

Macias, Wendy

From: [Redacted]
Sent: Monday, June 15, 2009 6:56 PM
To: negreg09
Cc: [Redacted] (StudentLoanJustice.org)
Subject: Student loans and Gary Becker's Human Capital (1964)

15 June 2009

Hello USD of E!

Nobel Prize winner Gary Becker wrote Human Capital in 1964, and his theories remain valid today. There is a return on investment in education, but at what risk and at what price?

Caveat emptor is supposed to warn student investors to carefully calculate their risks before taking out student loans. How many young adults have the experience and training to make decisions involving serious capital investment? Yet we have a vast, predatory student loan industry set up to make money from such immature investment decisions.

On the other hand, young people can make low-risk human investment decisions involving Advanced Placement tests, CLEP tests, free on-line courses (<http://ocw.mit.edu/OcwWeb/web/home/home/index.htm>), local community college enrollments, and the like. Each achievement in this direction does not involve years and years of monthly payments and the risks of credit worthiness.

It is a question of values.

Sincerely,

[Redacted Signature]