

came to schools of nursing. Across the board in graduate school, what we want to do is to provide incentives for folks who need specialized education, but are willing to give back something to the community, to the country: doctors who are willing to serve in underserved communities; nurses who are willing to serve in underserved communities; lawyers who are willing to work in the State's Attorney's Office or as a public defender. Right?

So the more we can do around programs for graduate studies where we say to you, if you're willing to commit to 5 years working in a place that doesn't have a doctor and you're studying to be a doctor, we're going to forgive you a bunch of those loans. I'd like to see more programs like that. And I've asked the Secretary of Education to see how we can make those more accessible to more students. All right?

Well, listen, everybody, this has been a great conversation. And I—let me just say that you will be hearing more about this debate over the course of the next year. We will be talking to your university president. We'll be talking to the chancellor of the entire system. We'll be talking to faculty. We'll be talking to students.

If you have ideas or questions that were not somehow addressed, then we'd like to hear from you. And go to whitehouse.gov. There's a whole section where we can get comments, ideas. And that—I promise you, we actually pay attention when you guys raise questions.

And for those of you who are still sorting out student aid—if you're still in high school, for example, and you're thinking about going to college and you don't know exactly what makes sense for you—we do have a website called studentaid.gov—that can be very helpful to you in identifying what you should be thinking about when it comes to financing your college education.

But we're going to do everything we can to make sure that not only are you able to succeed without being loaded up with debt, but hopefully, you're going to be able to afford to send your kids to college as well. All right?

Thank you for your great hospitality. I appreciate it. Thank you.

NOTE: The President spoke at 12:48 p.m. in the Mandela Room of the University Union.

Remarks at Lackawanna College in Scranton, Pennsylvania August 23, 2013

The President. Hello, Lackawanna! Hello, Falcons! Well, it is good to be back in Scranton.

Audience member. We love you!

The President. I love you back.

Now, first of all, everybody, take a seat. I want everybody to be comfortable. Here are some reasons I'm happy to be back in Scranton. Reason number one is, the first time I came to Scranton I was invited to a St. Patrick's Day party that the ladies were hosting. And I've got to say, Michelle got a little jealous, because they were—I was getting kisses, and I came home and had all this lipstick on my collar—[laughter]—and Michelle said, "What's going on there?" [Laughter] I said, "No, I was just campaigning." [Laughter]

So that makes me like Scranton. A second reason that I love Scranton is because if it weren't for Scranton, I wouldn't have Joe

Biden. And today is a special day for Joe and me because 5 years ago today, on August 23, 2008, I announced in Springfield, Illinois, my home State, that Joe Biden was going to be my running mate. And it was the best decision that I ever made politically, because I love this guy. And he's got heart, and he cares about people, and he's willing to fight for what he believes in, and he's got some Scranton in him.

And there's not a day that goes by that Joe doesn't talk about where he comes from and he doesn't talk about all of you. And he understands why he got into public service, because he carries with him the values that you taught him and the friendships that he made. And so I just want all of you to know that I am lucky to have Joe, not just as a running mate, but more importantly, as a friend. And we love his fami-

ly. And I am so blessed to be here. And thank you, Joe, for saying yes 5 years ago.

Third reason I love Scranton is because there are a lot of Caseys around here. [*Laughter*] Now, Joe already talked about Bob Casey's mom, who is gorgeous and wonderful, and we love her dearly. But I've got to admit, Bob Casey is not bad either. [*Laughter*] He is a great United States Senator, and I'm proud to call him a friend. We love Terese, and we love his family.

Back in 2008, when we were campaigning in Pennsylvania and we were having a tough time and getting bad press, Bob Casey was right there with me on a train. And you can judge your friends not by when you're doing well, but when you're having a tough time, and that's the kind of person Bob Casey is. And so I'm grateful for him.

We've got—Mayor Chris Doherty is here. Give him a big round of applause. The State attorney general, Kathleen Kane is here. The president of Lackawanna, Mark Volk is here.

I want to say thank you to Urica Carver for the wonderful introduction to Joe. Good job, Urica. And finally, I want to thank all the students who are here. I know that—looks like we've got the Falcons football team here. When's your first game?

Audience member. Thirty-first!

The President. The 31st? You guys going to be ready?

Audience members. Yeah!

The President. Okay, I just want to make sure. [*Laughter*]

I know classes don't start again until next week, so I appreciate you being inside when the day is so nice outside, because these last few days of summer vacation I know are precious. But we're here to talk about something important, and that is, are we doing right by, not just this generation, but future generations?

I'm on a road trip. It started at the University of Buffalo. Then, I—[*applause*—]there you go. Then, I went to Syracuse, talked to some high school students there; then Binghamton University for a town hall earlier today. [*Ap-*

plause] Have you—all you guys have been following me around everywhere? [*Laughter*]

And we're ending this bus tour here in Scranton. And I wanted to visit Lackawanna College because of the great work that you're doing here: giving people a first-class education that doesn't cost a fortune, with support in place to make sure that students stay on track.

I'm told that many students here are the first in their families to attend college. And I know your families are proud of you, but I'm proud of you, because getting a higher education is one of the best things you can do for yourself and for your country.

But we've got to make sure that we're doing right by you. That's what I want to talk about today. Over the past month, I've been visiting towns like Scranton and talking about what we need to do as a country to secure a better bargain for the middle class and everybody who is fighting to get into the middle class. We've got to have a national strategy that grows the economy in a broad-based way so that everybody who works hard has a chance to succeed. That's our goal. That's what we're fighting for.

Now, for the past 4½ years, we've been fighting back from a brutal recession, cost Americans their jobs and homes and savings, in some cases. And what happened was that recession showed what had been some longer term trends that were eroding middle class security. Folks at the top had been doing very well. But ordinary Americans hadn't seen their wages go up, hadn't seen their salaries go up. It was getting harder to save, harder to save for your kids' college education. Health care was getting harder to obtain. A lot of manufacturing had gone overseas.

And so what Joe and I said was, our focus is not just to fix the problems created by the crisis. We've got to change the fundamentals so that we get back to the day when if you want to work hard, if you are willing to be responsible, you can make it. You can succeed.

So we saved an auto industry. We took on a broken health care system. We invested in new technologies to achieve energy independence. We changed our Tax Code that was tilted too much in favor of folks who were doing very

well at the expense of working families. We started to crack down on some of the practices we had seen in the financial sector that had got us into this mess in the first place.

And because of that work, our businesses today have created 7.3 million new jobs over the last 41 months. We're generating more energy than ever before. We sell more goods made in America to other countries than ever before. Manufacturing is starting to come back and in-shore instead of outsource. Health care costs are growing at the slowest rate in 50 years. Our deficits are falling at the fastest rate in 60 years.

So thanks to the grit and resilience and hard work of the American people—and some good policies—we've been able to clear away the rubble of the financial crisis. We're laying the foundation for an economy that works for everybody. But as I'll bet a lot of families in Scranton will tell you, we're not yet where we need to be. We've got a lot of more work to do.

Like I said, even before the crisis hit, we were living through a decade where almost all the productivity gains, all the benefits of technology were accruing at the very top. And the average family had seen their incomes and wages flat or actually go down a little bit. Most families were working harder and harder just to get by. Costs of everything else were going up, but your wages and your incomes weren't going up.

So reversing that trend, returning to the days when: if you are willing to work hard you can succeed, that should be Washington's highest priority. [Applause] That should be Washington's highest priority. That's Joe's highest priority. That's Bob Casey's highest priority. That's my highest priority. That's what we should be focused on every single day.

But we do have a problem, which is we've got some of our friends down in Washington who—and it's not all Republicans, but there's a strong faction—[laughter]—who instead of focusing on what's helping middle class families succeed, they're spending time arguing about whether or not we should be paying the bills for things we already spent money on. They're threatening now to shut down the Government

and have another financial crisis unless, for example, we get rid of the health care reform that we fought to pass and that's going to provide millions of people health care security for the first time.

That won't create jobs. That's not going to help our economy. That doesn't strengthen the middle class. I have not seen a policy coming out of them that would actually help ordinary folks. And we can't afford the usual Washington circus of distractions and political posturing and special interests and phony scandals. We can't afford that. We've got too much work to do.

We've got to build on the cornerstones of what it means to be middle class in America: a good job with good wages, a good education, a home of your own, affordable health care, secure retirements even if you're not rich, more ladders of opportunity for everybody who's willing to work for it. That's what we should be fighting for.

And one of the most important things we can do to restore that sense of upward mobility, the ability to achieve the American Dream, the idea that if—you can make it if you try, one of the most important things we can do is make sure every child is getting a good education.

And the students who are studying here, they understand that. That's why they've made sacrifices. That's why their family are making sacrifices. You understand that in the face of global competition—when the Germans and the Chinese and the Indians are all putting more money into education and putting more money into research and—that we can't just stand pat. We can't stand by and do nothing. You understand that a great education is more important than ever.

And you don't have to take my word for it. Look, the data is clear: If you get some kind of higher education—whether it's a 2-year degree, a 4-year degree, a technical college—you're more likely to have a job. You're more likely to see your income goes up—going up. More than ever before, some form of higher education is the surest path into the middle class and the surest path that you stay there.

Now, here's the challenge: The soaring cost of higher education has become an increasing burden and barrier for too many young people. College has never been more necessary, but it's never been more expensive.

Audience member. [Inaudible]

The President. It's true. [Laughter]

Over the past—listen to this statistic, because this is important. Over the past three decades, past 30 years, the average tuition at a public 4-year college has risen by more than 250 percent. So it didn't just double, it went up 250 percent. The typical family income has only gone up 16 percent. So you do the math. I'm not a math major, but there are probably some good math people here. If you've got the cost of college going up like this and incomes going up like that, you start getting that bigger and bigger gap, and that means it's harder and harder for young people to afford college.

And meanwhile, States have been cutting back on their higher education budgets. And let's face it, here in Pennsylvania there have been brutal cuts to not just higher education, but education generally. Not enough colleges have been able to cut back on their costs. So what happens if costs are going up, incomes are flat, and the State actually reduces its support for higher education? Well, what you end up with is, students have to pick up the tab, families have to pick up the tab, and taxpayers have to pick up the tab in the form of more and more financial assistance.

And that's what's happened. The average student who borrows for college now graduates owing more than \$26,000, but a lot of folks will owe a lot more than that. I get letters from people who have \$100,000 worth of debt. I've got—young people who've got \$120,000 worth of debt. And they may be working as teachers. They may be doing really important work. They may be working as researchers. But they can't pay off that kind of debt.

So what's ending up happening is students end up facing a choice that they should never have to make: Either they say no to college, which means that they're going to be paying the price the rest of their lifetimes for not getting a degree; or they go to college, but they're

taking on so much debt that they're not sure they're ever going to be able to pay it back.

And if you come out with huge debt, what does that mean? It means you can't get a mortgage on a house right away because you're paying off your debt. You may put off starting a family because you're worried about paying off the debt. If you've got a good idea for starting a business, you're maybe going to put that off because you're still servicing your debt. And that's bad for the entire economy. That's bad for everybody.

That's a choice we should not accept. That's not who we are. Keep in mind, this is a country that gave my grandfather, when he came back from World War II, the chance to go to college for free on the GI bill. All right? My mother was able to go to a public university and get the support she needed so she could go to school even though she was raising two kids and had to work part time to do it.

Michelle and I, we're only where we are today because scholarships and student loans gave us a shot at a great education. And by the way, we did have to borrow a lot of money. I didn't pay off all of my student loans until right before I was elected to the U.S. Senate. I was in my forties. I was supposed to be saving for Malia and Sasha; I was still paying off my loans. [Laughter] So I know a little bit about this.

The point is, though, in the past, we've done what was required to support the next generation succeeding, because we understood, if they succeed, then we'll all succeed. But we've kind of lost track of that. So when Joe and I came in—with the help of Bob Casey and others—we took some steps to help make student loans more affordable. We changed the system where student loans were going through banks and banks were making billions of dollars; we said, let's just give the loans directly to students, save billions of dollars so we can give more help to more students. [Applause] That's what we did.

We set up a consumer watchdog to help students and their families navigate through the financial options, make sure that they don't get taken by shady lenders. And we gave more tools and resources to students and families to

finance college. And by the way, young people, if you're still trying to figure out how to finance it, go to studentaid.gov—studentaid.gov—and it will give you information that you need.

And then we took action to cap loan repayments at 10 percent of monthly incomes for a lot of borrowers who were going into public service so that they could responsibly manage their debt. And overall, these things made college more affordable, more accessible for millions of students and families. Using tax credits and grants and student loans, all this helped. And then, just a few weeks ago, working with Bob Casey and others, we worked to make sure that student loan rates didn't double. And that saves the typical undergraduate more than \$1,500 for this year's loans.

So we've made some progress. But it's not enough. The system is on a trajectory that is unsustainable, because if you keep on seeing the cost of college tuition go up and up and up, then no matter how much money we put in for loans or grants or what have you, it's not going to keep up. And it means students are going to be even deeper in debt.

What we have to do is to actually reduce the cost. And that means that State legislatures cannot just keep cutting support for public college and universities. They've got to prioritize the next generation. It means colleges have to work harder to prevent tuition from going up year after year.

Our economy cannot afford the trillion dollars in outstanding student loan debt. We can't price the middle class and everybody working to get into the middle class out of a college education. We're going to have to change how we do business. Higher education is not a luxury, it's an economic necessity. And every American should be able to afford it.

So yesterday I announced some new reforms to shake up the system. Some will require action from Congress. *[Laughter]* That will—that's always challenging. But these are ideas that should have bipartisan support. Of course, so should Obamacare. It's actually a really good idea. It's going to work. Used to be a Republican idea. *[Laughter]* There was a Gov-

ernor in Massachusetts who set it up. It's working really well. *[Laughter]*

But some of the reforms we're proposing we can make on our own. We're going to work with colleges to keep costs down. We're going to work with States to make higher education a bigger priority in the budget. And by the way, students, we're going to also ask a little more from you too, when it comes to you receiving financial aid, because you're going to have responsibilities as well.

And these reforms won't be popular with all the institutions out there, because some of them are doing okay with the status quo. Even if their students aren't graduating, they're still getting the money. But I'm not concerned with the institutions. I'm concerned with the students. I want the students to get a good deal. The institutions are there to serve the students and educate the young people.

So my plan comes down to three main goals. Number one, I'm directing my administration to come up with a new, more useful rating system for colleges. What we're going to do is not just measure—right now a lot of these rating systems are based on how selective the school is, how expensive the school is, how nice the dorm rooms are. What I want is for us to measure the kind of value they're giving students and their families. And are they providing the opportunity that we should be providing? Are they helping students from all kinds of backgrounds succeed? Are they graduating students at a good rate? Are students graduating with manageable debt? Do they have strong career potential? Are students getting jobs after they graduate from these places? That's what we want to focus on.

So that's information that's useful. That's news you can use. It will help students and parents figure out how much value a college truly offers.

And then, down the road, using these ratings, we're going to work with Congress to change how we allocate Federal aid for college. Because I said this last year, and I meant it: Colleges that keep their tuition down while providing a high-quality education, we want to see their taxpayer support go up. We should not be subsidizing schools that are not getting

good results for the young people who attend them. We've got to do more to reward schools that deliver for students and our future. So that's number one.

Number two, we're going to encourage more colleges to innovate, try new things, do things that can provide a great education without breaking the bank. So, for example, a number of colleges across the country are using online education to save time and money for their students. Or they may be, for example, seeing if you can get credits faster. If you can show competency, if you know your subject matter, you shouldn't—it shouldn't matter how many hours in a classroom you were. Question is, do you know the subject? And if you can accelerate it, you should be able to save money doing it.

Some schools are trying what you're doing here in Scranton, and that's creating partnerships between high school and colleges so students in high school can start accruing some credits. They can get a jump on their degree. That saves them money.

So the bottom line is, I want to see schools and States get in the game: try new things, figure out how to maintain high quality while reducing costs. And we'll provide incentives to States to do that.

And then, the third thing: Even if we control costs, some of you are still going to have debt once you graduate. That's okay. I had debt. Joe had debt. I mean, not all of us are—have parents who, no matter how much they love us and work hard, can afford to pay for all of our college. But the question is, can you manage it and afford it responsibly? People don't want to take out debt, but they're making a good investment. Education is something that will pay off in time, but it's got to be managed. I don't want debt to keep you from getting the job that you want or getting married or buying your first home.

So that's why we already capped repayments at 10 percent of a student income after college for a lot of students. We call it Pay As You Earn. Right? So far it's helping about 2.5 million students. But there are a lot of students, both current and former students, who aren't eligible. So we want to work with Congress to fix that and make more students eligible for it.

And too many students don't know that the program exists. So we're going to launch a campaign to help borrowers learn more about their options. Because we should allow every student the chance to pay back their loans in a way that doesn't stop them from becoming a teacher or becoming a nurse who is working in a needy community. You may have great skills. You may choose a profession that doesn't pay a lot of money. You should be able to do that. And you're giving back to the community; we should help you do it.

So if we do these three things—increase value, encourage innovation, help people manage their debt after graduation—then we'll help more students afford college. We'll help more students graduate from college. We'll help more students keep their debt low and repay it faster. We can do that.

Audience member. You need to protect our future by banning fracking!

The President. Well, there you go. [*Laughter*] The—now, this is going to take a lot of work. But the people of Scranton, I think, know something about hard work. The American people know something about hard work. So just because something is hard doesn't mean that we don't do it. We can get this done. We can get college more affordable. We can have the best trained workforce in the world if we keep on moving forward. And Joe and I are going to keep pushing for a better bargain for the middle class, a better bargain for the next generation. And, Scranton, we're going to need your help to get it done.

God bless you. God bless the United States of America.

NOTE: The President spoke at 4:42 p.m. in the gymnasium. In his remarks, he referred to Ellen Casey, mother, and Terese Casey, wife, of Sen. Robert P. Casey, Jr.; Urica Carver, graduate, Lackawanna College; and former Governor W. Mitt Romney of Massachusetts. He also referred to his sister Maya Soetoro-Ng. The transcript released by the Office of the Press Secretary also included the remarks of Vice President Joe Biden, who introduced the President.