

So as I mentioned a little bit earlier, 2 years ago, I capped loan repayments at 10 percent of a student's postcollege income. We call it Pay As You Earn. And it, along with some other income-driven repayment plans, have helped more than 2.5 million students so far.

But there are two obstacles that are preventing more students from taking advantage of it. One is that too many current and former students aren't eligible, which means we've got to get Congress to open up the program for more students. And we're going to be pushing them to do that.

The other obstacle is, is that a lot of students don't even know they're eligible for the program. So starting this year, we're going to launch a campaign to help more borrowers learn about their repayment options, and we'll help more student borrowers enroll in Pay As You Earn. So if you went to college, you took out debt, you want to be a teacher, and starting salary for a teacher is, let's say, 35,000, well, only 10 percent of that amount is what your loan repayment is. Now, if you're making more money, you should be paying more back. But that way, everybody has a chance to go to college; everybody has a chance to pursue their dreams. And that program is already in place. We want more students to take advantage of it. We're really going to be advertising it heavily.

Now, if we move forward on these three fronts—increasing value, encouraging innovation, helping people responsibly manage their debt—I guarantee you, we will help more stu-

dents afford college. We'll help more students graduate from college. We'll help more students get rid of that debt so they can a good start in their careers.

But it's going to take a lot of hard work. Good news is—from what I hear—folks in Buffalo know something about hard work. Folks in America know something about hard work. And we've come a long way together these past 4 years. We're going to keep moving forward on this issue and on every other issue that's going to help make sure that we continue to have the strongest, most thriving middle class in the world. We're going to keep pushing to build a better bargain for everybody in this country who works hard and everybody who's trying to get into that middle class.

And we're going to keep fighting to make sure that this remains a country where, if you work hard and study hard and are responsible, you are rewarded, so that no matter what you look like and where you come from, what your last name is, here in America, you can make it if you try.

Thank you very much, everybody. God bless you. God bless America.

NOTE: The President spoke at 11:23 a.m. in Alumni Arena. In his remarks, he referred to Silvana C. D'Ettorre, student, University at Buffalo, and her parents Rachelle and Alan D'Ettorre; Rep. Brian Higgins; and Mayor Byron W. Brown of Buffalo, NY. He also referred to his sister Maya Soetoro-Ng.

## Remarks at Anthony A. Henninger High School in Syracuse, New York August 22, 2013

*The President.* Hello, Syracuse! Well, it is good to be in Syracuse!

Can everybody give Emilio a big round of applause for that great introduction? I think Emilio's parents are probably here. Where is Emilio's parents? Wave your hands. There they are, right there. He did pretty good, didn't he? We're very proud of him. We might have to run him for something.

In addition to Emilio, I want to mention a couple other people. You already heard from

Secretary of Education Arne Duncan, who's doing a great job every day. You've got: Mayor Stephanie Miner is here—there she is; Attorney General Eric Schneiderman is here; your Congressman Dan Maffei is here; the superintendent of the Syracuse City School District, Sharon Contreras, is here; your principal, Robert DiFlorio, is here; and most importantly, a bunch of students are here.

My understanding is, there are students from all five Syracuse high schools here. You

got Corcoran in the house; you got Fowler in the house; Nottingham; the Institute of Technology; and our host, Henninger, is here.

*Audience members.* Boo!

*The President.* Oh, we're all one family.

Now, I especially want to thank the students, because I know that you're still on summer vacation. You've got a few more days. So taking the time to be here when you've still got a little bit—that last little bit of summer break, that's a big deal, and I'm very honored to be here with you.

I am on a road trip—by the way, if people have seats, feel free to take a seat. I'm going to be talking for a while. If you've got no seats, then don't sit down because you will fall down. [Laughter]

*Audience member.* We love you!

*The President.* I love you back.

So I'm here on a road trip through New York into Pennsylvania. This morning I was at the University at Buffalo. Tomorrow I'll be at Binghamton University and Lackawanna College in Scranton. But I wanted to come to Syracuse because you're doing something fantastic here with programs like Say Yes, Smart Scholars Early College High School. These are programs that are helping Syracuse kids get ready for college and making sure that they can afford to go.

And this is a community effort. All of you are coming together, and you have declared that no child in the city of Syracuse should miss out on a college education because they can't pay for it. And so we're hoping more cities follow your example because what you're doing is critical not just to Syracuse's future, but to America's future. And that's what I want to talk about briefly here today.

Over the past month, I've been visiting towns across the country, talking about what we need to do to secure a better bargain for the middle class and everybody who's working hard to get into the middle class, to make sure everybody who works hard has a chance to succeed in the 21st-century economy.

And we all understand that for the past 4½ years, we had to fight our way back from a brutal recession, and millions of Americans lost

their jobs and their homes and their savings. But what the recession also did was, it showed this emerging gap in terms of the life prospects of a lot of Americans.

What used to be taken for granted, middle class security, has slipped away from too many people. So yes, we saved the auto industry. We took on a broken health care system. We reversed our addiction to foreign oil. We changed our Tax Code that was tilted too far in favor of the wealthy at the expense of working families. And so we've made progress. Our businesses have created 7.3 million new jobs over the last 41 months. We've got more renewable energy than ever. We are importing less oil than in a very long time. We sell more goods made in America to the rest of the world than ever before. Health care costs are growing at the slowest rate in 50 years. Our deficits are falling at the fastest rate in 60 years.

So there's good news out there. And thanks to the grit and the resilience of the American people, we've been able to clear away the rubble of the financial crisis and start laying the foundation for a better economy. But as any middle class family will tell you, we are not—

[At this point, two audience members displayed a sign reading "Free Bradley Manning" and shouted slogans.]

*The President.* I hear you. I've got you.

*Audience members.* Boo!

*The President.* No, no, no, that's fine. Wait, wait, wait. We're okay. We're okay. That's okay. Hold on, hold on a second. Hold on, hold on. Hello, everybody, hello. Hey, hey, hey. Hold on, hold on a minute. Hold on a minute, sir. Hold on. So now—hold on a second.

Can I just say that as hecklers go, that young lady was very polite. [Laughter] She was. And she brought up an issue of importance, and that's part of what America is all about. So we don't want to—[applause].

But what America is also all about is making sure that middle class families succeed and that people who work hard can get into the middle class. And what I was saying was, is that we're not where we need to be yet. We've still got more work to do. Because even before the

most recent financial crisis, we had gone through a decade where folks at the top were doing better and better; most families were working harder and harder just to get by. And we've seen growing inequality in our society and less upward mobility in our society.

The idea used to be that here in America, anybody could make it. But part of that was because we put these ladders of opportunity for people. And unfortunately, what's happened is it's gotten tougher for a lot of folks. So we've got to reverse these trends. This has to be Washington's highest priority: How do we make sure everybody gets a fair shake? That's got to be our priority.

Unfortunately, you may have noticed that in Washington, rather than focusing on a growing economy and creating good middle class jobs, there's a certain faction of my good friends in the other party who've been talking about not paying the bills that they've already run up, who've been talking about shutting down the Government if they can't take away health care that we're putting in place for millions of Americans.

Those are not ideas that will grow our economy. They're not going to create good jobs. They're not going to strengthen the middle class; they'll weaken the middle class. So we can't afford the usual Washington circus of distractions and political posturing. We don't need that. What we've got to do is to build on the cornerstone of what it means to be middle class in America: a good job, good wages, a good education, a home, affordable health care, a secure retirement. That's what we need to focus on.

And we've got to create as many pathways as possible for people to succeed as long as they're willing to work hard. That's what's always made America great. We don't judge ourselves just by how many billionaires we produce. We've got to focus on our ability to make sure that everybody who works hard has a chance to pursue their own measure of happiness.

And in that project—in that work—there aren't a lot of things that are more important than making sure people get a good education.

That is key to upward mobility. That is key to a growing economy. That is key to a strong middle class.

*Audience member.* We love you, President Obama!

*The President.* Love you back. [Laughter]

Now, everybody here knows that. That's why you're here. That's why a lot of your families are making big sacrifices to send kids to college. You understand that in the face of global competition, a great education is more important than ever. Higher education is the single best investment you can make in your future—single best. And I'm proud of all of the students who are working toward that goal.

And in case any of you are wondering whether it's a good investment, think about these statistics: The unemployment rate for Americans with at least a college degree is about a third lower than the national average; the incomes of people with at least a college degree are more than twice what the incomes are of Americans who don't have a high school diploma. So more than ever before, some form of higher education—2-year, 4-year, technical college—that's the path into the middle class.

But the main reason I'm here is to talk about the fact that we've seen a barrier and a burden to too many American families, and that's the soaring cost of higher education. The fact is, college has never been more necessary, but it's also never been more expensive.

Think about this: Over the past three decades, the average tuition at a 4-year public college has risen by more than 250 percent; the typical family income has gone up 16 percent. So I wasn't a math major, but let's just think about it: college costs, 250 percent; incomes, 16 percent. What that means is, is that more and more, it's getting harder and harder for students to be able to afford that college education. And families are making bigger and bigger sacrifices, including a lot of parents who are putting off their own retirement, their own savings, because they're trying to help their kids afford a college education.

In the meantime, over the past few years, you've got too many States that have been cutting back on their higher education budgets.

Colleges have not been cutting back on their costs. And so what you end up with is taxpayers putting in more money, students and families picking up the tab, but young people are still ending up with more debt.

The average student who borrows for college now graduates owing more than \$26,000. And a lot of young people owe a lot more than that. I've heard from a lot of these young people. And they're frustrated because they're saying to themselves, we've done everything our society told us we were supposed to do, but crushing debt is crippling our ability to get started in our lives after we graduate. It's crippling our self-reliance and the dreams that we had.

At a time when higher education has never been more important or more expensive, too many students face a choice they should not have to make: Either they say no to college, or they pay the price of going to college and ending up with debt that they're not sure will pay off. And that's not a choice that we should ask young people to make. That's not a choice we should accept.

If you think about what built this country, this is a country that's always been at the cutting edge of making a good education available to more people. My grandfather, when he came back from World War II, he went—he had the chance to go to college on the GI bill. My mother got through school while raising two kids because she got some help.

Michelle and I—Michelle and I, we didn't come from rich folk. We did not come from privileged backgrounds. So we're only where we are today because scholarships and student loans gave us a shot at a good education. And we know a little bit about paying back student loans because we each graduated from college and law school with a mountain of debt. And even with good jobs, I didn't pay it off—and she didn't pay off her loans—until I was almost a U.S. Senator. I was in my forties.

So, over the past 4 years, what we've done is to try to take some steps to make college more affordable. First thing we did, we enacted historic reforms to the student loan system. What was happening was student loans were going

through banks; banks were making billions of dollars. We said, why don't we just give the loans directly to the students? Cut out the banks, then we can help more students.

Then we set up a consumer watchdog that's already helping families and students sort through all the financial options so they really understand them and they're not ripped off by shady lenders. And we're providing more tools and resources for students and families trying to finance college. And by the way, high school seniors, you guys want to start figuring this stuff out. Go to [studentaid.gov](http://studentaid.gov). That's a website, [studentaid.gov](http://studentaid.gov). And it will give you a sense of what's available out there.

We took action to cap loan repayments at 10 percent of monthly income for a lot of borrowers who are trying to pay their debt, but do so in a responsible way.

So overall, we've made college more affordable for millions of students and families through tax credits and grants and student loans. And just a few weeks ago, Democrats and Republicans worked together to keep student loan rates from double, and that saves a typical undergraduate more than \$1,500 for this year's loans.

So now, that's all a good start, but it's not enough. The system we have right now is unsustainable, because if it keeps on going up 250 percent a year, your incomes are only going up 16 percent—not 250 percent a year; over a decade—but your incomes are only going up 16 percent, it's just at a certain point, it will break the bank. There won't be enough Federal aid to make up for the difference. And families, at a certain point, aren't going to be able to send their kids to school.

And State legislatures, they can't just keep cutting support for public colleges and universities. Colleges can't just keep on raising tuition year after year and pushing these State cutbacks onto students and families. And Federal taxpayers are not going to be able to make up all the difference.

Our economy can't afford the trillion dollars—\$1 trillion—in outstanding student loan debt. Because when young people have that much debt, that means they can't buy a home.

It means they can't start the business that maybe they've got a great idea for. And we can't price the middle class and everybody working to get into the middle class out of a college education. It will put our young generation of workers at a competitive disadvantage for years.

So if a higher education is still the best ticket to upward mobility in America, and it is, then we've got to make sure it's within reach. We've got to make sure that we are improving economic mobility, not making it worse. Higher education should not be a luxury. It is a necessity, an economic imperative that every family in America should be able to afford.

So now—so what are we going to do about it? Today what I've done is propose major new reforms that will shake up the current system. We want to create better incentives for colleges to do more with less and to deliver better value for our students and their families.

And some of these reforms will require action from Congress, which is always difficult. Some of these changes, though, I can make on my own. And we want to work with colleges to keep costs down. States are going to need to make higher education a higher priority in their budgets. And by the way, we're going to ask more from students as well if they're receiving financial aid.

And some of these reforms won't be popular for every—with everybody because some folks are making out just fine under the status quo. But my concern is not to look out just for the institutions; I want to look out for the students who these institutions exist to serve. And I think—I've got confidence that our country's colleges and universities will step up to the plate if they're given the right incentives. They too should want to do the right thing for students.

So let me be specific. Here are three things we're going to do. Number one, I'm directing my administration to come up with a new ratings system for colleges that will score colleges on opportunity, whether they're helping students from all kinds of backgrounds succeed; and on outcomes, whether students are graduating with manageable debt, whether they're

actually graduating in the first place, whether they have strong career potential when they graduate. That's the kind of information that will help students and parents figure out how much value a particular college truly offers.

Right now all these ranking systems, they rank you higher if you charge more and you let in fewer students. But you should have a better sense of who's actually graduating students and giving you a good deal.

So down the road, we're going to use these ratings, we hope, by working with Congress to change how we allocate Federal aid for colleges. And we're going to deliver on a promise that I made last year: Colleges that keep their tuition down are the ones that will see their taxpayer funding go up. We've got to stop subsidizing schools that are not getting good results, start rewarding schools that deliver for the students and deliver for America's future. That's our goal.

Our second goal, we want to encourage more colleges to embrace innovation, to try new ways of providing a great education without breaking the bank. A growing number of colleges across the country are testing some new approaches, so they're finding new ways, for example, to use online education to save time and money.

Some are trying what you're doing right here in Syracuse, creating partnerships between high schools and colleges so students can get an early jump on their degree. They can graduate faster; that means they're paying less in tuition. I want to see more schools and States get in the game so more students can get an education that costs less, but still maintains high quality. And we know it can be done. It's just we've got to get everybody doing it, not just a few schools or a few cities around the country. That's the second goal.

Somebody screamed, and I got—I thought somebody fell, but they were just excited. [Laughter]

Number three, we're going to make sure that if you've taken on debt to earn your degree that you can manage and afford it. Nobody wants to take on debt, but even if we do a good job controlling tuition costs, some young

people are still going to have to take out some loans. But we think of that as a good investment because it pays off in time, as long as it stays manageable, as long as you can pay it back.

And remember, again, Michelle and I, we went through this. It took us a long time to pay off our student loans, but we could always manage it. It didn't get out of hand. And I don't want debt to keep young people, some of who are here today, from going into professions like teaching, for example, that may not pay as much money, but are of huge value to the country.

And I sure don't want young people not being able to buy a home or get married or start a business because they're so loaded down with debt. So what we've done is we—2 years ago, I capped loan repayments at 10 percent of a student's income after college. We called it Pay As You Earn. And so far, this—along with a few other programs—has helped more than 2.5 million students.

But right now a lot of current and former students aren't eligible, so we want to work with Congress to fix that so that we've got a lot more people who are eligible for this program. And then the problem is a lot of young people don't know this program exists. So we're going to do a better job advertising this program so that you will never have to pay more than 10 percent of your yearly income in servicing your debt.

And if you're involved in public service or non-for-profits, then at some point that debt gets forgiven because you're giving back to society in other ways. So we're going to launch a campaign to help borrowers learn more about their options. We want every student to have

the chance to pay back their loans in a way that doesn't stop them from pursuing their dreams.

So if we move forward on these three points—increasing value, making sure that young people and their parents know what they're getting when they go to college; encouraging innovation so that more colleges are giving better value; and then helping people responsibly manage their debt—then we're going to help more students afford college. We're going to help more students graduate from college. We'll help more students get rid of their debt so they can get started on their lives.

And it's going to take some hard work. But the people of Syracuse know something about hard work. The American people know something about hard work.

And we've come a long way together over these past 4 years. I intend to keep us moving forward on this and every other issue. We're going to keep pushing to build a better bargain for the middle class and everybody who's fighting to join the middle class. And we're going to keep fighting to make sure that this country remains a country where hard work and studying and responsibility are rewarded. We're going to make sure that no matter who you are or where you come from or who you love or what your last name is, in the United States, you can make it if you try.

Thank you, Syracuse! God bless you. God bless America.

NOTE: The President spoke at 6:25 p.m. in the gymnasium. In his remarks, he referred to Emilio Ortiz, senior, Thomas J. Corcoran High School in Syracuse, NY, and his parents Edward and Margarita Ortiz. He also referred to his sister Maya Soetoro-Ng.

## Remarks and a Question-and-Answer Session at a Town Hall Meeting at Binghamton University, State University of New York, in Binghamton, New York

August 23, 2013

*The President.* Hello, Binghamton! Well, it is good to see all of you. Thank you so much.

Now, go ahead and have a seat; I'm going to be here a while. [*Laughter*]