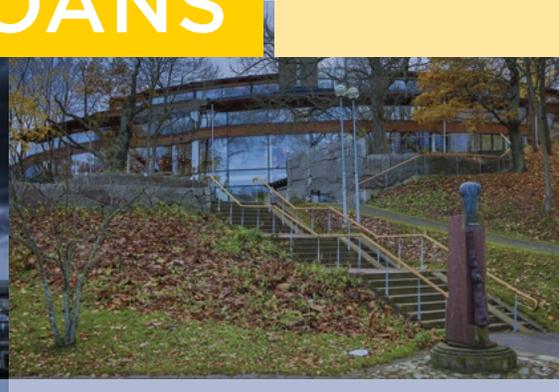


RESTRUCTURING STUDENT LOANS



What can we learn about student loan policies from other countries?

Perspectives from Australia, England, Sweden and Germany

JUNE 13-14, 2016 IN WASHINGTON, D.C.



GERALD R. FORD SCHOOL OF PUBLIC POLICY
EDUCATION POLICY INITIATIVE
UNIVERSITY OF MICHIGAN



It's time to restructure student loans.

Student-loan debt in the United States has mounted to \$1.2 trillion, now surpassing credit cards as the third-largest form of consumer debt. This growth has triggered a national conversation about the cost of college and the appropriate level of student borrowing. With seven million student loans in default and rising tuition prices, many ask, "Is there a student-debt crisis?" At the heart of this question is a concern that borrowing is out of line with the value of college.

Economists point to the high payoff to college to put student borrowing in perspective. On average, the payoff to college far outweighs student debt. Most students can repay their loans without running into major problems. But the number who do struggle is significant, and the struggles can come to dominate their financial lives. When student loans don't work well, they create major problems for borrowers and for the economy at large. If many former students are carrying debt beyond their capacity to repay, we need to reconsider the parameters of student borrowing, such as loan limits, loan forgiveness and repayment structures.

Today we have convened prominent international and domestic experts, profiled on the proceeding pages, to discuss options to improve US student loan policies.

Our goal is to enrich the US conversation around student loans with perspectives on how other countries structure aid, borrowing and repayment.

AGENDA

June 13, 2016

- 1:00 OPENING REMARKS
Susan Dynarski, *Education Policy Initiative*
- 1:15 INTERNATIONAL PANEL
Nicholas Barr, *London School of Economics*
Christina Forsberg, *CSN*
Bruce Chapman, *Australian National University*
- 2:15 COFFEE BREAK
- 2:30 INTERNATIONAL PANEL
Achim Meyer Auf Der Heyde, *DSW*
Lorraine Dearden, *University College London and Institute for Fiscal Studies*
- 3:10 DOMESTIC REACTION
MODERATOR: Kevin James, *Jain Family Institute*
Mathew Chingos, *Urban Institute*
Rohit Chopra, *US Department of Education*
Jason Delisle, *New America Foundation*
Susan Dynarski
- 4:00 MODERATED Q&A
MODERATOR: Susan Dynarski
- 5:00 CLOSE



NICHOLAS BARR

London School of Economics

Nicholas Barr, fellow of the Royal Society of Arts, is professor of public economics at the London School of Economics. Since the mid-1980s he has been active in the debate about financing higher education, advocating a system of income-contingent student loans collected alongside income tax or social security contributions. In the UK, he argued for many years for tuition fees fully covered by income-contingent loans, and he and his colleague Iain Crawford have been described as the architects of the 1998 and 2006 reforms in England. Barr led the team that designed the student loan system in Hungary and has advised governments in Australia, New Zealand and Chile.

He is the author of numerous articles and author or editor of over twenty books, including *Financing Higher Education: Answers from the UK* (with Iain Crawford), (2005). He is a member of the Editorial

Board of the *International Social Security Review* and an Associate Editor of *CESifo Economic Studies*, the *Australian Economic Review* and the *Journal of the Economics of Ageing*.

Alongside teaching and research is wide-ranging involvement in policy. He has spent periods of leave at the World Bank, working on the post-communist transition countries, and at the IMF. He is also involved in pension policy and has advised the governments of China and Chile on pension reform, as well as governments in the UK, Finland, Sweden and South Africa (where he also contributed to the Lund Committee on Child and Family Support).

Barr has an MSc in economics from the London School of Economics and a PhD from the University of California, Berkeley, where he was a Fulbright Scholar.



LORRAINE DEARDEN

University College London and Institute for Fiscal Studies

Lorraine Dearden is a professor of economics and social statistics at University College London and research fellow at the Institute for Fiscal Studies, where she has focused on college/higher education finance in the UK for the last 15 years. Her research also covers other important issues such as widening access to higher education, the effect of student aid on college participation and the returns to college education in both the UK and Australia.

Dearden conducts research on a range of issues, including the impact of education and training on labor market outcomes and company performance; evaluation of education and labor market policies; conditional cash transfers for school students; the evaluation of childcare, home learning environment and early years policies on children's and parents' outcomes; the determinants and impact

of early childhood adversity; ethnic inequality and discrimination; the determinants of the demand for different types of schooling; intergenerational income and education mobility; and program evaluation issues and methods.

Dearden is part of the leadership team of the Administrative Data Research Centre – England, which is currently advocating and facilitating linkage of government administrative data sets to enhance public policy making. This includes an innovative project analyzing student loan data which has been linked to government earnings and tax records.

She is a fellow of the Academy of Social Sciences and an IZA fellow. She has studied at University College London, the London School of Economics and Australian National University.



BRUCE CHAPMAN

Australian National University

Bruce Chapman is director, policy impact at the Australian National University's Crawford School of Public Policy. Chapman received his bachelor degree (First Class Honors) from the Australian National University and PhD from Yale University.

He has consulted extensively on higher education policy, including developing the motivation and design of Australia's Higher Education Contribution Scheme (the first national income contingent loan scheme using the income tax system for collection) in 1989. Over the past two decades he has served as a higher education financing consultant to the World Bank and the governments of Thailand, Papua New Guinea, Mexico, Canada, the UK, Ethiopia, Rwanda, Malaysia, Colombia, the US, Chile and China; as a consultant to the Bradley Review of Australian Higher Education on student income support; and as a consultant to the Australian Government's Base Funding Review. Chapman also served as a senior economic advisor to Prime Minister Paul Keating.

Chapman has published over 200 papers on a range of issues, including income contingent loans, long-term unemployment, the meaning of job flows data, the economics of crime, the economics of cricket, fertility, marital separation and government as risk manager. Over the last several years he has convened conferences and written extensively on the application of income contingent loans to a host of social and economic reform issues.

He was elected to the Academy of the Social Sciences of Australia in 1993, received an Order of Australia in 2003 for contributions to economic policy, and was elected president of the Australian Society of Labour Economics (2004-07) and president of the Economics Society of Australia (2007-13). He was made distinguished fellow of the Economics Society of Australia in 2015.



CHRISTINA FORSBERG

CSN

Christina Forsberg is acting director general of CSN and has overall responsibility for Swedish financial aid for students. CSN pays more than SEK 30bln (US\$3.6bln) a year in financial aid and administers student loans of around SEK 200bln (US\$24bln). She joined CSN in 2015, initially as director of the Department of Payment, overseeing payments of student aid and study allowance. She was appointed acting director general the same year.

Christina Forsberg is a qualified lawyer with a long career in Swedish public administration. She started as senior enforcement officer (1995-2000) at the Swedish Enforcement Authority and oversaw the development of the legal work in Gävleborg County. She was subsequently promoted to various management positions, including enforcement director in Gävle (2000-2005), regional enforcement director in Eskilstuna (2005-2006) and head of the Regional Enforcement Department in Eastern Sweden (2006-2008).

In 2008 the Swedish Government appointed Forsberg as county police commissioner in Gävleborg. She led 600 employees and during her tenure (2008-2014) conducted a comprehensive cultural overhaul within the police authority to actively involve personnel in day-to-day activities. The results included increased confidence amongs victims of crime, improved service for the general public, fewer young people suspected of crime and less violence in public environments.

For her work at the police authority, Christina Forsberg was awarded the Leader of the Year (Årets Chef) accolade in 2015 by Swedish management and business magazine *Chef*. Since then she has been frequently engaged to speak on the topic of leadership. In 2016 she was voted one of Sweden's 150 "super communicators" by *Resumé* trade magazine.



ACHIM MEYER AUF DER HEYDE

Deutsches Studentenwerk / DSW

Achim Meyer auf der Heyde is the secretary general of the German National Association for Student Affairs (Deutsches Studentenwerk / DSW), where he previously served as a member of its International Advisory Board.

Achim Meyer auf der Heyde is also president of the International Association of Student Affairs and Services, vice president of the European Council for Student Affairs and member of the board of governors at the University of Wuppertal.

He previously served as general director in the Ministry for Education and Sports, Free and Hanseatic City of Hamburg (1995-2003), where he was responsible

for vocational training, professional schools and further education. As founder and director of the BBJ Company (1985-1995), he consulted for national and federal state ministries, the European Commission, local and regional authorities, trade unions and employer associations in the fields of professional education, labor market policy, social and youth policy and European financial support. Between 1980 and April 1985 he was the managing director of the Vocational Training Company Kreuzberg in Berlin.

Achim Meyer auf der Heyde holds degrees in economics, business administration and education.



MATTHEW CHINGOS

Urban Institute

Matthew Chingos is a senior fellow at the Urban Institute, where he studies education-related topics at both the K-12 and postsecondary levels. His areas of expertise include class-size reduction, standardized testing, teacher quality, student loan debt and college graduation rates. His current research examines the effects of state policy on student achievement and whether better information on college quality affects where students choose to enroll.

Before joining Urban, Chingos was a senior fellow at the Brookings Institution. His book *Crossing the Finish Line*:

Completing College at America's Public Universities, coauthored with William Bowen and Michael McPherson, was published by Princeton University Press in 2009. His work has also been published in academic journals, including the *Journal of Public Economics*, *Journal of Policy Analysis and Management*, *Educational Evaluation and Policy Analysis*, and *Education Finance and Policy*. He has received support from the US government and several philanthropic foundations.

Chingos received a BA in government and economics and a PhD in government from Harvard University.



For more information visit:
<http://edpolicy.umich.edu/student-loans>



ROHIT CHOPRA

US Department of Education

Rohit Chopra serves as a special adviser at the US Department of Education, where he focuses on the Administration's initiatives to improve borrower service and strengthen accountability for institutions.

Prior to joining the Department, Chopra served as assistant director of the Consumer Financial Protection Bureau, where he led the agency's work on behalf of students and young consumers. He was also named by the secretary of the Treasury as the agency's first student loan ombudsman, a new role established by the Dodd-Frank Wall Street Reform and Consumer Protection Act. During his

tenure at the CFPB, the agency finalized rules to supervise student loan servicers, secured hundreds of millions of dollars of relief for student loan borrowers and published widely-cited research on the student loan market.

Chopra has frequently testified before Congress about the student loan market and opportunities for reform. Chopra was also a senior fellow at the Center for American Progress. He holds a BA from Harvard College and an MBA from the Wharton School at the University of Pennsylvania.



JASON DELISLE

New America Foundation

Jason Delisle is director of the Federal Education Budget Project, part of the Education Policy Program at New America Foundation. The overarching mission of the project is to improve the quality of public information on federal funding for education and to support well-targeted federal education policies.

Mr. Delisle is a leading expert on the federal student loan program and federal financing for higher education. He has provided expert testimony regarding the federal student loan program before the US Congress and in federal court.

His work has appeared in a number of national publications, including the *Washington Post* and the *Wall Street Journal*. Mr. Delisle and his work have been

featured on numerous national television and radio programs, including *National Public Radio*, *Fox Business News* and PBS's *NewsHour*.

Before joining New America in 2007, Mr. Delisle was a senior analyst on the Republican staff of the US Senate Budget Committee, where he played a key role in developing education legislation. Prior to that position, he served as a legislative aide in the office of Representative Thomas Petri (R-WI). Mr. Delisle holds a master of public policy from George Washington University and a bachelor degree from Lawrence University in Appleton, Wisconsin.



SUSAN DYNARSKI

Education Policy Initiative

Susan Dynarski is a professor of public policy, education and economics at the University of Michigan, where she holds appointments at the Gerald R. Ford School of Public Policy, School of Education, Department of Economics and Institute for Social Research and serves as co-director of the Education Policy Initiative. She is a faculty research associate at the National Bureau of Economic Research and the Center for Analysis of Postsecondary Education and Employment. She is a nonresident senior fellow in the Economic Studies Program at the Brookings Institution and currently serves as president-elect at the Association for Education Finance and Policy. Dynarski has been a visiting fellow at the Federal Reserve Bank of Boston and Princeton University as well as an associate professor at Harvard University. Dynarski earned an AB in social studies and MPP from Harvard and a PhD in economics from MIT.

Dynarski's research focuses on the optimal design of financial aid, the effectiveness of charter schools, the price elasticity of private school attendance,

the relationship between postsecondary schooling and labor market outcomes and the effect of high school reforms on academic achievement and educational attainment. She has long advocated making higher education more accessible by lowering or removing barriers at multiple stages of the process from application to enrollment. Her goal: policy amendments designed to make higher education more accessible for low-income and first-generation college students. She has continued to mount a vigorous case for reducing the length of the FAFSA.

Dynarski has testified about education and tax policy before the US Senate Finance Committee, the US House Ways and Means Committee and the President's Commission on Tax Reform. She has consulted broadly on student aid reform, including at the Federal Reserve Bank of New York, the Federal Reserve Board of Governors, Consumer Financial Protection Bureau, White House, Treasury and Department of Education, and frequently consults with the Council of Economic Advisers on the college ratings system.



KEVIN JAMES

Jain Family Institute

Kevin James directs the higher education program at the Jain Family Institute, where he helps to foster the development of a wider array of income-based financing options for higher education, with a particular emphasis on expanding access to high-quality educational pathways for disadvantaged students.

Kevin previously worked as a research fellow at the American Enterprise Institute, where he focused on student loan reform, income-share agreements, quality assurance in higher education and innovation. Kevin's work was published in the *Wall Street Journal*, *U.S. News & World Report's* "Knowledge Bank" blog, *National Affairs*, *The Hill*, *RealClearPolicy*, *National Review Online* and other publications.

Kevin also spent four years as a legislative aide working for US Representative Tom Petri (R-WI), who at the time was a senior member of the Education and Workforce Committee in the House of Representatives. In that role, he oversaw the development of legislation to substantially reform the federal student loan system and, separately, to provide a legal framework for private entities wishing to offer income-share agreements.

Kevin has a BS in computer science and a BA in political science, both from Virginia Tech, as well as a MA in economics from George Mason University.

Join the conversation on Twitter: **#EPIstudentdebt**



ABOUT THE EDUCATION POLICY INITIATIVE

The Education Policy Initiative brings together nationally-recognized scholars whose research focuses on education and other policies affecting youth.

We develop and disseminate policy-relevant research in partnership with local and state agencies, practitioners and policymakers.

The Education Policy Initiative is housed within the Gerald R. Ford School of Public Policy, one of America's preeminent schools of public policy, located within one of the world's premier research universities. The Ford School's mission is to offer outstanding education for leadership in public policy analysis and public management and to excel in social science research that illuminates public policy issues and promotes better public policy.



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