DREAMS DASHED: CALIFORNIA COLLEGES
WHERE MANY BORROW BUT FEW REPAY

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Over two million undergraduates each year enroll in a college based in California.[1] While many students find that student loans are an investment in their future and can successfully repay their loans, others struggle to make payments, or make payments that do not keep up with accruing interest. This fact sheet focuses on California colleges where student loan debt is especially burdensome for those who borrow, and examines the enrollment trends at for-profit colleges in California.

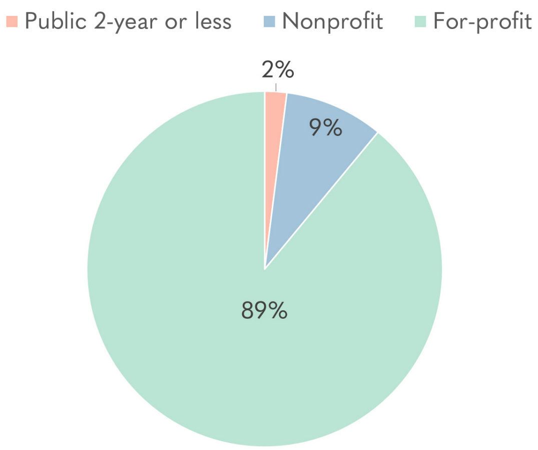
California Colleges Where Most Students Borrow but Few Repay

It is troubling when borrowers' loan balances are growing, rather than shrinking, many years after leaving college. The widespread growth of loan balances during repayment may indicate a serious problem at a college, and that problem is particularly acute at colleges where most (at least 50%) students borrow and less than half of borrowers have paid down even $1 of their loan principal seven years into repayment.[2]

There are **55** of these colleges based in California, and **49** of them are **for-profit institutions**.

- For-profit colleges make up nearly all (89%) of the California colleges where most students borrow and few can repay.
- These for-profit institutions represent only 2% of the enrollment, but 36% of borrowers with defaulted loans at CA-based colleges.[3]
- In fact, at over one in five (22%) for-profit colleges in California, most students borrow and few can repay, compared to fewer than 2% of all public and nonprofit colleges.

Where Most Borrow but Few Repay



Trends at For-Profit Colleges in California

Predatory for-profit colleges have preyed on historically disadvantaged students, and for-profit programs disproportionately serve low-income individuals.[4] Pell Grant recipients, first-generation, and Black students are all more likely to enroll at for-profit colleges in California.

- At for-profit colleges, **13%** of undergraduate degree-seeking students are **Black students**, compared to only **5%** at public and nonprofit colleges.
- **Pell Grant** recipients represent **over 54%** of undergraduate students at for-profit institutions, compared to **32%** at public and nonprofit colleges.
- **53%** of entering undergraduate students who are Title IV-eligible at for-profit colleges are **first-generation** college students, compared to **51%** at public and nonprofit colleges.[5]

Endnotes

1. Calculations by TICAS using data from the U.S. Department of Education's College Scorecard, which was last updated on January 19, 2021, accessed March 26, 2021. Calculations are based on colleges indicated as currently operating.
2. The figures in this factsheet are based on TICAS' analysis of data from the U.S. Department of Education's College Scorecard, which was last updated on January 19, 2021, accessed March 26, 2021. "California Colleges Where Most Students Borrow and Few Repay" are those where 50% or more of undergraduates borrowed federal loans in the 2017-18 Academic Year and fewer than 50% of borrowers who entered repayment in FY 2009 and FY 2010 had paid down at least $1 in principal, seven years into repayment. Calculations related to loans and repayment are based on data for colleges indicated as currently operating, and have unique federal identifiers (six-digit "OPEIDs," or Office of Postsecondary Education Identification numbers), to eliminate duplicate results.
3. Calculations are based on the three-year cohort default rates data provided by the U.S. Department of Education's Federal Student Aid Data Center via College Scorecard. The most recent cohort is from FY 2016 and consists of borrowers who entered repayment on their federal student loans in FY 2016 and defaulted before September 30, 2018.
4. Michael Freidrich (Aug. 20, 2020). "'Misery Factories': At For-Profit Colleges, a Web of Predatory Behavior." Arnold Ventures. Available at: https://bit.ly/2TGZH2C.
5. Due to data limitations, calculations for first-generation student enrollment are based on an undergraduate entry cohort of Title IV students, pooled from AY2015-16 and AY2016-17.