

Administration of Barack Obama, 2014

The President's Weekly Address

June 7, 2014

Hi, everybody. This is commencement season, a time for graduates and their families to celebrate one of the greatest achievements of a young person's life. But for many graduates, it also means feeling trapped by a whole lot of student loan debt. And we've got to do more to lift that burden.

See, in a 21st-century economy, the surest pathway into the middle class is some form of higher education. The unemployment rate for workers with a bachelor's degree is just 3.3 percent, about half what it is for high school graduates. A typical graduate of a 4-year college earns \$15,000 more per year than someone with just a high school diploma.

But at a time when college has never been more important, it's also never been more expensive. That's why, since I took office, I've worked to make college more affordable. We reformed a student loan system that gave away billions of taxpayer dollars to big banks and invested that money where it makes a bigger bang: in helping more young people afford a higher education.

But over the past three decades, the average tuition at a public 4-year college has more than tripled. The average undergraduate student who borrows for college now graduates owing almost \$30,000. And I've heard from too many young people who are frustrated that they've done everything they were supposed to do and now they're paying the price.

I've taken action on my own to offer millions of students the opportunity to cap their monthly student loan payments to 10 percent of their income. But Congress needs to do its part. The good news is that Senate Democrats are working on a bill that would help more young people save money. Just like you can refinance your mortgage at a lower interest rate, this bill would let you refinance your student loans. And we'd pay for it by closing loopholes that allow some millionaires to pay a lower tax rate than the middle class.

That's the choice that your representatives in Congress will make in the coming weeks: protect young people from crushing debt or protect tax breaks for millionaires. And while Congress decides what it's going to do, I will keep doing whatever I can without Congress to help responsible young people pay off their loans, including new action I will take this week.

This country has always made a commitment to put a good education within the reach of all who are willing to work for it. That's what made us an economic superpower. That's what makes us special. And as long as I hold this office, I'll keep fighting to give more young people the chance to earn their own piece of the American Dream.

Thanks, and have a great weekend.

NOTE: The address was recorded at approximately 3:55 p.m. on May 30 in the 6th floor conference room at Children's National Medical Center's Sheikh Zayed Institute for Pediatric Surgical Innovation for broadcast on June 7. The transcript was made available by the Office of the Press Secretary on June 6, but was embargoed for release until 6 a.m. on June 7.

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