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REPORT: Class of 2018 Four-Year Graduates' Average Student Debt Is $29,200

Slower Growth in Debt After Greater State Investment

Oakland, CA - New data show that about two in three (65 percent) college seniors who graduated from public and private nonprofit colleges in 2018 had student loan debt. These borrowers owed an average of $29,200, 2 percent higher than the 2017 average of $28,650, according to a report released today by The Institute for College Access & Success (TICAS).

After many years of growth in college graduates' average student debt, debt loads have continued to climb but they are climbing at a slower pace. One important factor in the slower growth of student debt appears to be greater state and local support for public colleges, which enroll three-quarters of undergraduates.

"The growth in student loans has slowed in recent years as states have invested more in public colleges, but millions of students continue to struggle with their debts," said executive vice president **Debbie Cochrane**. "Colleges, states, and the federal government all have an important role to play in reducing the burden of student debt to increase equity in college opportunity."

Between 2008 and 2012, during the budget crises caused by the Great Recession, state and local appropriations fell by $2,000 per student. At the same time, student borrowing rose by nearly $1,100 per student. More recently, as state spending partially rebounded, the student debt situation has improved. With state funding increasing by $1,150 between 2012 and 2016, average student borrowing fell by $500. Other potential factors in changing borrowing over time are discussed in the report.

Wide Variation among States

Student Debt and the Class of 2018, TICAS' 14th annual report on debt at graduation, finds wide variations in debt levels across states as well as colleges. Average student debt at graduation in 2018 ranged from $19,750 in Utah to $38,650 in Connecticut, and new graduates' likelihood of having debt ranged from 36 percent in Utah to 76 percent in New Hampshire. High-debt states remain concentrated in the Northeast and low-debt states are mainly in the West.

HIGH-DEBT STATES	
Connecticut	$38,669
Pennsylvania	$37,061
New Hampshire	$36,776
Rhode Island	$36,036
New Jersey	$34,387
Delaware	$34,144
District of Columbia	$34,046
Maine	$32,676
Minnesota	$32,317
Michigan	$32,158

LOW-DEBT STATES	
Utah	$19,728
New Mexico	$21,858
California	$22,585
Nevada	$22,600
Washington	$23,524
Hawaii	$24,162
Florida	$24,428
Wyoming	$24,474
Colorado	$24,888
Oklahoma	$25,221

Vulnerable Groups of Students Bearing Disproportionate Burden

The average debt held by four-year college graduates is an important benchmark for college affordability over time and across states because it measures debt levels for students at a comparable point in their academic careers. However, it does not tell the whole story on student debt. The burden of student debt is disproportionately borne by Black students, first-generation college students, and students from low-income families. For example, graduates from lower income families are five times as likely to default as their higher income peers, and 21 percent of Black college graduates defaulted within 12 years of entering college.

Data on Nonfederal Loans Are Critical for Comprehensive Debt Figures

This report uses private data that is the only type of data currently available to gauge cumulative student debt for bachelor's degree recipients each year, including both federal and nonfederal loans. While federal data on student loan debt has improved in recent years, little of it includes nonfederal loan debt from private lenders, states, or schools. As documented in the report, college-reported data on student debt levels show that 31 percent of student loan debt in high-debt states is nonfederal debt, underscoring the need for more comprehensive, federally collected debt data.

Policy Recommendations

With far too many Americans continuing to carry the weight of burdensome student debt, the report puts forward a series of policy recommendations for the federal government, states, and colleges. Among those: the federal government should increase and strengthen Pell Grants, make it easier to repay student loans, and make new investments that supplement – not supplant – state funding for public higher education. The federal government should also collect private student loan data to ensure comprehensive data on debt balances and burdens. States should shift merit-based aid to need-based aid, and improve data systems. Colleges can help by examining debt data across demographic groups of students, set aside funds for student emergencies, and set clear, reasonable student budgets. Additional policy recommendations can be found in the full report.

Note: An interactive map with details for all 50 states, the District of Columbia is available at https://ticas.org/interactive-map/, and information on more than 1,000 public and nonprofit four-year colleges is available at our newly relaunched data website College-Insight.org.

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.ticas.org or follow us on Twitter and Facebook.