

Administration of Barack Obama, 2012

Remarks at the University of Iowa in Iowa City, Iowa

April 25, 2012

The President. Hello, Hawkeyes! It is good to be back in Iowa! Can folks please give it up for Blake for that outstanding introduction? And I want to thank the University of Iowa Pep Band for firing everybody up.

There is some good hospitality here, and I should know. I spent a little time here in Iowa, spent a little time here in Iowa City. I'm glad that my hometown of Chicago will get to return the hospitality when your football team kicks off its season at Soldier Field.

I want to thank a couple guests. First of all, your Congressman, Dave Loebsack, is here; Attorney General Tom Miller; State Treasurer Mike Fitzgerald; your mayor, Matt Hayek; the president of the University of Iowa, Sally Mason.

So I have come to the University of Iowa to talk a little bit about you and some of the issues you guys are dealing with every single day. Now, I believe that college isn't just the best investment that you can make in your future, it's the best investment you can make in your country's future. And I'm proud of all of you for making that investment, because it's never been more important.

In today's economy, there's no greater predictor of individual success than a good education. That's at the top. Right now the unemployment rate for Americans with a college degree or more is about half the national average. Their incomes are twice as high as those who don't have a high school diploma. A higher education is the single clearest path to the middle class.

I know that those of you who are about to graduate are wondering what's in store for your future. Because not even 4 years ago, just as the global economy was about to enter into freefall, you were still trying to find your way around campus, and now, 4 years later, you're looking at what it means when you leave this campus.

Now, the good news is, today our economy is recovering. That's the good news. But I'll be honest with you. It has not yet fully healed from the worst economic crisis since the Great Depression. Our businesses have added more than 4 million jobs over the past 2 years. But there's still a lot of Americans who are out there looking for a job or at least finding a job that pays the bills and helps cover the mortgage. There's still too many families who don't have that security, that basic middle class security that started slipping away even before this crisis hit.

But what I want all of you to know is that the degree you earn from Iowa will be the best tool you have to achieve that basic American promise, the idea that if you work hard, if you give it your all, if you're responsible, then you can do well enough to raise a family and own a home, send your own kids to college, put a little away for retirement. It's the idea that each generation is going to have a little more opportunity than the last. That's at the heart of the American Dream.

And I can tell you, as a parent now, when I see Malia and Sasha doing well, there's nothing more important to me. And that's true for American families everywhere, and it's the hope your parents have for you. That's the hope you'll have some day for your own kids. And keeping that promise alive is the defining issue of our time. I don't want this a country—I don't

want this to be a country where a shrinking number of people are doing really, really well and then a growing number are barely able to get by. I don't want that future for you. I don't want it for my daughters. I don't want it for America.

I want this forever to be a country where everybody gets a fair shot and everybody's doing their fair share and everybody's playing by the same set of rules. That's the America I know, that's the America I love, and that's the America within our reach if we work for it.

And this is personal for me.

Audience member. We love you, Barack!

The President. I love you back. I love you guys, and I believe in you guys. That's the most important thing. I believe in you. And I believe in your future.

And I think about my own life. My grandfather had the chance to go to college because this country decided that every returning veteran of World War II should be able to afford it through the GI bill. My mom was a single mom—my dad wasn't around—and she raised two kids by herself with some help from my grandparents because she was able to get grants and work her way through school. And I'm only here today, and Michelle is only where she is today, because scholarships and student loans gave us a shot at a great education. That's how we succeeded.

And this country's always made a commitment to put a good education within the reach of everybody who's willing to work for it. That's part of what made us special. That's what kept us at the forefront of business and science and technology and medicine. That's a commitment that we need to reaffirm today.

Now, here's the challenge we've got. Since most of you were born, tuition and fees at America's colleges have more than doubled. And that forces students like you to take out more loans and rack up more debt. The average student who borrows to pay for college now graduates with about \$25,000 in student loan debt. And in this State, it's even higher. Americans now owe more on their student loans than they owe on credit cards.

And living with that debt means you've got to make some pretty tough choices. It might mean putting off buying a first home or chasing that great startup idea that you've got. Maybe you'll have to wait a little bit longer to start a family or save for retirement. And when a big chunk of every paycheck goes towards loan debt, that's not just tough on you, that's not just tough on middle class families. That's not good for our economy, because that money that could be going into businesses is going just to service debt.

And as I said, this is personal for me. I know something about this, because Michelle and I, we went through it. And it wasn't that long ago. We've been in your shoes. We didn't come from wealthy families. We needed loans and we needed grants to get our way through.

And that meant that when Michelle and I graduated from college and law school, we had a mountain of debt. When we got married, we got poorer together. *[Laughter]* Sort of, we combined our assets, and they were zero. *[Laughter]* And then we combined our liabilities, and they were a lot. *[Laughter]* So we ended up paying more for our student loans in the first few years that we were married than we paid on our mortgage each month when we finally bought a small condo. And we were lucky to land good jobs with a steady income, but we only finished paying off our student loans about 8 years ago. Think about that. I'm the President of the United States—*[laughter]*—it was only about 8 years ago that we finished paying off our student loans, so—*[applause]*.

And let me tell you, it wasn't easy making those payments, because once we had Malia and Sasha, we're trying to save for their college education even as we're paying off our own college educations.

So this is personal. This is at the heart of who we are. We've got to make college more affordable for more young people. We can't put the middle class at a disadvantage. We can't price out folks who are trying to make sure that they not only succeed for themselves, but help the country succeed. We can't price the middle class out of a college education. Not when—we can't do it, especially when most new jobs in America will require more than a high school diploma. Higher education—whether it's at a 4-year institution or a 2-year program at a community college—it can't be a luxury. It's an economic imperative every family in America should be able to afford.

And before I came out here, I had a chance to meet not just with Blake, but with a number of other students, and we had a little roundtable. And the stories they told me were so familiar. One young man—single mom, she had lost her job. He was already about \$30,000 in debt. He was only halfway through here at University of Iowa. Another young woman, her dad had been laid off at Maytag. They were trying to figure out how to make ends meet. She's about to graduate.

Now, what I told them is, you're making the right decision, because over the lifetime of earnings you will more than earn back this investment you're making. But making it more affordable would sure help. It would sure help.

Now, I'm going to have a specific request for you. I'm going to need your help, Iowa, but let me briefly tell you what we've already done to try to make college more affordable, because I'm not just interested in talking the talk, I want to walk the walk.

So before I took office, we had a student loan system where tens of billions of taxpayer dollars were going to banks who were the middlemen on the Federal student loan program. So they were getting billions of dollars in profits managing a loan program where they had no risk because it was all federally guaranteed loans. So we changed that.

And there were folks in Washington who fought tooth and nail to protect the status quo. One of them said it would be "an outrage" to change the system where banks are managing this thing. But the real outrage was letting them serve as middlemen and siphon off profits, while students were working two or three jobs just to get by. So we kept at it, and we fought, and we fought, and today, we don't have middlemen. That money is going directly where it should have been to—the first place. It's going to help more young people afford college.

And then last fall, I acted to cap student loan payments faster, so that nearly 1.6 million students who make their payments on time only have to pay 10 percent of their monthly income toward loans once they graduate, which means if you decide to become a teacher or a social worker or a guidance counselor, something that doesn't pay a lot of money, you can still afford to do it because you'll never have to pay more than 10 percent of your income in order to stay current on your loan.

And then we decided, you know what, you guys need more information about this whole process. We want to have student—we want students to have a—access to a simple fact sheet on student loans and financial aid so you can have all the information you need to make your own choices about how to pay for college. So some of you know we set up this new Consumer Finance Protection Bureau to look out for consumers, and so they're now putting out a fact

sheet called "Know Before You Owe." "Know Before You Owe," which is something Michelle and I could have used when we were in your shoes.

And then what we said was it's not enough just to increase student aid. We've also got to stop subsidizing skyrocketing tuition, or we'll run out of money. So the schools themselves have to keep their tuition lower. So we've challenged—[*applause*—so we've put out the challenge to colleges and universities. And I've told Congress, steer Federal aid to those schools that are doing a good job keeping tuition affordable and providing good value and serving their students well. And we've put colleges on notice: If you can't stop tuition from skyrocketing, the funding you get from taxpayers is going to go down. We're going to put money into the schools that are doing a better job. And we're going to hold schools accountable.

Of course, as public universities like this one know, States and State legislators also have to do their part by making higher education a higher priority in their budgets. Last year, over 40 States cut their higher education spending.

Audience members. Boo!

The President. Yes, that's not good. [*Laughter*] These budget cuts are one of the biggest reasons why tuition goes up at public colleges and have been over the last decade. So we're challenging States: Take responsibility. If you can find new ways to bring down costs on college, make it easier for students to graduate, then we'll help you do it at the Federal level.

So that's what we've already done: helped more families, more young people afford a higher education, offer incentives to States and colleges and universities to keep costs down. That's what we've been doing. Now comes the tricky part: We got to get Congress to do their part. And that's where you come in.

There are a couple of things I'd like Congress to be doing this year. First, they need to extend the tuition tax credit that we put in place when I first came into office, because it's saving middle class families thousands of dollars. They get a tax break when they are helping their kids go to college. That's important.

Second, we need Congress to safeguard aid for low-income students so that today's freshmen and sophomores know they're going to be able to count on it. We've got to make sure the Pell grants are there for people who need them.

Number three, we've got to give more young people the chance to earn their way through college by doubling the number of work-study jobs over the next 5 years. That's an achievable goal.

And then most immediately—and this is where I really need you guys—Congress needs to act right now to prevent interest rates on Federal student loans from shooting up and shaking you down. That's where you come in.

You see, 5 years ago, Congress cut the rates on Federal student loans in half. That was a good thing to do. But on July 1 of this year, which means about 2 months from now, that rate cut will expire. And if it expires, interest rates on these loans will double overnight. And for each year that Congress doesn't act, the average student with these loans will rack up an additional thousand dollars in debt. That's basically a thousand-dollar tax hike on more than 7 million students around America, including 250,000 students right here in Iowa.

Now, let me see if—I'll do a quick poll. This may be unscientific. How many people can afford to pay an extra thousand dollars right now?

Audience members. No!

The President. [Laughter] I don't think so. Stopping this from happening should be a no-brainer.

[At this point, the President coughed.]

The President. It makes me sick just thinking about it. [Laughter] Helping more young people afford college should be at the forefront of America's agenda. And it shouldn't be a Republican or Democratic issue. This is an American issue. The Stafford loans we're talking about were named after a Republican Senator; Pell grants named after a Democratic Senator. When Congress cut these rates 5 years ago, a majority of Democrats voted for it, but 77 Republicans in the House of Representatives voted for it too.

Now, the good news is, the Senate introduced a bill last night that would keep student loan rates from doubling. That's the good news. And what's also good news is some Republican Senators look like they might support it. And I'm ready to work with them to make it happen. That's good.

But I've got to tell you, the Republicans who run the House of Representatives have not yet said whether or not they'll stop your rates from doubling. And they've hinted that the only way they'd do it is if they cut things like aid for low-income students. So let me scratch my head there for a second. Think about that. We're going to help some students by messing with other students. That's not a good answer. How many people think that's a good answer?

Audience members. No!

The President. No, I didn't think so. One of these Members of Congress—I—you know, sometimes I like just getting these quotes, because I'm always interested in how folks talk about this issue. You've got one Member of Congress who compared these student loans—I'm not kidding here—to a "stage-three cancer of socialism."

Stage-three cancer? [Laughter] I don't know where to start. What do you mean? [Laughter] What are you talking about? Come on. Just when you think you've heard it all in Washington, somebody comes up with a new way to go off the deep end. [Laughter]

And then you've got the spokesman for the Speaker of the House who says, we're—meaning me, my administration—we're just talking about student loans to distract people from the economy. Now, think about that for a second. Because these guys don't get it. This is the economy. This is the economy. This is about your job security. This is about your future. If you do well, the economy does well. This is about the economy.

What economy are they talking about? You are the economy. If you've got skills, if you've got talents, if you're starting a business, if companies are locating here in Iowa because it's got a well-trained workforce, that's the economy. That's how we're going to compete. Making sure our next generation earns the best education possible is exactly America's business. Making sure that education is available to everybody and not just the few, that is America's business. Our future depends on it.

And then some of them suggest that students like you have to pay more so we can help bring down the deficit. Now, think about that. These are the same folks who ran up the deficits for the last decade. They voted to keep giving billions of dollars in taxpayer subsidies to big oil companies who are raking in record profits. They voted to let millionaires and billionaires keep paying lower taxes than middle class workers. They voted to give folks like me, the wealthiest

Americans, an average tax cut of at least \$150,000, and that tax cut would be paid for by cutting things like education and job training programs that give students and workers opportunities to get what they need to succeed.

Now, does that make any sense? Does that some—sound like folks who are really concerned with the deficit?

Audience members. No!

The President. How can we want to maintain tax cuts for the wealthiest Americans who don't need them and weren't even asking for them? I don't need one. I needed help back when I was your age. I don't need help now. I don't need an extra thousand dollars or few thousand dollars. You do.

We need to make sure everybody pays their fair share. How can we continue to subsidize an oil industry that's making record profits instead of investing in things like clean energy that will help shape our future? Do we want to jack up interest rates on millions of students? Or do we want to keep investing in the things that help us in the long term, things like education and science and a strong military and care for our veterans? Because we can't have it both ways. We can't do all things on the cheap.

And one thing I want to be clear about, because when I talk like this, sometimes the other side, they get all hot and bothered, and they say, he's getting—he's engaging in class warfare. This isn't about class warfare. We want every American to succeed. That's the point. We—I want all of you to be rich. I want all of you to be successful. We aspire to it. That's what Americans do. We work and we hustle and we study and we take risks to succeed. And we don't expect a handout. But we also understand we're in this thing together, and America is not about just a few people doing well, it's about everybody having a chance to do well. That's what the American Dream is all about.

You look at this auditorium, everybody who's here, you're here because somebody made a commitment to you. First, your parents. But it wasn't just your parents. It was the folks who decided, you know what, we're going to set up a public university. It was the folks who made a decision early on in this Republic that said we believe that all men are created equal, that everybody is endowed by their Creator with certain inalienable rights. Those were commitments that were made by previous generations to future generations.

So somebody here had a parent or a grandparent who said, maybe I can't go to college, but some day my son can. Maybe I can't start my own business, but someday I can picture my daughter starting her own business. Maybe I'm an immigrant, but I believe that this is the country, this is the place where no matter who you are, no matter what you look like, no matter where you come from, no matter what your last name is, you can make it if you try. That's what we believe.

That is what we believe. You and me, all of us, we're only here because someone, somewhere, felt a responsibility not just to themselves, but to this country's future. And now it's our turn to be responsible. Now it's our turn to keep that promise alive. That's where I need your help.

I'm asking everybody here, anybody who's watching, anybody who's following online, send your Member of Congress a message. Tell them you're not going to set your sights lower. Tell them you're not going to settle for something less. Call them, e-mail them, write on their

Facebook page, tweet. [*Laughter*] We've got a hashtag: "dontdoublemyrate"—[*laughter*]—"dontdoublemyrate"—"dontdoublemyrate."

We asked students at North Carolina, then at University of Colorado, to do this yesterday. They got it trending worldwide for a while. Let's see if you guys can do even better. See how the Hawkeyes can do. Because we've got to keep the heat on Congress until this gets done. And I need your help to do it. I need you to be heard. I need you to be counted.

Now is not the time to double the interest rates on our student loans. Now is not the time to double interest rates. Now is the time to double down on starting investments that build a strong and secure middle class. Now is the time to double down on building an America that's built to last.

If we work together, with clear eyes and a common purpose, I guarantee you we'll meet our challenges. We will rise to this moment. And the reason I know that is because I believe in you. I believe in you. And it's because of you that we will remind everybody just why it is that this is the greatest nation on Earth.

Thank you, Iowa. God bless you. God bless the United States of America.

NOTE: The President spoke at 1:28 p.m. at the Field House. In his remarks, he referred to University of Iowa students Blake T. Anderson, Marissa L. Boles, Myranda L. Burnett, Jordan Garrison-Nickerson, and Martin J. Lopez; Rep. Todd W. Akin; and Brendan Buck, press secretary for Speaker of the House of Representatives John A. Boehner.

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