

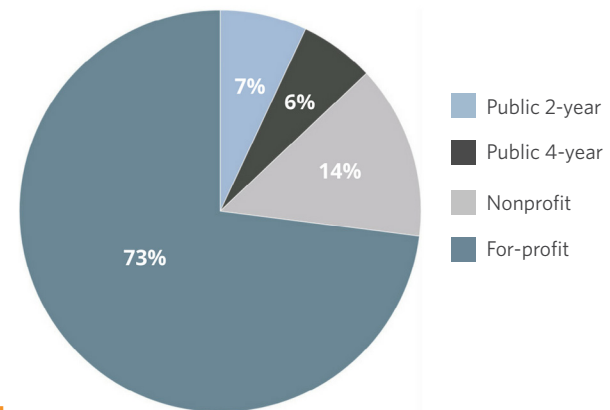
COLLEGES WHERE MOST STUDENTS BORROW AND FEW REPAY

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About seven million undergraduates each year rely on federal loans to enroll in and complete college.¹ Many students find that student loans are an excellent investment in their future and are able to successfully repay their loans. Others struggle to make payments, or make payments that do not keep up with accruing interest. It is particularly troubling when borrowers' loan balances are growing, rather than shrinking, many years after leaving college. Widespread growth of loan balances during repayment may indicate a serious problem at a college, and that problem is particularly acute if most students at the college borrow.

This factsheet focuses on colleges where student loan debt is especially burdensome for those who borrow. Specifically, we highlight colleges where most students borrow and less than half of borrowers have paid down even \$1 of their loan principal, seven years into repayment.²

COLLEGES WHERE MOST BORROW AND FEW CAN REPAY, BY SCHOOL TYPE



At one in five colleges (21%, or 781 colleges), most students borrow and few can repay.

For-profit colleges make up most of the schools where most borrow and few can repay.

- For-profit colleges make up almost three-quarters (73%) of schools where most borrow and few can repay, even though they are only 31% of all schools in this analysis.
- In fact, at half (50%) of all for-profit colleges, most students borrow and few can repay, compared to fewer than 10% of all public and non-profit colleges.

First-generation students, Pell Grant recipients, and African-American students are more likely to enroll at colleges where most borrow and few can repay.

- At schools where most borrow and few can repay, more than half (52%) of students are first-generation, compared to 40% at other colleges.⁴
- At schools where most borrow and few can repay, more than three in five (64%) students are Pell Grant recipients, compared to 36% at other colleges.
- Schools where most borrow and few can repay enroll more than three times the share of African-American students (36%) as other colleges (11%).

SCHOOLS WHERE MOST STUDENTS BORROW AND A MINORITY OF BORROWERS HAVE PAID DOWN THEIR LOANS (7 YEARS INTO REPAYMENT) ³				
Sector	# of Schools	% of Schools	# of Borrowers in Repayment	% of Borrowers
Public 2-year	52	7%	50,316	4%
Public 4-year	45	6%	104,018	9%
Nonprofit	112	14%	150,857	13%
For-profit	572	73%	897,980	75%
Total	781	100%	1,203,171	100%

However, most Pell Grant recipients and African-American students attend colleges with better repayment outcomes.

- Only 18% of Pell Grant recipients attend schools where most borrow and few can repay. In fact, 62% attend colleges where most borrowers are paying down their debt after seven years.⁵
- 27% of African-American students attend schools where most borrow and few can repay, while 51% attend colleges where most borrowers are paying down their debt after seven years.

¹ Calculations by TICAS using data from the U.S. Department of Education, Federal Student Aid Data Center, "Aid Recipients Summary" for 2015-16 and 2016-17, as of January 2018. <https://studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/AidRecipientsSummary.xls>.

² The figures in this factsheet are based on TICAS' analysis of data from the U.S. Department of Education's College Scorecard, accessed April 4, 2018. "Colleges where most borrow and few can repay" are those where more than 50% of undergraduates borrowed federal loans in 2014-15 and fewer than 50% of undergraduate Stafford loan borrowers who entered repayment in FY 2008 and FY 2009 had paid down at least \$1 in principal, seven years into repayment. Public two-year schools are classified as those that predominantly grant associate's degrees or below; public four-year schools are those that predominantly grant bachelor's degrees or above. Calculations are based on data for colleges with unique federal identifiers (six-digit "OPEIDs," or Office of Postsecondary Education Identification numbers) to eliminate duplicate results. Colleges were excluded from this analysis if they did not have repayment rates or borrowing rates, or if campuses sharing the same six-digit OPEID had different sectors listed in the College Scorecard data.

³ Percentages may not add up to 100% due to rounding.

⁴ Due to data limitations in the College Scorecard data, the figures for first-generation students are calculated using unweighted averages.

⁵ These figures compare schools where most students borrow and the minority of borrowers repay with schools where the majority of borrowers have paid down at least \$1 in principal on their debt, seven years into repayment. Due to College Scorecard data limitations, it is not possible to do a similar calculation for first-generation students.