Student Loan Debt
Differential Risks

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Student Borrowing over Time

Amount Borrowed Annually (Billions) in 2015 Dollars

Source: National Postsecondary Student Aid Study (NCES 2015).
Class of 2015: 
70.9% Borrowed an Average of $35,051

Source: National Postsecondary Student Aid Study (NCES 2015)
Increasing Costs of College

Tuition and Fees in 2016 Dollars

Source: National Postsecondary Student Aid Study (NCES 2015)
Increasing Costs of College

Tuition, Fees, Room and Board in 2016 Dollars

Source: National Postsecondary Student Aid Study (NCES 2015)
Increasing Enrollment

Source: National Postsecondary Student Aid Study (NCES 2015)
Changing Enrollment Demographics

- Minority students 44%
- Nontraditional students 31%
- First-generation students 32%
Changing Enrollment

Distribution of Enrollment by Race

Source: National Postsecondary Student Aid Study (NCES 2015)
Study Sample

N= 507
55% Women, 45% Men
62% White, 20% Black, 8% Hispanic, 10% Asian and Other

<table>
<thead>
<tr>
<th>Total Expected Debt - Sample</th>
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<tbody>
<tr>
<td>None</td>
<td>34.9%</td>
</tr>
<tr>
<td>&lt; $10,000</td>
<td>4.8%</td>
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<tr>
<td>$10,001- $20,000</td>
<td>10.1%</td>
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<td>$20,001- $30,000</td>
<td>19.7%</td>
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<tr>
<td>$30,001- $40,000</td>
<td>12.6%</td>
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<tr>
<td>$40,001- $50,000</td>
<td>7.7%</td>
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<tr>
<td>$50,001- $60,000</td>
<td>4.8%</td>
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<tr>
<td>$60,001 +</td>
<td>5.4%</td>
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<tr>
<td>100.0%</td>
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Debt Distribution

Sample Compared to National Average

- None: Sample 30%, Nationally 40%
- < $30,000: Sample 20%, Nationally 34%
- >= $30,000: Sample 5%, Nationally 2%

No Board endorsement of any person or entity
Debt Distribution

Source: Baum and Steele, 2010.

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Loan Use and Degree Completion

- No Degree
- Degree
- Loan Use

Source: Jackson and Reynolds, 2013

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From Whom Did You Receive Advice?

- Parent(s): 56%
- College Admissions: 11%
- No Advice: 17%
- Online Sources: 7%
- Other: 9%

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How did you decide how much to borrow?

- Calculated estimate
- As much as possible
- “IDK” (parents)
- Guessed
McCabe and Jackson (2016)
Pathways to Financing College

• Parents with financial and cultural capital
• Parents with limited financial and cultural capital - students on their own
• Students partnered with parents and counselors
How Long to Pay Off Loans?

- < 5 years: 16%
- 6 - 10 years: 15%
- 11 - 15 years: 13%
- 16 - 20 years: 26%
- 20+ years: 30%
How will student debt affect your lifestyle after graduation?

• Minimal impact
• Moderate impact
• Significant impact
Concern about Ability to Repay

- Not at all concerned: 26%
- Not very concerned: 16%
- Concerned: 24%
- Very concerned: 2%
- Extremely concerned: 32%

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How do you feel about the amount of student loan debt incurred?

- Overwhelmed, anxious, stressed, scared
- Necessary evil, normal
- “Could be worse”
- Uninformed, “duped”
- Positive
What do you wish you had known before taking on student debt?

- Interest accrual
- Alternatives to loans
- “How college financing works”
Recommendations

• Reduce costs of college attendance
• Reduce costs of borrowing
• Stress importance of early planning
• Better inform students about costs of borrowing, alternatives to borrowing, and borrowing less
• Increase persistence of students from vulnerable groups

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References


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