

Remarks at the University of North Carolina at Chapel Hill in Chapel Hill,
North Carolina
April 24, 2012

The President. Thank you! Hello, North Carolina! What's up, Tar Heels?

Now, first of all, I want to thank Dominique for that unbelievable introduction. Wasn't she good? You can tell she will be an outstanding teacher.

Audience member. I love you, President Obama!

The President. I love you back. I do. Love North Carolina. I love North Carolina. I do. Every time I come down to this State, I just love it that much more. I said a while back, the thing about North Carolina is even the folks who don't vote for me are nice to me. [*Laughter*] I can't say that about everyplace. [*Laughter*]

Now, I want to issue a quick spoiler alert: Later today I am getting together with Jimmy Fallon—and the Dave Matthews Band—right here on campus. We're going to tape Jimmy's show for tonight, so I want everybody to tune in, make sure it has high ratings. [*Laughter*] It's a Dave Matthews fan right here.

We've got some wonderful people who are here who are doing a great job for you guys. First of all, your Governor, Bev Perdue, is in the house. Give her a big round of applause. Where's Bev? There she is. We've got your Congressman, Dave Price—Congressman David Price; Congressmen G.K. Butterfield; Congressman Brad Miller; your mayor, Mark Kleinschmidt; chancellor of UNC, Holden Thorp.

It is great to be back on the Lady Tar Heels' home court. This is an arena with some serious hoops history. I know the men's team used to play here back in the day. I just want to remind you right off the bat: I picked UNC to win it all in March Madness. Want to point out. And if Kendall hadn't gotten hurt—[*laughter*—who knows where we might have been.

I saw McAdoo, by the way, at the airport. He came by and said hello, which I was excited. So I just want you to know I have faith in you guys.

Now, it's always good to begin with some easy applause lines, talk about the Tar Heels. [*Laughter*] But the reason I came to Chapel Hill today is to talk about what most of you do here every single day, and that's study, I assume. [*Laughter*] Higher education is the single most important investment you can make in your future. So I'm proud of all of you for doing what it takes to make that investment: for the long hours in the library—I hope—[*laughter*]—in the lab, in the classroom. This has never been more important.

Whether you're here at a 4-year college or university or you're at a 2-year community college, in today's economy, there's no greater predictor of individual success than a good education. Right now the unemployment rate for Americans with a college degree or more is about half the national average. The incomes of folks with a college degree are twice as high as those who don't have a high school diploma. A higher education is the clearest path into the middle class.

Now, I know that those of you who are about to graduate are wondering about what's in store for your future. 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 you've spent your years here at a time when the whole world has been trying to recover, but has not yet fully recovered from the worst economic crisis since the Great Depression, the worst economic crisis in most of our lifetimes, and that includes your teachers.

Our businesses have added more than 4 million jobs over the past 2 years, but we all know there's still too many Americans out there looking for work or trying to find a job that pays enough to cover the bills and make the mortgage. We still have too many folks in the middle class that are searching for that security that started slipping away years before the recession hit.

So we've still got a lot of work to do to rebuild this economy so that it lasts, so that it's solid, so that it's firm. But what I want you to know is that the degree you earn from UNC will be the best tool you have to achieve that basic American promise, the idea that if you work hard, 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. That American Dream is within your reach.

And there's another part of this dream, which is the idea that each generation is going to know a little bit more opportunity than the last generation. That our kids—I can tell you now as a parent, and I guarantee you, your parents feel this about you—nothing is more important than your kid's success. You want them to do better than you did. You want them to shoot higher, strive more, and succeed beyond your imagination.

So keeping that promise alive is the defining issue of our time. I don't want this to be a country where a shrinking number of Americans are doing really, really well, but a growing number of people are just struggling to get by. That's not my idea of America. I don't want that future for you. I don't want that future for my daughters. I want this forever to be a country where everybody gets a fair shot and everybody is doing their fair share and everybody is playing by the same set of rules. That's the America I know and love. That's the America within our reach.

I think back to my grandfather. He had a chance to go to college because this country decided every returning veteran of World War II should be able to afford it, should be able to go to college. My mother was able to raise two kids by herself because she was able to get grants and work her way through school. I am only standing here today, Michelle is only who she is today, because of scholarships and student loans. That gave us a shot at a great education. We didn't come from families of means, but we knew that if we worked hard we'd have a shot.

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

makes us special. That's what made us an economic superpower. That's what kept us at the forefront of business and science and technology and medicine. And that's a commitment we have to reaffirm today in 2012.

Now, everybody will give lip service to this. You'll hear a lot of folks say, yes, education is important, it's important. [*Laughter*] But it requires not just words, but deeds. And the fact is, that 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 a lot more loans. There are fewer grants. You rack up more debt. Can I get an "amen"?

Audience members. Amen!

The President. Now, the average student who borrows to pay for college now graduates with about \$25,000 in student loan debt. That's the average; some are more. Can I get an "amen" for that?

Audience members. Amen!

The President. Yes, because some folks have more debt than that.

Audience member. Amen! [*Laughter*]

The President. Americans now owe more on their student loans than they do on their credit cards. And living with that kind of debt means that this generation is not getting off to the same start that previous generations, because you're already loaded up with debt. So that means you've got to make pretty tough choices when you are first starting out. You might have to put off buying a house. It might mean that you can't go after that great idea for a startup that you have, because you're still paying off loans. Maybe you've got to wait longer to start a family or save for retirement.

When a big chunk of every paycheck goes towards loan debt, that's not just tough on you, that's not just tough for middle class families, it's not just tough on your parents, it's painful for the economy, because that money is not going to help businesses grow. I mean, think about the sooner you can start buying a house, that's good for the housing industry. The sooner you can start up that business, that means you're hiring some folks. That grows the economy.

And this is something Michelle and I know about firsthand. I just wanted everybody here to understand this is not—I didn't just read about this. *[Laughter]* I didn't just get some talking points about this. I didn't just get a policy briefing on this. Michelle and I, we've been in your shoes. Like I said, we didn't come from wealthy families.

So when we graduated from college and law school, we had a mountain of debt. When we married, we got poorer together. *[Laughter]* We added up our assets, and there were no assets. *[Laughter]* And we added up our liabilities, and there were a lot of liabilities, basically in the form of student loans. We paid more in student loans than we paid on our mortgage when we finally did buy a condo. For the first 8 years of our marriage, we were paying more in student loans than what we were paying for our mortgage. So we know what this is about.

And we were lucky to land good jobs with a steady income. But we only finished paying off our student loans—check this out, all right, I'm the President of the United States—we only finished paying off our student loans about 8 years ago. *[Laughter]* That wasn't that long ago. And that wasn't easy, especially because when we had Malia and Sasha, we're supposed to be saving up for their college educations, and we're still paying off our college educations.

So we have to make college more affordable for our young people. That's the bottom line. And like I said, look, not everybody is going to go to a 4-year college or university. You may go to a community college. You may go to a technical school and get into the workforce. And then, it may turn out that after you've had kids and you're 35, you go back to school because you're retraining for something new. But no matter what it is, no matter what field you're in, you're going to have to engage in lifelong learning. That's the nature of the economy today. And we've got to make sure that's affordable.

That's good for the country; it's good for you. At this make-or-break moment for the middle class, we've got to make sure that you're not saddled with debt before you even get started in life. Because I believe college

isn't just one of the best investments you can make in your future, it's one of the best investments America can make in our future. This is important for all of us.

We can't price the middle class out of a college education. Not at a time when most new jobs in America will require more than a high school diploma. Whether it's at a 4-year college or a 2-year program, we can't make higher education a luxury. It's an economic imperative. Every American family should be able to afford it.

So that's why I'm here. Now, before I ask for your help, I've got something very specific I'm going to need you to do. But, North Carolina, indulge me. I want to briefly tell you what we've already done to help make college more affordable, because we've done a lot.

Before I took office, we had a student loan system where tens of billions of taxpayer dollars were going to banks, not students. They were processing student loan programs, except the student loans were federally guaranteed so they weren't taking any big risks, but they were still taking billions of dollars out of the system. So we changed it.

Some in Washington fought tooth and nail to protect the status quo, where billions of dollars were going to banks instead of students. And they wanted to protect that. They wanted to keep those dollars flowing to the banks.

One of them said—and I'm going to quote here because it gives you a sense of the attitudes sometimes we're dealing with in Washington—they said it would be “an outrage” if we changed the system so that the money wasn't going through banks and they weren't making billions of dollars of profits off of it. Said it was “an outrage.”

And I said, no, the real outrage is letting these banks keep these subsidies without taking any risks while students are working two or three jobs just to get by. That's an outrage. *[Applause]* That's an outrage.

So we kept at it, we kept it at, we won that fight. Today, that money is going where it should be going—should have been going in the first place: It's going directly to students. We're bypassing the middleman. That means

we can raise Pell grants to a higher level. More people are eligible. More young people are able to afford college because of what we did. Over 10 years, that's going to be \$60 billion that's going to students that wasn't going to students before.

Now, then last fall, I acted to cap student loan payments faster, so that nearly 1.6 million students who make their payments on time will only have to pay 10 percent of their monthly income towards loans once they graduate. Now, this is useful—this is especially helpful for young people who decide, like Dominique, to become teachers, or maybe they go into one of the—

Audience member. Social work.

The President. —social work or one of the helping professions. And they may not get paid a lot of money, but they've got a lot of debt. And so being able to cap how much per month you're paying as a percentage of your income gives you a little bit more security knowing you can choose that profession.

And then we wanted every student to have 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. And we set up this new consumer watchdog called the Consumer Financial Protection Bureau, and so they're now putting out this information. We call it "Know Before You Owe." "Know Before You Owe." It's something Michelle and I wish we had had when we were in your shoes because sometimes we got surprised by some of this debt that we were racking up.

So that's what we've done. But it's not enough just to increase student aid. We can't keep subsidizing skyrocketing tuition or we'll run out of money. And colleges and universities, they've got to do their part also to keep college costs down. So I've told Congress to steer Federal aid to those schools that keep tuition affordable, that provide good value, that serve their students well. And we've put colleges on notice: If you can't stop tuition from just going up every single year a lot faster than inflation, then funding you get from taxpayers, at least at the Federal level, will go down, be-

cause we need to push colleges to do better and hold them accountable if they don't.

Now, public universities know well, and Governor Perdue knows well: States also have to do their part by making higher education a higher priority in their budgets. I know that Bev is fighting hard to make tuition affordable for North Carolina families. That's a priority for her. But last year, over 40 States cut their higher education spending. And these budget cuts have been among the largest factors in tuition increases at public colleges over the past decade. So we're challenging States to take responsibility. We told them, if you can find new ways to bring down the cost of college and make it easier for students to graduate, then we'll help you do it.

But I want everybody here, as you're thinking about voting, make sure you know where your State representative and your State senator stands when it comes to funding higher education. They've got to be responsible. They've got to be accountable as well to prioritize higher education.

All right. So helping more families, helping more young people afford a higher education, offering incentives for States and colleges and universities to keep their costs down, that's what we've been doing. Now Congress has to do their part.

They need to extend the tuition tax credit that we put in place back when I came into office. It's saving middle class families thousands of dollars. Congress needs to safeguard aid for low income students, like Pell grants, so that today's freshmen and sophomores knows that they'll be able to count on it. That's what Congress has to do. Congress needs 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 what Congress needs to do.

And then there's one specific thing—and now this is where you come in—there's one specific thing that Congress needs to do right now to prevent the interest rates on student loans, Federal student loans, from shooting up and shaking you down. So this is where you

come in. I want to explain this, so everybody listen carefully.

Five years ago, Congress cut the rate on Federal student loans in half. That was a good thing to do. But on July 1—that's a little over 2 months from now—that rate cut expires. And if Congress does nothing, the interest rates on those loans will double overnight.

So I'm assuming a lot of people here have Federal student loans. The interest rates will double unless Congress acts by July 1. And just to give you some sense of perspective: For each year that Congress doesn't act, the average student with these loans will rack up an additional thousand dollars in debt—an extra thousand dollars. That's basically a tax hike for more than 7 million students across America, more than 160,000 students here in North Carolina alone. Anybody here can afford to pay an extra thousand dollars right now?

Audience members. No! [Laughter]

The President. I didn't think so. So stopping this from happening should be a no-brainer. Helping more of our young people afford college, that should be at the forefront of America's agenda. It shouldn't be a Republican or a Democratic issue. This is an American issue.

The Stafford loans we're talking about, they're named after a Republican Senator. The Pell grants that have helped millions of Americans earn a college education, that's named after a Democratic Senator. When Congress cut those rates 5 years ago, 77 Republicans in the House of Representatives voted for it—along with a couple hundred Democrats—[laughter]—including the Democrats who are here.

So this shouldn't be a partisan issue. And yet the Republicans who run Congress right now have not yet said whether or not they'll stop your rates from doubling. We're 2 months away. Some have hinted that they'd only do it if we cut things like aid for low income students instead. So the idea would be, well, all right, we'll keep interest rates low if we take away aid from other students who need it. That doesn't make sense.

One Republican Congresswoman said just recently—I'm going to quote this because I

know you guys will think I'm making it up. [Laughter]

Audience member. We trust you. [Laughter]

The President. No, no, no. The—she said she had “very little tolerance for people who tell me they graduate with debt because there's no reason for that.”

Audience members. Boo!

The President. I'm just quoting here. I'm just quoting. She said, students who rack up student loan debt are just sitting on their butts, having opportunity “dumped in your lap.”

Audience members. Boo!

The President. I mean, I'm reading it here, so I didn't make this up. Now, can you imagine saying something like that? Those of you who have had to take out student loans, you didn't do it because you're lazy. You didn't do it lightly. You don't like debt. I mean, a lot of you, your parents are helping out, but it's tough on them. They're straining. And so you do it because the cost of college keeps going up and you know this is an investment in your future.

So if these folks in Washington were serious about making college more affordable, they wouldn't have voted for a budget that could cut financial aid for tens of millions of college students by an average of more than a thousand dollars.

They certainly wouldn't let your student loan rates double overnight. So when you ask them, well, why aren't you making this commitment? They say, well, we got to bring down the deficit. Of course, this is the deficit they helped run up over the past decade: didn't pay for two wars, didn't pay for two massive tax cuts. And now this is the reason why you want students to pay more?

They just voted to keep giving billions of dollars in taxpayer subsidies to big oil companies that are raking in record profits. They just voted to let millionaires and billionaires keep paying lower tax rates than middle class workers and their secretaries. They even voted to give an average tax cut of at least \$150,000 to folks like me, the wealthiest Americans, a tax cut paid for by cutting things like education and job training programs that give students new opportunities to work and succeed.

Now, that's their priorities. And that doesn't make any sense. Do we want to keep tax cuts for the wealthiest Americans who don't need them and didn't ask for them, or do we want to make sure that they're paying their fair share? Do we want to keep subsidizing big oil, or do we want to make sure we're investing in clean energy? Do we want to jack up interest rates on millions of students, or do we want to keep investing in things that will help us and help them in the long term, things like education and science and a strong military and care for our veterans? We can't do both. We can't have it both ways. We've got to make a choice about what our priorities are.

You know, I've said this before, but I'm just going to keep on repeating it: In America, we admire success. We aspire to it. I want everybody to be rich. I want everybody to work and hustle and start businesses and study your tails off to get there. *[Laughter]* But America is not just about a few people doing well. America is about giving everybody a chance to do well: everybody—not just a few—everybody. That's what built this country. That's what the American Dream is all about.

A lot of us had parents or grandparents who said, maybe I can't go to college, but some day my son, he'll go to college, and I'll be so proud of him. A lot of us had parents or grandparents who said, maybe I can't start my own business, but maybe someday my daughter, she's going to start her own business, she's going to work for herself. A lot of us had parents or grandparents who said, I may be an immigrant, but I believe that this is a country where no matter what you look like and where you come from, no matter what your name is, you can make it if you try.

North Carolina, that's who we are. That's our values. That's what we're about. So no, "set your sights lower"—that's not an education plan. "You're on your own"—that's not an economic plan. We can't just cut our way to prosperity.

Previous generations made the investments necessary for us to succeed, to build a strong middle class, to create the foundation for America's leadership in science and technology

and medicine and manufacturing. And now it's our turn. We've got to do the right thing. I want one of you to discover the cure for cancer or the formula for fusion or the next game-changing American industry. And that means we've got to support those efforts.

So, if you agree with me, I need your help. I need you to tell your Member of Congress, we're not going to set our sights lower. We're not going to settle for something less. Now, all of you are lucky, you already have three Congressmen who are on board. So don't—you don't need to call them. *[Laughter]* They're already doing the right thing. But I'm asking everyone else who's watching or following online, call your Member of Congress, e-mail them, write on their Facebook page, tweet them. We've got a hashtag. *[Laughter]* All right. Here's the hashtag for you to tweet them: #dontdoublemyrate. All right? Don't double my rate. I'm going to repeat that. The hashtag is #dontdoublemyrate. You tweet—everybody say it just so everybody remembers it.

Audience members. Don't double my rate.

The President. Don't double my rate—it's pretty straightforward.

Your voice matters. So stand up. Be heard. Be counted. Tell them now is not the time to double interest rates on your student loans. Now is the time to double down on smart investments to build a strong and secure middle class. Now is the time to double down on building an America that lasts.

Audience member. Absolutely!

The President. You—absolutely.

You and me, all of us here, every single one of us—we're here only because somebody, somewhere, felt responsibility not just for themselves, but they felt responsibility for something larger. It started with them feeling responsible for their families. So your parents sacrificed, your grandparents sacrificed to make sure you could succeed. But then they thought bigger than that. They thought about their neighborhood, they thought about their community, they thought about their country. Now——

Audience member. The planet.

The President. They thought about the planet. And now it's our turn to be responsible. It's our turn to keep that promise alive.

And no matter how tough these times have been, no matter how many obstacles that may stand in our way, I promise you, North Carolina, there are better days ahead. We will emerge stronger than we were before. Because I believe in you. I believe in your future. I believe in the investment you're making right here at North Carolina. That tells me that you share my faith in America's future. And that's what drives me every single day: your hopes, your dreams. And I'm not quitting now, because in America, we don't quit. We get each other's backs. We help each other get ahead.

And if we work together, we'll remind the world just why it is that America's the greatest nation on Earth.

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

NOTE: The President spoke at 1:13 p.m. at Carmichael Arena. In his remarks, he referred to Dominique N. Garland, student, University of North Carolina; James T. Fallon, Jr., host, NBC's "Late Night With Jimmy Fallon" program; Kendall Marshall, guard, and James M. McAdoo, forward, University of North Carolina men's basketball team; and Rep. Virginia A. Foxx.

Remarks During a Conference Call With College Reporters From Air Force One

April 24, 2012

Hey, everybody. Thanks for being on the call. And first of all, let me apologize if the connection sounds fuzzy. As was just mentioned, I'm joining you guys on Air Force One.

I'm just leaving North Carolina; I was at UNC-Chapel Hill. Now I'm on my way to the University of Colorado at Boulder. And tomorrow we're going to be at the University of Iowa in Iowa City. And what we're doing is going to schools to talk to students directly about the critical importance of the possibility that 7.4 million students with Federal student loans would see their interest rates double on July 1 unless Congress steps up and does what it needs to do.

I've always believed that we should be doing everything we can to help put higher education within reach for every single American student, because the unemployment rate for Americans with at least a college degree is about half the national average. And it's never been more important. Unfortunately, it's also never been more expensive. And most of you guys, I'm sure, have reported about this and know this: Students who take out loans to pay for college graduate owing an average of \$25,000 a year. And I know what this is like,

because when Michelle and I graduated from college and law school, we had enormous debts, and it took us a lot of years to pay off. So that's probably why I feel this thing so personally.

For a lot of working families, the idea of owing that much money means higher education is simply out of reach for their children. And for the first time, now we've got Americans owing more debt on their student loans than they do on their credit cards.

The key point here is, is that in America, higher education can't be a luxury. It's an economic imperative that every family has got to be able to afford. We've already taken some important steps to make college more affordable. So, for example, we extended Pell grants to 3 million more students, and we signed a tax credit worth up to \$10,000 to help middle class families cover the cost of tuition. We've eliminated a major expense for young people by allowing young adults to stay on their parents' health insurance plans until they're 26.

But there's clearly more work to be done. And that's why I'm going to colleges across the country. I want to talk to students right now about how we can make higher education