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Financing Potential: The “Fictitious” Futures and “Real” Math of US Student Loans

How to account for a young adult’s potential? The cost of college forces both U.S. experts and families to confront this critical question. In 2016, outstanding student debt in the United States topped \$1.3 trillion dollars and average debt among students and families with loans hovers at almost \$30,000. As the largest investment that U.S. households will make outside their home, student debt occupies a central place in the financial economy of both families and the nation. Deciding how to pay for college, families put into play a powerful conflict between two central American values: the virtue of economic discipline and the sacred qualities of children.

Economists, policy makers, and personal finance advisors promote a calculus to assess the value of college education that weigh graduates’ future incomes and parents’ retirement possibilities against the cost of attending university. This cost-benefit analysis exposes, in their logic, the “real” value of college, defining potential in strict economic terms. I call this the “personal finance” approach.

Parents, however, maintain a much more expansive relationship to their children’s capacities and their abilities to find a place in the world that balances financial solidity with self-realization. Their visions of potential guide decisions about what college young adult children should attend and direct a willingness to take on debt to fund students’ higher education. In this way, potential creates a central structuring fiction for household economies. It also catches students and their families between the “real” math of financial demands and the “fictions” of their childrens possible futures. Drawing on a corpus of 150 interviews with US families who hold student debt, this provisional chapter from my current book project explores family assessments of young adults’ economic prospects and also proposes potential as a concept that draws together the notions of the real and the fictional in finance, both in the household and outside it.

Plating soft food at a Buffalo-area nursing home, Clarice kept her studies in mind. At the end of each week, she would walk her check to the bank and watch the balance rise. Dreaming of the world beyond upper New York State, Clarice planned to spend five months of her high school career in Poland. But she’d have to work for the money herself and save carefully.

Clarice learned thrift the hard way: she had watched her mother’s car repossessed, and her parents argue about credit card debt and who would take

care of the family. The divorce followed. Her father left the house and his two daughters' lives when Clarice was a pre-teen. Clarice's social worker mother, Linda, counseled addicts at a drug treatment center. She had heard many hard-luck stories and, with determination and persistence, she began to turn her own life around too.

With her mother paying "manimony," as Linda called it, to her unemployed father, Clarice decided that she would take her own finances in hand, a decision Linda supported to help Clarice regain her footing and autonomy after the separation's financial and emotional chaos. Although the family could certainly have used the money—their home was foreclosed on during the divorce—Linda encouraged Clarice to spend it for the things that she wanted most. Her future studies in Poland rose above the everyday desires of new clothes or meals out with friends. Living with a family in that country so far from home, she would learn as much as she could about the language, the culture, the people. Poland would be the beginning of her life's adventures, she fantasized, and would take her to college far from Buffalo and toward her early adult life abroad.

She loved her time in Eastern Europe. The history of the region fascinated her and Clarice turned her energies toward returning. She continued to work hard in her high school, earning grades that could send her to a top university and which gave her adoring mother even more reason to beam. College for Clarice was a way back to Eastern Europe, maybe Russia this time, or Ukraine. She focused her college search on schools that could offer strong training in the Russian language and history that would deepen her experience there.

With acceptances to several selective colleges in hand, Clarice and Linda weighed the benefits of each. George Washington in DC and New York University rose to the top, deciding ultimately that NYU's programs would give her the best opportunities to launch her life of "sucking up the world's cultures," as Helen described her daughter's ambitions.

The Value of Potential

Talented and hard-working children, like Clarice, pose a particular problem for mainstream American families, especially if they develop their gifts through hard work. Over and over again in interviews parents held a child's ability to realize her potential to be the most important thing they could provide. A child should be able to take her talents wherever she believes they might lead. This means giving a child the chance to find those abilities, to develop them, and to pick out a path toward their fulfillment.

When parents view their talented child, the child's potential amplifies the importance of college; within this time beyond the home and before work, the student can figure out what she wants to cultivate in herself, and make those decisions from within her unique talents, separate from the limitations of her parents. Many parents in my study held out college as a time of exploration, when their student could figure out who they want to be and what they truly can do. In other words, in college, students cultivate potential and, in return the

college experience acts on them shaping the conditions in which a student chooses the challenges to take on, pressures to avoid, and sets the next round of goals toward which she will strive. A student's work—in class and out— treats their potential ethically, as a substance that must be cared for and shaped in way that will satisfy the requirements of middle class professionalism at the beginning of the 21st century. This work creates the virtue through which they earn the possibility of fulfillment, nurturing their deserving alongside their talents.

The child's potential hinges on a central uncertainty: the powers that have yet to take shape. Of course uncertainty scores the surface of growing up for everyone, but the financial economy develops that inherent uncertainty in particular ways. The first is that it requires a financial bet on the future in the form of college education, one that parents take on with their children as they consider dimensions of their student's potential.

First, parents must read signs of the child's adult abilities in their younger selves. Interests expressed as younger teenagers flow together with flickerings of capacities, both intellectual and emotional as well as other qualities that speak to the possibility that a student will be able to shape herself and take the pains of molding herself. Will Clarice be able to master the languages necessary? Will she be able to hold strong under the distance from her family and friends? Importantly, the winner-take-all model of success in America's financial economy means that she must be able and willing to stick to her path while others fall away.

The bet parents must place challenges them to plumb even more than the mysteries of their own child. They must also predict the state of world that will receive them. Will Russian-US relations hold up? Will the economy evolve to create opportunities that match a child's interests? The future and its inscrutability looms large as parents and children decide where their first step outside the home will take them. But not even state department analysts and Wall Street prognosticators can answer such questions, let alone a social worker from upstate whose eyes are focused on the permanent crisis of her addicted clients and the potential of her kids.

Potential organizes parents' approach to the college decision. In the face of the future's uncertainties, focus shifts to the near term and the college decision brings two elements into focus. First the uniqueness of college as a special time, it is an entry point into a historically unique time of life that sociologists call, "emerging adulthood." Since the 1970s several trends have come together to open up young adults' 20s as a time to explore and grow. For most Americans, the marriage age has risen and, most young adults now spend at least a portion of their 20s living either with roommates or by themselves, before children, extended relationships, or marriage. Young adults today can take this time to enjoy the freedom to explore their interests, sex and romance, and to continue the cultivation they began when first leaving their parents' home. College begins the process of emerging adulthood.

What happens during this special time holds an intense power to shift children in one direction or another. The child acts within the environment, but the environment also acts upon the child. Parents and children decide what environment will mold the child's potential. Like a ball falling through space, the changed state-- life in college vs life at home—will transform potential into life energy in motion.

College hangs between childhood in a family home and an adulthood gained through the following decade. Potential requires particular environments for a child to realize it. Artistic kids flock to New York and Los Angeles if they want to make films. Those with aspirations in politics want to move to DC, and finance to New York. Each place and the forms of personal development they support funnel through the neck of college, the networks of friendships and connections nurtured there, and the possibilities they open.

The logic of outcomes, of personal finance equations, forces the future into the straight jacket of today's economic prediction. What industries are projected to grow in the future? How can a young adult train herself now to respond? Instead of holding open the future, the logic of personal finance demands obedience to prospective mathematics. The demand turns time backward, the present must be brought under the control of a projected future. In resisting that logic for the child's potential, parents must actively hold that future open, embracing uncertainty for both their child and themselves.

Parents acknowledged the power of the personal finance mode of thinking and acting toward oneself and one's family. Many chastised themselves for not adhering more to this economic logic of projection that passes as virtue. Still, parents in our study considered offering college as a special time and environment as critical not only to their children, but to their parenting. The middle class virtues of raising talented children conflicts with the strictures of economic logic.

If college is to be truly a time to explore, the landscape of learning and experimentation rises to the foreground. Like Clarice, young adult students gave good reasons for their choices-- a life of travel and a career as a translator of Eastern European languages, a love of theater, politics, and excitement—and parents responded, weighing these aspirations that could offer fulfillment in an equation that also included the hard numbers prices: tuition, room and board. Often, though, the strictures of economy and the expansive desires for a child's future cannot be reconciled. Frequently, parents step in to help fund this college experience for their child, often adding in their own debt to balance out the equation.

Of course parents also spoke about their concerns for their children, especially the ones presented by an economy that, they worried, does not lay a clear path to stability, either through work or through the markers of middle class life, like owning a car and a home. Yet, none of the parents in our study spoke about a job as the only or most important outcome of college education.

Economists and sociologists have shown how critical completing a college education is for gaining a job with decent pay, of forming a stable life, and even of forming a successful marriage. Some parents knew these data, or at least knew of them, others understood the importance of college for their kid's future life from looking around. None, however, replicated the purely instrumental logic that emerges from statistical associations of wages and college education. Thinking about their children's futures presented a much more complicated equation, one that placed the value of their child's potential and their desire to be good parents, together with more simplistic figures drawn from tables comparing job pay and from calculating the cost of college loan payments over years.

Many parents chose to focus on the special opportunity college presents, placing the greatest value on making the math work for the tuition, room and board that would allow their child to attend the school that suited the person they wanted to become and also, the work they envisioned might support a good life that included both a job and meaning. The opposition between these two values, one reflected in the way data about college is almost always reduced to the prospect of employment would be arguments familiar to our parents but alien to their way of thinking about the lives of their families. They bracket statistics and the projections of the future of good job and turn to the present. Giving their child the gift of an open future, they turn to loans to make the math work.

In the math of higher education today, economic reasoning that carries a future forward across a working lifetime conflicts with the uncertain value of potential. Economic reasoning requires nailing value of future wages to the costs of tuition today. The cost-benefit analysis, promoted so heavily as the essence of virtue given today's economy, excludes the embrace of openness and uncertainty that lie at the heart of a child's potential. Cost-benefit analysis treats college as a commodity and, being bought and sold in the marketplace, it also represents a specific utility, one most easily captured, its promoters assume, by the pay and stability of a future career. By removing all values beyond those of sheer market exchange, that calculation flies into the wind of both the history of the American middle class and the social hierarchy that defined and continues to define it.

For the American middle class, education and work have always been about more than making money. It has always included potential and a reverence as well as a material commitment to the growth of both the family and the individuals that make it up. At different moments, aspiration has taken different forms, but since the 19th century, aspiration, the goals organized around future potential, has been anchored in a particular practice: the development of the self and the family through education and work. With money beyond what the family could use for its immediate needs, the emerging middle class turned money toward satisfaction not only now, but in the future. A focus on what might be, placed weight on preparation, the development of a person who could take advantage of opportunities as they arose in response to a future vision.³

Origins of Middle Class Potential

Even in its 19th century beginnings, the emerging American middle class defined itself through aspiration. Running the expanding factories of the industrial economy, native-born men, expressed identification with their work and a desire to find satisfaction there.⁴ Finding a sense of meaning in work lent their salaries significance. Their monies could be put to uses beyond sustenance. Middle class men looked to their work to improve themselves, not only their station in life. Personal uplift-- the ability to “rise to wealth and honor,” and to prepare “for some station of respectability and usefulness”—accompanied work’s cash wages.⁵

Wages and small business income, though, were crucial for this personal focus. With enough money from their jobs, the new middle class achieved independence; the stream of funds allowed middle class men to set up nuclear households. Supported by increasing wages, their wives could make their own contribution to uplift through the proper running of their home. Instruction manuals overflowed with instructions on running a proper “Christian” (read: Protestant) household. Using time and skills as the Bible instructs, gave structure to the welter of detail on potato peeling and fabric re-use that fill the pages of these books. Aspiration in the economic and social world and the commitment of the household to a higher purpose focused the new middle class on the cultivation of themselves and their families around their potential to rise in status and esteem, in wealth, in advancing a Christian family and nation.

Many scholars have focused on the individuality that this aspiration puts forward. The ideal of the self-made man emerged with the new middle class in the first half of the 19th century, fueled by the expansion of American industry. For these clerks and shop keepers, developing a business and winning prominence, or rising through the ranks on wings of esteem represented an aspiration, that under a flourishing economy, could yield success.

What might seem to be an aspiration of the individual man was, however, organized both through the family and around the family. The self-made middle class man headed a household that supported his activities in the marketplace and rendered them virtuous. Supporting a wife devoted to the development of a Christian home, one she guided to the best use of her time and talents, the middle class man extended his aspirations beyond his success as an individual. Instead, his success in making himself encompassed the work of his wife and the conduct of his children. The law subsumed wives and children under the law of coverture, extending the husbands person to include them all. Their achievements, too, were counted together.

His success in the marketplace transformed by his greater aspirations to self-development, to building a Christian home, and toward raising children to follow his own model of aspiration based in professionalism and faith. Accumulation in business was could be matched by the virtuous running of the household. Under the direction of the professional’s wife, his household could aspire to be a Christian beacon, to fulfill God’s Biblical prescriptions. The household manuals of the 19th century give shape to a Christian life organized

around household economy and deliver clues to the origins of middle class aspirations in the relationship between faith, God's endowments and time. Economy, ambition, and American Protestant tradition came together to fuel a middle class culture of growth.⁶

This cultural attitude, supported by prosperity relative to their working class neighbors as well as sense of upward possibilities gleaned from upper class display, defines the middle class. Their aspirations to higher purpose, fueled by monied independence, separated the new middle class men and their families from the men, women, and children who worked in the factories that buoyed middle class wealth. Ambitions that placed value and emphasis on the individual also cut against the bonds of solidarity. Working class men eyed such ambitions with suspicion, the sociologist of the family, Andrew Cherlin notes.⁷ Solidarity founded in a common conditions on the job formed the base for any improvement they might achieve. Working class men took a much more "instrumental" attitude toward their work, one organized around getting through the tasks of the workday. The improvement they sought was necessarily collective, seeking self-improvement or growth for their own household would have separated them from their friends and other family, and declared a suspicious individualism.⁸

Aspiration, the sense of purpose oriented toward future growth, organized around the new wage economy and small business opportunities, defined the emerging middle class.⁹ Salaries, or monies earned from independent work in a profession, could be directed toward both gaining material wealth and a higher sense of purpose. Developing the advantages of personal nature became a central virtue of middle class life, one that justified both the middle class economic advantage over the working class and the middle class moral advantage over the wealthy.¹⁰

Colleges and universities played a central role in the self-development of the middle class man. College was a time of molding, one where interests could be realized both in the classroom and outside it and where the student would begin the process of deciding upon the strictures of career.¹¹ An expanding economy and the novel notion of professionalism gave middle class men choice in career. Exercising that choice gave outward sign of an inner nature cultivated by its disciplined and autonomous owner. A nature that could be recognized and cultivated only by the man himself, separate from his peers, parents, and inherited privilege. The career was the site of the deserving meritocratic individual.

Choice in career gave critical proof to the ability of the middle class man to govern both his life and his self, his freedom to determine his path within the "fluid environment of the nineteenth century" where he would "find easier access than ever before to a growing array of professions..." "A profession no longer circumscribed a man, confining him to a pre-established station in life, including a calling toward which sympathetic parents guided him. A man now actively chose his profession, perhaps in defiance of parents and friends. The world of movement and expectation focused on the spirited individual, his

specialized nature, his self-discipline, and the continuity of his rise rather than his humility, his self-subordination to the social order, and his dependence upon God's will. In the steps of a career, an individual progressively discovered his potential, and his sense of worldly power rose accordingly."¹²

Parent PLUS

For parents today their children's education presents an essential part of the middle class aspiration begun in the 19th century. For most college students and their families, however, cultivating potential must be financed through debt. Rising costs of tuition and room and board for those students living away from home, requires the resources of parents and students, shouldering loans together. Making the math work requires them to navigate the forest of credit, piling up the terms of debt agreements, private and public, home equity and federal government, to compare the details that will support their child's potential.

Clarice's aspirations made sense within the constraints of her young life: her desire to travel pressed on her by the tight radius of her small Upstate town; her buckling down to work at both school and at her job held the potential to turn her from the turbulence of her early years and her parents' calamities, toward a future that she would define by herself. In fact Linda encouraged her to take charge of her aspirations, both in terms of the person Clarice wanted to become and the means she would use to get there. Still, Clarice could pursue her education only with Linda's assistance. She wanted to help her in any way she could.

Loans for higher education, what usually goes by the name of "student" loans, commits not only the student, but her family to the child's potential and the vision of the future that they have dreamed for her, together. Because they are woven within the web of the family, Clarice and Linda experience their vision and potential as personal, driven by the particular stories of their lives and experienced within the private space of their home and hearts. But these dreams are structured by the particular opportunities for education available to Clarice and the loans that may get them there. In particular, for Clarice to become the world traveler and, eventually, work in translation, continuing to engage across border and boundaries. Clarice needed a college education that could support her aspirations.

Linda, like so many parents shape and support their children's ideas of the future and how their talents will take them there. Many also support their children in their educations providing needed cash for rent, food, or cell phones. Others take on loans themselves, placing their faith in a high achieving child to convert her hard work and commitment into the job and future she deserves.

Because of the high cost of tuition, room and board to send a child away to college, parents often must contribute to their children's education. Starting in 1994, as the gap widened between the cost of college and the family monies available to pay, the Department of Education began to extend Parent Loans for Undergraduate Students (PLUS) to families to support their child's education.

The federal government touted these as “loans to parents of dependent undergraduate students to help pay for education expenses that other sources of financial aid do not cover.” The help offered etched assistance in low interest rates and payment deferrals. PLUS loans added a weight to the family’s balance of responsibility for American higher education.

A hallmark of middle class life has always included the notion, if not the actual capacity, that household aspirations and challenges should be managed privately, on the household books. Since potential and aspiration were understood to be private matters, attributes of the individual and family, education was easily understood to be part of the family responsibility.

In our study both parents and children accept the responsibility for the cost of college, even though most understood that the burden on families had risen. Their potential and the path to their future lies in their own hands. In history, America’s expanding economy supported the orientation to solving problems from within the home. Today, though, the expense of college education directly challenges the possibility for middle class families to solve their problems from on their own books. Credit offers a means to maintain their illusion of autonomy.

Parent PLUS loans are designed to assist parents in making up the gap between the amount of the student’s loan and the cost of tuition, room and board parents owe after colleges decide on the individual student’s “package,” of scholarships, merit grants, and other financial supports available through the university. PLUS loans, in the words of the Department of Education, “can help pay for education expenses not covered by other financial aid.” In other words, after they have tallied the aid from the other sources, parents can step in to add their own debt to the patchwork quilt of their student’s aid.

When we asked about why families sent their children to a particular school, and particularly expensive schools, most families in our study placed their child’s abilities and their desire that they become the people they want to be at the front of their reasoning. College represented a place where young adult children could pursue a future as unique as their student herself. Of course there were practical considerations too, ones that parents calculated with the help of the student aid office of their child’s university. What is the cost of tuition minus the aid and loans for which the child qualifies? The simple math gives shape to a new debt, the Parent PLUS loan.

The PLUS program extends loans for 13% of full time dependent undergraduates. Families with PLUS debt take an average of \$13,000 per year to support their children’s education.¹³ The Parent PLUS loan sutures the student’s family to the financial system through their commitment to their child’s potential. PLUS loans are not the only way that families reach for college funding, however. Home equity loans, for those who have that asset, also provide an important source of funding. The PLUS loans, though, make clear the dependence of families on the credit economy and the commitment of the federal government to supporting higher education on the books and backs of family

credit. Even a preliminary glance at the Department of Education's terms make this clear.

In the case of PLUS loan families, the student's higher education depends upon her parents' good credit. To receive a PLUS loan, parents must have a strong credit history, at least not an "adverse" one. Debts more than 90 days delinquent for over \$2,085 or a bankruptcy, foreclosure, repossession, tax lien, or wage garnishment during the five years preceding the application all throw the borrower into the "adverse" bin.¹⁴

The 2008 financial crisis exposed this feature of the personal finance regime, as it kicked family credit ratings from the roofs of their underwater houses. Acknowledging that the so-called housing crisis would undermine the foundations of families' aspirations by smashing their credit ratings, Senator Dodd introduced the PLUS Loan Borrower Protection Act of 2008 in April of that year as the wave of crisis crested. The legislation was intended to "amend the Higher Education Act of 1965 to maintain eligibility, for federal PLUS loans, of borrowers who are 90 or more days delinquent on mortgage loan payments, or for whom foreclosure proceedings have been initiated, with respect to their primary residence."¹⁵ Senator Dodd and his co-sponsors, including Ted Kennedy, Hillary Clinton, and Bernie Sanders got the bill referred to the Committee on Health, Education, Labor, and Pensions where it died. The bill ultimately had more literary than legislative significance, as it foreshadowed a coming crisis for PLUS loan families.

The foreclosure crisis would undermine families not only through the losses of jobs and wealth, but through their ability to gain the credit middle class lives depend upon. For higher education, parents with crisis-compromised credit could still secure a loan, though, as long as they could find a relative or friend to lend theirs. The Department of Education would extend credit if a parent could find someone else to guarantee it. That is, as long as the "endorser" checks out along the same criteria. Parents may also appeal a decision. The StudentAid fact sheet notes "you have the option of trying to qualify by documenting to the satisfaction of the U.S. Department of Education that there are extenuating circumstances related to your adverse credit history."¹⁶ That bureaucratic language should be enough to chill even the most ardent parent's blood.

Today, parents' credit is an important stepping stone toward a college education. For many families, access to Parent PLUS loans make it possible to send a child to the college where she can best pursue her potential. For others, borrowing lines the only path to a student's higher education. Of course, PLUS loans are not the only way that families can borrow. Home equity loans and other lines of credit can provide the funds to pay for a child's enrollment. What PLUS loans show is how these instruments and working within the credit system's terms constitute a central part of aspiring to the basics of middle class life.

Parent PLUS loans show how significantly funding a college education today depends upon parents' access to credit. The credit system hums under the classrooms of today's students, exposing itself only when things go wrong. When a parent loses a job, or falls behind utility payments or child support, the student's college education can be undermined with eroded access to credit. Still, these small disasters remain in the private world of the home. The shame of being unable to pay a debt and the judgment of the institution in the denial of continued credit keeps families silent. The orientation to the future that places responsibility on the family, also delivers a sense of responsibility for the debts they've taken in hopes of fulfilling their potential. Only when a collective disaster throws influential institutions, along with parents, against the ropes, does credit system expose itself as a collective institution, but one that still breaks along the entrenched lines of race and class in America.

Clarice/Linda

Clarice and Linda pored over NYU's aid package. They were relieved that NYU also offered the best financial package, awarding Clarice a merit scholarship that reduced the sticker price of one of the country's most expensive schools in its most expensive city. Then they worked through the loan programs that Clarice and Linda both would need access to for paying for college. Now that Linda had remarried, there was more money—not a lot, but more—and they discussed how they would pay for NYU as a new family.

There were other young adult children to account for, Clarice's sister in particular. Clarice's step-father, Roger, is a retired Army man with a local ROTC (Army training) post. He's generous with Linda's girls and the couple's monthly expenses are manageable. Linda drives a decade-old Saturn and their lifestyle keeps them close to home. Of his children from his first marriage, two are independent—one is a married, stay-at-home mom; the other one lives nearby and works at a big box chain store. The third was lost to an alcohol-related car accident a few years before Clarice graduated from high school. Clarice's biological older sister enrolled nearby Buffalo State University and kept living at home rent-free. With the state school's much lower cost, Linda and Roger are able to pay their expected family contribution without strain. With Roger's military pension, they are even paying extra on their mortgage every month, looking to their home for security in retirement. Together, they decided, the family could shoulder the cost for NYU.¹⁷

Linda radiates pride in Clarice. She is brilliant, just brilliant. And sensible too. When I asked about the expense of NYU, she didn't hesitate. She deserves every opportunity. "I just wanted her to, you know, fulfill her dreams even if it means I have to work until I'm 90." Linda, like so many parents I spoke with, admires her daughter, and wants her to grow into the person that her talents destine her to become, even if that means sacrifice on both of their parts. And with the resources her new husband brings to the family, Linda will not likely have to wait so long to stop working. Still, higher education loans will be essential for Clarice to pursue her education and will take a place at in the calculation of family finances.

Linda counseled her daughter about the pressure debt will apply to her future. She wanted Clarice to know that this choice will limit others down the road. "Now, we talked about it at great length when she made these decisions. [I told her] "You're making decisions today, Clarice, that are going to affect your whole life. You might not be able to buy a home. You might not be able to own a car. You have to make choices." But she also senses that chance will play a role in Clarice's future, and her own. Clarice herself does too. Grateful that her mother has put so much toward her education, she listened carefully to Linda's warning that these loans will be with her for more than a decade. Still, Clarice felt that choosing her own path toward a self-chosen life represented the higher value: "I thought was worth it and my mother encouraged me to do what I want. She agreed."

They decided to split the cost. Linda would take on enough debt to cover the first year, Parent PLUS loans that she would need to begin paying almost right away.¹⁸ Clarice would take loans in her own name for the following three. If she did well in her classes, she would petition NYU to increase her aid and scholarships, placing her financial future in the hands of the university financial aid office. Following school she might join the Peace Corps which could offer further delay in paying and possibly some relief depending upon the types of loans and the terms of the loan assistance program the government might offer several years in the future. With her degree in one hand and her suitcase in the other, Clarice will carry away from college around \$60,000 in loans. At home in Buffalo, Linda and Roger will be paying off \$36,000 in debt.

The gift of debt

Linda values Clarice's potential over all else, and has taught her to do the same. Like all families who carry Parent Plus loans, Linda is placing her own future on the line for her child's possible achievement, realizing that Clarice and her peers will need more than hard work to realize their potential.¹⁹

Realizing potential hinges on its fundamentally contingent nature. Will Clarice be able to gain the experience and the position to bring out her best? If so, what will be the particular expression of that potential. The way Clarice's talents will manifest will depend on many ingredients of her life, many that her mother cannot know. Bound by the circumference of her life as a mother and social worker, Linda the wider world of Clarice's prospects remains at a distance even as she joins her daughter in imagining it.

Potential, in its early 21st century expression, encompasses a wide and demanding uncertainty. The expanding economy that fueled the growth of the middle class both in the 19th century and in the mid-20th, has been replaced with an economy that delivers great rewards to few people. Moving upward requires a college education as a minimum, but the proper credential itself cannot bring out the best qualities of young adults. Faith in potential demands particular actions; the cultivation of a self, a readiness for uncertain life. Faith in potential requires expressions of devotion. Today, potential demands sacrifice.²⁰

Like so many other parents, Linda sacrifices for her child's potential with her labor, and with the experiences of her own middle class belonging. She has committed herself to working long additional years with addicts and mentally ill patients in her clinic. She drives a worn down car and stays home instead of vacationing. Other parents trade off their own ability to pay for siblings for their talented child's potential, acknowledging that there isn't enough to support their children equally. Most of all, Linda and parents like her, sacrifice their future security to child's potential. They give their child the gift of debt.

Shouldering a student's loans represents an important sacrificial act where the aspirational system meets the personal finance regime. The sacrifice of personal security holds the future open for young adult children. With the possibility that their parents sacrifice creates, young adults can conduct themselves according to a higher logic, one of self-realization and opportunity. The sacrifice resists the enclosure of the present by the future demanded by economic logic.

Linda and her husband now carry tens of thousands in debt for Clarice's education, their sacrifice registered in the decimals of compounding interest. Their Parent PLUS accounts mirrors, darkly, the compounding of her young adult's flourishing, each day and talent nourish adds more to the payoff than it costs. Linda's sacrifice of security, risks a great yield in Clarice's potential, one that registers both in her material success and in her growth in stature and satisfaction.

In families that must watch its accounts to maintain their status, such sacrifice can feel like a "sweet release" to use Susan Harding's phrase for the sense of freedom that comes from sacrificial giving. In taking on debt of their children, they give the gift of possibility breaking the chains of financial logic. What appears in the terms of the personal finance regime as a wayward calculation, on closer examination, displays a faith in the potential of the child.²¹

In other words, this exchange is not one of money for a commodity of education (that's the cost-benefit calculus), instead we might think of it as a gift of debt, one that burns future security on the fire of government loans as it displays devotion to the child's potential.

For those parents whose faith extends beyond the secular devotion to children, loans can represent a more explicit act of faith. These parents see their responsibility to God in helping their children and others in their communities. Sacrificing to their potential also marks devotion to God. Mixing the language of economics and of his Muslim faith, Arif Abdelqader sums up the logic of his own debts and the sacred community:

When you care for others there is a degree of sacrifice that you have to make. You put up your resources, with your money, with your patience, with your time and so on, for somebody else. If you're egocentric, you just maximize your own. Now why do you do for something else, or somebody else and sacrifice all this things? The only way I can rationalize that is that there is something beyond.

That you have a responsibility for others and that we have been sent to this world not for our own sake, to live in a society where we also care for everybody else. If we don't do it right, at some point we will be accountable. Therefore after death when we'll be brought in front of our creator he's going to ask: "Well tell me, what have you done with the resource that I gave you?" That could be money, that could be wealth, that could be your education, that could be your time and your skills and everything else. If I tell that creator at that time I did this for myself, I didn't care for anybody else, then I basically have failed the test, right?... That's how I think this entire model works."

Sacrifice also draws a mark that creates a critical distinction between those who recognize children's potential as sacred and those that don't. As a quintessential middle class value, devotion to potential draws a stark class line. A parent's sacrifice claims a place in the sacred community of the aspiring middle class²², who organize their devotion around children's potential.

By taking on PLUS loans, the families of HBCU students claimed that place, both their student's and their own. The HBCU story shows how middle class belonging lies, today, deeply entwined with credit. It also shows how precarious and how particular the conditions that support credit can be, both the rules for qualification and also the personal circumstances that shape the credit system's definition of worthiness. The adverse credit change places on display the rocky path that the financial economy for aspiring middle class families.

Sacrifice has, since the 19th century, given shape to state support. As Theda Skocpol has shown, the question of who deserved support was settled by the demonstration of sacrifice.²³ Returning from their service to the United States in Europe and the Pacific, the federal government extended assistance to the World War II veterans. Their sacrifice of their own youth and safety for their nation gave grounds for the federal government to extend support for their educations and families. Sacrifice for the higher good of the nation gave grounds for extending a gift in return. This created a virtuous cycle of gifts that entered into both economic accounts and on more profound registers of participation in the life of communities.²⁴

The GI Bill recognized sacrifice on the part of soldier citizens, binding the state to return favor in the conditions of stability and advancement. But now, that exchange has moved into the domestic sphere. The financial economy has invented many vehicles for this sacrifice of a parent's security to their child's potential. Parents display their devotion in PLUS and home equity loans and by drawing down retirement savings. They sacrifice with their own withdrawal from the benefits of middle class life. They sacrifice to the potential of their children.²⁵

Parents shoulder loans to create the condition for the mystery of their child's self-cultivation. But the world their young adults will enter itself is full of mystery. In the aspiring middle class and in the 21st century economy parents do not know what a child can become, and whether the world they inherit will support their flourishing. Given by God or by nature, Clarice has nurtured her own unique

talents with her diligence in school and out. In the retirement home, in her travels, and in her schoolwork, she has orchestrated her own cultivation. She possesses both talent but, even more crucially, the capacity and enough faith to realize them.

¹ Note here the reflection on Potential in the special issue of Current Anthro? 2013 edited by Stephan Helmreich and two others.

² CITES FOR EMERGING ADULTHOOD

³ Development of the self was also carried forward by religious meaning, a Puritan commitment to work in God's grace.

⁴ Mary Ryan, *Cradle of the Middle Class*

⁵ From Cherlin *Labor's Love Lost*, the quotations are Cherlin citing E. Anthony Rotundo, *American Manhood: Transformations in Masculinity from the Revolution to the Modern Era*.

⁶ Much of the scholarship on the middle class has taken the mid-20th century as its focal point, examining the foundation of middle class life in the suburban housing and consumption (think: Lizabeth Cohen, de Grazia, others...the anthros that look to consumption in other countries, Brazil, India, Nepal. Middle class consumption is an export industry). Instead of consumption itself, looking back to the origins of the middle class in the 19th century, draws attention the material conditions and the processes of class distinction that fueled attention to things: the requirement and ability to aspire.

⁷ Cherlin here cites Michelle Lamont 2000 *The Dignity of Working Men*.

⁸ Cherlin again

⁹ Danny: class identity constituted through material and symbolic struggles. This one is peculiar, then, since it is constituted through its ability to remain private. Struggle to remain private?

¹⁰ Am I remembering correctly that this moral advantage over the wealthy is a point that Danny W makes in the intro to his social workers book?

¹¹ Burton Bledstein *The Culture of Professionalism*.

¹² Bledstein, 177

¹³ (Radwin, Wine, Siegel, & Bryan, 2013) Dept of Ed research office

¹⁴

¹⁵ AMBRESH RANJAN, Sen. Dodd Introduces PLUS Loan Borrower Protection Act US Fed News Service, Including US States News [Washington, D.C.] 26 Apr 2008.

¹⁶ <https://studentaid.ed.gov/sa/sites/default/files/plus-adverse-credit.pdf>

¹⁷ About \$36,000 for the first year, Linda estimated for tuition room and board.

¹⁸ The terms begin repayment 60 days after the loan is extended. PLUS loans can be deferred but accrue interest that is capitalized when repayment begins.

¹⁹ Note that Linda makes it clear to Clarice that she will have to sacrifice to her potential as well. No house, no car, etc.

Linda is right that, carrying college loans may very well require Clarice to make choices among the achievements of middle class life in the United States: college education, home ownership, car ownership [Pew Study here on Millennials and ownership]. Clarice is too young to be thinking about retirement directly, but Linda's concern for her own stands in for the kind of "choice" Clarice will likely face in her own family life if America continues on its current path.

²⁰ Viviana Zelizer on the rising sacredness of children in the late 19th/early 20th century and sacredness always being at odds with strict economic thinking. The sacred child today, the sacred child registers in the mystery of potential. A sacrifice for a particular kind of person. That particular kind of person requires sacrifice to demonstrate her sacred status as a the middle class child. Potential is the quality of a particular kind of person, the American middle class young adult.

²¹ This is a logic of sacrifice, rather than Christian stewardship.

²² Middle classness is defined here as a set of aspirations.

²³ Sckopol on civil war widows and orphans.

²⁴ Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (Oxford University Press, 2005)

²⁵ This could be considered also gift to the nation, assisting with developing the nation's talented young people to build a future for both themselves and for the country. This would be in line with the 19th century idea of the home as the place for cultivating citizens. But today, with education considered under the cost-benefit calculus of future wages, the gift of debt is registered within the exchange with the child only, not with the country who will benefit from her talents.