Popping the myths about the “student loan bubble”

Why it’s not the same as the housing bubble

Is a college education still worth the debt?

Why banks are so willing to lend money to students

Get the scoop on p. 2
Financial burdens of college education too much for students to bear

Some students' loan debt outweighs their annual salary after graduation

Christina Co CCca

Some students may be forced to consider what the real payoffs of college and the loans that often coincide with academia are since student loan debt hit the $1 trillion mark last year, according to the Consumer Financial Protection Bureau.

According to the CSU Graduation Initiative, CSUN’s average graduation rate is less than 50 percent. About 43 percent of those students who graduated from CSUN in 2010 assumed loans with an average loan amount of $15,725, according to CSUN’s College Portrait.

“Most of our students work while going to school, and it often takes them much longer to get a degree,” said Dr. Bettina Huber, director of CSUN’s Office of Institutional Research, regarding the 50 percent graduation rate. “With the numbers these days, students who work simultaneously are not taken into account.”

These types of numbers show that the risks of student loans may not be worth the pay off, according to James P. Dow Jr., professor and chair of CSUN’s department of finance, real estate and insurance.

“Students borrow too much for the major they have, and they should think about how much they’re going to earn after college when they think about how much to borrow,” Dow said. “If you borrow $100,000 for a major that’s going to pay $30,000 when you graduate, that’s just not going to work.”

The media has been questioning the possibility of whether student loan debt could become the next bubble after the housing market crashed. Dow shut down the possibility of concerns over whether the student loan debt or default situation may be the next bubble and said people should be careful with bubble terminology.

“The housing market itself was a bubble in terms of housing prices, so when the housing prices fell, the loans that backed them went into default,” Dow said. “Student loans are not the same, because it’s not like we are going to see a sudden fall in the lifetime income of students.”

Another difference between housing and student loans would be the ability to lose the home and file for bankruptcy, an option not available for student loans. According to the U.S. Bankruptcy Code, student loan debt is one debt that cannot be discharged in bankruptcy.

Shirley Svorny, a professor of economics at CSUN, compared the targeting of students to mortgage lenders targeting people who are financially unstable, therefore at the mercy of high interest rates.

“If the loans are guaranteed, it encourages banks to not look at the riskiness of the individual; otherwise, why would they loan money to a college student?” Svorny said.

Svorny suggested students view loans as an investment in “human capital,” something that will make one more valuable in the labor market after college. She also credits some of the student loan problem to pressure from parents, politicians and society to attend college.

“President Obama is saying ‘everyone should go to college,’ and that’s dismissive of people who have other types of skills who aren’t good in a classroom,” Svorny said. “We’ve moved in this direction of so-called equality where we think everyone should go to college, but forcing everyone to do the same thing would be the ability to lose the home and file for bankruptcy, an option not available for student loans. According to the U.S. Bankruptcy Code, student loan debt is one debt that cannot be discharged in bankruptcy.

On Campus Monday October 29th

On Campus

Photo illustration by MiSael Virgen / Contributor

See debt, page 3
isn’t equal, and it’s forcing square pegs into round holes.”

Miranda Mendoza, a sophomore communication studies major, said she will owe $20,000 by the end of this year.

“My mom makes too much to get other financial aid and not enough to pay tuition in full, so we had to take the loans,” said Mendoza, 19. “We agreed that I would pay her back half of the amount once I graduate and get a job.”

A study done by the National Consumer Law Center called “The Student Loan Default Trap” monitored 40 individuals who were in default on federal student loans. The study was done over one year beginning May 2011 and found 80 percent were unemployed, 85 percent received public assistance, 69 percent said neither parent completed higher education, and only 47 percent completed their college education.

When asked if the student loans in default should be paid back at all, 47 percent said they did not believe they should pay back the debt, according to the NCLC. The average age of the borrowers was 43.

The numbers showing less than half of those surveyed not completing their attempt at a college degree also reflects the current status of many CSUN students.

Joshua Mendoza, a senior history major, said he currently has $9,622 in student loans.

“I haven’t borrowed a huge amount because I don’t want to risk not being able to make the payments,” said Mendoza, 25.

He said he will have to begin payments in 2014, and said his hope is to have a full-time job as a teacher and to set up a loan payment plan with the loan company, Nelnet.

Alexandra Johnson, a senior English major, said both she and her parents took out student loans totaling almost $50,000 even though her family’s income could have covered the cost of college.

“My father thought we would need more money to pay for college so we took out the loans,” said Johnson, 23. “College ended up being cheaper than we thought, so now we still have these loans.”

Johnson encouraged students to consider the unsteady economy and not take out a loan in the first place if they doubt whether they will be able to pay it back.

“I think all students deserve some kind of financial aid,” Johnson said. “But I don’t think 10 years is a plausible amount of time to pay it back if students aren’t getting work.”

For more information on money management, students can visit the resources page of the financial aid and scholarship department or visit the department in Bayramian Hall.

“Continued from page 2
Students seek help choosing careers

Women In Science and Engineering mentor and network with students

Gabrielle Moreira
DAILY SUNDIAL

Women In Science and Engineering (WISE) hosted a mentoring and networking event in the Jack and Florence Ferman Presentation Room in the Oviatt Library Tuesday afternoon.

Eight students attended the event and spoke with mentors from WISE, Society of Women Engineers, American Association of University Women (AAUW), and Institute of Electrical and Electronics Engineers, Inc.

“I’m unsure about what I want to do when I graduate and wanted to see what options I have,” said Tania Kurbessoian, a senior microbiology major. “I’m hoping I can get an extra little push on where to go.”

Kurbessoian initially wanted to do cancer research when she started microbiology and loved the lab experiences, but worried the job could become monotonous.

“I keep thinking do I want to sit in a lab all day for the rest of my life or collaborate with other professors?” she said.

Students were allowed eight minutes to speak with several mentors in what Marilee Wheaton, chair of the advisory board for WISE, called “speed mentoring,” similar to the concept of speed dating.

Financial Secretary Jackie Zev of AAUW said the event was a good opportunity to inform students about their organization, which aims to promote equality for women. CSUN is a member of AAUW and students can join for free.

“We want to give back to the student community at this event by providing mentorship,” Zev said.

WISE was started in 2009 by Bonita J. Campbell, former chair of the manufacturing and industrial engineering department in CSUN’s college of engineering. Campbell wanted to promote women in science and engineering.

“Our main focus in WISE is to get mentoring and networking opportunities for students,” Wheaton said.

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Gabrielle Moreira
DAILY SUNDIAL

Star trainer at CSUN

Mayra Escobedo
DAILY SUNDIAL

Students got an opportunity to workout with Michael Blanks Tuesday at the SRC.

The Masterclass with Blanks kicked off the five Masterclass series put together by the University Student Union that will go on this year.

“We want to give students the opportunity to interact with a high profile trainer and to take a class that isn’t offered at the SRC,” said Hector Moreno, 19, sophomore mechanical engineering major and event organizer.

Blanks, the creator of Drenched Cardio, had students doing a mixture of dance, boxing and circuit training for the entire hour without breaks. He motivated students throughout the class by walking around and making sure that they were keeping up with the class.

“It was awesome. It was really intense and I wasn’t expecting it to go the entire hour without break but it was really good,” said Christina Ungefug, 22, senior interior design major. “I loved how he interacted with everybody and would come around because every time he came over you would feel more motivated and worked harder.”

More than 60 students attended and worked out to hip-hop, dance, pop and reggaeton music.

“What I try to do is get a certain pace so that everyone can enjoy and work out,” said Blanks. “The outcome was great. They showed me a lot of passion and caring inside the room, they were all together it was like a big giant family.”

Yocelin Garza, 18, freshman psychology major, has attended other classes at the SRC and thought the class was great.

“It was more advanced than I thought that it would be but it was really fun,” said Garza. “I think he is a really good teacher to pump us up.”

The next Masterclass will be on Nov. 16 and will feature Team Zumba USA.
TAKE a HIKE!

Outdoor AdveRNtures provides students with the opportunity to explore, learn and enjoy the outdoors. Students get to enjoy a wide range of activities such as day hikes, backpacking, camping, kayaking, and more.

Upcoming Trips
Oct. 12-14: Camp and Explore Yosemite
Oct. 19: Free Day at the Lake
Oct. 20: Summit Sandstone Peak

For more trips, visit...
http://www.csunas.org 818-677-HIKE

ENVIRONMENTAL Affairs

What are GMOs?
By Tiffany Zaich

Although this seems to be a common word of the day, most people hear the abbreviation; do not seem to know what the letters stand for. Genetically Modified Foods also known as (GMO) for short, is plants, animals, and microorganisms that have had their genes altered by the use of gene splicing. Therefore, scientists were able to remove genes with a specific desired trait from one organism and insert into another. One of the goals with the bioengineering of plants is to make food products more durable; as a result, during harvesting and manufacturing, foods will last longer. The United States Department of Agriculture who oversees the production of bioengineered foods, views GMO crops as advancement for plants to become more resilient against external factors such as, pest and disease (83).

Loading biotechnology companies that contribute to most of the productions of genetically modified foods are, Monsanto, Dow Agro-science, and Basf Plant Science. Although, all the acclaims for genetically modified foods seem to be beneficial for the earth’s growing population, most people approve of genetic engineering. Consumers and activists alike feel there has not been enough scientific study to determine the long term health effects of GMO consumption as well as the impact on the environment. The U.S. government approves of the consumption of genetically modified foods based on studies conducted by the corporations that created and profit from their engineered foods (GMO Facts*2012). Therefore, California residents who choose to avoid modified food products, feel consumers should have the right to know, and demand labeling. As a result, on the ballot this November, proposition 37, enforces mandatory labeling of food products with genetically modified ingredients.

References
Everywhere but nowhere all at once

Sex seems to be everywhere except for in our education system, keeping many ignorant of their bodies.

Dr. Marie Cartier, a gender and women’s studies professor at CSUN, said that teaching women how their body functions, being truly being adults in training if we ever at risk of pregnancy. The 2003 California Clovers School District taught that “all teen pregnancy and STD’s. It needs to include about sexual activity. The American Civil Liberties Union, who are representing the mothers, state that the Clover School District taught that “all people, even adults should avoid sexual activity until they are married.”

Other materials compare a woman who is not a virgin to a dirty shoe and suggest that men are unable to stop themselves once they become sexually aroused.

Fresno county has one of the highest teen pregnancy rates of all the industri- alized countries. Some states have representing the mothers, state that the Clover School District taught that “all people, even adults should avoid sexual activity until they are married.”

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How to play:
Fill in the grid so that every row, every column, and every 3x3 box contains the digits 1 through 9.

Solution:

1. Start with the given numbers and use logic to fill in the remaining cells.
2. Use the process of elimination to determine the correct numbers for each cell.
3. Check your work by ensuring that each row, column, and 3x3 box contains all the digits from 1 to 9.

Solution above.
Detroit Lions’ Matt Stafford hasn’t looked good this year and change isn’t on the horizon.

MARK INGRAM
NEW ORLEANS SAINTS

New Orleans has never been much of a running team, but with the drafting of Mark Ingram in 2011, who had an outstanding college career, many believed the Saints’ ground game would soon flourish, but Ingram’s second year has been nothing to brag about.

Ingram has single digit touches in four of the first five games, and his season high of 53 yards came in a game with 16 carries (3.3 average). Sharing running back responsibilities with Pierre Thomas and Darren Sproles, who produce more than Ingram, greatly hinder his capabilities.

After three straight games averaging two yards per carry, it is likely to see a prominent use of Sproles and Thomas at Tampa Bay.

After a rookie campaign that didn’t see him cross the 500 yards rushing mark in 10 games, Ingram may be a bigger fit in New Orleans to showcase his running ability.

Looks like drafting a running back on New Orleans is still a poor choice.

JORDY NELSON
GREEN BAY PACKERS

Counting one of the biggest breakout stars a season ago, Nelson has become a forgotten man in Green Bay’s offense this year. Last season, he had 15 touchdowns and 1,510 yards. This season, he has one. Aaron Rodgers has found a new best friend in James Jones, who has a total of four scores over the past two games.

The emergence of Randall Cobb also displaces targets from Nelson’s direction. To make matters even worse for Nelson owners, Greg Jennings is expected to return soon from his groin injury.

With such a stacked receiving core, there should be little room for Nelson to be a consistent fantasy star. If Jones or Cobb are still free agents in your league, pick them up before someone else does! However, if you can fish in the right piece(s) for Nelson, do not fear trading him as his role on the Packers’ offense seems to be dwindling.

SIDNEY RICE
SEATTLE SEAHAWKS

It is important to note that at least half the reason Rice’s name is included here is because of his rookie quarterback Russell Wilson. Wilson’s transition to the NFL has not been as smooth as Robert Griffin III or Andrew Luck’s. This should not come as a surprise, as Luck and RG3 were the first and second pick in the league.

The Seahawks are 31st in total passing yards per game, better than only Jacksonville. Even though Rice is Seattle’s top receiver, and once was Brett Favre’s favorite target on the Vikings, he does not have a big enough impact to be a fantasy stud anymore.

The bulk of Seattle’s offense comes from star running-back Marshawn Lynch. Rice has not scored since Week 1, and has failed to top 70 receiving yards in a game this season.

Rice’s value is tied directly to his young quarterback, who received a decent-sized contract after throwing over 500 yards last year in a college game.

JEREMY MACLIN
PHILADELPHIA EAGLES

The reasons for Maclin’s struggles this season are twofold: injury and a feeble Eagles’ offense led by Michael Vick. Vick’s start to the season has been ugly, to say the least. He has virtually made Maclin a non-factor, with the exception of a stellar Week 1 Performance at Cleveland (7 Rec, 96 Yds and 1 TD).

While Maclin has two touchdowns on the year for DeSean Jackson’s 391 yards, compared to Maclin’s 165. Frankly, this offense is not good enough to have too WRs placed so high in the projected pre season rankings.

So far, Jackson has been the man. Unless things change drastically for Philly, Maclin will have a disappointing season. Trade him while he still has decent value.