

STATS IN BRIEF

U.S. DEPARTMENT OF EDUCATION OCTOBER 2013 NCES 2014-013

Degrees of Debt Student Borrowing and Loan Repayment of Bachelor's Degree Recipients 1 Year After Graduating: 1994, 2001, and 2009

AUTHOR

Jennie H. Woo
RTI International

PROJECT OFFICER

Matthew Soldner
National Center for Education Statistics

Statistics in Brief publications present descriptive data in tabular formats to provide useful information to a broad audience, including members of the general public. They address simple and topical issues and questions. They do not investigate more complex hypotheses, account for inter-relationships among variables, or support causal inferences. We encourage readers who are interested in more complex questions and in-depth analysis to explore other NCES resources, including publications, online data tools, and public- and restricted-use datasets. See nces.ed.gov and references noted in the body of this document for more information.

Rising student loan debt is an issue of urgent concern to policymakers, lawmakers, higher education officials, and researchers (Associated Press 2012; CBS News 2012; Stebner 2013). The increase in student loan debt is frequently attributed to increasing tuition and other related costs of postsecondary education (Dillon and Carney 2009); the average total price of attending both public and private non-profit 4-year institutions (in both current and inflation-adjusted terms) has increased every year since 2002 (Baum and Ma 2011; Wei and Bersudskaya 2011). Other studies have shown that trends in both the rate of borrowing and the amount borrowed correspond to changes in the price of attendance and to the resources that students and their families have available (Berkner 1998; Choy 1994; Choy and Li 2006; Woo 2011). The College Board estimated that student loan volume, in constant 2011 dollars, increased from \$23 billion in 1992–93 to \$100 billion in 2007–08, with about \$25 billion in 2007–08 borrowed from private loan sources (Baum and Payea 2011).

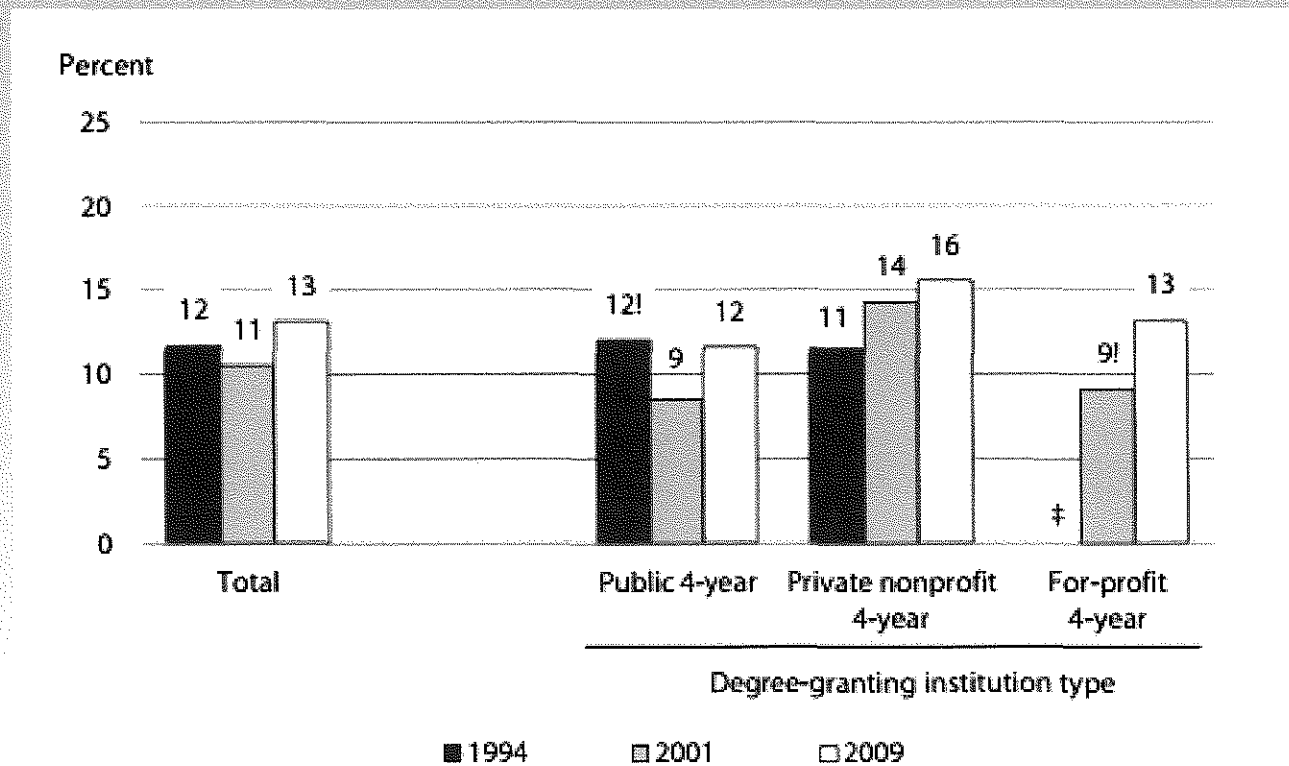
The growing debt burden of college graduates, especially among those who graduated during and after the 2008 recession and entered a weak job market, has led many to worry that students will have greater difficulty repaying their loans in full (Choi 2011; O'Shaughnessy 2012;

This report was prepared for the National Center for Education Statistics under Contract No. ED-07-CD-0104 with RTI International. Mention of trade names, commercial products, or organizations does not imply endorsement by the U.S. Government.

FIGURE 7.

RATIO OF MONTHLY LOAN PAYMENT TO MONTHLY INCOME

Average monthly loan payment as a percentage of monthly income among first-time bachelor's degree recipients who borrowed for their undergraduate education, were employed, and were repaying their loans 1 year after graduation, by degree-granting institution type: 1994, 2001, and 2009



! Interpret data with caution. Estimate is unstable because the standard error represents more than 30 percent of the estimate.

‡ Reporting standards not met.

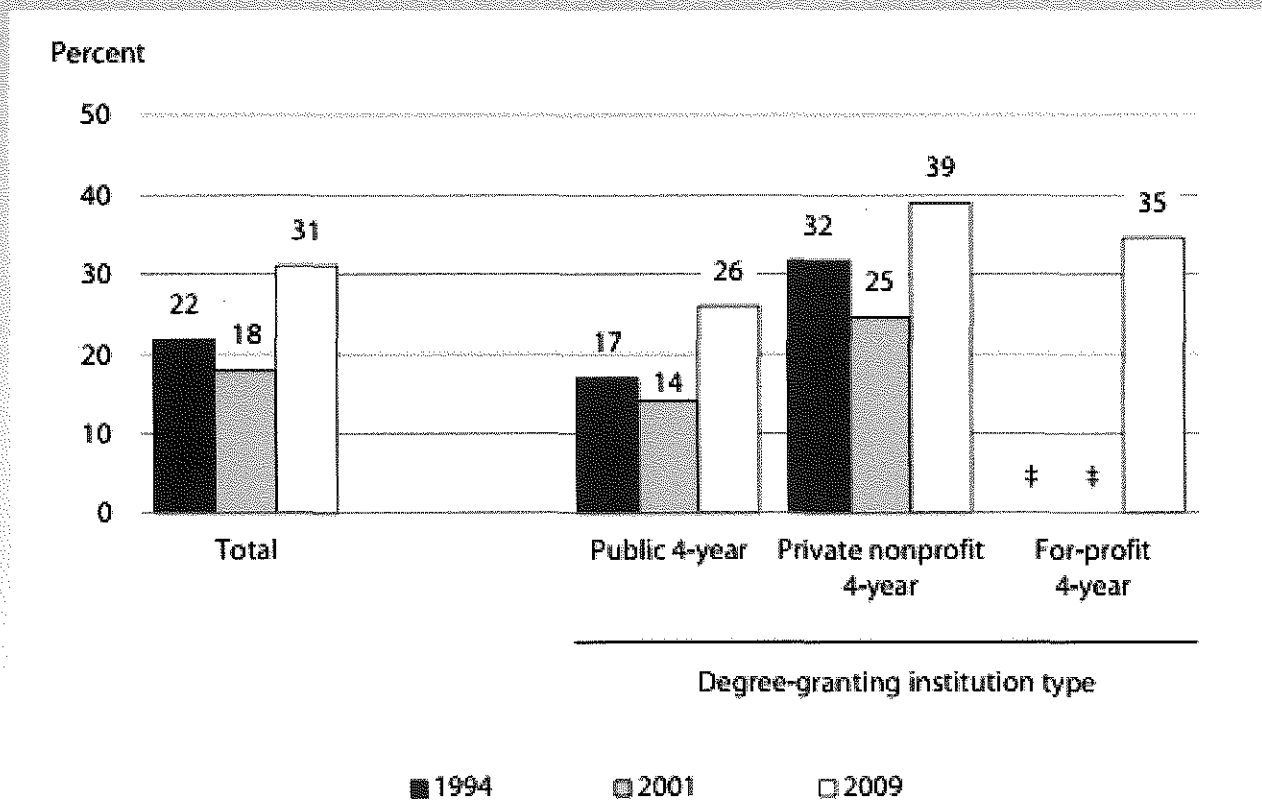
NOTE: Estimates include students enrolled in Title IV eligible postsecondary institutions in the 50 states, the District of Columbia, and Puerto Rico. They do not include graduates who were unemployed. Standard error tables are available at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014011>.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1993/94, 2000/01, and 2008/09 Baccalaureate and Beyond Longitudinal Studies (B&B:93/94, B&B:2000/01, and B&B:08/09).

FIGURE 8.

HIGH DEBT BURDEN

Percentage of first-time bachelor's degree recipients with ratio of monthly payments to monthly income over 12 percent among those who borrowed for their undergraduate education and were repaying their loans 1 year after graduation, by degree-granting institution type: 1994, 2001, and 2009

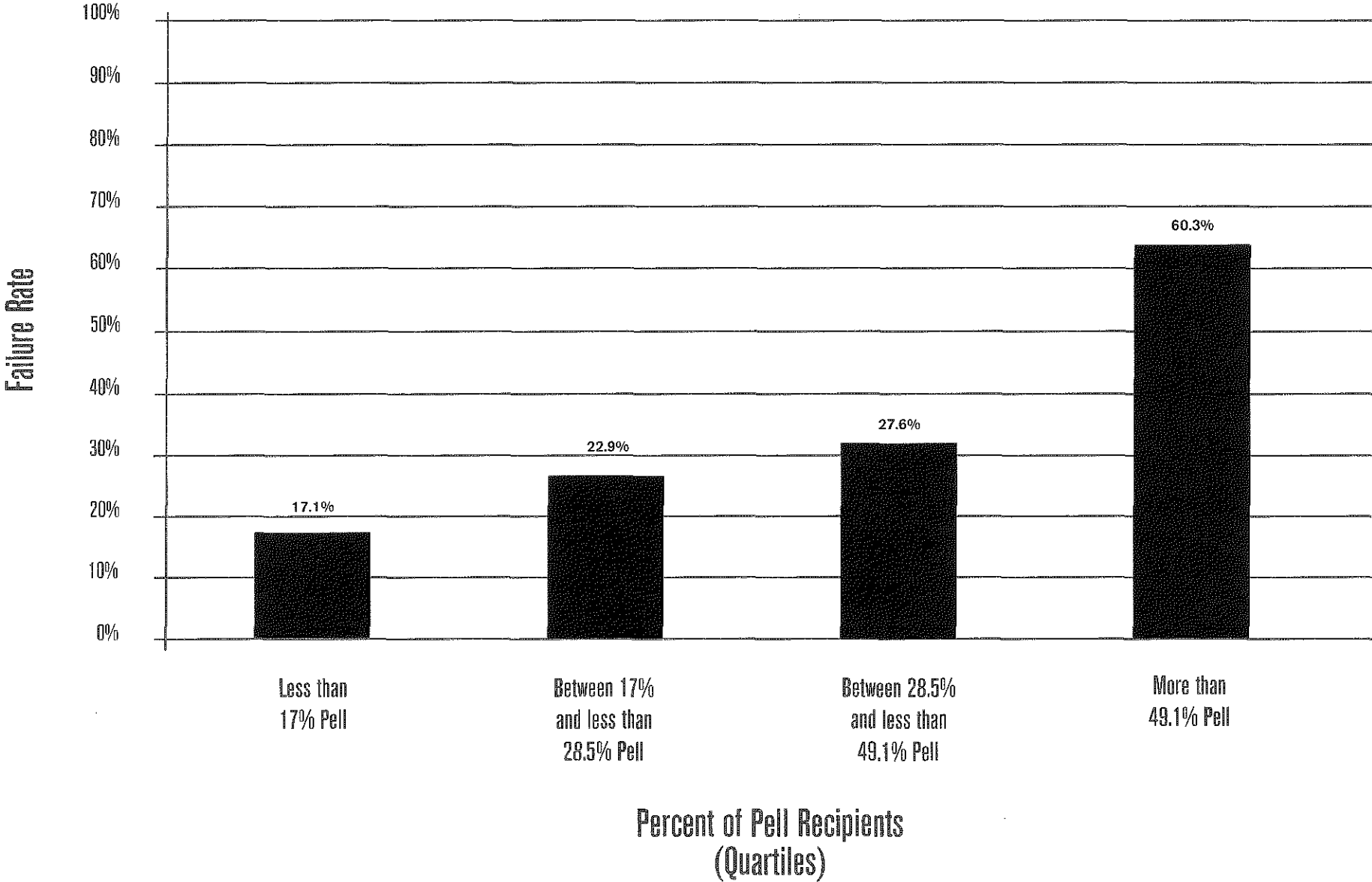


‡ Reporting standards not met.

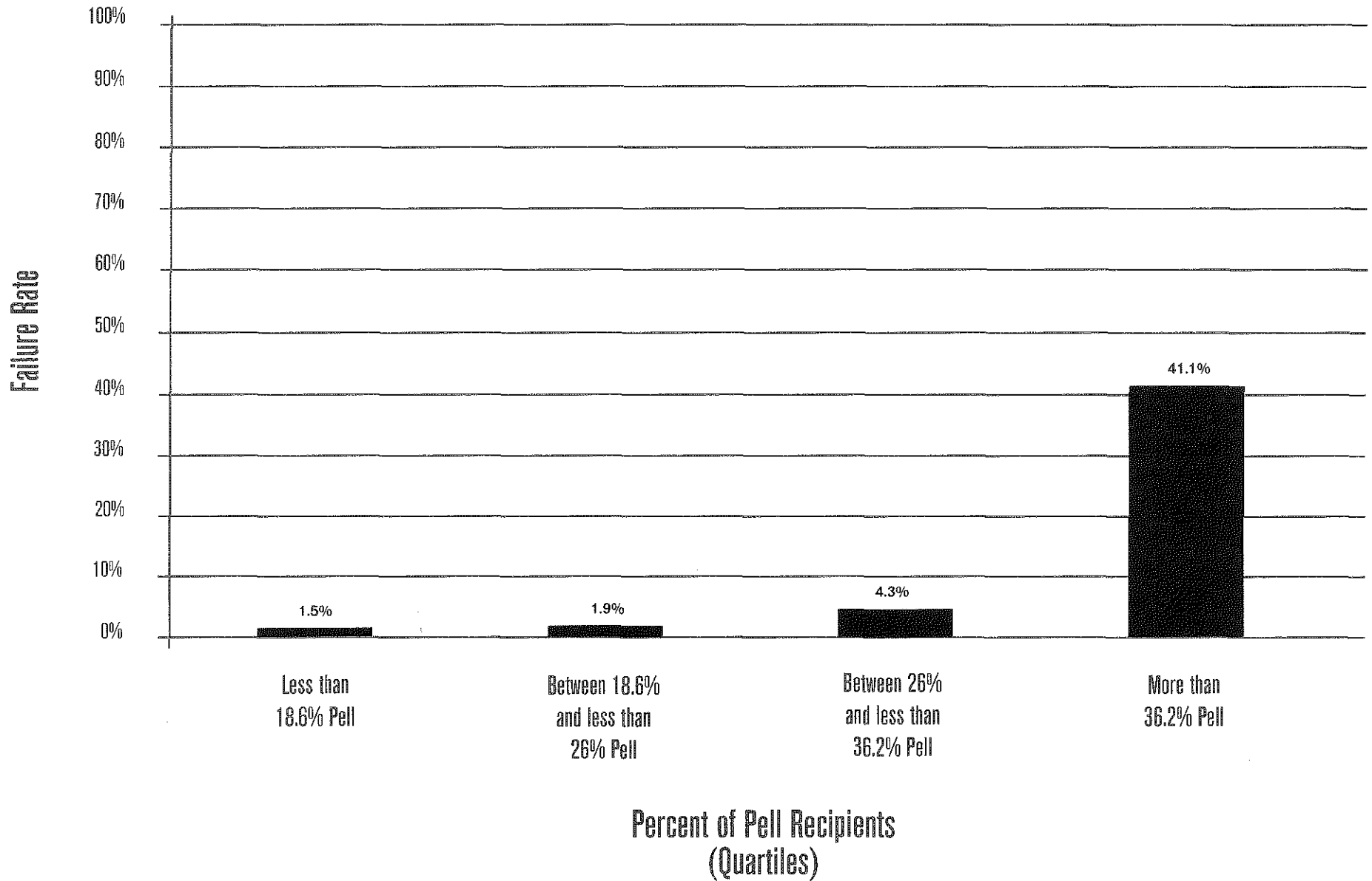
NOTE: Estimates include students enrolled in Title IV eligible postsecondary institutions in the 50 states, the District of Columbia, and Puerto Rico. They do not include graduates who were unemployed. Standard error tables are available at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014011>.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1993/94, 2000/01, and 2008/09 Baccalaureate and Beyond Longitudinal Studies (B&B:93/94, B&B:2000/01, and B&B:08/09).

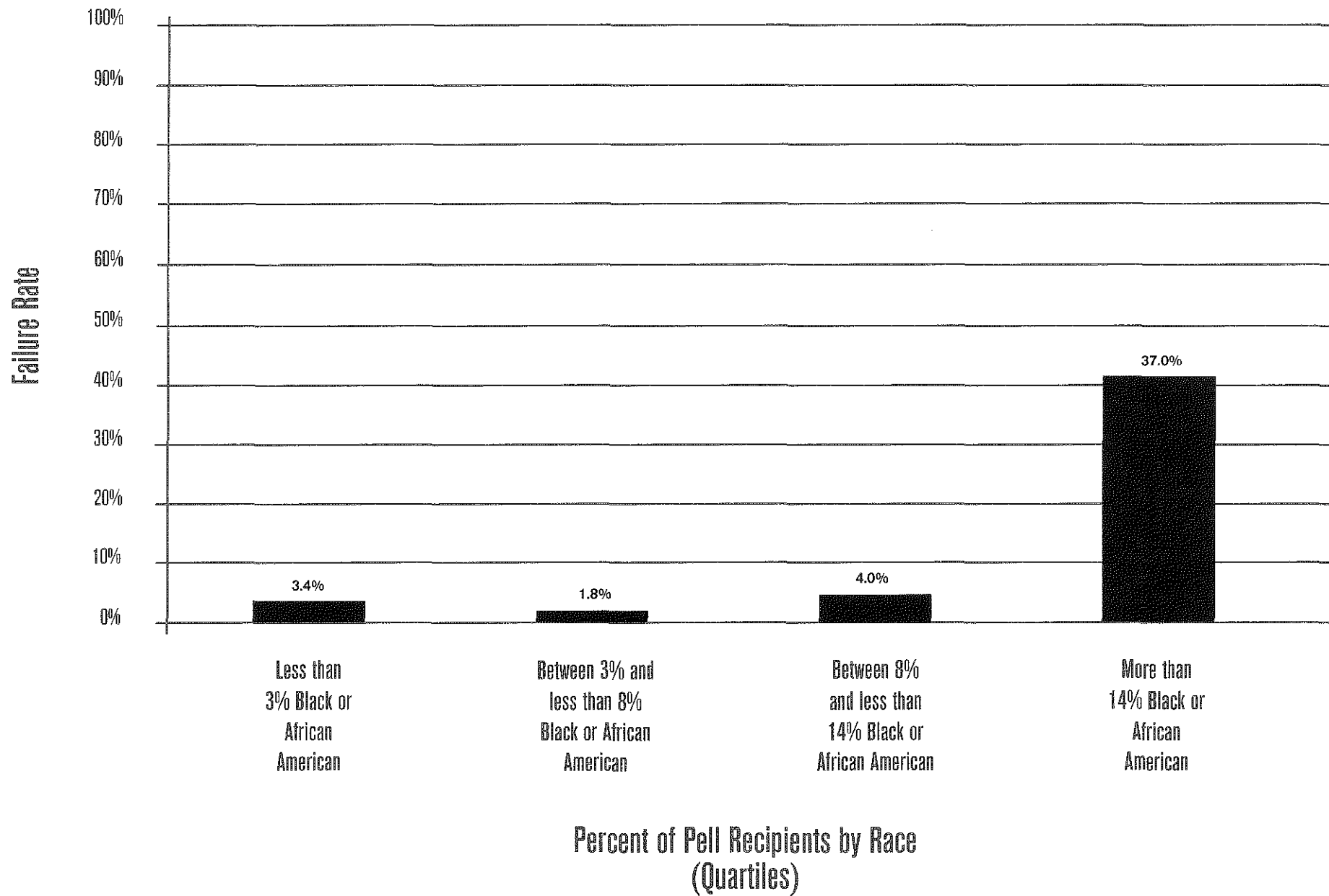
Repayment Rate Failure, Two-Year Colleges



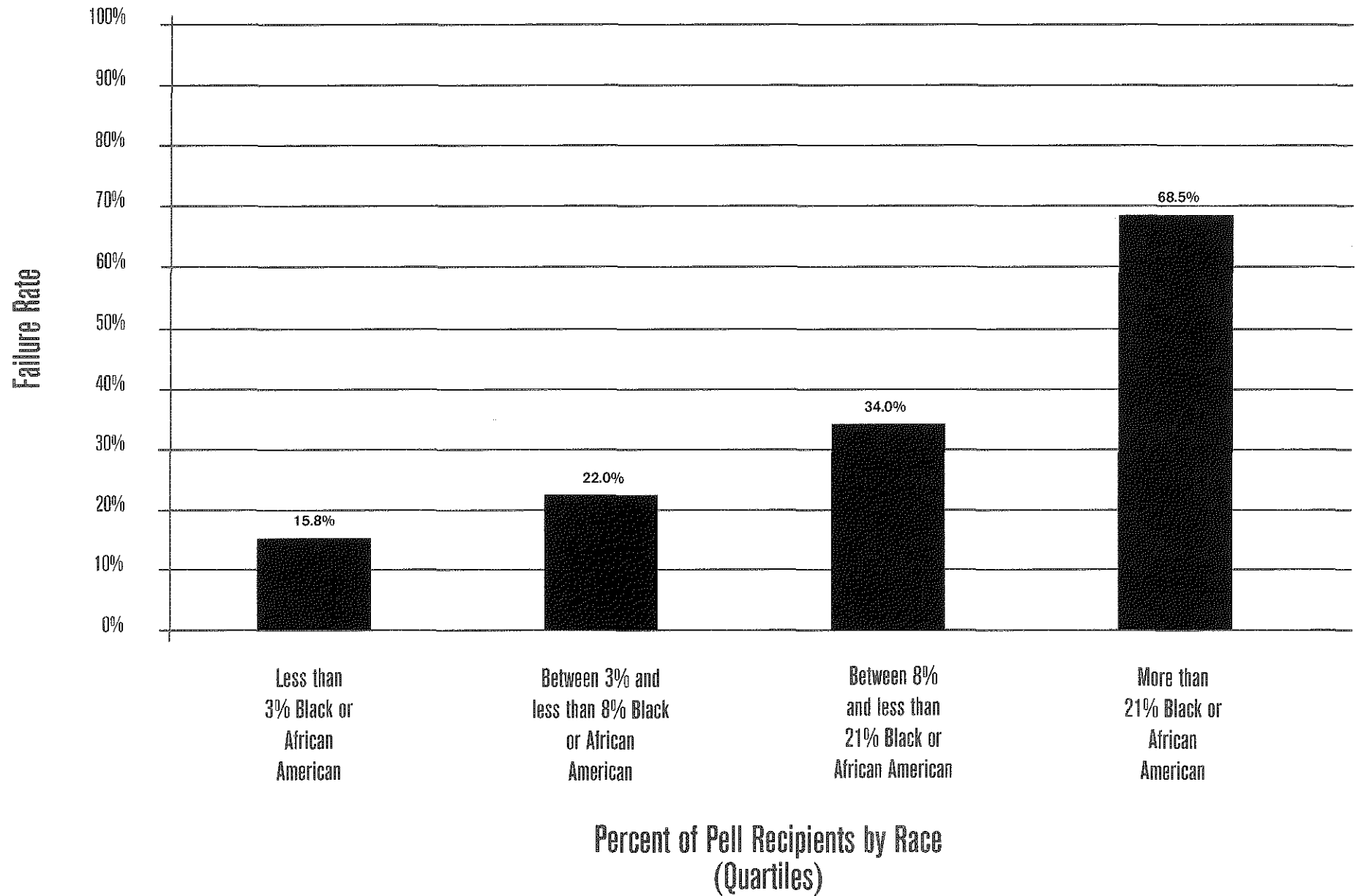
Repayment Rate Failure, Four-Year Colleges



Repayment Rate Failure, Four-Year Colleges, by Race



Repayment Rate Failure, Two-Year Colleges, by Race



The Impact of Each GE Proposal

	Number of Students	Amortization	Interest Rate
Final 2010 Rule	All graduates included	10/15/20 years	6.80%
First Proposed 2013 Rule	Excludes all non-Title IV students and students continuing for higher degrees	10 years	6.80%
Last Proposed 2013 Rule	Excludes all non-Title IV students and students continuing for higher degrees	10 years	3.40%

MBA

	Number of Students	Debt to Earnings Ratio	Amortization Period	Interest Rate	Required Salary
Final 2010 Rule	250	12%	15 years	6.80%	\$25,153
First Proposed 2013 Rule	152	8%	10 years	6.80%	\$73,406
Last Proposed 2013 Rule	152	8%	10 years	3.40%	\$62,777

Bachelor's in Criminal Justice

	Number of Students	Debt to Earnings Ratio	Amortization Period	Interest Rate	Required Salary
Final 2010 Rule	562	12%	15 years	6.80%	\$18,799
First Proposed 2013 Rule	497	8%	10 years	6.80%	\$38,366
Last Proposed 2013 Rule	497	8%	10 years	3.40%	\$32,810

**Graduation Rates for Students Entering a Less-than-Baccalaureate Program
Full-Time And Earning a Degree Through Spring of the Year Shown**

First-Time Entrants, <Bacc.

Total	Full-time Entrants in Year - 3	Less Than 2 Yr Pgm	Associate Degree Earned within		Percent Still Enrolled
			2 Yrs	3 Yrs	
37050004 Borough of Manhattan Community College					
2000	2,451	0.0%	--	10.9%	17.4%
2001	2,411	0.0%	0.9%	10.5%	30.7%
2002	2,340	--	1.6%	9.7%	30.6%
2003	2,693	--	1.4%	10.1%	31.2%
2004	2,686	--	2.5%	12.0%	19.4%
2005	2,775	--	2.6%	12.1%	19.6%
2006	2,840	--	1.5%	10.6%	19.5%
2007	2,689	--	1.9%	10.5%	18.9%
2008	2,649	--	2.0%	11.0%	18.8%
2009	2,822	--	2.6%	13.0%	18.3%
2010	3,317	--	3.1%	14.0%	19.2%
2011*	4,188	--	2.3%	11.9%	20.9%
37100004 Bronx Community College					
2000	1,045	0.3%	--	8.4%	18.9%
2001	1,041	--	0.5%	8.5%	28.0%
2002	1,083	0.1%	2.1%	9.9%	29.8%
2003	990	--	0.8%	7.3%	29.2%
2004	951	--	0.2%	8.8%	22.6%
2005	983	0.1%	1.0%	9.3%	25.0%
2006	1,153	0.3%	0.7%	6.9%	26.5%
2007	1,229	0.2%	0.7%	7.3%	25.8%
2008	1,245	0.2%	1.4%	7.4%	26.4%
2009	1,344	0.2%	0.5%	6.8%	28.3%
2010	1,478	0.2%	1.5%	8.1%	26.7%
2011*	1,335	0.1%	0.7%	7.9%	25.8%
37150004 Eugenio Maria De Hostos Community College					
2000	646	0.3%	--	7.6%	20.1%
2001	572	0.2%	0.3%	7.7%	28.0%
2002	449	0.2%	1.3%	9.1%	27.6%
2003	603	0.3%	0.7%	7.0%	30.5%
2004	514	1.0%	1.8%	9.1%	24.1%
2005	623	0.5%	0.6%	6.7%	20.9%
2006	582	0.2%	1.0%	8.2%	24.7%
2007	686	0.1%	2.0%	8.5%	24.5%
2008	644	--	1.6%	7.8%	23.9%
2009	714	0.1%	1.1%	10.1%	25.2%
2010	752	0.3%	1.9%	11.3%	27.1%
2011*	829	0.1%	0.5%	8.2%	23.5%

NYSED: NOTE: Years with asterisks indicate datasets that may be incomplete and/or not yet fully edited.

NYSED: Office of Research Information Systems

Friday, June 07, 2013