, gifts, and social connections of a “wealthy benefactor.” In 2016 alone, 1,204,980 US university students, the vast majority of whom are women, created sugar baby profiles through the leading online company, Seeking Arrangements (Seeking Arrangement 2017; Seeking Arrangement 2018). Over 1,500 sugar babies—more than any other school in the country—have signed up for a Seeking Arrangement account with an NYU student email since the company began online in 2006 (Seeking Arrangement 2018).

“I think that I made a profile on seekingarrangements.com, which is that classic site, my freshman year,” Liz began. “And I don’t think I did anything with it for real until my junior year because I was super afraid and nervous. And yeah, it kinda started there. It was something I was interested in or knew about. You also hear the statistics when you are at NYU: ‘Oh, NYU has the most sugar babies of any school in the country.’” But when she returned from travels from studying abroad, she was in an economic pinch. “And then I finally, I don’t know why, I was really just out of money… I kept travelling after studying abroad and had no money. I think I just came back that summer and I was kinda in this whatever adventurous time in my life. And I just decided I was going to do it.”

Despite her apprehensions, what made it feasible for Liz was her having control over who she would go out with. “I saw this guy. Again, I think the thing that made it ok for me was you could make the decision about who you were going to see. There was one person who I was like, ‘That looks fine.’ And I went and saw him and it was totally, totally great,” she laughed as she recounted the experience. “I think the first time I did it I got $300 in exchange for like a night… And I remember coming home and laying it on my bed and showing my roommate ‘look I have 300 dollars.’” Liz explained that she saw that person a couple more times and another person
once or twice and that was the extent of her work a sugar baby. “I never got to that point where it felt like I was in a relationship or a real dynamic between you and another person. Which is part of the reason that it was exhausting to me and I really only kind of dabbled in and out I think when I really needed money or felt like I needed money. But it did help. I mean it helped a lot my junior year of college, and my senior year I still did it.”

The hardest part of the sugar baby experience for Liz, however, was having to hold herself back when she did not agree with the politics of the person she was going out with. “I think it’s interesting to have to bite your tongue most of the time,” she said carefully. “I had one really cool sugar daddy experience where he was pretty leftist and really smart and I was totally myself with him. Which was incredible.” But this was not usually the case for Liz. “Most of the time, however, like I went on a date with a guy who is one of the most successful lawyers in New York City, but he is successful for getting bad people out of jail and out of bad situations, like hit men, terrible celebrities, terrible rich guys. Whoever needs help who has done something terrible calls him and he was like the most racist, classist, person I have ever met in real life.”

This placed Liz and her progressive, activist worldview in a tough spot. “I was in a situation where I don’t know how to conduct myself. I don’t know whether to call this seventy-year old man out. I don’t know whether to express myself or just bite my tongue and smile.” She would usually try to find a “light” way to show her disagreement in the moment and then decide not to see that person again later, even if it meant passing up a lot of money. But the decision was not easy and brought endless conversation with trusted friends:

_I remember discussing with people—which is kinda like a new age perspective—are you really gonna share energy with that person? Are you going to really be in union with that? Like that would... no. And some people would say, “yes.” That person was offering me minimum of $3000 per month. I had a bus to Montreal the next day and he said I’ll buy you flights back and forth, after a lunch date he was going to buy me flights. And that was going to be a huge, huge amount of money_
for me, and I didn’t do it. But I think that is the type of decision that you have to make. To me, it is kind of indicative of what it feels like to be in that situation.

Even the lure of large sums of money and convenient travel was not enough to get Liz to “share energy” with someone whose politics she completely disagreed with. Still, this predicament of having to decide with whom you are willing, or not, to exchange intimate affection for money, fancy restaurants, and travel perks defined Liz’s sugar baby experience.

For these four PWWC student debtors, working while in school was a way to keep hold of their college dreams. Shannon compromised her health and her studies to do both paid work and take on an internship she hoped would open-up professional possibilities. Steve worked an “insane” amount while he studied because his family was “very strapped financially” while in school and he “couldn’t rely on my parents” for the spending money needed to get by in NYC. Laura reorganized her life completely, choosing to become a live-in nanny rather than leaving NYU altogether when her father lost his job and her parents could no longer continue to take on more loans. Liz did sugar baby sex work where she frequently had to “bite her tongue” and soften her sharp political critiques to make it through an evening with a client.

These PWWC student debtors are very clear that this work was not all toil and hardship, however. Shannon was able to get a much better “sense of the city” working so many hours off campus. Laura echoed this sentiment, saying she was happy to have found an arrangement that was both an “interesting sort leap into the real world” as an eighteen-year-old that also allowed her to continue to be involved with her studies and community life at NYU. Steve held some regrets about taking on so much debt, but he did appreciate how he learned to be “extremely resilient when it came to working through financial hardship.” Shannon ended up getting offered a job after graduation at the place she interned her second year at NYU. And Liz did have sugar
baby experiences with men who were much more tolerable, even “really cool,” where she was able to be “totally [herself] with [them].”

Working while in school is a fast life attempt at pressing onward towards the aspirations of personal growth and professional possibility that first brought these PWWC students to NYU. It is measuring the narrowing walls of the debt impasse and deciding that the best route is still forward, that the college dream and all it offers is still viable despite looming debt repayment, and that diverting significant time and energy away from campus life is necessary to have any campus life at all.

Support

For Laura, however, there were two particular moments at NYU that shook her college dreams to its foundations, pushing her to go beyond work as the sole means of debt survival. The first moment, detailed in the last chapter, occurred when her loans surprisingly came due because she had dropped below six credits when she became a part-time student and full-time worker. The second moment happened when she was randomly selected by the Department of Education’s office of Federal Student Aid (FSA) for routine verification, what she describes as a process where the Federal Government goes through your Free Application for Federal Student Aid (FAFSA) “to check out more information, basically just to prove that [you] have not lied.” Verification is terrifying because the complex process must be done correctly to continue to receive aid. “The process is really confusing and nobody is good at explaining it to you, and the deadlines sort of sneak [up on you],” Laura explained. “I’ve heard so many people say, ‘Oh yeah, I got an email about that but I disregarded it because I didn’t know what they were talking about.’ And then, all of sudden you hit the deadline, you didn’t know that there was a deadline or
that you were supposed to meet something and they take away your aid. All of a sudden your aid is gone!” Needless to say, the verification process is highly stressful for those who are selected. “I think that panic attack was worse than when the loans came due [early].”

It was moments such as these that brought Laura into debt activism at NYU. During her first year, she was already involved in sustainable agriculture projects and working with the Divest NYU student group demanding the university withdraw all their endowment money from the fossil fuel industry. When, during her third year, Gallatin Sociology Professor and Assistant Dean of Students Kim DaCosta invited her to develop a series of events at NYU on student debt issues, the Life and Debt (L & D) series was born. In the words of Professor DaCosta, the L & D series is a space that “brings students together with others in the community to talk about debt.” It is composed of activities that strive to both “critique” the debt crisis as well discuss “strategies for coping.” I attended many of these events throughout the school year and observed the following recipe for NYU debt activism: one-part providing a tool-kit to understand and navigate the tangled maze of the school’s financial aid resources, one-part focused on student activism and mobilization in the face of a growing student debt crisis; and three-parts disseminating financial advice that frequently emphasized the benefits of frugal living when trying to pay off student debt as quickly as possible.

Started by Laura, the Gallatin Student Debt Collective (GSDC) emerged from this event series and involves many of the students who attend it. I spent the spring semester as a participant-observer in their weekly meetings where they discussed the basics of indebted student life while also planning a workshop to educate and support NYU student debtors at the end of the school year. These meetings drew a small, but consistent group of four to six students which often include both Liz and Hue, and of course Laura, who all formally participated in this study.
Spanning about an hour and a half over lunch, these gatherings were filled with lively and informal chit-chat about student’s everyday lives as students. Frequently the topic turned to student’s interactions with the financial aid office or university administrators; frustration, anger, and confusion are often the emotions that were evoked in these conversations but occasionally praise was given to a particular professor or administrator who had gone out of their way to be supportive or helpful to a student in need.

Much of the focus of the GSDC during the time I observed was planning “Support Squad” spaces where student could come learn about strategies for surviving with debt at NYU. The GSDC organized two such spaces at the end of the academic year. These were basically open forums where students could ask questions around themes such as loans, scholarships, dealing with special circumstances as they arise, managing their finances, and where to find help. One notable dynamic about these spaces was the presence of Celeste Orangers, the Assistant Dean for Academic Policy Administration and Institutional Research at NYU Gallatin. She was invited by the GSDC to help answer student inquiries from the perspective of an experienced administrator.

At the first Support Squad meeting, Celeste fielded a series of questions including why NYU takes away loans when students drop from full-time to part-time status. “Admissions offers come with a financial aid package,” Celeste clarified. “This is a contract. We’ve been given your financial aid info and you’ve been offered a specific amount of financial aid. This amount will remain as long as you fulfill your requirements as a student.” The response was simple, direct, and revealing of the classical liberal political, economic, and legal structures at the foundation of student debt. Student loans are an agreement between parties. If one party breaks that agreement,
the other is no longer obligated to fulfill their responsibilities, no matter the hardship a student encountered that led to the breach of the “contract.”

Not content with this answer, a student asked why NYU does not then increase your scholarship when tuition goes up. The logic behind the question makes sense. If this is indeed a contract, why then can NYU change the terms of the deal, but student debtors cannot? Rather than debate the fairness of this agreement, Celeste responded by making a case for NYU’s generous use of their operating budget toward student scholarships. “Our entire budget is spent, every penny,” she said before going on to note how she has been in meetings where deans of different NYU colleges are happy that they have allocated all of the money in the budget to help students. The student responded in turn by questioning the “exorbitant” cost of housing at NYU.

The meeting continued to ping-pong back and forth for a few more topics with students serving up passionate critiques of indebted life and Celeste volleying back confident and practiced answers. At about the two-hour mark, things come to a close with Celeste continuing to take the criticism of indebted student life at NYU in stride. “I am proud of you all,” Celeste gushed towards the members of the GSDC. “I can’t wait to tell the Vice President of Finance about you!” She then asked if there was anything that they would like her to say to him. The answers she got were right in line with student’s previous, critical questions and concerns. “Stop expanding! You’re fucking me over for the next fifty years!” one student exclaimed. “Ask why scholarships don’t go up with tuition,” another student demanded. “Getting the aid package was so exciting, then you get here and they change things,” a third student lamented.

Unafraid to challenge authority about the perceived injustices they experience around student debt issues at NYU, these debt activists focused on better understanding those power imbalances so they could more strategically navigate them. These PWWC students repeatedly
questioned the fairness of their debt agreements, but rarely questioned their desire to engage in them. In this sense, this debt activism remained firmly within the bounds of their attachment to the college dream; it is another fast-life response that looks for ways to more easily move forward through the student debt impasse while in school.

Protest

“Ain’t no power like the power of the people, ‘cuz the power of the people don’t stop! Say what!?” A week after the small group of students gathered in the rain to demand an end to the student debt crisis described at the opening of this chapter, their protest grew to upwards of forty people. And they had found new fuel for their fire. As an incoming international student set to begin at NYU’s Washington D.C. campus in the fall of 2015, Nia Mirza created a petition on Change.Org demanding that NYU lower tuition to the cost initially presented to her upon acceptance to NYU as early-decision in January. “The cost of attendance… was suddenly raised after students payed the enrollment deposit,” her petition read. “Moreover, this was done without any notice at all; it was just observed by students who reviewed their financial aid package on their [online student] portals” (Mirza 2015). According to Mirza, the cost to attend NYU which had originally been projected as $66,542 suddenly became $70,974 (Wolpow 2015).

When Nia started school in the fall, NYU refused to refund the difference, arguing that the cost change was in line with the annual three percent tuition hikes that had remained consistent in recent years (Wolpow 2015). They did, however, grant her a rare on campus housing exemption, allowing her to save $11,486 by living with family outside of D.C. and commuting about forty miles to school. But, after making the trek into the city the first week of school, she wrote an email to NYU administrators asking for permission to live with a cousin in
Arlington to be closer to campus. NYU director of Global Studies, Beth Haymaker, not only denied the request, but also demanded that she move on campus immediately or risk expulsion from NYU, adding in her email response that she would “be billed for NYU DC housing as of [that day]” (Zimmerman 2015).

Given this situation, the SLAM-led, NYU student protesters marched upon the office of Beth Haymaker’s boss, the Dean of Liberal Studies, Fred Schwarzbach. They demanded a meeting with Schwarzbach to discuss Mirza’s case and protest the ongoing tuition hikes at NYU. They were suspicious that NYU’s denial of Mirza’s housing exemption was “retaliation” for her petition that by then had been signed by over five thousand people and gone viral across the internet. The crowd grew impatient as they continued to wait on the sidewalk for permission to go up and meet with the dean. A call and response chant picked up: “No justice? No peace! Retaliation? No peace! Stalling? No peace!” They would not be turned away until they could make their demands directly to the dean.

Direct action is a third fast-life response practiced by indebted PWWC students at NYU. The Student Labor Action Movement (SLAM) is the campus organization largely responsible for organizing the protest in support of Nia and against NYU’s continually rising tuition cost. SLAM is the NYU chapter of the national organization, United Students Against Sweatshops and has a reputation on campus for its relentless and confrontational organizing against the corporatization of NYU. A week before the protest in support of Nia, I observed their first organizational meeting of the year. Standing at the head of a full classroom on the eighth floor of the Kimmell Student Center, Adam introduced SLAM’s homegrown analysis of the student debt crisis and made a call to action:

_Everyone is here because of student debt. This is a stigmatized, individualized problem. They say, “it was your choice to come to NYU.” But no! This is a_
collective, historical problem! Student debt has become the largest form of consumer debt and it is not dischargeable. It doesn’t go away when you die. And what is NYU in all of this? A trendsetter. We are at ground zero. If we can win here, we can show that it is possible anywhere.

In contrast with much of the GSDC debt activism I observed¹¹, SLAM worked with a structural and historical analysis of student debt. Debt is not just an individual issue, Adam emphasized, it is a “collective, historical problem.” It is the largest form of consumer debt (after home mortgages) and there is no way of escaping it. And SLAM believed that NYU students could organize to change it, not just on their campus, but “anywhere.”

Energized by the strong turnout for the first meeting of the school year, Adam continued quickly and with confidence through SLAM’s homegrown analysis of what they perceive to be happening at NYU: students take out loans provided by the federal government and private lenders, they use those loans to pay for tuition, room and board at NYU, and NYU in turn uses the surplus revenue generated from these costs to pay down their own debt on the massive bank loans they in turn have taken out to fund the ongoing expansion of the university. The details were not yet clear, but I could tell that SLAM was on to something important: educational debt is not only a tool for students to gain access to higher education but also an underlying asset for universities to engage in other financial transactions.

I observed SLAM’s campaign closely for a semester in the fall of 2015 as they attacked the problem of student debt on two interconnected fronts: by protesting increasing tuition and demanding—in collaboration with the broader national campaign—a raise in the minimum wage of on campus jobs to $15 dollars an hour. The above vignette about Nia’s fight gives a window into the former aspect of their campaign. SLAM leaders did eventually win a face to face

¹¹ It is important to note here that many of the GSDC activists were also involved in SLAM and were very conscious and strategic about these different approaches. In fact, the GSDC was started to fulfill the urgent need to develop immediate survival strategies for NYU debtors while SLAM tackled issue as a collective and systemic problem.
meeting with Dean Schwarzbach and other NYU administrators that afternoon. A week later NYU decided that they would pay the $11,486 cost of college housing for Nia to live on Campus that year (Faunce 2015). While it did not change NYU housing policy or lower NYU’s tuition, it was a very significant victory for one NYU student and a symbolic victory for many more.

SLAM’s other approach to attacking student debt during this time, was the fight for increased wages on campus and beyond. On a drizzly November afternoon a few months later, I accompanied members of SLAM to Foley Square where hundreds had gathered for the National Day of Action in support of the Fight for $15 campaign. Surrounded by city and state labor leaders, New York Governor Andrew Cuomo stood before a podium atop a platform at the front of the crowd. “We made a decision a long time ago,” he stated deliberately, “that if you work full time you should have a decent lifestyle for you and your family.” The crowd, composed primarily of NYC service sector employers, cheered wildly in support. “Franklin Delano Roosevelt,” he continued, “former governor of this great state, signed a minimum wage law into effect, and he said when he signed the minimum wage law, and I quote, ‘By living wage, I mean more than a bare subsistence level. I mean the wages of a decent living.’” Cuomo concluded, “That was 1933 and it’s not a decent living today. And it is simple math. If you earn the minimum wage, it’s about $18,000 a year in New York. And you add up the numbers: You can't pay for food and clothing and housing here on $18,000 a year. Period.”

SLAM had been working all semester to build support at NYU for the Fight for $15 campaign, a growing national movement to raise the minimum wage in the fast food and retail sectors. At the first SLAM meeting at the beginning of the semester, Jake, a young organizer with New York Communities for Change gave an overview of the Fight for $15 campaign, emphasizing the common interests between fast food and student workers. While waiting for
administrators to meet with them at the rally in support of Nia Mirza’s petition, a young, woman student asked the crowd, “How many of you make $10 an hour? Is that enough?” She then started up a call and response chant. “Student,” she screamed, and the crowd responded, “Power!” “Worker,” she yelled, and the crowd repeated, “Power!” Weeks later, when various NYU students reported that they were still owed back pay for their work-study jobs, a group of ten or so SLAM members occupied the Welcome Center, refusing to leave until administration agreed to address the issue.

And prior to joining the larger Union Square rally where Cuomo gave his speech, SLAM members organized their own fight for $15 protest. They first rallied in Washington Square Park before then leading a group of thirty protesters to the doors of Bobst Library. There, students read testimonies about their experiences with debt and financial hardship at NYU. This is where I first heard Hue, who we have met in previous chapters, tell his story about losing his full scholarship after going on medical leave. “When I came back to the university,” he lamented to the crowd of students packed in close under the library alcove to avoid the rain, “it took a solid two months for my financial aid to be restored. There were many nights I sat staring at the ceiling wondering if my financial aid would be restored. Everything had changed. My scholarships were different and instead [of a full ride] I was offered some work-study and loans.” With the conclusion of the testimonies, the group moved into the library to formally turn in their demands. To everyone’s surprise, NYU’s Vice President of Communications, John Beckman, was already waiting in the lobby to receive their petition—signaling to the protesters that NYU was paying close attention to their actions.

SLAM’s combined protest of student debt and the fight for $15 minimum wage is strategic. The fact that today’s debt will, at least in theory, be paid back with tomorrow’s
paychecks, creates an inseparable relationship between debt and wages. A useful way of thinking about this connection comes from the work of scholar-activist, and NYU professor, Andrew Ross (2013, 166) who calls educational loans “pledges of our time and labor in advance.” In exchange for access to money today, students make a promise to trade a portion of their future wages to their financiers to pay back that money plus interest. Workers with student debt face both labor exploitation and financial expropriation. The result is a wealth extraction double whammy: financiers dispossess these debtor/workers of a portion of their paycheck, a paycheck that was already missing a significant amount value they produced but their employer has taken.

Wages and debt are thus intricately connected. At the end of March, new NYU president Andrew Hamilton announced that the university will provide a gradual increase to a $15 minimum wage for all student workers by the ’18-19 school year. “As I have listened to students in various settings,” wrote Hamilton in an open letter to the NYU community, “I have repeatedly heard that raising the minimum hourly rate we pay to student workers is an important way to reduce the burden on families and to ease the pressure that students sometimes feel, even when they are getting generous scholarship aid” (New York University 2016). SLAM members were cautiously optimistic. The following week a SLAM organizer was quoted in the Villager (2016) saying, “As a student worker, $15 isn’t just a rhetorical number for me. I’m set to graduate with $80,000 in student loan debt. In the past, it’s been nearly impossible to work enough hours to earn my entire work-study award. This will put a dent in my living expenses, and in the debt I’m already accruing.” Excitement grew when Colombia University quickly followed suit with a similar announcement, only to be slightly dampened when, shortly after Governor Cuomo announced that New York State would also implement a plan to arrive at a $15 minimum wage by the end of 2018. While still noting the importance of their victory, SLAM members were
suspicious that NYU’s decision to raise the minimum wage a week before it became a state mandate was more a publicity stunt than compliance with their demands.

Taken overall, SLAM had a very successful year. Their victories included winning free on-campus housing for Nia Mirza at the NYU Washington DC campus, and a guaranteed minimum wage of $15 on the main campus in Greenwich Village. SLAM’s more systemic and historical analysis of student debt, as well as their direct-action tactics of pressuring NYU administration for meaningful concessions, clearly bore fruit. But what did it mean with regards to the attachment to the college dream of its PWWC members?

In many ways, SLAM’s protest was a more confrontational extension of the debt activism and student support work of the Gallatin Student Debt Collective. Rather than merely understand the power imbalances that exist between student debtors and NYU as an institution, however, SLAM was working to challenge and change them. They understood that every dollar a student saves on room and board or earns through higher wages was a dollar more that could eventually help them survive once loan repayment began. Nevertheless, and despite this more radical confrontation of power, SLAM’s debt campaign was still a fast-life response firmly rooted in the attachment to the college dream that brought many of its members to NYU in the first place. In the face of the looming impasse of monthly loan payments, SLAM organizers took the streets, occupied symbolic spaces on campus, and stormed administrator’s offices with strategic demands. Their tireless work carved out a bit more space for some to maneuver within this impasse but it did not fundamentally change its nature. Their ship was still sinking, and the unknown waters of debt repayment grew ever closer.
Drop-Out

Others, such as Lucy, choose to leave NYU before they graduate rather than continuing to take on massive amounts of student debt. “I came to NYU,” she explained to me, “knowing there was a chance I would have to drop-out because I am from a single-parent, more or less working-class, I guess the upper-end of working-class, family. And the money just isn’t there.” Previously, Lucy explained how her mother pressured her to go to college, joking that if she did not go to school, “I’ll call the cops on you.” Here, Lucy revealed that, despite this pressure, she always had her doubts that she would be able to stay at a costly institution like NYU because of the financial instability of her single-parent family. She did, however, have meritocratic hopes that if she worked hard enough, NYU would find a way to support her when the money her family had saved for college ran out. “There’s a part of me that thought it would work out cuz if I’m at NYU and if I had good grades and everything,” she stopped for a moment before restarting the sentence. “I thought if I was like, ‘Hey so I need, like, more financial aid,’ they would maybe give it me.” She asked for ten-thousand dollars more in addition to the thirty-thousand that NYU was already giving her. When NYU only offered here two-thousand dollars more, she left. She could have taken out private loans, but she estimates that doing so would have left her with $100,000 in debt.

As a SLAM member, her drop-out became a political act. In addition to the passionate letter that she published in the Huffington Post online, she organized a drop-out party and invited all her friends. The first paragraph of the Facebook invitation read:

*I recently left NYU for financial reasons, which I’m pretty bummed about. One of the biggest things I’m gonna miss is college parties . . . so we’re gonna have one last blowout before I leave! Wear your best "fuck it" attire, and be ready to dance the night away with me to celebrate and mourn my no-longer-being-a-student. We’re gonna have kegs, beer pong, and a dance floor so that we can get college all over the place! (Parks 2014)*
While tongue-and-cheek, the invitation to “get college all over the place,” to drink keg beer, play drinking games, and dance the night away, was essentially an invitation to the wake for what she expected to be the death of her PWWC attachment to the college dream. In sarcastically engaging in the quintessential social activities of US college life, Lucy was able to both “celebrate and mourn” what she perceived to be the end of her college life.

I spoke to Lucy a few years after the drop-out party and she informed me that after leaving NYU she ended up enrolling in the City College which is a part of the City University of New York (CUNY). She explained some of the big differences between NYU Gallatin and City College. At the Center for Worker’s Education at City College’s campus in the Manhattan financial district Lucy now goes to class with people who she describes as “not like me,” people who “have jobs and kids and families.” When she spends time on the City College main campus in West Harlem doing organizing work or hanging out with friends, she notices other major differences:

Even just the look of the buildings is different than NYU. Like City College’s North Academic center, you walk in and it literally looks like Riker’s Island, like it is the same color of paint. And things don’t work, like the wi-fi doesn’t work half the time the printers are broken, there are never enough computers for everyone who needs them. Also public safety is an issue there. Like the public safety officers just being dicks to everyone. So it is like a very, very tangible shift from like, an upper class institution to a working-class institution and you can feel it in the quality of the services there.

Despite symbolically laying her college dream to rest at her drop-out party, the ghost of Lucy’s cruel attachment rises again. She depicts City College as a drab prison where nothing works and there are not enough resources for everyone. She notes how the public safety officers are “dicks” to people, indicating that the security that she felt as a Queer person at NYU—the “Queer Factor” that initially brought her to school in Greenwich Village—is lacking in West Harlem. All
of these things combine to mark a “tangible shift” from NYU to City College and result in her bitter lamentation of having to recalibrate her college dreams in the face of student debt. While Lucy has seemingly escaped the impasse of debt repayment by dropping-out and attending a public university, her disparagement of CUNY in this comparison reveals that a part of her remains trapped within the initial attachment to the college dream that brought her to NYU in the first place.

Satirize

“Welcome to New York’s Unlimited Casino! Tonight is all about funding the American Dream—your American Dream! Get your chips ready and get ready to win big!” In mid-April, as the 2015-2016 academic year was winding down, I was invited to see a performance of “The House Edge.” This participatory theater piece was written and directed collectively by a group of students, many of whom were involved in the GSDC, SLAM, or both. They are led by NYU Gallatin senior, Jessica, who was first introduced above. The open space within the Jerry H. Labowitz Theater (Labowitz is the former director of financial securities research at Merrill Lynch) was laid out like a casino; four rectangular tables covered in green felt are scattered across the large room. A “dealer” sat at the head of each table, joined by eight to ten audience members. At the front of the room, the MC, played by Liz, stood before a microphone as everyone else looked on. “Yes, that’s right folks, we are here to enhance your life! Now, welcome the man who made it all possible, the man who opened this casino, Allan Hall!”

As the audience applauded, a student actor dressed in a suit and tie took the mic,

Thank you, thank you so much for that hearty welcome! I am so proud to be here today, and to share with you the success of this casino so far! I may have founded this casino, but I certainly did not expect it to become what it is today! Branches all around the world, from Shanghai to Sydney, Paris to Buenos Aires! It really is
incredible what my successors have been able to do with what started as a small casino servicing those who didn’t have much, so that they could make something of themselves. Now look at all the possibilities there are for people like you all around the world! Sure, there is some risk involved, but no risk, no reward!

By this point, the small theater—full of mostly of NYU students, a few parents, and a handful of faculty members—was already full of smiles and laughter. The satirical comparison of NYU to a chain of casinos expanding across the globe was lost on no one. The theme “no risk, no reward” was one that is repeated throughout the evening and is an apt description of how the optimism of the college dream cruelly led many of the students present in the theater into a risk-filled, debt impasse.

The MC then introduced us to one of the casino’s “attendees.” “We’ve heard from the leaders of this great institution,” she bellowed, “now let’s hear from one of our many soon to-be-successful attendees! This young woman is passionate and hardworking and could not be more excited to be here. Please welcome Heather Gray!” A young woman stepped timidly to the mic.

She looked out anxiously across the crowd before speaking rapidly with nervous excitement.

Hello everybody! How are you tonight? Good? Gosh, I hope you’re as excited as I am to be here! I honestly still can’t believe I’m really here at New York’s Unlimited Casino! I’ve been dreaming of going here for—well, for as long as I can remember really. Just a few years ago, I was just starting to do research on different casino’s and found New York’s Unlimited. Of course, I had heard of it before but it always just seemed like...well, like a dream. But I looked at their website and all the pictures of people smiling and playing together and reaching their dreams and I thought “I have to be there!”

Heather’s speech in this theatrical satire, continued below, neatly spoke to many of the major themes anchoring this dissertation. In this first section of her monologue above, she made clear that New York’s Unlimited Casino is her dream destination. Full of happy, successful people, there is quite simply no other place Heather would rather be.

She went on to describe the allure of being in the cosmopolitan, luxury city of New York:
The first time I visited, well, I couldn’t actually go into the casino but a tour guide walked us around the building and I just got so excited even being close to it! And the people I talked to all really loved it! I’ve heard a few stories about people who weren’t so happy with their experience, but I think they’re mostly sore losers. Anyway. I mean, I just can’t imagine trying to succeed anywhere but New York City. If I can make it here, I can make it anywhere, right? Things really happen here, it’s not like other places. Sure, I could have gone to a cheaper casino in the Middle of Nowhere, USA, but I just can’t even imagine what that would be like. I’d have to become interested in football, or some other sweaty game. I have no desire to spend my Friday nights on a cold bleacher seat watching strangers run back and forth for hours. And I’m definitely not into keg parties. I want to live in the real world, not some weird casino bubble. Here, I’m surround by art galleries and museums, theaters, great food, bookstore—literally everything I could ever want!

For the authors of *The House Edge*, Heather’s character was used to clearly expresses how attending a “casino” in the “Middle of Nowhere, USA” where Friday nights would be spent watching sports is not an option for many PWWC youth. This sentiment mirrors Steve’s realization that the art and culture of New York City was a much better fit for him than the football games and binge drinking that his high school friends engaged with at state schools closer to home. “Things really happen here,” Heather affirmed, implying a belief that nothing really happens much of anywhere else.

Finally, Heather concluded her monologue by justifying the price of attending New York Unlimited Casino and resigning herself to the fact that she will have to take out loans to be there:

My parents aren’t exactly thrilled with the cost, but they still support me. I have worked really hard to be able to get to New York’s Unlimited, and I deserve to be able to go. They’re even helping me out a bit with the entrance fee! What they are offering me only covers a bit of the cost, but they must really want me if they are willing to give me some money, right? My parents will help a little, and I’ll just take out a few loans. That’s no big deal, right? Most people have to take out some sort of loans. If I take out a few, I’ll just pay them off as soon as possible. I’ll figure it out eventually. Loans are just part of life. It’s the only way anyone can do anything, really. It may be a bit riskier than the average casino, but from what I can tell so far, I think it will be worth every penny.
“Loans are just a part of life,” Heather stated, concisely summarizing the PWWC attachment to the college dream. The logic is fairly simply: attending a prestigious “casino” like NYU in a cosmopolitan city is non-negotiable; loans are now necessary to make that possible; thus, loans have become “just a part of life.” While Heather does recognize that “it may be riskier than the average casino,” she quickly added that she thinks “it will be worth every penny.”

In publicly satirizing the financialization of NYU—including their own participation in it—the authors and performers of The House Edge did something that the other four fast-life responses to the growing debt impasse do not: they explicitly connect the high risk, high reward nature of an NYU degree to the ongoing process of the financialization of education now cruelly driven by the optimistic attachment to the college dream. These students successfully reflected upon and humorously shared the dynamics of their own attachments to the college dream, and clearly identified how NYU and other schools have used this attachment as the basis of interest-bearing financial transactions. While such satire was not a clean break from this attachment and the system of financial expropriation that depends upon it, it was an opening where that break might begin. “Talking about [the possibility of] a world without debt,” a student audience member reflected during the facilitated conversation at the end of the theater piece, “made me think that in order for that to happen the people in power either need to give it up or you have to take it.”

Fast Life

Highlighting the connections between the college dream and the casino-like characteristics of financialized higher education also adds important details to SLAM’s observation that NYU student’s debt is also tangled up with the institution’s own cycles of debt
borrowing and repayment. To conclude this chapter, I build on SLAM’s analysis to argue that, in taking on their own loans to fund constant expansion, NYU itself is also immersed in a series of fast-life actions as they attempt to stave off the pressures of increasing global competition among colleges and universities today while also complying with repayment of their own debt.

When Obama ended the FFEL program in 2010 that guaranteed repayment to private lenders of student loans, it seemingly put a stop to the casino-style, calculated risk-taking involved in the buying and selling of student debt described in chapter one. Sallie Mae continued to issue private loans and convert them into SLABS (Fleischman 2015), but, with no federal guarantee of repayment, these bundles of loans are now steeped in the same “radical uncertainty” as other financial instruments. Sensing the danger of this shift, banks like JP Morgan Chase decided to get out of the student lending business altogether (The Associated Press 2013). On the surface, then, it might appear that the The House Edge theatrical parody of NYU was a few years too late. Dig a little deeper, however, and you will uncover a new strategy of financialized education being deployed by NYU and other universities around the country that once again relies on the federal government to convert uncertainty into calculated risk.

I stumbled upon this strategy amidst an email conversation with an NYU graduate and former SLAM member who had worked on a campaign to “evict” JP Morgan Chase Bank (hereafter: Chase) from NYU’s campus in 2012. At the time, SLAM was raising consciousness about Chase’s leading role in foreclosures during the housing crisis. The campaign to “evict” Chase from NYU was thus an attempt to turn the table on the bank most responsible for putting mortgage defaulters on the street. Through the email exchange, I asked him about the connections between Chase and NYU, and particularly how Chase might be involved in funding the 2031 expansion plan. He referred me to some of the educational materials SLAM had
developed which described how Chase issued NYU’s purchasing cards (a company charge card used by NYU employees to make work-required purchases), was NYU’s custodian bank (the bank that safeguarded NYU’s financial assets in return for a custodial fee) and managed the NYU staff pension plan.

These materials also note the direct connections between Chase and NYU administration: Chases’ CEO, Jamie Dimon, as described earlier, is on the board of Trustees at the NYU Medical Center, and Chase’s VP/Assistant of General Counsel, Steven S. Miller serves on the NYU Board. In addition, the former SLAM member attached a copy of the instruction sheet for how international students can wire money from overseas to make payments to an NYU account held with Chase bank. Finally, at the end of the email, he responds more directly to my questions about Chase’s involvement in lending money toward NYU’s plans for expansion. “We weren’t able to see which banks in particular were funding the expansion,” he wrote candidly, “but I wouldn’t be surprised if Chase was involved somehow, even as the underwriter for NYU’s bonds.” “Wait a minute,” I responded quickly. “NYU has bonds!? How does that work?”

It turns out that NYU’s bonds are at the center of a complex set of financialized fast life interactions that tie the university together with student debtors, federal and state government, and private banking institutions. Over the last decade, NYU has issued billions of dollars in largely tax-free, state sponsored bonds\(^\text{12}\) and plans to issue billions of dollars more in the coming decade (New York University 2014). Essentially, a bond is a type of crowd-sourced loan. The bond issuer chooses the amount of money they would like to be “loaned” and issues a series of bonds equal to that amount. They then sell these bonds to a private bank, which acts as the

\(^{12}\) See for example the 2016 Dormitory Authority of the State of New York, New York University Revenue Bonds issued for $829,110,000 most of which are tax exempt. http://dasny.org/Libraries/2016_Investor_Relations_Documents/ NYU_Series_2016_A_and_B.pdf
bond’s underwriter. For a healthy fee, the underwriter resells these bonds to investors who become the bond holders. The bond issuer is obligated to pay the bond holder interest on the bond (the bond coupon), and eventually the full value of the bond (the par amount) at an agreed upon future date. The bond issuer also pays another private bank to act as the trustee and paying agent, to manage the disbursement of interest and bond repayments, and provide a guarantee to bond holders that repayment will be made.

The bonds that NYU issues act as a debt used to fund their expansion plan. In exchange for millions of dollars in fees, these bonds are underwritten by private banks like JP Morgan Chase, Morgan Stanley, Merrill Lynch, and Wells Fargo. These underwriting banks buy billions of dollars in NYU bonds and resell them to investors, many of whom are themselves professionals in the financial sector working for banks, firms, and individual clients. NYU receives the value of the bond upfront from the bank and is then responsible for paying interest and, then later, the full value of the bond to the bondholders. For yet another fee, the Bank of New York Mellon acts as the trustee and paying agent on behalf of NYU for many of these bonds.

The nearly one-hundred million dollars that NYU pays out annually in interest to bondholders comes from revenue in their operating budget, 55 percent of which stems from tuition and fees (New York University 2017c). Here is where it gets interesting: the amount of money NYU students receive annually from the federal government in student loans is at least as much, if not significantly more than the money they pay out in bond interest each year. While

\[13 \text{ NYU undergraduate students received a combined } 70,609,705 \text{ in federal student loans for the } '14-'15 \text{ academic year (National Center for Educational Statistics 2015). Exact figures for graduate student federal loans at NYU was not available at the time of this publication but, due to the massive spike in grad student debt over the last decade (Delisle 2014), it is very probable that the } 17,000 \text{ NYU graduate and professional students collectively hold tens, if not hundreds of millions of dollars, in federal student debt.}\]
this federal money only makes up somewhere between 5 and 10 percent of NYU’s overall revenue from tuition and fees, it serves as a guaranteed source of university income amidst ongoing tuition hikes; what students cannot pay out of pocket, federally sponsored loans can. And this does not consider the role of private loans\(^\text{14}\), which make up a small but growing portion of overall educational debt as university costs are now often higher than the maximum amount federal loans a student can take on (Randall 2009).

Student debt is thus no longer just a tool that grants access to higher education and student debtors are not the only ones scrambling to figure out how they will manage the future repayment of their debt. NYU’s case demonstrates a clear relationship between the diverse array of fast-life responses student debtors engage in to stay afloat while in school and NYU’s own reliance on federal student loans to help pay the interest on their own loans. Student debt, in sum, helps turn uncertainty into calculated risk by acting as a stabilizing force that undergirds a series of other financial transactions. Millions of dollars flow into private banks in return for underwriting, securing, and paying out interest on NYU bonds. The bondholders who receive the interest from these bonds are themselves a mixture of commercial banks, money managers, hedge funds, insurance companies, and dealer stock (DASNY 2014, 27). These bonds, in turn, give NYU access to billions of dollars which they can use to expand geographically through the purchase of real estate in one of the most prime locations in the world.

NYU is, in fact, now the second largest private land owner in NYC after Colombia University (Bilogur 2016), and as an educational institute they do not pay any property taxes (Steele 2016). NYU professor Andrew Ross (2012) and leading voice of Faculty Against the

\(^{14}\) There is no central database for statistics on private loans so it is difficult to talk about specifics with regards to NYU students and private loans. Nationally, there are 1.4 million students taking out an average of $10,000 in private loans each year, and outstanding private student debt is upwards of 165 billion dollars total (Gitlen 2017).
Sexton Plan, notes that “the university has an extensive real estate portfolio, and it is perpetually buying, selling, and leasing buildings, or land-banking properties for future uses and returns.” Like McDonalds—which actually makes a much larger profit margin through leasing land and restaurants to franchise owners than actually selling hamburgers (Team Wall Street Survivor 2015)—Ross’s former students have described NYU as a “real estate company which also issues degrees” (Ibid.), while an NYU administrator once confided to him that some days it feels like he is running a chain of restaurants and hotels given the number of beds and cafeteria seats NYU “caters to” each day (Ibid.).

NYU, of course, is not alone in these practices. The state of New York sponsors similar bonds for Columbia University and its affiliate Barnard College, as well as St. Johns University, The New School, Cornell University and many others (DASNY 2016, 1-2). More alarming is that the trend to use debt to finance expansion is taking off with public universities around the US as well. Between 2002 and 2010 the average amount of money that public universities paid towards servicing their own debts increased by over eighty percent (Eaton et al. 2013, 3). A group of sociologists at the University of California (UC), financially the US’s largest research university, examined this phenomenon at their own institution and found that UC’s debt burden more than doubled from 6.7 billion in 2005 to 14.3 billion in 2011 (Ibid., 4). Part of what is troublesome about debt-driven expansion, they note, is that it forces universities to spend their money in areas that are more profitable such as hospitals, dorms, dining halls, and gymnasiums rather than instructional expenses. Between 2002 and 2010, auxiliary service spending per full time student at UC has increased by over thirty percent while instructional spending only six percent (Ibid., 8). UC became further entangled in financial practices when it entered the derivatives trade. Believing that the interest rate on their debt would go up, they entered an
interest rate swap with an investment bank to lock them into the original interest rate and insulate themselves from the fluctuations of the market. When interest rates unexpectedly went down, however, UC had to pay an estimated two-hundred million dollars more on their debt than they would have if they had never made the swap (Ibid., 12-16).

Today, more and more institutions of higher education engage in precarious, fast-life responses as they attempt to brace themselves amidst the stormy waters of financial capitalism. Increasingly, students willing to take on large sums of loans to pursue their college dreams become unwitting passengers caught up in the tumultuous journey of their financializing schools. To top this off, the worst-case scenario for both these institutions and their students is not always just the slow death of debt repayment. A spate of small liberal arts colleges have recently shut down for financial reasons, and Harvard Business School professor Clayton Christensen has even gone as far as to say that as many as half of the colleges and universities in the US could go bankrupt in the next 10 years (Seltzer 2017). And for students, debt related suicides on campuses is a growing, but still underreported issue (Johannsen 2012); NYU, in fact, has placed aluminum screens along the balconies of the Bobst library after three students jumped to their deaths since 2003 (Washington Square News 2018).

Despite the red flags, financial experts like Moody’s are giving the green light to NYU’s expansion plans and encouraging investors to continue to get on board. “Moody's Investors Service,” begins NYU’s 2015 credit report, “revises New York University's (NYU) outlook to

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15 Moody’s methodology for assigning credit ratings to universities clearly demonstrates the pressures that financial markets place on universities to conform to specific fiscal and managerial practices to receive a strong enough credit rating to engage in financial transactions such as issuing bonds. For example, Moody’s recommends that institutions have “Statutory and political flexibility to increase tuition and fees, particularly in light of declining state support of public universities” (Nelson, Hite, and Praagh 2011, 5), a “President who demonstrates clear understanding and leadership on financial and capital matters as well as the university’s academic and research mission” (Ibid., 13), and “Board members who provide expertise in the areas of risk management, financial statements, multi-year financial and capital plans, and investment strategies as well as material philanthropic support” (Ibid.). Also quite alarming is Moody’s emphasis on “budgetary flexibility” that leads them to warn that

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positive from stable in conjunction with the proposed sale of $932.9 million of Revenue Bonds… The rating action affects $2.2 billion of pro-forma rated debt. Concurrently, we affirm the Aa3 [positive] rating on NYU’s rated debt outstanding” (Moody’s Investor Service 2015).

What was it that changed to prompt this bump in the credit rating for NYU’s outstanding debts? “The outlook revision to positive,” the report continues, “reflects NYU’s increasingly global brand as demonstrated by ongoing healthy net tuition revenue growth, robust research expansion during a period of stagnant federal funding, strengthening clinical demand, and rising philanthropic support” (Ibid.).

Riding their student’s debt-fueled attachment to the college dream, NYU continues to expand, which triggers their own cycles of debt borrowing and repayment. Amidst the growing pressure of an ever more competitive market of global higher education, financial experts and credit ratings agencies alike urge the institution to continue to accumulate such debt. The university is now a site where fast-life realities are becoming normalized for students and administrators alike. But then what happens when its time to repay?

“The extent to which faculty are tenured and staff are unionized can significantly impact expense flexibility” and thus negatively impact a university’s credit rating.
Conclusion//Slow Debt

The hope is, of course, that obtaining a college degree will make all the stress and fast-life sacrifices of taking on student debt worth it. Which finally brings us to the crucial question: does it?

It is too early to be able to answer that question definitively, but the early returns do not look good for the future of indebted students. As mentioned previously, nearly half of the twenty-two million student debtors with federal student loans up for repayment are not making consistent contributions towards their loans. Almost four million have not made a payment in over a year and are in default. Another three million are at least a month behind on their payment and considered delinquent. Still another three million have officially declared forbearance because of economic hardship or deferred their loan repayment because they were returning to school or engaging in formal training (Mitchell 2016). For many students, debt’s burden continues to linger long after graduation.

The non-profit organization, Student Debt Crisis, has posted countless student debt testimonials online that help illuminate this broader picture. In one such video, we meet Jessie, a recent graduate in criminal justice from LaSalle University in Philadelphia. Every morning she wakes up at six a.m. and leaves her mother’s house to head to her first job at a local deli where she takes orders, prepares food, and keeps the place tidy. “Never thought I would be cleaning toilets after college,” she states in her self-made testimonial. At three p.m. she heads home to change clothes and prepare for work at her second job as vacation package salesperson. Her monthly income is $2,400 while she pays out $700 on her student debt to five different loan servicers. Her initial debt was nearly $76,000. Now, after three years of working thirteen hour
days, six days a week between two jobs, she still cannot keep up with the interest on her loans and owes over $94,000 (Student Debt Crisis 2017).

Jackie has made another such online testimonial. She holds $160,000 in student loan debt from her education at an undisclosed university. “It has changed my life,” she explains remorsefully, “by making my entire life about student debt. I can’t get past that mistake I made as a nineteen, twenty, twenty-one-year-old of signing for way too much money and not understanding what it meant to go to college.” Hoping to make more money to pay off this debt, Jackie went back to school for nursing. Now working as a nurse, half of her paycheck goes towards paying off these loans; yet, she is still unable to keep up with the interest. “At this point,” she explains, “I have been researching what will happen when I cannot pay and I will default. I am trying very hard to not let that happen but I don’t see how it will be possible to continue like this” (Student Debt Crisis 2017).

The big picture situation facing NYU student debtors now in repayment is slightly more difficult to assess. Default rates for individual schools are measured in three-year cohort cycles, meaning that they examine how many students default on their loans within three years of graduation. The most recent data from the Department of Education office of Federal Student Aid measures default rates for three different cohorts, running from 2011-2013. Across these three cohorts, a little over two percent of NYU undergraduate students defaulted within the first three years, or 636 out of just over twenty-nine thousand graduates (Federal Student Aid 2017). This is significantly lower than the national average for four-year, private schools for those same three cohorts, which is a little more than seven percent (Department of Education 2016).

Cohort default rates, however, obscure just as much as they explain. In fact, one financial aid officer I spoke to at a reputable New York City college called the cohort default rate
“meaningless” because only students who fail to make a payment for nine consecutive months are considered in default. He explained that in many cases you could simply pay ten dollars towards your student loans every 270 days and you would no longer considered to be in default. Furthermore, he pointed out that three-year cohort default cycles do not consider what happens after the third year. Many students, such as Jackie above, make consistent payments at first but eventually have trouble keeping up. The current cohort default rates do not reflect the financial hardship that many students face five, ten, or even twenty years after they graduate with debt.

Without more detailed statistics about those NYU graduates who are delinquent but not yet defaulting, or those formally postponing their loan payments—either through deferment or forbearance—it is more difficult to see the big picture. If we estimate that the number of NYU graduates who are delinquent or in postponement is proportional to the overall national statistics, then there are easily a thousand more students from the 2011-2013 NYU debt cohorts that are not consistently repaying their loans. Steve, for example, has already placed his loans in deferment three times since he graduated from NYU in 2011. After realizing he did not want to pursue a career in music, Steve began work organizing political campaigns. He bounced around from one campaign to another, making just enough to scrape by and make small loan payments while he was working. But in between campaigns, while he was looking for his next work opportunity, he was forced to defer these payments. He eventually found a stable job with benefits working for a political campaign in New York City but after a year he was laid off again. His loans went back into deferment. He collected unemployment benefits while struggling to make it as a private political campaign consultant. He affirmed that it has been “tough at times making ends meet,” though most recently the political campaign work has picked up for him again. If things continue to go well, he is hoping to make a major dent in his loan repayments in the coming years.
Sarah attempted to defer her loans after she graduated from NYU but ran into complications. With aspirations of going to law school, she looked for jobs as a paralegal but was told that she was “overqualified.” She eventually found work as a hostess at the Nordstrom department store restaurant while she prepared for the LSAT, but she did not make enough to keep up with her loan payments. When she tried to defer them, she was told that she was two months behind and would have to get current before she could go into deferment. Attending law school thus also became a strategy for postponing loan repayment. “All I could think was, just get into law school as quickly as possible and these will go away again.” Little did she know, however, that—because her six-month interest free grace period after graduation had already expired—payments were due on her loans during the summers while she was in law school. She did not realize what had happened until she moved back to New York City and her apartment application was denied due to her poor credit history. She had a job lined up with a law firm already, and between an advance from the firm and help from her parents she was able catch up on her loan payments. Nevertheless, she now facing the daunting task of repayment on her law school loans in addition to her NYU ones. She told me she thinks its “sort of manageable,” but the doubt crept in as she added, “We’ll see.” Given the starting salary of a lawyer in New York City, she continues, “I should just be sitting on a pile of money, right? My salary sounds like so much to me and that after all of this crap it feels like so little.”

Heather, who graduated from NYU in 2004 with a theater degree from Tisch School of the Arts, quickly became “disenchanted” with the theater world when she saw how those students who came from wealthier backgrounds had a leg up on those who did not. She explains that she started noting those differences during school and then watched them carry over after graduation. It was in moments such as the time she had to scrounge for change to buy dinner
because she had no money in her bank account that she became “acutely aware” that many of her peers were living vastly different experiences at NYU because of their wealth. Her best friend at NYU “had a second home in the Bahamas” and a dad who “is the attorney for the Disney corporation.” She also had a classmate whose father was the president of a “huge” record company and grandfather the founder of Seagram’s liquor company. As she continued to follow the careers of these classmates after they graduated, it became clear who could stay in theater and who could not. “I started to see people becoming successful as theater people, or at the very least, being able to stay in the profession, and the people who were doing that were being subsidized by their family. And those of us who didn’t quickly jumped ship. We just couldn’t afford it.”

Heather detailed the economic challenges that she and others faced because of their lack of wealth. “We had to get full time jobs or we had to go back to graduate school because it was cheaper to defer our loans while we are in school and incur more debt than it was to keep paying on them working in the non-profit [sector] or working as nannies or other types of domestic servitude, including waiting tables and stuff like that.” Before eventually going back to school nearly a decade later, Heather moved around a lot, often taking jobs as a nanny or babysitter because they were both easy to find and easy to leave behind. During this period, she deferred her loans about 80 percent of the time. It was not until just a few years ago, when she finished her doctorate in psychology and found a teaching position at a university, that she could begin paying off her NYU loans. She continues to do so today.

After Liz graduated in 2018 from NYU’s Gallatin College for Individualized Study, she was excited to jump right into a job as union organizer with SEIU. Unfortunately, things fell through at the last minute, leaving her scrambling to find work. She still had her part-time job as
a tour guide at NYU but was completely sick of it. She applied for work in NYC and beyond, but nothing materialized. Then she saw an ad on Craigslist for a female collective that did tantric massage. “And I clicked on it and it basically said ‘no experience necessary, blah blah blah.’ And I emailed the women and had an in-person interview with her. And I got really legitimate vibes from her and yeah, I started maybe three days later.” And my first week I made like fifteen hundred bucks and I was like, “ok, we’re doing this, it’s great.”

While also a part of the sex industry, tantric massage was very different than work as a sugar baby in two significant ways. “You are doing less,” explained Liz, “you are providing less than sugar babying does and you’re making, in some cases, a lot lot lot more. And so I was then like, ‘Wow, sugar babying is a rip off and NYU students are really putting themselves out there for like 8 hour overnight dates for three hundred bucks when that is not a fair rate, a fair exchange.’” Liz now works two to three days a week and that is enough to pay her rent and living expenses in NYC, while still allowing her to save money and have free time to commit to political projects.

This economic prosperity makes her generally feel positive about things to come. “I can actually see a future because I can see myself saving for things pretty soon… definitely within the next 5-10 years,” she told me enthusiastically. “I think I have the income now maybe where I can be making ok payments on my debt and still saving for other things at the same time and not be splitting hairs to pay rent, pay my debt, pay my bills and live. It’s such a luxury it feels like. I don’t feel stressed at all. I get caught up in how easy my life is. I’m so thankful, it’s amazing.” But when I asked her if she sees herself doing tantric massage in the long term, a bit of anxiety did bubble to the surface. “The one thing that I do get stressed about is, you know, if in three years I want another job, how do I explain this period of my life? If I want to go to grad school,
how do I explain this part of my life in grad school?” When pressed to make sense of her work in the sex industry in light of her PWCC aspirations, Liz’s optimism about her future becomes much cloudier. She is happy about the financial freedom that her work as a tantric masseuse gives her but is clear that such work puts her at odds with the expectations of what someone with an NYU degree should be doing. And those expectations come front and center when she thinks about what it would mean to “explain” this moment in her life in a job interview or grad school application.

These NYU graduates with student debt exhibit a range of relationships to the slow death of debt repayment. Some, like Steve and Heather defer repayment for as long as possible, hoping to one day land the professional job that they have long aspired towards. Others, like Sarah, take on more debt to continue studying, double down on the attachment to the college dream and the good life that it promises. Still others, like Liz, continue with fast-life responses to their debt, hoping that the material stability of the sex industry is worth the social cost of the class stigma that surrounds this work.

Debt repayment, of course, is a double-edged sword. Those who cannot pay live in the stressful shadow of their debt, scrambling to organize their lives to enable repayment. And those who can pay submit themselves to the double dispossession of labor exploitation and financial expropriation. “My salary sounds like so much to me and that after all of this crap it feels like so little,” Sarah complained. “I’ve got like no disposable income at all. I don’t know how people survive on less than that. I honestly don’t.” Student debt repayment has created a major gap between the professional life that NYU graduates like Sarah expected for herself and the reality that she now lives. It is the source of a new and unique slow death (or slow debt) experience for previously protected sectors of society: the lived contradiction where the actual professional self
is slowly exhausted through work and debt repayment in order to preserve access to an imagined professional self that might one day live free of financial burden. The conclusion of this study examines both the broader consequences of this phenomenon for US race and class hierarchies as well as the political opportunities that now open to challenge and transform them.

**Indentured Studenthood?**

“Part of the way that student debt works,” I heard Liz once explain to a room full of PWWC NYU student debtors, “is through the myth of this university, of being like, ‘Oh, my gosh, I’ve been a gifted kid my whole life. I need to go to a prestigious university.’ And probably your teachers and you’re your parents and your guidance counselors are all telling you that you are gonna, like, ‘make it’ or whatever.” That day, Liz was engaged in a major role reversal: rather than building up the “myth” of NYU through dramatic speeches for prospective students as an NYU tour guide, she was tearing this “myth” down while leading a SLAM debt workshop for other NYU students. She continued, “And there is this university in the middle of New York City where you feel like you are going to self-actualize, realize your potential, and you have the sense of like ‘I will do anything to get there,’ including sign my name on any amount of debt. And your parents probably will too because they have that dream for you as well.” She paused, looking up at the dozen or so students sitting around the conference table in front of her, before making a notable comparison between contemporary debtors and indentured servants in US colonial society. “And there is this sort of idea of—in the way that indentured servitude was this idea of young people on a hope and a prayer coming to the Americas and being like ‘I’ll be in servitude for seven years but then I’ll get free and my life will be better’ and that didn’t really happen.” And then she tied it all together by describing the growing financial strain student
debtors are now facing. “We see indentured studenthood [today] where people are taking out huge amounts of student loans thinking their education is going to give them the platform to pay off their loans. But now we are living in a generation where that is just not happening.”

Liz’s complex and at times contradictory roles of NYU ambassador, SLAM organizer, and sex worker perfectly captures the double bind of the PWWC attachment to the college dream. On the one hand, she was captivated by the allure of NYU, an institution that—according to her own tour guide sales pitch—stands in the middle of everything “shaping the present.” On the other hand, she was fully aware that the reality of the college experience was no longer living up to its promises. She helped lead and organize protests against rising tuition and growing student debt. She did sugar baby sex work to help make ends meet. Yet, like any cruel attachment, letting go of this dream is harder than holding on, despite its shortcomings. Liz, like many other PWWC debtors at NYU, had found a way to simultaneously protest, promote, and endure the college dream while, more often than not, remaining firmly within the confines of her attachment to it.

Is there a way out, though? What would it take to remake this attachment and the political, economic, and educational institutions in which it is imbedded? The closing pages of this study begin to tackle these questions. An important first step is to contextualize the student debt crisis within the broader historical development of race and class in the United States. Even laying out a rough and inadequate sketch of this long and complex history makes it easier to propose strategies for the PWWC to break from their current attachment to the college dream and build alternative visions for education, work, and society to which they might reattach.

Liz’s comparison of student debt to indentured servitude is a fitting starting point for this brief contextualization. Scholar Jeffrey Williams initially made this link by arguing that student
debt mirrors indentured servitude in quite a few, striking ways: a debt-driven education is now the most prevalent way that youth gain access to the “new technological world of the 21st century” (2008, 74), just as the majority of youth used indenture to gain access opportunities in, what for them was a “new world;” student debt has ballooned from small, manageable debts into burdensome, often unmanageable amounts just like the debts of many indentured servants; both student debt and indenture are practices based upon the notion of “transport to a job” (Ibid., 75) whether the figurative journey through the higher education system or the literal trip across the ocean from Europe to the Americas; like indenture, student debt brings a significant term of repayment with little recourse to escape; and finally, both student debt and indenture convert people into financial assets (Ibid., 75). Houses, cars, and mutual funds can be bought, sold, held or traded. Student debt, on the other hand—and like indentured servitude before it—converts mind and body into assets themselves.

While there are some interesting parallels between student debt and colonial indenture, there are also some significant differences when comparing indentured servants to PWCC NYU students today. Historians estimate that somewhere between 300,000-400,000 indentured servants arrived the British colonies in the Western Hemisphere in the seventeenth century16. In the North American colonies, these indentures first came from England, Ireland, and Scotland and they quickly became the original centerpiece of labor in the colonies. They were the poor, the destitute, the political prisoner, the petty criminal, as well as children and young, single women. (Painter 2010, 41-42). While the tension between obligation and opportunity

16The “Indentured Studenthood” analysis focuses on comparing student debt to the first period of indentured servanthood comprised mostly of European people. It is also important to recognize that a second wave of indenture spanned from the 1830s to the 1920s and brought over two million workers from Africa, China, Japan, Melanesia, and Java to different parts of the Americas to work primarily on sugar cane plantations and gold mines (R. B. Allen 2017).
characterizes both PWWC student debt and the original North American system of indenture, the context and trajectory of each is quite different. More specifically, it was the poverty, vulnerability, and lack of recourse to property ownership that propelled many people into colonial indentured servitude. Their situation was quite different than the PWWC backgrounds of student debtors like Liz and the NYU students she is speaking to. Rather than completely throw out this comparison, however, it is more useful to reframe it with a more explicit focus on the intersections of class and race that both shape and connect these phenomena. Instead of two parallel practices that mirror one another in different historical epochs, European indenture servanthood and white, middle-income student debt can be more accurately understood as bookends of a particular economic, political, and cultural formation in the United States organized around the use of white racism to create and maintain class hierarchy.

At the foundation of this formation is the role of European indentured servants played in the creation of definitions and structures of race and class in the North American British colonies. In addition to the European indentures in these colonies, there were also a small number of African slaves as well as indentured servants from Africa in the colonies during this time (Painter 2010, 41). This became significant when, in 1676, indentured laborers of both African and European descent united to challenge the elite land-owning-class over the control of the Virginia colony. While eventually unsuccessful, “Bacon’s Rebellion” marked a turning point for class and race in what would, a century later, become the United States. The unity of working people from both European and African descent struck fear in the hearts of those benefiting from the burgeoning colonial plantation economy. Granting one group of workers a set of economic, political, and social privileges while denying them to another, was necessary to keep colonial
laborers divided. And granting European indentured servants the power and privilege of being “white” would be the mechanism to do just that (Allen 1994, 208-222).

In the centuries that followed, race and class developed in the US through chattel slavery, institutionalized race segregation, industrialization, and educational reforms like the GI Bill, among others. While the labor of many of those deemed white was also subject to intense exploitation through much of this history, they could at least hold on to the possibility of upward economic mobility, and the legal and social privileges of not being black (Du Bois 1935). The access to home ownership, job training and employment, and higher education granted to countless white military veterans after World War II was, in many respects, the pinnacle of this raced and classed, US national project, where—for many European descended US Americans—the possibility of upward mobility that began with indentured servitude became reality.

Read within even a very brief and inadequate history of race and class in the US, the student debt crisis and the related “fraying fantasy” of the college dream—together with the housing crisis, mounting credit card and automobile debt, and the decline of stable, well-paying jobs—may well mark the closing of one era of race and class formation in the US that began with the aspirations of the first indentured servants who arrived to the US colonies from Europe. This dissertation has shown that the stable ground that many PWWC families found in higher education in the post-War period has begun to shake and crumble under mounting stress, anxiety, and financial uncertainty. It is too early to know the exact long-term consequences of student debt for the participants of this study, but it appears that the college dream is an increasingly cruel attachment. More and more, it is the wolf in sheep’s clothing, precarity masked as possibility, dispossession disguised as mobility, the GI Bill in reverse.
While not quite accurate, it is still very significant that a PWWC student in this study deployed the term indentured studenthood to describe our current plight. I use “our” here intentionally; as a fellow PWWC student, I struggle with my own attachment to the college dream, despite the years now I have spent thinking critically about it. Caught up in this very attachment to the social-democratic good life that was promised and previously delivered to many PWWC families in the US, many of us still hold onto the idea that education and hard work will bring economic prosperity and increased social standing. Despite the financial crisis at hand, and despite our more progressive, diversity-embracing, cosmopolitan worldview, we are not ready for this particular formation of race and class to end. Instead we blame rural, working-class whites (and largely overlook their professional and owning-class counterparts) for holding tightly to it through the explicit acts of racism, bigotry, and xenophobia egged on by a self-absorbed and maniacal president. Meanwhile, we ourselves also refuse to let go as we demand a return to the “golden age” of capitalism where government systematically helped (mostly white) people professionalize themselves through access to a college education and the guarantee of a living wage. All indications are, however, that this “golden age” was the exception not the rule (Piketty 2014; Richards and Swanger 2006), a social-democratic drop in an otherwise capitalist, and all too often authoritarian, bucket.

Toward Radical Detachment

The closing of one era of race and class in the US does not, however, imply the diminishment of race and class oppression in this country. Far from it. As many white, US Americans have come under increasing economic strain in recent years, acts of overt racist and xenophobic violence—both by the state and citizens—have also grown more common. And the
new race and class formation that emerges from the violent chaos of the old, while far from solidified, will surely continue to use difference, both perceived and imagined, in its attempt to divide, exploit, and dispossess.

Amidst these bigger changes, we progressive and politically conscious members of the PWWC are challenged to work on detaching ourselves from the college dream and the broader political-economic systems in which it is immersed. It is important to state that the attachment to a college education, to finding personal growth and self-actualization through the university experience, is not necessarily a problem in and of itself. The problem arises when a college education is entangled with a capitalist economic system that systemically must prioritize the capture of profit over the care of people. This is not to say that education’s entanglement with capitalism is a new phenomenon. Clearly, education—both formally in schools and institutions and informally through family life, interactions with peers, and the mass media—has always played an essential role in preparing working people to participate in and consent to a capitalist economic system that continues to exploit them (Gramsci 1971). What is new is the way that education no longer just serves to reproduce class hierarchies, to prepare specific sectors of society for certain types of exploitative work (Willis 1977; Leacock 1969; Goldrick-Rab 2017), but is, itself, increasingly a site where the expropriation of capital takes place through relationships organized around debt and the rent of real-estate.

The struggle then for the PWWC today is to both decouple ourselves from an attachment to a version of the college dream that is deeply embedded in a highly racialized division of the working-class into professionals and those who aspire to be them, and attach ourselves to a more radical (in the sense that it goes to the root of contemporary political and economic crisis) vision
of an anti-racist, anti-capitalist society, and anti-patriarchal society. This means more than just knowing about oppression, exploitation, and expropriation—which many progressive PWWC people already do—but deeply examining how our very understandings of ourselves, our hopes, and our wellbeing are tied up in our attachment to an expectation of the so-called “middle-class” good life. This is by no means easy; attachments are cruel because abandoning ship often feels harder than staying the course, even when your vessel has started to take on water.

The participants in this study have shown that humor and satire are often good places to start critical self-reflection. In making fun of ourselves and our inability to let go of what we have been promised and believe we deserve, we of the PWWC can identify our attachments as a place where consent is both given, and presumably can be revoked. We begin to pry away at the captivating feeling that the way we live is the only way we could possibly live. The affective genres of financial stress that increasingly consume us as our material realities contradict our material aspirations become less of a paralyzing burden and more of an impetus to feel, think and live differently. The impasse of future debt repayment becomes a collective platform for radical, transformative action.

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17 While sex and gender oppression have not been the focus of this dissertation, the sexed and gendered consequences of the attachment to the college dream could be the topic of its own dissertation. Women have made “dramatic gains” regarding access to higher education over the past six decades. Composing a mere 24% of the undergraduate student population in 1950, women were nearly 60% of that population by the year 2000. Starting in 2006, women were earning the majority of degrees at all levels of higher education (Miller 2017, 9). The dramatic increase in women’s access to higher education over the past six decades corresponds directly with an era of rising tuition, decreasing government support for education, and stagnating wages (Miller 2017, 9-14). So while women made up 56% of all college students in 2016 (Ibid., 1), they now hold an estimated 833 billion of the nearly 1.5 trillion dollars that US Americans now owe in student debt (Ibid., 36). Furthermore, the fact that women continue to make around eighty-cents to the dollar that men earn on the same job (Ibid., 28) means that it takes them nearly two more years than men to pay off their debts (Ibid., 35). In this context, the fast-life responses that some PWWC women enact at NYU—most notably domestic work as nannies and intimate relationships with wealthy male benefactors in exchange for money, gifts, and social and professional connections—merit further study.
Much work is already being done to convert the oppression of student debt into a site of new possibility. The organization, Strike Debt, with roots in the Occupy Wall Street global uprising is leading the way in terms of national struggles around student debt. Their mobilization of Corinthian College debtors into a bloc of debt strikers helped win the cancellation of close to thirty million dollars in debt for over 1,300 students (Popularresistance.org 2015). They continue their campaign of rolling jubilee where they raise money to purchase debt that has been bundled together as a financial instrument and now being sold for pennies on the dollar. To this date they have raised over seventy thousand dollars and abolished nearly thirty-two million dollars in consumer debt in the US (Rolling Jubilee 2018).

Debt strike and erasure are key tools in debt resistance work, but neither ensure an escape from the current attachment to the college dream. Like struggling for higher wages or lower tuition, they are important and necessary acts that, alone, are not complete answers to the problem at hand. Rather than just refusing to pay our debts or working collectively to pay the debts of those who cannot, we must also be working to create alternative economic, political, and educational institutions to which we can attach ourselves and our desires for the good lives that all human beings deserve. Countless others have expounded upon what those alternatives might be, the challenge remains in building the bridge between the world we have and the world we want.

One powerful action for progressive sectors of the PWWC would be to begin to collectivize our surplus resources. In fact, a massive debt repayment strike, accompanied by the collectivization of a significant portion of the money that would have been paid to capitalist financiers, would help mobilize the resources needed to organize working people across color lines to create an alternative foundation for the world in which we wish to live, work, and study.
Numerous possibilities emerge when we begin to do the hard work of recognizing and moving beyond our cruel attachments to a college dream bound up in a longer history of racialized inequality—a college dream that is also now an integral part of capitalist expansion and financial expropriation. The fast life and slow debt of the cruel, college attachment is not inevitable; school optimism can be made anew.
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