

Paying for College: Debt

A Trends in Higher Education Spotlight

June 2019

Background

The College Board and its member institutions have a long history of supporting financial aid policies that promote access and equity. Today, this partnership continues through ongoing collaborations focused on student-centered, data-driven financial aid initiatives, practices and standards. This brief shares highlights on how different families are paying for college. Key data points by income groups and higher education sector help to provide greater context and insight on how students and their families finance an undergraduate education.

In 2016, 59% of bachelor's degree recipients borrowed an average of \$28,500.

Student Borrowing

In 2016-17, the 59% of bachelor's degree recipients from public and private nonprofit institutions who borrowed graduated with an average of \$28,500 in debt. However, the amount and type of debt varies greatly by income and type of institution attended.

Student Debt and Parent PLUS Debt

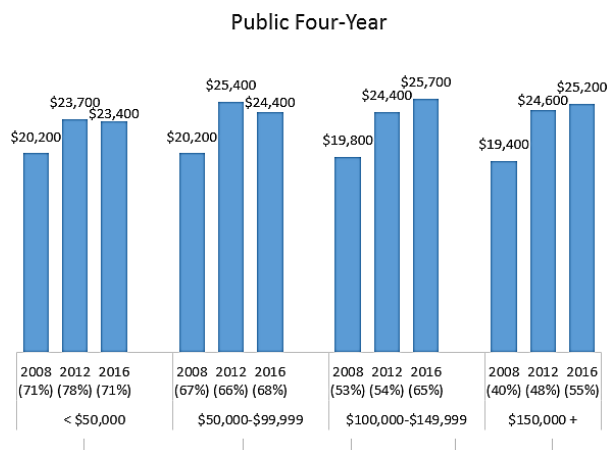
Within each sector, middle-income and higher-income students had the highest percentages borrowing. At private nonprofit four-year institutions, institutional grant aid accounted for significant percentages of the total costs across all income groups.

Public, 4-year Sector

In the public four-year sector, average student debt levels among borrowers increased considerably across all income groups between 2008 and 2012. In the following four years, average student debt levels declined for low- and middle-income students and increased for the two higher income groups. Among

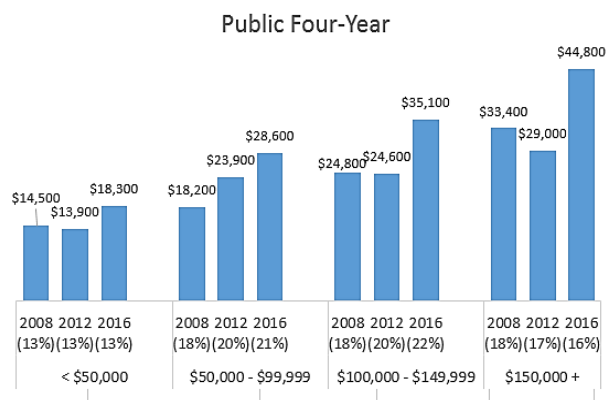
2016 dependent bachelor's degree recipients in this sector, average cumulative student debt among borrowers ranged from \$23,400 to \$25,700.

Average Cumulative Student Debt in 2016 Dollars: 2008, 2012, & 2016 Dependent Bachelor's Degree Recipients Who Borrowed



In the public four-year sector, the average Parent PLUS debt levels among borrowers ranged from \$18,300 for the low-income group to \$44,800 for the highest-income group. The percentage of students whose parents borrowed Parent PLUS loans ranged from 13% for the low-income group to 22% for the higher-income group.

Average Cumulative Parent PLUS Debt Levels in 2016 Dollars: 2008, 2012, and 2016 Dependent Bachelor's Degree Recipients Whose Parents Borrowed PLUS Loans

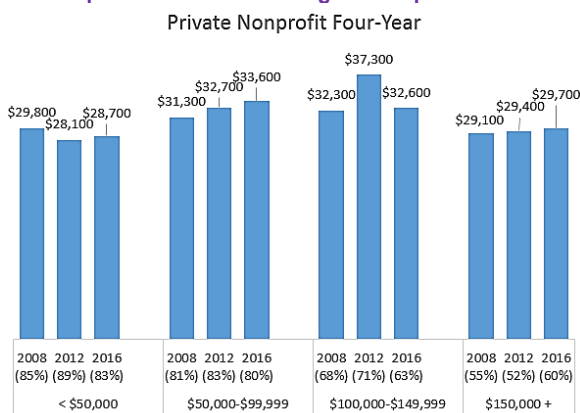


Private, Non-profit, 4-year Sector

In the private nonprofit four-year sector, average student debt levels among borrowers have remained flat for low-

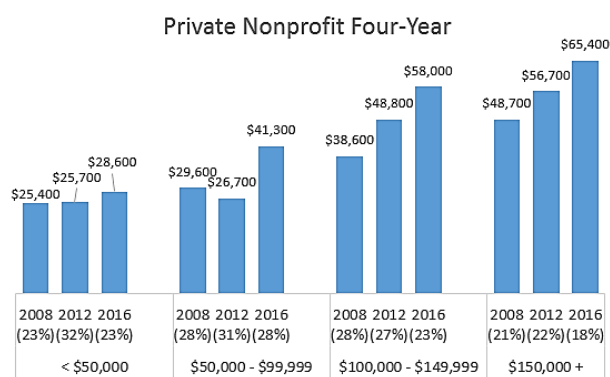
income and highest-income students. For middle-income students, average student debt increased by \$2,300 from 2008 to 2016. For higher-income students, average student debt increased from 2008 and 2012 and declined in the following four years. Among 2016 dependent bachelor's degree recipients in this sector, average cumulative student debt among borrowers ranged from \$28,700 to \$33,600.

Average Cumulative Student Debt in 2016 Dollars: 2008, 2012, & 2016 Dependent Bachelor's Degree Recipients Who Borrowed



In the private nonprofit four-year sector, the average Parent PLUS debt levels among borrowers ranged from \$28,600 to \$65,400. The percentage of students whose parents borrowed Parent PLUS loans ranged from 18% for the highest-income group to 28% for the middle-income group.

Average Cumulative Parent PLUS Debt Levels in 2016 Dollars: 2008, 2012, and 2016 Dependent Bachelor's Degree Recipients Whose Parents Borrowed PLUS Loans



Next Steps: Data Informed Campus Policies and Practices

Understanding campus trends and comparing institutional data to the broader landscape can be

beneficial in informing institutional financial aid policies and practices. College practitioners should consider analyzing historical campus enrollment data for financial aid recipient populations by income.

Questions to examine:

- How do debt levels compare?
- Are there striking differences in your institutional data?
- What additional drivers may be impacting institutional trends or averages?
- Are additional data points or analysis needed to better understand your student populations?
- How might the results of your analysis help to inform current practices and policies?

Additional Resources

Visit trends.collegeboard.org for more information on Trends in Higher Education.

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Provide Feedback

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