



James M. Jeffords Center's
Vermont Legislative Research Service
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Student Loan Debt and the "Brain Drain"

In 2009, the average college senior in the U.S. graduated with \$24,000 in student loan debt.¹ In Vermont, college seniors graduated on average with \$27,786 of debt, ranking fifth in the country for the highest amount of student loan debt. Vermont ranks 15th in the country with 67% of its college graduate population in debt.² Higher student debt and shrinking job opportunities are pushing more students to leave the state after graduation and migrate to larger cities, known as the "brain drain."³

The brain drain is defined as the "out migration of young, college educated workers from the nation's rural areas...to big city living and better paying jobs."⁴ Some scholars have doubted the validity of a brain drain occurring in the nation, but based on [nation] lost population between 1970 and 2000; these counties, 96% experienced brain drain and 95% were nonmetropolitan or rural."

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According to the study, some geographical regions, including New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)⁶, are in fact experiencing a "brain gain."⁷ Other regions experiencing a brain gain include the Mountain, South Atlantic, Pacific, East South Central, and West South Central regions.⁸ New England's brain gain during this time period was 6.8% per year (see Figure 1).⁹

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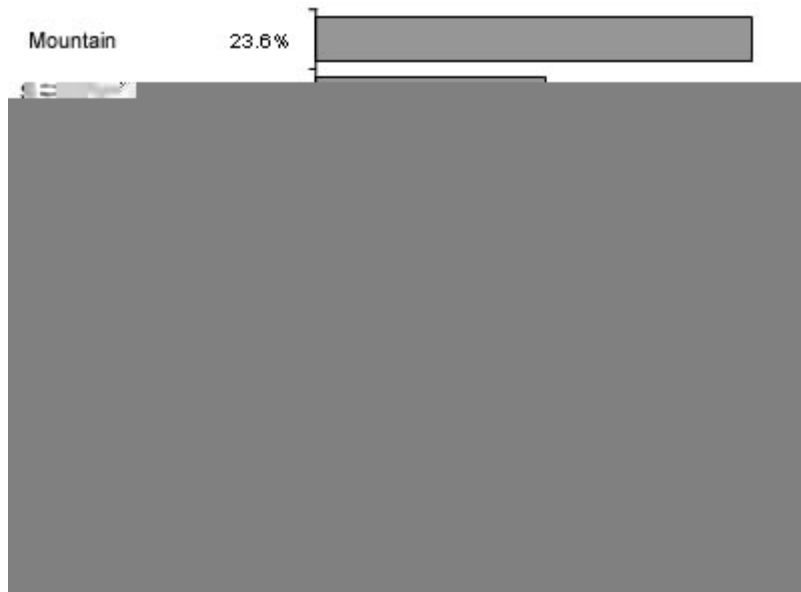


Figure 1: Changes in the location of the nation's college educated workforce from 1970 to 2000.¹⁰

Source: Georgeanne Perez, 2003, "Rural Brain Drain, Is it Reality?" *Choices*, Figure 2, accessed November 14, 2011.

Perez' results were further confirmed in a study published by the New England Public Policy Center (NEPPC). The NEPPC results show how a refined analysis that focuses on the highly educated segment of the younger population (as opposed to the total in that age group) leads to the conclusion that New England is not suffering from a brain drain. The NEPPC study goes a step further and cites three reasons as to why it seems like there is a brain drain in the New England region in their report.¹¹ These three factors brain

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New Jersey

New Jersey's proposed bill, the "Retaining Our Best and Brightest Loan Redemption Program," seeks to encourage high achieving graduates of New Jersey colleges and New Jersey residents who left for college to live in the state after graduation. In the bill, "high achieving" students are classified as students who received an overall 3.0 GPA on a 4.0 scale during their undergraduate education.¹⁹ In order to increase the competitiveness of New Jersey, they are encouraging more educated individuals to stay with economic incentives. The bill promises to forgive up to 20 percent of areTd [(Jers)8(ey,)]TJ /C2_2 1 Tf C2_2 1 Tf 3T2 1 Tf -0.o>5 T Tc Tc Tc0bc C

employed resident of New York. The bill was passed by the New York State Senate, but was not passed by the New York State Assembly.²⁴ Based upon our review, it has not been re-submitted or proposed.

West Virginia

In 2010, West Virginia proposed a similar program to provide college graduates “an

specialties. For some states, this leads to an overall “brain gain.” No states currently offer programs that provide lower interest rates on loans.

Prepared by Michael Lawliss and Monica Johnson in response to a request from Representative Sarah Buxton, under the supervision of graduate student Kate Fournier and Professor Anthony Gierzynski on November 14, 2011.

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Disclaimer: This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Gierzynski. The material contained in the report does not reflect the official policy of the University of Vermont.