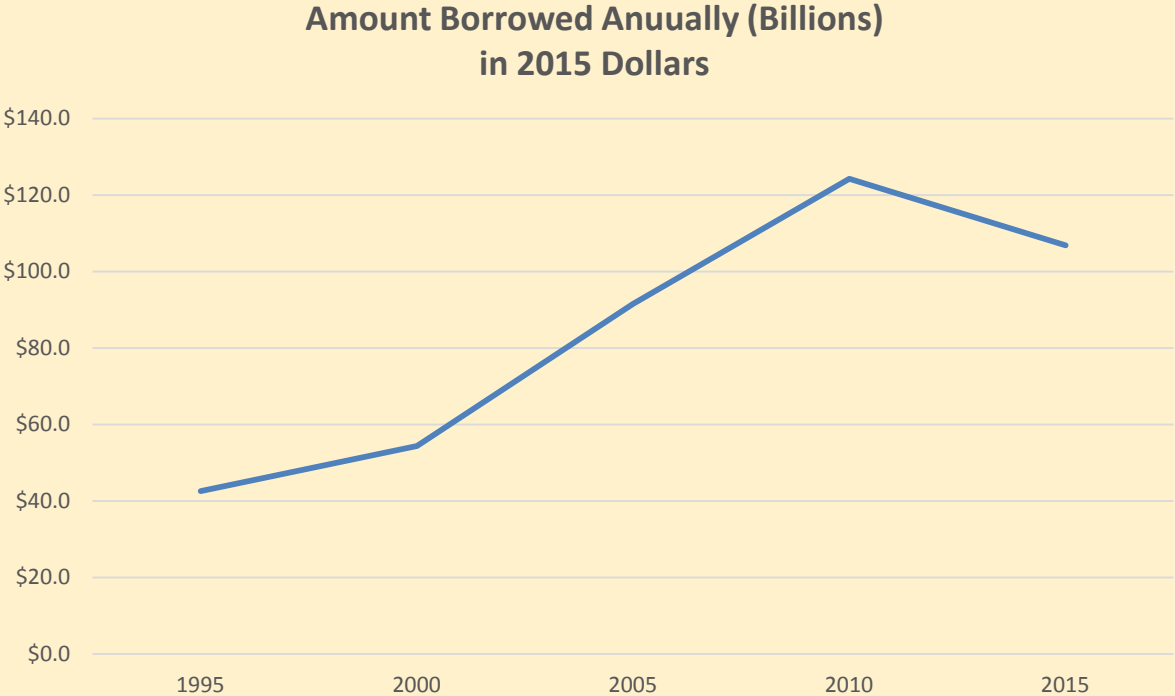


Student Loan Debt Differential Risks

Gail Markle, Ph.D.

Associate Professor of Sociology

Student Borrowing over Time

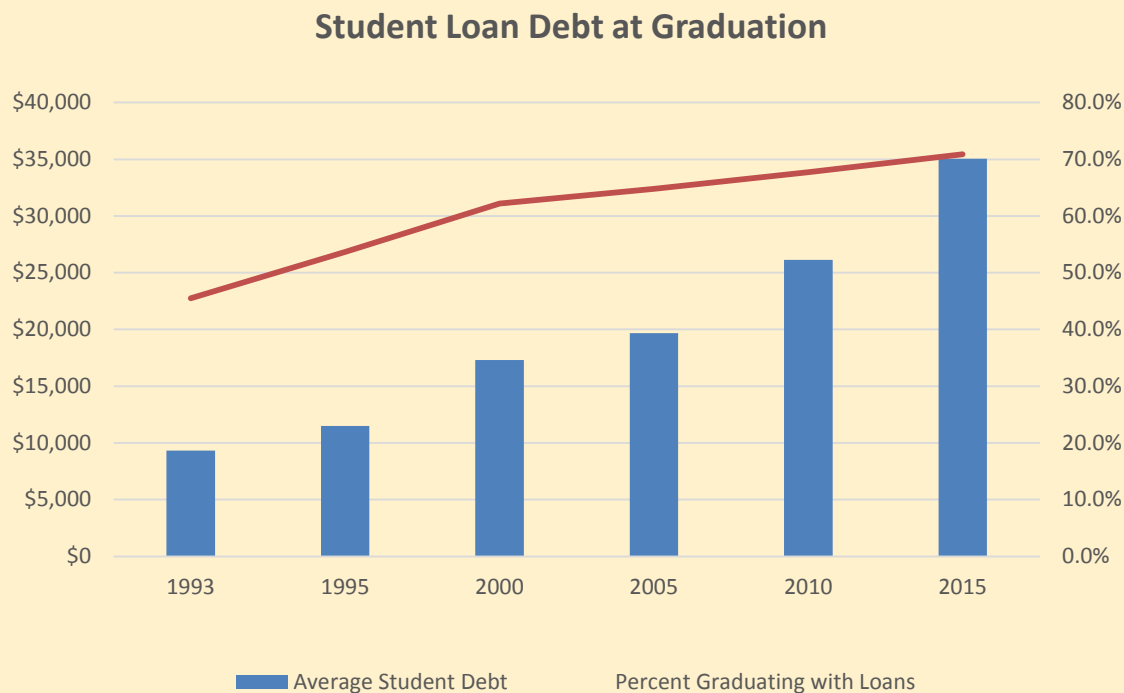


Source: National Postsecondary Student Aid Study (NCES 2015).

No Board endorsement of any person or entity



Class of 2015: 70.9% Borrowed an Average of \$35,051

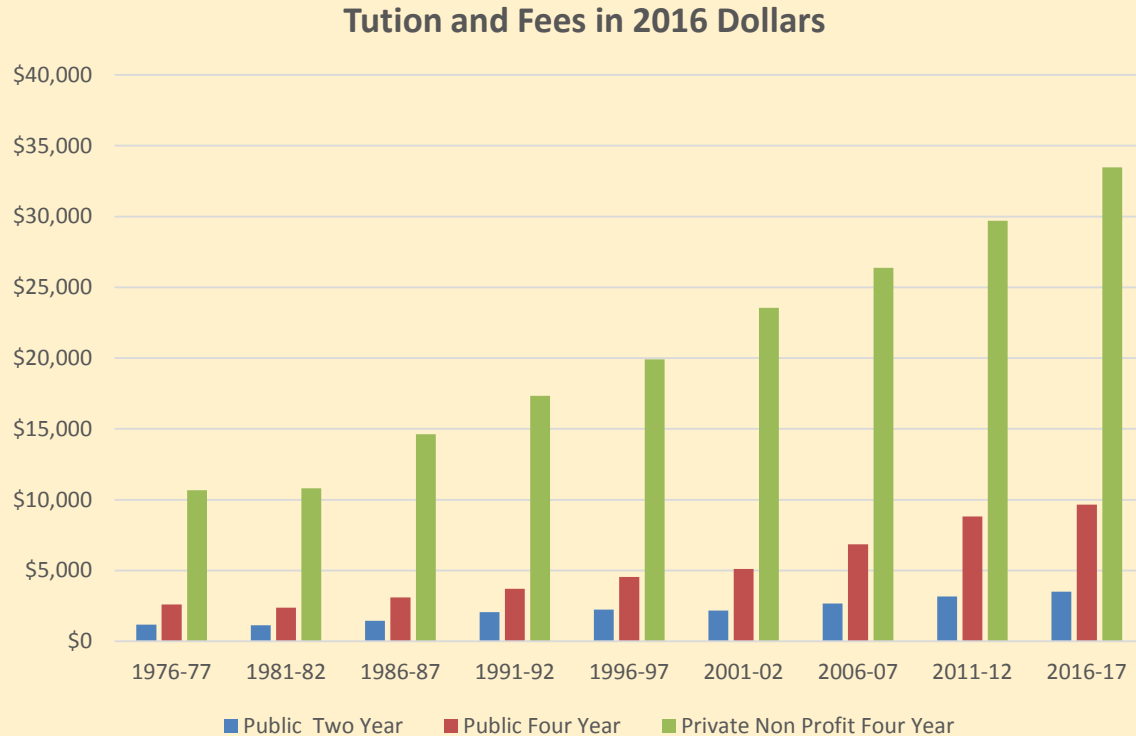


Source: National Postsecondary Student Aid Study (NCES 2015)

No Board endorsement of any person or
entity



Increasing Costs of College

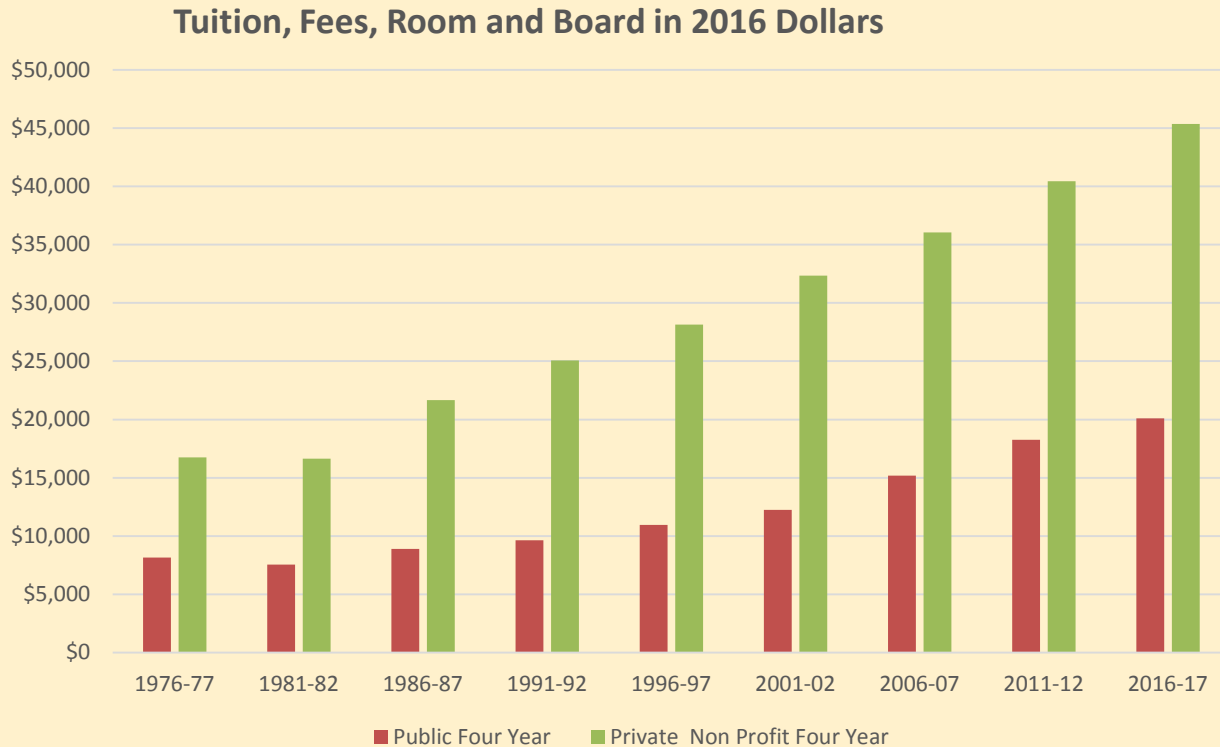


Source: National Postsecondary Student Aid Study (NCES 2015)

No Board endorsement of any person or
entity



Increasing Costs of College

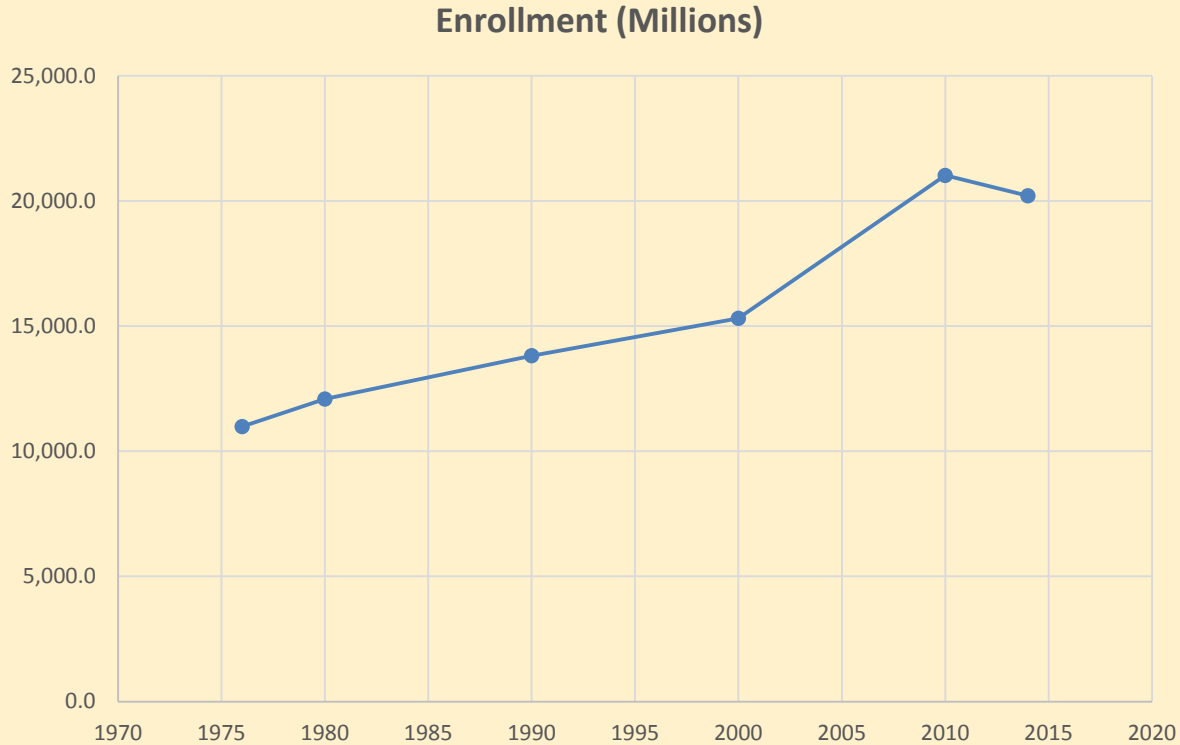


Source: National Postsecondary Student Aid Study (NCES 2015)

No Board endorsement of any person or
entity



Increasing Enrollment



Source: National Postsecondary Student Aid Study (NCES 2015)

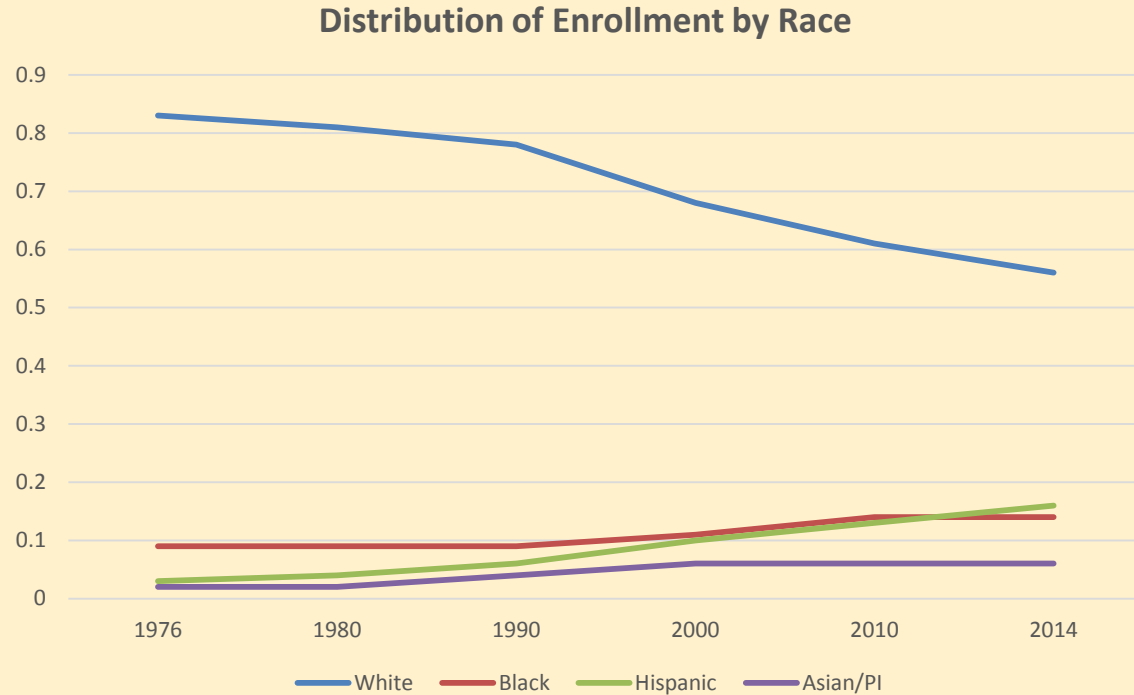
No Board endorsement of any person or
entity



Changing Enrollment Demographics

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

Changing Enrollment



Source: National Postsecondary Student Aid Study (NCES 2015)

No Board endorsement of any person or
entity



Study Sample

N= 507

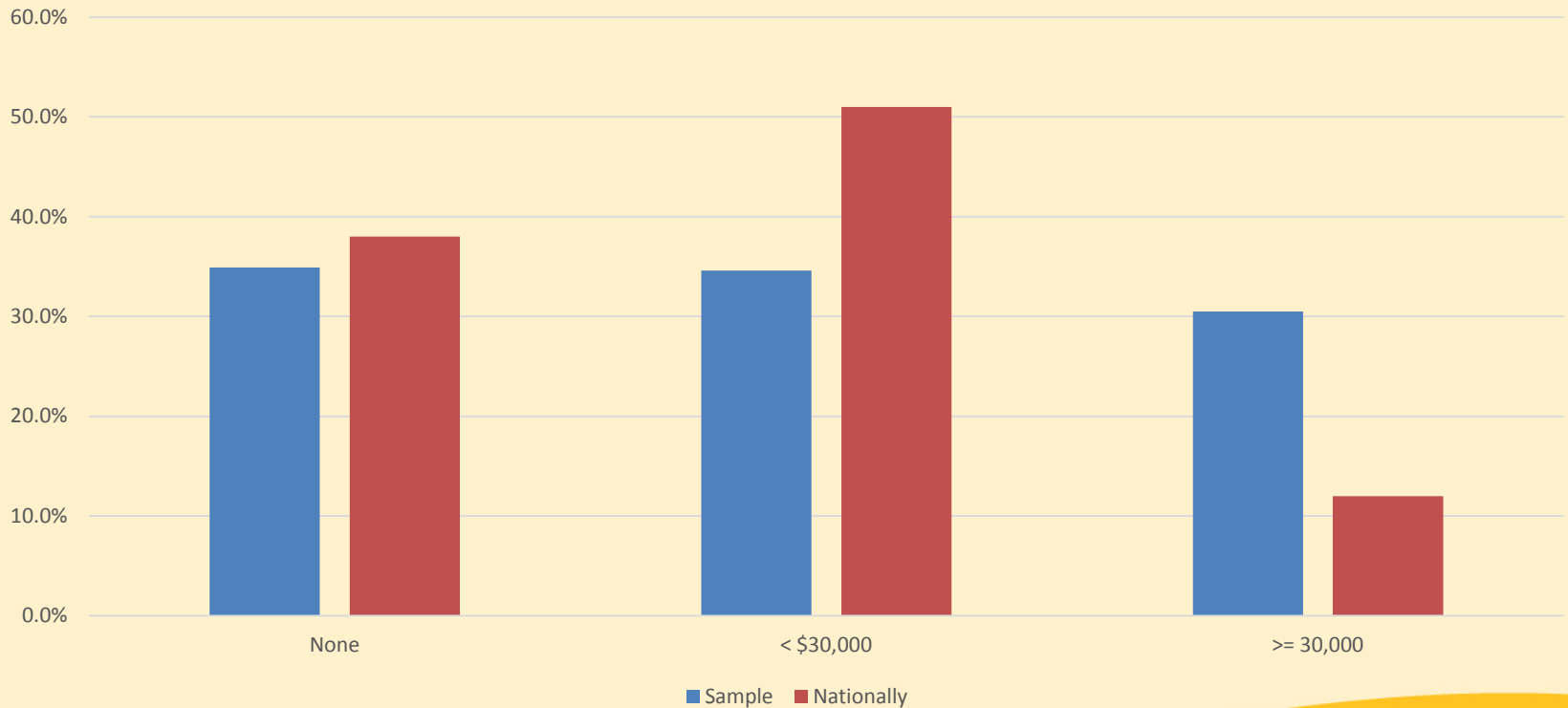
55% Women, 45% Men

62% White, 20% Black,
8% Hispanic, 10% Asian
and Other

Total Expected Debt - Sample	
None	34.9%
< \$10,000	4.8%
\$10,001- \$20,000	10.1%
\$20,001- \$30,000	19.7%
\$30,001- \$40,000	12.6%
\$40,001- \$50,000	7.7%
\$50,001- \$60,000	4.8%
\$60,001 +	5.4%
	100.0%

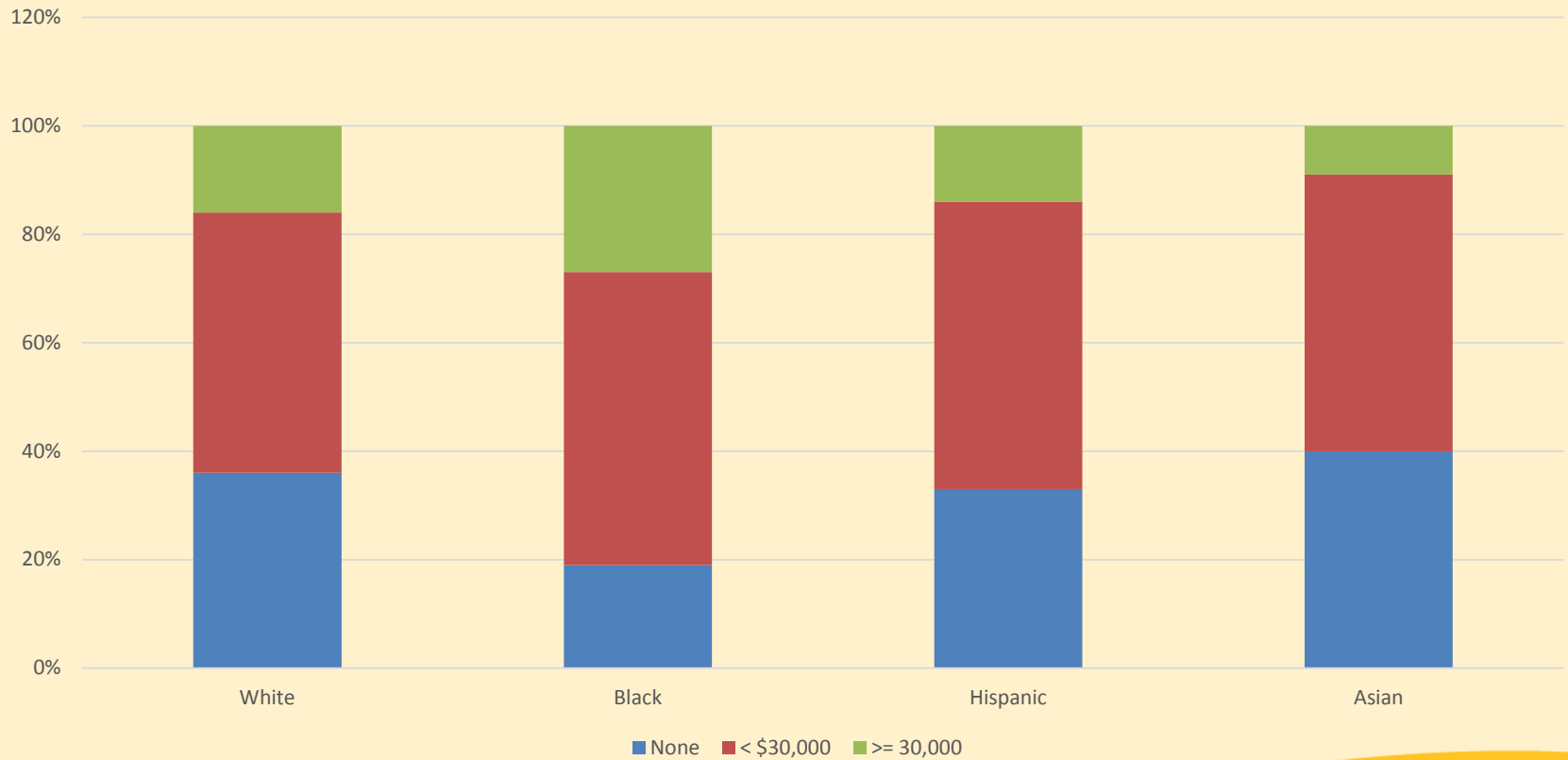
Debt Distribution

Sample Compared to National Average



No Board endorsement of any person or
entity

Debt Distribution

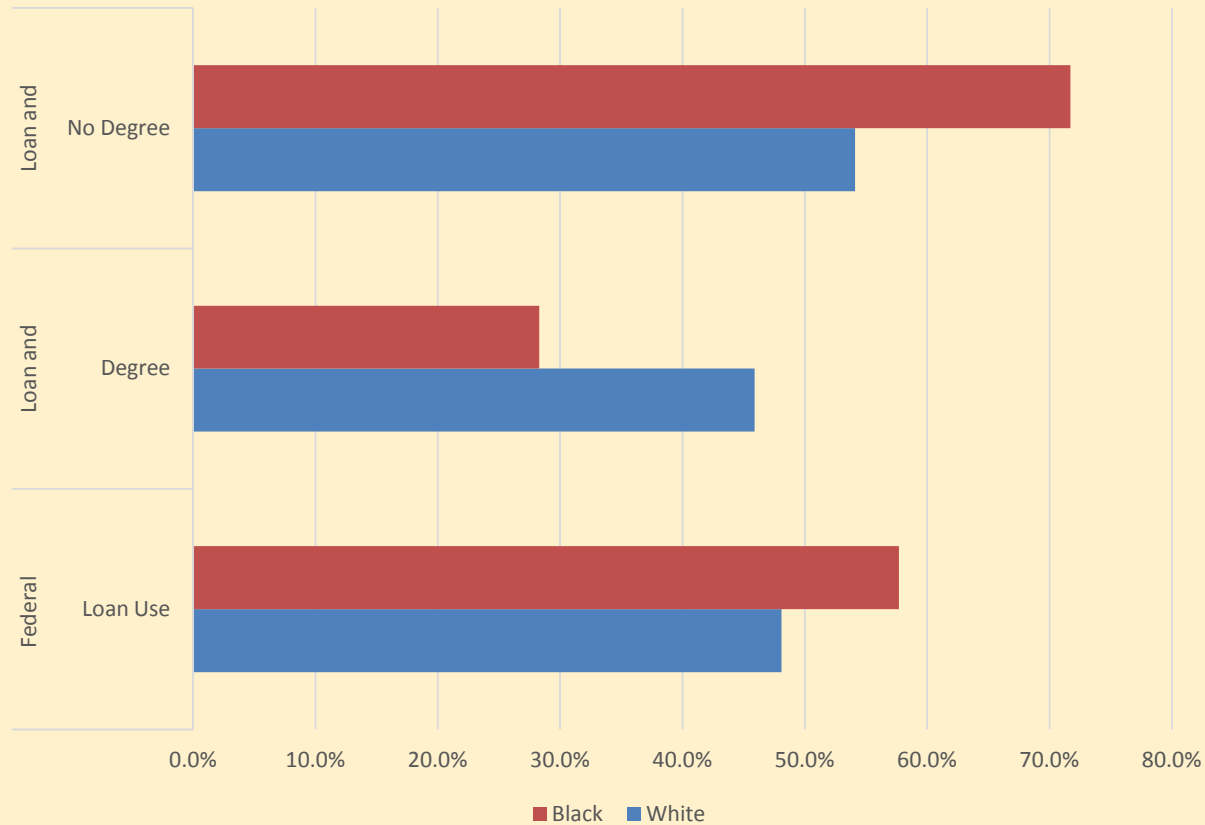


Source: Baum and Steele, 2010.

No Board endorsement of any person or entity



Loan Use and Degree Completion

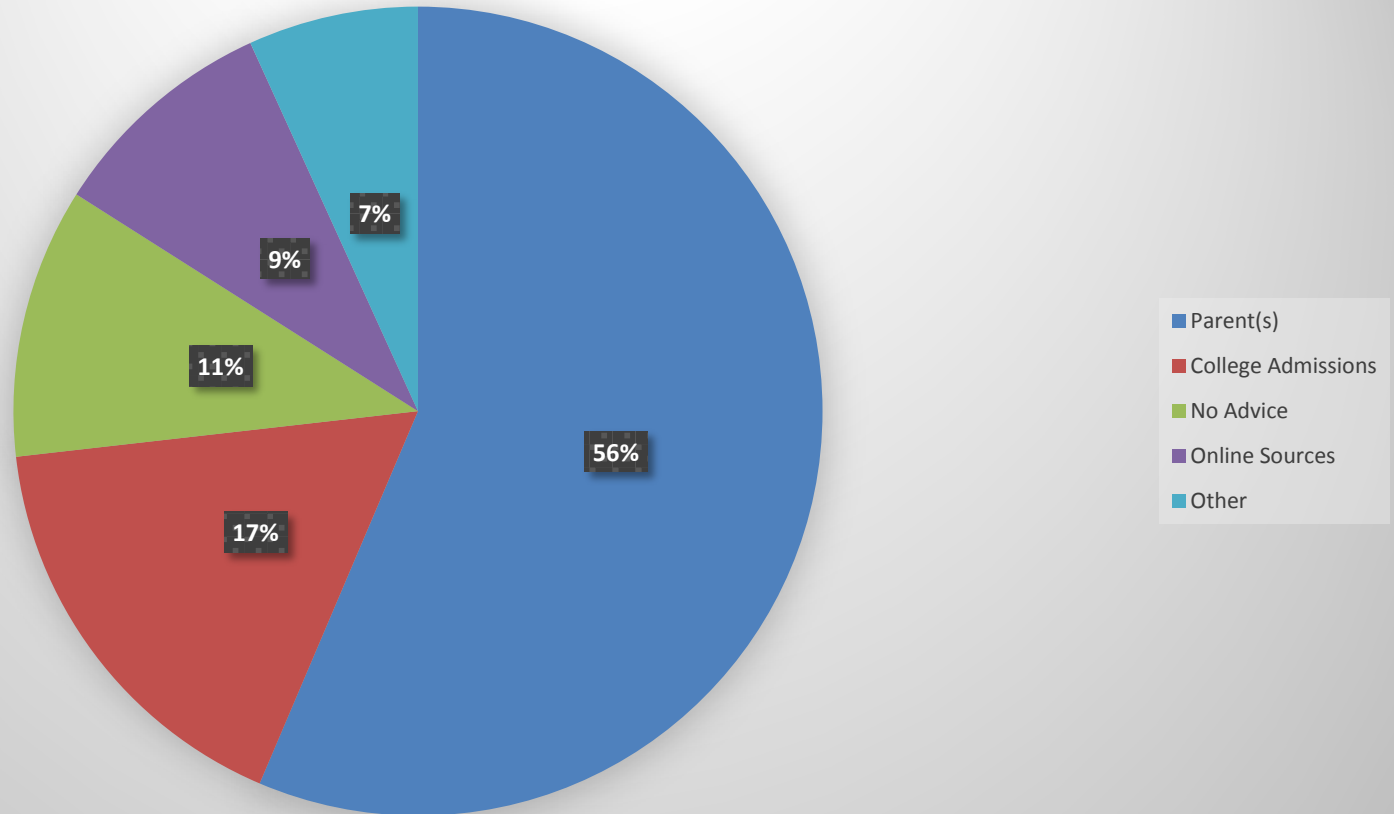


Source: Jackson and Reynolds, 2013

No Board endorsement of any person or entity



From Whom Did You Receive Advice?



No Board endorsement of any person or
entity

How did you decide how much to borrow?

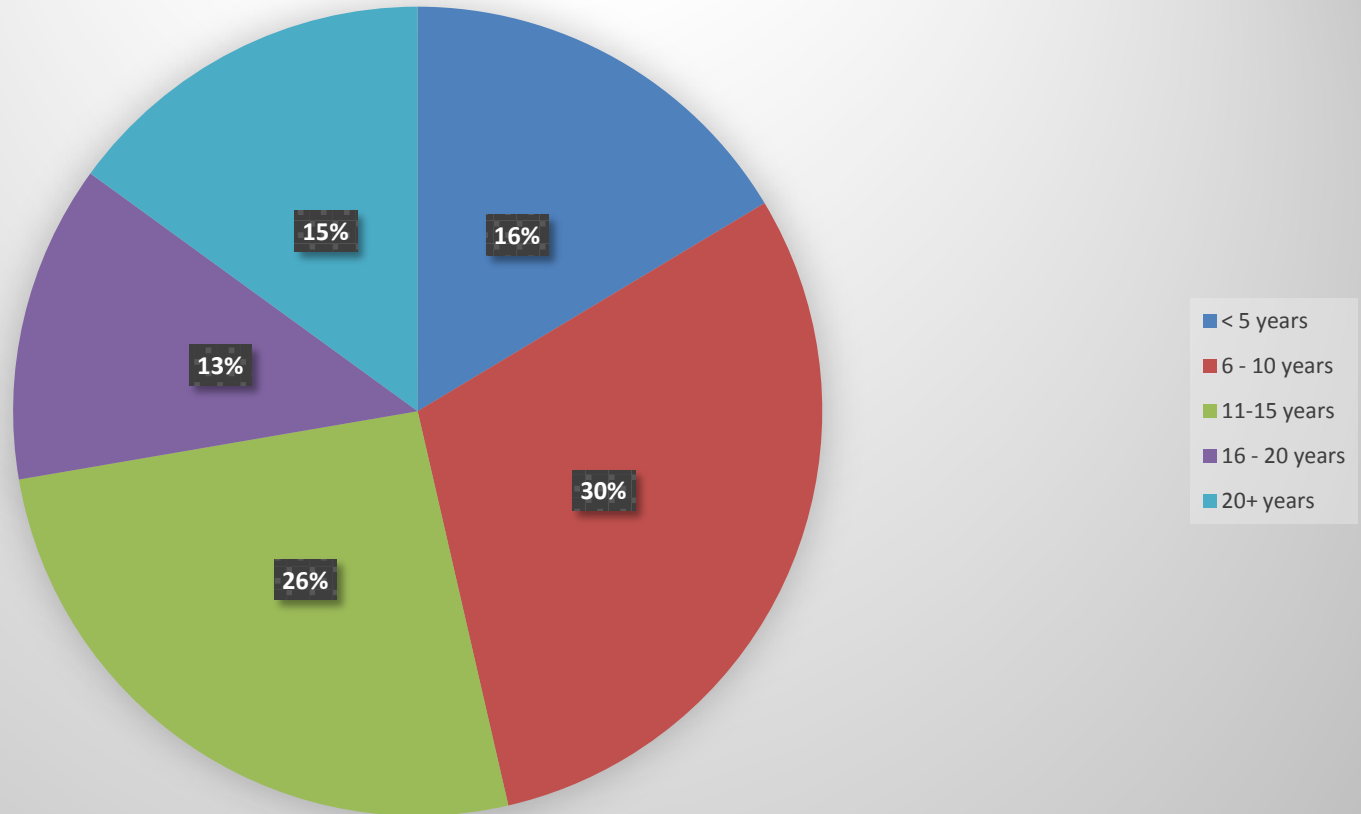
- Calculated estimate
- As much as possible
- “IDK” (parents)
- Guessed

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?

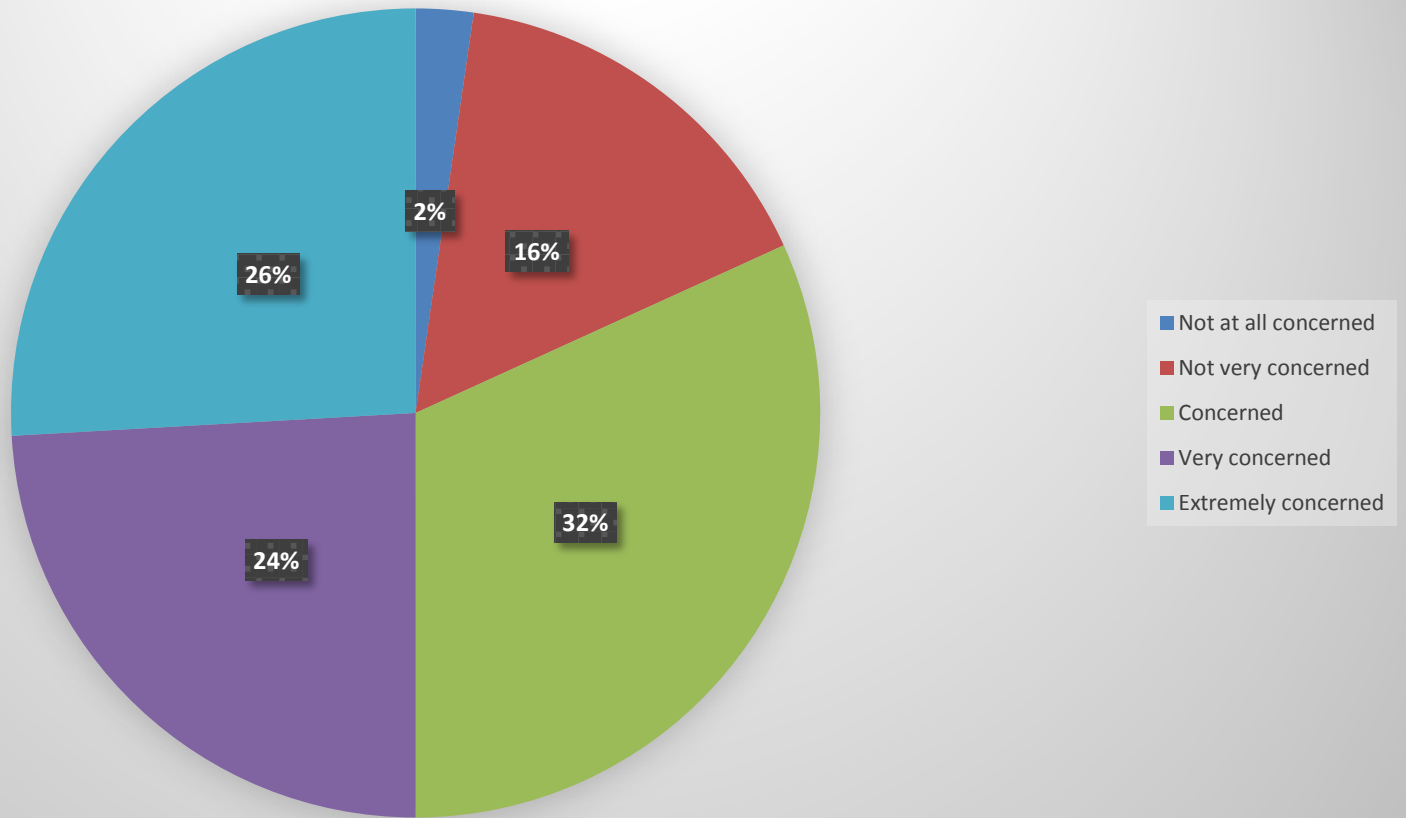


No Board endorsement of any person or
entity

How will student debt affect your lifestyle after graduation?

- Minimal impact
- Moderate impact
- Significant impact

Concern about Ability to Repay



No Board endorsement of any person or
entity

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

References

- Baum, Sandy, and Marie O'Malley. 2003. "College on Credit: How Borrowers Perceive their Education Debt." *Journal of Student Financial Aid* 33(3): 7-19.
- Baum, Sandy, and Patricia Steele. 2010. *Who Borrows Most? Bachelor's Degree Recipients with High Levels of Student Debt*. NY: The College Board.
- Jackson, Brandon A., and John R. Reynolds. 2013. "The Price of Opportunity: Race, Student Loan Debt, and College Achievement." *Sociological Inquiry* 83(3): 335-368.
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- National Center for Education Statistics (NCES). 2015. *National Postsecondary Student Aid Study*. Washington, D.C.: U.S. Government Printing Office.