Ask ASCII: What are your Digital Rights?

By Logan Stack
staff writer

Dear ASCII:

I've heard about something called DRM being in the next version of Windows, and Microsoft getting into trouble over it. What is DRM?

– Please withhold my name so the Microsoft spies can't track me down.

Dear Nervous:

DRM stands for Digital Rights Management. It is something which has been intensely worked on ever since Napster started making headlines. Basically what DRM does is explain to your computer what it is and is not allowed to do with the files on it.

With DRM, a band could let you download a song for free, but set the DRM to permit the song to play only six times before sending you to the band's web page, where you would be asked to buy the CD. Then, if you buy the music, they can hand you a file and let you make as many backup copies as you'd like, but prevent you from transferring the song to another computer so that you can't give it to your friends.

There are a myriad of other uses too. For example, an author could give out free downloads of a book but prevent you from printing it; or you could download a movie from an online rental place, and the movie file would expire and be unplayable once the rental period ended.

Does this sound like the end of music swapping? Don't worry, it's not, there are always going to be ways to work around any protection. But it's one more annoyance to try to circumvent, so many companies are hoping it will reduce piracy and increase sales.

DRM is a hard problem to solve. The files must not contain all of the information needed to play the song (or movie, game, book, whatever) because if they did, it would be easy to make a program that ripped that information out of the DRM-protected file and placed it in a non-protected file, thus foiling the DRM. So it is likely that you will not be able to play your DRM-protected music without a connection to the Internet.

There are a variety of other problems too, such as plugging the digital speaker output into a digital audio input on another computer and making a perfect recording – workarounds like this are very difficult to solve. When people use analogue (like our parents did with blank tapes), it's nigh on impossible to protect the music from piracy.

Recently Microsoft has gotten into trouble with the European Union over the company's attempts to acquire a small firm which is making DRM software. Microsoft helped set it up and now wants to buy out the other owner's interest, but the EU may stop the takeover in order to prevent Microsoft from developing a monopoly on DRM software.

Do you have a computer question? Send it to ASK ASCII! E-mail lws118@psu.edu with "Ask ASCII:" in the subject line.

College costs continue to rise

By Gail MarksJarvis
Knight Ridder Newspapers
(KRT)

Even before Tasha Taylor completed her education at Hamline University in St. Paul, Minn., three years ago, she was determined to be a social worker.

She had watched her mother heroically raise six children after losing a business in her 40s, and Taylor wanted to help welfare recipients rebuild their lives the way her mother had.

Now, immersed in that work, she has no regrets and no plan to change professions. But the pressures of massive college debt are weighing heavily on her.

At 26, she has $50,000 in college loans hanging over her future; about a quarter of the cost of a starter home. And she worries about it every day.

At $15 an hour, her pay doesn't stretch far enough each month to provide for her daughter and pay $555 in health insurance, $600 for a "hole-in-the-wall" apartment and about $500 for student loans. Taylor eased the pressure recently by sharing an apartment with her boyfriend and refinancing the loans so she pays only $200 a month. But to get the payments down, she had to extend them for 25 years.

That means paying thousands more in interest, and the loans will nag at her decision-making until she's 51.

Taylor is a member of what has been dubbed "Generation Broke." These are young Americans starting their lives deeply in the red because of student loans and credit card debt accumulated in college. With a tight job market since the 2001 recession, they struggle with stagnant pay, temporary jobs and an unemployment rate that has recently been higher for college graduates than for high school dropouts.

As a result, it's common for young Americans like Taylor to wrestle with career ideals that don't mesh with their financial burdens.

"One in five significantly changed their career plans because of student loans, nearly 40 percent delayed buying a home, and 20 percent reported their debt burden caused them to postpone having children," says researcher Tamara Draut, who conducted a study of 18 to 34-year-olds for Demos USA, a New York think tank.

The average person leaving college now has $18,900 in student loans, compared with $9,000 for 1992 graduates. In addition, they have $3,262 in credit card debt, a 134 percent increase since the mid-'90s.

College costs rose 35 percent over the past decade, and requests for federal loans went up 56 percent. Without enough low-interest college loan money to cover overall costs, students borrow money from private lenders at higher interest rates About a quarter of students even use credit cards to cover some college expenses, according to the College Board, a much more expensive and volatile way to finance college. After college, Draut says graduates manage to make minimum payments on credit cards but are so strapped they take on more debt.

The result: The average college graduate has a starting salary of $36,000, or $2,058 a month. Once they have paid $307 toward their student loans and credit cards, plus covered rent, utilities, food and transportation, only $34 is left over for child care, entertainment, clothing, furniture or emergency expenses, says Draut.

The generation is "slipping into a downward debt spiral that is unmatched in modern history," she says. "Young adults starting off in the red will find that it impacts their financial security for years to come."

Maggie Bolton-Henly of St. Paul already worries about getting sucked into the spiral, even though she hasn't completed her final year at Willamette University in Oregon.

With $20,000 in college loans, "I do know that once I graduate, money will be a main factor in choosing a job because I do have so many loans to pay back, " she says.

She's worried she will end up like a number of people she sees "who are completely unhappy in their jobs and not passionate about what they are doing but feel trapped because they have bills and loans to pay."

She is flirting with becoming a lawyer, not out of a deep passion for the profession but because she thinks it would assure her high pay and the ability to retire loans.

Yet, going to law school would probably triple her debts initially, and raises the question: How much student debt is too much?

It's a question students should consider as they select colleges and careers, says Sandy Baum, an analyst for the College Board and a Skidmore College economist.

College itself is a proven and worthy investment, but students who take on total debt that will exceed their annual pay may be stretching too far, she says.

Over their working lives, the typical college graduate earns about 73 percent more than the typical high school graduate, and those with advanced degrees earn two to three times as much as high school graduates, according to the College Board, which studies trends in education finance. Earnings are greater for people from all ethnic backgrounds.

And despite the burden of debt, the College Board says the typical graduate, who started college at 18, has earned enough by age 33 to compensate for both tuition and fees at the average public four-year institution. At private colleges, the age is 40.

As high school seniors eye college choices this time of year, Baum says they should try to compare their likely college debts with their likely salary.

There's a rule of thumb to have loan payments no larger than 8 percent of your expected income, she says. But that's not a hard and fast rule. While even 8 percent may be difficult to bear if someone is making only $20,000 a year, a person with a $60,000 income could devote more than 8 percent, she says.

To consider debt levels with salaries, check www.themint.org. Click on "earning" and "careers" and "starting salaries. "Parents also must be careful about taking on too much debt.

Too many endanger their retirements by spending too generously or taking on loans themselves to finance college, says financial aid consultant Ray Loewe of College Money in Marlton, N.J.

He notes that students have a lifetime of earnings to pay off college loans, but if parents have extended themselves too far, no one is going to give them a loan at age 75 to provide money for groceries.

Consequently, he suggests that before agreeing to pay for expensive colleges, parents calculate first how they are doing in saving for retirement. If they are on target to have 75 percent of their income for each year of retirement, he says, parents can feel relatively secure about paying for college. But most parents are far behind with saving.

The average person within 15 years of retirement has saved only $55,000.

To judge how well prepared you are with retirement saving, try the calculators at www.choosetosave.com.