

Study challenges idea that a college degree is still the great equalizer

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A college degree has long been touted as the great equalizer in our country, but a new Portland State University study suggests that the rising tuition and subsequent debt burdens that families shoulder limit

the power of higher education to reduce socioeconomic disparities between children from different family backgrounds.

Using data from the National Survey of College Graduates, sociology postdoctoral fellow Byeongdon "Don" Oh examined whether parents' socioeconomic status is related to their children's student loan repayment after graduation.

The study found that [college graduates](#) from [lower-income families](#) are more likely to hold a large amount of educational debt in adulthood compared to their counterparts from higher-income families, holding the amount borrowed, educational outcomes, occupation, earnings, and other socioeconomic attainment constant. This can then have negative ripple effects on a graduate's financial investment, savings, home ownership and wealth accumulation.

While Oh's findings support the idea that universal student debt forgiveness—something the Biden administration is considering—would alleviate the educational debt burdens for [college](#) graduates from lower-income families, he cautions that it's only a temporary fix.

"Even though we may have one-time student loan forgiveness, new generations will still go to college and considering rising college tuition, they'll have to borrow more than previous generations and the inequalities will be reproduced over and over again," Oh said. "The fundamental solution would be to provide more accessible financial aid for [college students](#) from lower-income families."

Portland State is addressing financial aid accessibility through programs such as Four Years Free.

There are two sides to the ongoing debate on student debt cancellation programs: Opponents argue that these programs are regressive because

they would help an already privileged group, while others have found evidence that universal student loan forgiveness would provide more benefits to the disadvantaged groups. Oh's study supports the latter by showing that the same amount of debt could be more burdensome for college graduates from lower-income families.

As rising [college tuition](#) increases the amount college students borrow, parents' background and socioeconomic status plays an increasingly important role in a college graduate's ability to pay off their loans, Oh said. During hard times like a pandemic, children from higher-income families can alleviate their economic distress to some extent by relying on their families' affluence, a resource that may not be available to their peers from lower-income families.

Oh said that while it's still true that higher education can increase the chance of upward mobility for children from lower-income families and provide them paths toward a high-paying job, their life chances will remain relatively restricted if they hold more education [debt](#) than their peers from higher-income families after graduation.

More information: Byeongdon Oh, Do Parents Matter for Student Loan Repayment after Graduation?, *Socius: Sociological Research for a Dynamic World* (2022). [DOI: 10.1177/23780231211072683](https://doi.org/10.1177/23780231211072683)

Provided by Portland State University

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