

THE PROJECT ON STUDENT DEBT

QUICK FACTS ABOUT STUDENT DEBT

More Students are Borrowing

FACT – By the time they graduate, nearly two-thirds of students at four-year colleges and universities have student loan debt (66.4% in 2004). In 1993, less than one-half of four-year graduates had student loans.

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 1993 and 2004 undergraduates, Data Analysis System (DAS). The most recent nationally representative federal data is from 2004.

FACT – In 2004, nearly two-thirds (62.4%) of graduates from *public* universities had student loans.

SOURCE – *Trends in Student Aid*, The College Board, 2006.

Students are Borrowing More

FACT – Over the past decade, debt levels for graduating seniors with student loans more than doubled from \$9,250 to \$19,200 – a 108% increase (58% after accounting for inflation).

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 1993 and 2004 undergraduates, Data Analysis System (DAS).

FACT – At *public* universities, debt levels for graduating seniors with student loans more than doubled from \$8,014 to \$17,250 over the past decade – a 116% increase (65% after accounting for inflation).

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 1993 and 2004 undergraduates, Data Analysis System (DAS).

FACT – At *private* universities, debt levels for graduating seniors with student loans nearly doubled from \$11,356 to \$22,125 over the past decade – a 95% increase (49% after accounting for inflation).

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 1993 and 2004 undergraduates, Data Analysis System (DAS).

Parents are Borrowing, Too

FACT – In 2004, the parents of 15.3% of graduating seniors took out federal PLUS loans: 12.3% at public 4-year institutions, 21% at private 4-year institutions. Their average PLUS debt was \$17,709: \$14,056 at public institutions, \$21,984 at private institutions. (These data are for dependent students only and do not include other forms of debt, such as home equity loans, that parents may take on to help pay for college.)

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 2004 undergraduates, Data Analysis System (DAS).

Looking Beyond the Averages

FACT: One-fourth of graduating borrowers in 2004 carried more than \$25,000 in student loan debt (not including parent borrowing). Borrowing levels vary by a number of factors, including the type of college attended:

At **public 4-year institutions**, 62.4% of graduating seniors have education debt. Of those borrowers:

- Half have at least \$15,472 in student loans;
- One-fourth have at least \$22,822 in student loans;
- Ten percent have student debt of \$32,994 or more.

At **private, non-profit 4-year institutions**, 73.9% of graduating seniors have education debt. Of those borrowers:

- Half have at least \$19,500 in student loans;
- One-fourth have at least \$28,222 in student loans;
- Ten percent have student debt of \$40,000 or more.

At **for-profit institutions**, 88.3% of graduating seniors have education debt. Of those borrowers:

- Half have at least \$24,625 in student loans;
- One-fourth have at least \$35,000 in student loans;
- Ten percent have student debt of \$45,000 or more.

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 2004 undergraduates, Data Analysis System (DAS).

Pell Grant Recipients Have Higher Debt Levels

FACT - Pell Grant recipients (an indicator of modest family income) are more likely to have student loans, and to borrow more, than other students. Of Pell recipients who got their Bachelor's degrees in 2004, 88.5% had student loans, compared to 51.7% of non-Pell recipients. Of those who borrowed:

- Education debt was 12% higher for Pell recipients than for non-Pell recipients (\$20,735 vs. \$18,420).
- One-fourth of Pell recipients carried debt of at least \$27,625 (the comparable figure for non-Pell recipients with loans was \$21,500)
- Ten percent carried debt of \$38,000 or more (the comparable figure for non-Pell recipients with loans was \$32,000).

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 2004 undergraduates, Data Analysis System (DAS).

Public Loans, Private Loans

FACT – Among all undergraduate students (not just graduating seniors, and including two-year community college students), 33.7% took out a federal student loan in 2003-4, while 5.1% took out a private loan. These figures represent borrowing *in that year* alone, not those who may have loans from any year, and do not include parent loans.

Borrowing varies by institution type, with the highest proportion of both federal and private loan borrowers at for-profit 2- and 4-year schools:

Institution type	Percent who took out a <i>federal</i> student loan in 2003-04	Percent who took out a <i>private</i> student loan in 2003-04
Public 4-year	42.8%	5.1%
Private non-profit 4-year	54.4%	11.5%
Public 2-year	11.3%	1.4%
For-profit 2- and 4- year	80.2%	14.9%
For-profit less than 2-year	54.7%	8.3%

SOURCE – Calculations by the Project on Student Debt from the National Center for Education Statistics (NCES), National Postsecondary Student Aid Study (NPSAS), 2004 undergraduates, Data Analysis System (DAS).

FACT – Between 2000-01 and 2005-06, private student loan volume grew at an average annual rate of about 27% to a total of \$17.3 billion in 2005-06. These figures include student and parent loans for both undergraduate and graduate education.

SOURCE – *Trends in Students Aid 2006*, The College Board, 2006.

FACT – Today, private loans comprise 20% of total education loan dollars, including undergraduate, graduate, and parent loans. Ten years ago, private loans comprised only 5% of total education loan dollars.

SOURCE – *Trends in Students Aid 2006*, The College Board, 2006.

Borrowers Look Back

FACT – The percentage of former students reporting that they would have borrowed less if they had to do it again increased from 31% in 1991, to 45% in 1997, to 54% in 2002.

SOURCE – Baum, Sandy and M. O'Malley. "College on Credit: How Borrowers Perceive Their Education Debt: Results of the 2002 National Student Loan Survey," Nellie Mae Corporation, 2003.

FACT – More than 40% of college graduates who don't pursue graduate school blame student loan debt.

SOURCE – Baum, Sandy and M. O'Malley. "College on Credit: How Borrowers Perceive Their Education Debt: Results of the 2002 National Student Loan Survey," Nellie Mae Corporation, 2003.

FACT – People with undergraduate debt are much less likely to get a PhD than those without undergraduate debt. Nearly three fourths (72%) of U.S. doctorate recipients who earned their degrees between July 1, 2003, and June 30, 2004 had zero undergraduate debt. Just 10% of doctorate recipients had undergraduate debt of more than \$20,000.

SOURCE – Hoffer, T.B., V. Welch, Jr., K. Williams, M. Hess, K. Webber, B. Lisek, D. Loew, and I. Guzman-Barron. *Doctorate Recipients from United States Universities: Summary Report 2004*, National Opinion Research Center, 2005.

Cost Factors

FACT – In the past five years, tuition and fees at public universities have risen by 57% (40% after adjusting for inflation).

SOURCE – *Trends in College Pricing*, The College Board, 2005. (Compares average public tuition and fees for academic years 2000-2001 and 2006-2006.)

FACT – The federal Advisory Committee on Student Financial Assistance estimates that cost factors prevent 48% of college-qualified high school graduates from attending a 4-year institution and 22% from attending any college at all. In a single year this amounts to 400,000 college-qualified students who will be unable to attend a 4-year college and nearly 170,000 will not attend college at all.

SOURCE – *Empty Promises: The Myth of College Access in America*, Advisory Committee on Student Financial Assistance, 2002.

FACT – More than 20% of low-income, college-qualified high school graduates do *not* enroll in college.

SOURCE – *Empty Promises: The Myth of College Access in America*, Advisory Committee on Student Financial Assistance, 2002.

FACT – Three out of four full-time college students have jobs, and nearly half of them (46%) work more than 25 hours a week.

SOURCE – *At What Cost? The Price That Working Students Pay For A College Education*, The State PIRGs' Higher Education Project, 2002.

FACT – Borrowers who do not complete their degrees are 10 times as likely to default on their loans and twice as likely to be unemployed as borrowers who complete their degrees.

SOURCE – *Borrowers Who Drop Out: A Neglected Aspect of the College Student Loan Trend*, Lawrence Gladieux and Laura Perna, National Center for Public Policy and Higher Education, May 2005.

Credit Card Debt

FACT – The majority of all dependent undergraduates (56%) owned at least one credit card in 2003-04. Of those student cardholders, 41% carried a balance from month to month, with a median debt of \$1,000. Of students who carried a balance on their credit card from month to month, 25% had debt exceeding \$2,500.

SOURCE – *Credit Card Ownership and Behavior Among Traditional-Age Undergraduates 2003-04*, The American Council on Education, July 2006.

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