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Average Debt for Class of 2016 Varies Enormously by State and College; Risky Nonfederal Loan Borrowing Concentrated in Certain States, Colleges *Report includes state and college data; federal, state, and college policy recommendations*

Oakland, CA - [Student Debt and the Class of 2016](#), TICAS' twelfth annual report on debt for bachelor's degree graduates of public and nonprofit colleges, finds wide variations in debt levels across states as well as colleges. Average student debt at graduation in 2016 ranged from \$20,000 in Utah to \$36,350 in New Hampshire, and new graduates' likelihood of having debt ranged from 43 percent in Utah to 77 percent in West Virginia. Average debt varies even more across colleges, from a low of \$4,600 to a high of \$59,100, and the share of students graduating with loans ranges from six to 98 percent.

"College is one of the biggest investments Americans make, yet many are making choices without basic information, including how much debt they can expect to graduate with, which varies wildly from college to college and state to state," said **Debbie Cochrane**, TICAS vice president and report coauthor. "We need to make college more affordable and reduce burdensome debt, while giving students and policy makers the information they need to make wise decisions and investments."

HIGH-DEBT STATES	
New Hampshire	\$36,367
Pennsylvania	\$35,759
Connecticut	\$35,494
Delaware	\$33,838
Minnesota	\$31,915
Massachusetts	\$31,563
South Dakota	\$31,362
Maine	\$31,295
Alabama	\$31,275
Rhode Island	\$31,217

LOW-DEBT STATES	
Utah	\$19,975
New Mexico	\$21,373
California	\$22,744
Arizona	\$23,447
Nevada	\$24,128
Florida	\$24,461
Washington	\$24,609
Wyoming	\$25,378
North Carolina	\$25,562
Oklahoma	\$25,856

Many of the highest debt colleges could do more to reduce students' debt loads, the new report says. Collectively, colleges where indebted graduates had on average at least \$40,000 in debt reported spending \$465 million of their institutional grant aid on students without financial need – students who either could afford to pay their total college costs (as determined through a federal calculation) or whose need for aid had already been met.

An **interactive map** with details for all 50 states, the District of Columbia, and more than 1,000 public and nonprofit four-year colleges is available at <https://ticas.org/posd/map-state-data>.

The Type of Loan Matters: Nonfederal Loan Usage. The burden of student debt is not just about how much debt students have, but also about what types of loans they have. Federal student loans come with crucial consumer protections and repayment options not guaranteed by private, nonfederal loans. Importantly, income-driven repayment plans have been widely available for federal student loan borrowers since 2009. These plans cap payments based on the borrower’s income and family size and forgive remaining debt, if there is any, after 20 or 25 years of payments.

The new report finds that reliance on nonfederal debt – from banks and lenders, states, or colleges themselves – is concentrated in particular states and types of colleges. Of the 100 colleges where graduates borrow most in *private loans*, 85 are nonprofit four-year colleges, and 34 are located in **Pennsylvania**.

Additionally, four out of five 2016 graduates with *state loan* debt attended schools in just four states – **Texas, Minnesota, Massachusetts, and New Jersey** – that awarded only 14 percent of bachelor’s degrees. Although some may expect state loans to have better terms than those from private banks and lenders, their terms frequently have more in common with other private loans than with federal loans.

“For students who need to borrow to cover college costs, federal loans are the options to turn to first. Yet almost half of undergraduates with private loans could have borrowed more in federal loans,” said **Diane Cheng**, associate research director at TICAS and report coauthor. “Federal student loans for undergraduates are much more affordable and easier to repay, especially if a borrower falls on hard times.”

Policy Recommendations. *Student Debt and the Class of 2016* uses the best available data on debt at graduation, but the data have significant limitations that underscore the need for federal collection of data on debt at graduation by degree level for all schools, including federal and private loans. Virtually no for-profit colleges report debt figures to college guide publisher Peterson’s, which collects the data on which this report is based, and only just over half of bachelor’s degree granting public and nonprofit colleges (52%) do, representing 78 percent of graduates from these college types and 73 percent of all BA recipients.

The report’s other policy recommendations focus on ways to reduce the need to borrow, help keep loan payments manageable, improve consumer information, strengthen college accountability, and reduce risky private loan borrowing. While the main recommendations for reducing the burden of student debt are focused on federal policy, the report also identifies steps that states and colleges can take to make college more affordable, such as basing grant eligibility on financial need and exempting forgiven student loan debt from state income tax.

NOTE: The full report and companion interactive map with details for states and colleges are available online at <https://ticas.org/posd/map-state-data>.

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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](#).