

**FORUM ON DEBT FROM STUDENT LOANS**

Recent Federal Reserve data show that debts from student loans have nearly doubled in recent years, rising from roughly \$550 billion in 2007 to about \$1 trillion today. Delinquencies on student loans now rank higher than on all other forms of debt. In addition to weighing down family balance sheets, recent research shows that these loans may also lead to significant losses of wealth later in life, suppress business startups, postpone family formation and slow economic growth.

Encouragingly, innovative reforms are under way nationwide to make college more affordable, restructure student aid and provide promising alternatives to financing higher education beyond student loans. To provide insight, a student-loan forum—**Generation Debt: The Promise, Perils and Future of Student Loans**—will be held Nov. 18 at the St. Louis Fed. Speakers include Rohit Chopra of the Consumer Financial Protection Bureau and Sandy Baum, a national expert on reforming student loans and higher education. The latest research and data on student loans will be presented, and new ideas and programs for financing higher education will be discussed.

The cost to attend is \$50 (\$15 for students). **Registration is required by Nov. 13.** This event is sponsored by the Center for Household Financial Stability at the Federal Reserve Bank of St. Louis. To register, go to [www.stlouisfed.org/community\\_development/events/?id=506](http://www.stlouisfed.org/community_development/events/?id=506).

**SAVE THE DATE FOR SYMPOSIUM ON HOUSEHOLD BALANCE SHEETS**

May 8 and 9 are the dates for the second research symposium on household balance sheets organized by the St. Louis Fed’s Center for Household Financial Stability, the Center for Social Development at Washington University in St. Louis and the Research division of the St. Louis Fed. The theme for next year’s symposium is **Realizing the American Dream for Younger Americans**, a reference to those 40 and younger.

Registration will start in late winter. See [www.stlouisfed.org/household-financial-stability/events/index.cfm?id=507](http://www.stlouisfed.org/household-financial-stability/events/index.cfm?id=507). A call for papers has been sent out.

The first symposium was held in February. The theme was **Restoring Household Financial Stability after the Great Recession: Why Household Balance Sheets Matter**. To view presentations and videos from that event, go to [www.stlouisfed.org/household-financial-stability/events/20130205/agenda.cfm](http://www.stlouisfed.org/household-financial-stability/events/20130205/agenda.cfm).

**ASK AN ECONOMIST**

**David Wiczer** is an economist at the St. Louis Fed. He loves running, listening to music and going to concerts on the off chance that, one day, he’ll be able to say, “I saw them when they were just starting.” His research interests include macro and labor economics, especially occupational choice and inequality. For more on his work, see <http://research.stlouisfed.org/econ/wiczer>.



Wiczer on a frozen lake in Minnesota. He received his Ph.D. in economics from the University of Minnesota.

**Q: Why has part-time employment grown recently?**

**A:** Part-time employment usually increases during a recession. But such employment tends to fall when the recession is over, and that hasn’t happened following the recent downturn. The figure below illustrates two ways in which this phenomenon can be measured: part-time employment as a fraction of *total population* and part-time employment as a fraction of *employment*. Let’s look at the latter more closely. In December 2007, when the recession began, 16.9 percent of those working usually worked part time. By the time the recession ended, in June 2009, that share had risen to 19.6 percent. Even though the overall employment situation has improved, the share of part-time employment has stayed persistently high, with the latest reading (in August 2013) of 19.4 percent.

One explanation for this increase is that job creation in the expansion has been very asymmetric. The industries and occupations where most of the growth has happened have more part-time workers. This explanation is related to what economists call “job polarization.” Since the 1970s, a large part of the job growth has been in either low-end occupations or high-end occupations, and these low-end occupations often have more part-time work.

Another explanation for the increase in part-time work stems from the propensity for people in some age groups to be employed part-time. Those who are younger than 25 or older than 55 tend to be more cyclical in their labor force participation. In recessions, they leave the labor force at a higher rate, and in expansions they enter it again. These people will often work part-time jobs.

Some people have pointed to the Affordable Care Act as another cause for this increase. The claim is that employers are creating part-time jobs so as to remain under the 50 full-time worker cutoff for the employer mandate. So far, there are no data suggesting that this is true. There are countries in Europe where higher fixed costs of employing people have created a two-tier labor market. However, it is too early to make a definitive statement regarding this possibility in the U.S.

