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CONTACT: Gretchen Wright
202/371-1999
Edie Irons
510/883-7302

Student Loan Debt Outpaced Salaries for Class of 2007

New report includes state-by-state and campus-by-campus debt averages for recent grads

College seniors who graduated in 2007 carried six percent more student loan debt than the class of 2006, while starting salaries for recent graduates rose just three percent in the same period, according to a new report by the Project on Student Debt. Based on data reported by hundreds of four-year colleges across the country, the national average student loan debt for 2007 graduates is \$20,098, although the Project estimates that the actual average is higher -- \$21,900 -- because of flaws in the available data. [*Student Debt and the Class of 2007*](#) is the Project's third annual report on the debt of recent college graduates.

Students in Iowa and New Hampshire graduate with the highest debt levels: \$26,208 and \$25,211, respectively. Those in Utah have the lowest average debt at \$13,266. South Dakota, North Dakota, New Hampshire, and Iowa have the highest proportions of students graduating with student loans, at 81 percent, 75 percent, 74 percent, and 73 percent, respectively.

"The class of 2007 graduated before the financial downturn, but today's tough economic times make high student loan payments even harder to bear," said Robert Shireman, the Project's Executive Director. "Student debt levels are rising year after year, and starting salaries have not kept up. Now more than ever, students need information and counseling about all their options when they're deciding how to pay for college and how to repay their loans."

Institutions reporting relatively high levels of debt cite student demographics, high tuition, and low endowments or low state support for higher education as contributing factors. Questionable financial aid practices, such as recommending private student loans before parent PLUS loans, can also contribute to increased borrowing. Institutions reporting relatively low levels of debt sometimes cite innovative financial aid programs to reduce student borrowing through increased institutional need-based aid or special work-study programs.

"While we continue to find wide and persistent differences in average debt across states, sectors, and campuses, our analysis is limited by the fact that many institutions do not accurately report their own data," said Matt Reed, the report's author. "Student debt is a growing burden nationwide, and colleges and data collectors should treat it that way by providing more thorough, accurate information to the public."

To improve the quality of data, the report recommends that the federal government collect data on cumulative student debt in its annual survey of colleges and that lenders be required to report non-federal private student loans to the government's student loan database.

Student Debt and the Class of 2007 is available online at www.projectonstudentdebt.org. It includes an interactive U.S. map that details the debt levels for every state and institution.

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