The $124,421 Man, How to pay off a mountain of student debt in six (long) years

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The debt began the same way all debts do: in the hollow space between what one wants and what one has.

I picked Tufts University because it seemed impressive enough. Friends like me—Jewish, precocious, pimpled—were already enrolled, and they liked it just fine. Plus, the grounds were well kept during my visit. What else does a 17-year-old, especially one who's prone to making inarticulate decisions, need? For whatever reason, Tufts felt like somewhere I should stay for a while.

In December 2002, the winter before graduation, Tufts agreed, tossing in a freshman-year grant of $12,000 based on my financial need. I happened to be on a bus heading for Boston when I got the good news. I sank down in my seat, relieved that it could be that easy.

Months later, in the basement of my house in a middle-class town in Fairfield County, Connecticut, I found a letter addressed to me that I hadn't seen before. Someone had already opened it, and there was a notice inside.

That $12,000? It was no longer on offer.

In a different life, my father would have made a great teetotaler. A frugal man (unless you're angry with him, in which case it's more effective to call him cheap), he oversaw all of our family's financial matters. He has always had a thread of doomsday prepper in him, an assumption that catastrophe—economic or otherwise—could visit at any moment, and the only way to prepare for it was to carefully moderate and save.

My father had already accomplished his American Dream—rising up from working-class suburbs on Long Island to middle-class suburbs in Connecticut—but he could never quite shake his parents' approach to capitalism. Greedy corporations were meant to be beaten, large purchases were meant to be questioned, nights out were meant to be reasonable. It was an operating ideology—activism in the form of frugality.

College, though, was different. The financials would be a factor, sure, but ultimately they'd be ignored. Within reason. "I was willing to take a chance on putting you in a higher-end school than I would ever go to, simply because I felt the connections you were going to make were going to help you in life," my dad says now.

I applied to Tufts "early decision," which meant that if I was accepted and the financial aid package was adequate, I had to go to Tufts. That honor system promises high school seniors a higher probability of acceptance in exchange for their agency. After a long discussion with my family, we decided that the $12,000 grant was not great, but it was enough. "I've been a cheapskate my whole life. I wasn't going to cheapskate on my kids on this," my dad says.

We extrapolated that $12,000 grant over four years and figured there would be a $48,000 reduction of an approximately $160,000 education. Mom and Dad said they would contribute what they could—which came to $40,000 over the years—and after the grant, work-study paychecks, and bar mitzvah fund, we calculated that I would end up with around $50,000 in loans. This, in the modern cost-benefit calculus of higher education, was thought to be manageable. Manageable, but still above average. The average loan debt for the 2014 graduating class is about $33,000, and in 2007 it was, according to one study, somewhere between $26,000 and $28,000.

There were, of course, cheaper options—two of them:

Option One:

- Spread $50,000 in debt over 30 years.
- Gamble that Tufts would lead to a good education and connections that would lead to jobs that would lead to life fulfillment.

Option Two:

- Go to a state school and come out with less debt, but wonder what might have been had I gone to the more expensive school.
- If my life stalled after Tufts, at least I wouldn't question whether a better school would have made for a different life. As a UConn alumnus, for reasons entirely irrational, I might.

But in that basement on that summer day, the $12,000 grant had evaporated, not to mention the $48,000 we had anticipated when all four years of admittedly hypothetical grants were put together. Instead, we had nothing but more debt. That expected $50,000 in loans had metastasized to $100,000. Suddenly, I was on track to be in the 3 percent—that's how many undergrads graduate with six-figure student loan debt, according to a study of government stats by Mark Kantrowitz, a financial-aid expert. (Thirty-seven percent of Tufts students have a combination of loans and scholarships, and they graduate with an average of $23,048 in debt.)

Over the next few panicked weeks, an explanation emerged. Because I had applied to Tufts early decision, we had attached our 2001 tax returns to the application. The $12,000 grant was only an *estimated* grant amount, based on past taxes and my parents' estimate of the income still to come in 2002. There was no reason to doubt that the estimate would become the actual. But to get a final financial aid offer, my parents needed to send their final 2002 taxes. I considered this to be a formality.

It was not. My father, a wood-chipper salesman working on commission, had had a good fourth quarter. Too good, according to the FAFSA (Free Application for Federal Student Aid) people. He had estimated he'd make somewhere in the neighborhood of $60,000 for the year. He ended up $20,000 higher, while my mother's income was stable. Tufts thought that the extra income should go toward my education—making that $12,000 no longer necessary. My father disagreed.

It was summer when I discovered the letter. My father had already opened it, hoping to take care of the problem himself so I wouldn't have to deal with it. "You were 16, 17 years old. What the hell were you going to do about it?"

Little, especially because I had applied early decision to Tufts, so we had no other financial aid packages to measure against what Tufts was offering. No data, no leverage. After my father clawed back $3,000 in grants, I was just weeks away from matriculating.

There were a few choices:

- Stay the course by taking on the extra debt and hope for the best.
- Go to Tufts and transfer soon thereafter.
- Withdraw from Tufts and register at the regional university near my parents' house, biding my time until transferring elsewhere.

I left for Massachusetts in September.

In January 2005, my father was anxious about the unknowable future. Three semesters and tens of thousands of dollars in loans later, and still nothing was guaranteed. How to make sense of that as a parent and as a consumer? How to prove that going to Tufts was leading to a better outcome than going to Western Connecticut State? Or, for that matter, not as good as going to Wesleyan or Harvard or Bucknell? An investment in higher education comes with no immediate returns—it's all trust and hope and wait.

When nervous, my father doesn't wait. Instead, he pressures.

But my 18-year-old self was too busy with the present to be worrying about the future. I had to write a term paper about anthropomorphism and physique in *Teenage Mutant Ninja Turtles*, and my weekly dodgeball game was exhausting. The major questions on my mind were, in ascending order: Why couldn't Descartes write a coherent sentence? How long until Anna's Taqueria raises its quesadilla price ($3.11…for now)? Who was that green-coat girl across the quad? I was at college to go to college—the job thing would take care of itself once the education had.

Yet the backdrop to all of this was the debt. How does a person grow attached to a place when he knows it's costing him $100,000? How could any student's first three semesters at college—composed of awkward late-night study groups, too many a cappella concerts, and a dearth of hands-on seminars—be worth $100,000? If my time at Tufts was worth $100,000, what did that say about how much I thought I was worth?

My father called a meeting.

My friend Dave, visiting during winter break, served as secretary and took notes:

Initial concerns for Father:

1) Is Tufts right?

2) Does Chad have a career plan?

3) Does Chad translate education into a career that will support a comfortable lifestyle and the ever encroaching debt that is piling up?

4) Does social attachment get in the way of career pragmatics?

5) Satisfying sense of self.

The meeting was contentious in the way that only a father and his nearly adult son can manage. There were ad hominem reinterpretations of what the other said. There were ideological differences made stubborn out of pride instead of passion. There was my skulking fear of becoming my father, and my father's pitted worry that he'd let me become him. Ultimately, it ended with a call to action: Take a passive risk by remaining at Tufts, or an active risk by leaving and starting over.

I was only a little over two years removed from applying early decision because I was afraid of getting rejected. I chose the passive risk.

Two and a half years later, I was interviewing for a fellowship that would place me at *Slate*, an online news magazine I'd never heard of before I interviewed. While I waited to hear the final decision, my dad emailed:

Hey…with all the shit I give you about every little thing in life, just wanted to let you know I'm damn impressed with the opps you're creating for yourself (with help from the Tufts evil empire). Just wanted you to know I'm extremely proud of you.

I got the gig. *Slate* would get me for free while the foundation paid for me to live in Washington, D.C. My stipend was $30,000. My graduating debt was $116,499. For plenty of graduates—and for anybody whose debt payments finally come due—this is the moment of their epiphany. The allure of debt is in its abstraction. In its ideal use, it allows people to take chances they otherwise couldn't; at its most nefarious, it shackles people to the memory of what they tried to pull off but couldn't.

The amount of money my parents and I were loaned was actually higher than $116,499—$124,141, to be exact—but my parents had been making monthly payments for years, whittling thousands off. In the end, we had decided to take loans out for seven semesters—all but my semester abroad, which my parents paid for out of pocket. (Turns out, it was several thousand dollars cheaper than a semester at Tufts.) Encouraged by low interest rates until senior year's 6.5 percent, my father decided to pile on the loans, nearly all under his name.

Stacked on top of one another, they were a totem to an increasingly antiquated American yearning: that the next generation ends up better off than the prior. My parents might have bankrupted themselves in the process, but dammit if they weren't going to be parents about it. "That's all I was buying—I was buying you an opportunity," my dad says now.

I was lucky. After graduation, my parents were still willing to make the monthly payments until I got my feet set. Despite—or perhaps because of—my parents' support, the debt had calcified into the defining parameter of my life. It started in college, when I became a resident assistant, saving me $12,781 in room and board. It continued when I chose a study-abroad program, eschewing the Tufts options to go with that third-party program that was thousands of dollars cheaper. It lasted through the summers, when my internships had to be paid—no matter what the FAFSA letter said, my parents weren't profligate enough to bankroll my unpaid work. Now that I had graduated, my situation was different. I had a stipend; I just couldn't buy anything with it after paying off the loans.

Not while my parents were still in charge of monthly payments, at least. All but $6,125 of my debt was in my dad's name. We had consolidated five semesters' worth of the loans ($78,817), locking the interest rate at 4.625 percent and extending the payment plan to 30 years. We'd be paying it off until June 21, 2036, if we just paid the monthly fee of $405.22. Letting it amortize over 30 years would cost $145,879 total, about $67,000 of it in interest. The second loan was steeper—$33,760 (two semesters' worth) over 10 years at 6.5 percent interest, but only if we set up an autopay function. Otherwise it was 8.5 percent. That monthly payment was $427.44.

Combined, those monthly payments were $832.66, $250 more than my rent. That's nearly $10,000 a year—a third of what my stipend was, before any taxes.

After graduation I moved into a house with some friends in D.C., cramming four people into a three-bedroom. Split four ways, the rent was $587.50. The carpet was filthy, the neighborhood was gentrifying, and the decorations were predominantly found art. A mistletoe made from guitar string hung from the ceiling.

I began reducing my life to the bare minimum. I slept on an inherited twin mattress; no frame. I rode my bike in lieu of paying for the Metro. Once-a-week grocery bills were $50. I packed my lunch—a turkey, cheese, and mayonnaise sandwich, just like Nana used to make. (Once I was out of school long enough, I graduated to pesto.) The most common dinner was a breaded chicken cutlet from Perdue on a potato-bread bun with cheese, pickles, and ketchup. If I was feeling extravagant that week, there were Ore-Ida frozen French fries on the side.

Nearly all discretionary income went to my bank account, which meant date night was free-concert night, a night at the bar was limited to one beer, and trips home were valuable not just to see my parents but also for a weekend's worth of free meals. The ascetic life and the young adult life are often mutually exclusive. I chose the former.

By the end of July I had turned my fellowship into a spot on the payroll. With a $38,000 salary I moved to New York—again turning a three-bedroom into a four-bedroom. Rent was $750. I almost immediately emptied my savings and allocated another $10,000 toward the loans, using money I'd saved up from a freelance gig. Anything to chip away at the mountain of debt.

I was determined not to let my loans dictate a sentry's life, only a spare one. I traveled, but often with the aid of an expense account. In 2009 I talked my boss into letting me report on Obama's recently passed stimulus plan, the $787 billion American Recovery and Reinvestment Act. My boss gave me a budget of $5,000 for three weeks of travel, telling me not to stay anywhere too nice. Several dubious hotels followed, only one a literal roach motel.

I spent the first three years after college without a bed frame. Embarrassed, I put some futon slats underneath the mattress (my girlfriend was impressed). The frameless streak was broken only when a departing roommate left one behind. It paired well with the mattress I took from a stranger who was offering it for free online. Let those bedbugs bite.

Trains were never taken when buses could do. Soda was a myth; it was water—tap, obviously—or nothing. Clothing? Still mostly provided by my mother on trips home. My friends complimented me anytime I had a pair of pants that actually fit. I wore belts a year past their expiration date—by the time they hit the garbage, they lacked their backing.

By late winter 2010, the high-interest loan was gone. There was no celebration; we still had over $72,000 to go.

Five months later, after a promotion and a raise, I was laid off. I scrambled for freelance work, staying afloat thanks to gracious editors. After a year and a half, making about $50,000 in freelance income, I had made one major $10,000 lump sum payment. In September, tired of the hustle, I started looking for full-time work. I was sleeping when my phone rang after hours with the offer. My old boss was offering me a staff position. Bleary, I accepted it on the spot.

Over the next 18 months, armed with a secure salary and a few small raises, I assumed my parents' monthly payment, which was still about $400 a month. By the middle of 2013 I had cut three more $10,000 checks—the total remaining debt was about $25,000. My parents and I had paid back more than $90,000 in six years; of that, nearly $70,000 was my money. In December 2013, on the cusp of a new job, I paid them off for good.

I made it work with a series of lucky breaks: an identity crisis, a motivation-at-all-costs father, a university that supported my ambition, a fellowship that was available only at the university, a company that promoted me, a job that gave me enough exposure that I was employable after I was laid off, a media industry that was increasingly reliant on freelancers, and a former boss who gave me shelter. That is the best domino effect I could have possibly hoped for. And what about the people without such smooth postcollegiate lives? I'm the outlier, the best-case scenario, the happy ending, and still I'm left without much in savings, since it all went to the accelerated repaying of the loans. My fellow debtors took the same risk I did, but it hasn't worked out for all of them. We used to be indebted to the American Dream, but now we're in debt because of it.

I was reminded of that new dynamic when I paid off one of my smaller federal loans in 2011. Sallie Mae sent me a letter in the mail:

Congratulations! You've completely paid off the student loan(s) starred(*) below. We've enjoyed having you as a customer and wish you the best in the future.

I hung it on the fridge like a report card.