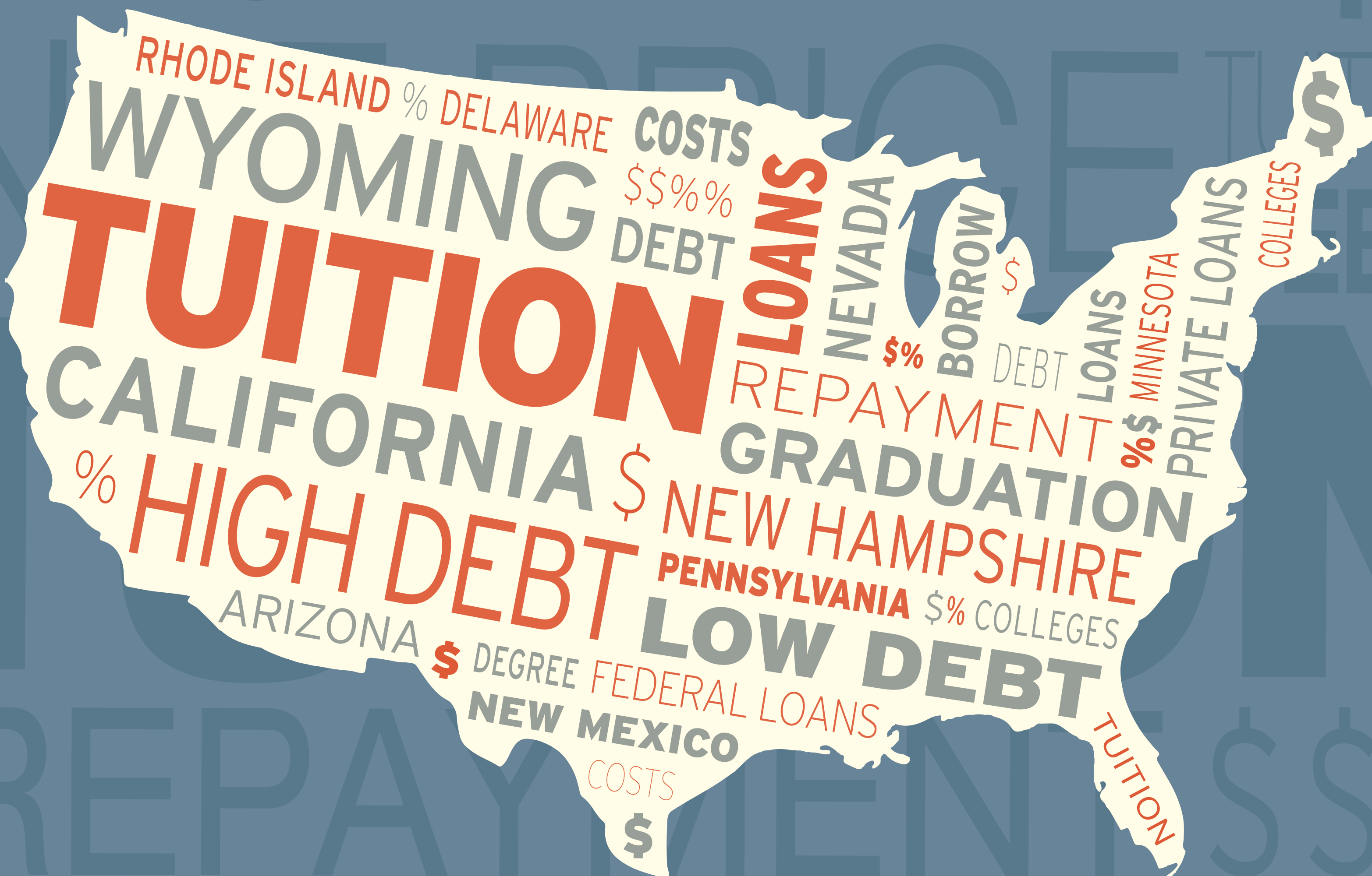
STUDENT DEBT AND THE CLASS OF **2012**

DECEMBER 2013



the institute for college access & success

THE PROJECT ON STUDENT DEBT

ACKNOWLEDGEMENTS

The Project on Student Debt is an initiative of The Institute for College Access & Success (TICAS), an independent, nonprofit organization working to make higher education more available and affordable for people of all backgrounds. For more about TICAS, see ticas.org.

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STUDENT DEBT AND THE CLASS OF **2012**

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OVERVIEW

State averages for debt at graduation ranged widely in 2012, from $18,000 to $33,650, and graduating seniors' likelihood of having debt ranged from 41 percent to 78 percent.

Student Debt and the Class of 2012 is our eighth annual report on the cumulative student loan debt of recent graduates from four-year colleges. Our analysis finds that the debt levels of students who graduate with loans continue to rise, with considerable variation among states as well as among colleges.

Seven in 10 college seniors who graduated in 2012 had student loan debt, with an average of $29,400 for those with loans.[1] The national share of seniors graduating with loans rose in recent years, from 68 percent in 2008 to 71 percent in 2012, while their debt at graduation increased by an average of six percent per year. Even though the financial crisis caused a substantial decline in private education lending while these borrowers were in school, about one-fifth (20%) of their debt is comprised of private loans, which are typically more costly and provide fewer consumer protections and repayment options than safer federal loans.[2]

State averages for debt at graduation ranged widely in 2012, from $18,000 to $33,650, and graduating seniors' likelihood of having debt ranged from 41 percent to 78 percent. In five states, average debt was more than $30,000. High-debt states remain concentrated in the Northeast and Midwest, with low-debt states mainly in the West and South. See page 4 for state-by-state debt figures.

Average debt varies even more at the college level than at the state level, from $4,450 to $49,450. Colleges with higher costs tend to have higher average debt, but there are many examples of high-cost colleges with low average debt, and vice versa. For more about debt at the college level, including lists of high- and low-debt schools, see page 7.

It is important to note that the state and college debt figures in this report reflect only graduates of public and private nonprofit four-year colleges, because so few for-profit colleges choose to report the necessary data. Every four years, including 2012, a federal survey collects the data needed to calculate national debt figures for new graduates of all types of colleges. However, this survey does not provide state- or college-level data, and colleges are not required to report their own graduates' debt. That is why we use data provided voluntarily by many public and nonprofit colleges to estimate state averages and identify high- and low-debt schools. The vast majority of the Class of 2012 graduated from public and nonprofit colleges.

Nationally, 68 percent of 2012 graduates of public and private nonprofit four-year colleges had student debt, with an average of $27,850 per borrower. These are lower than the overall national figures because they do not include for-profit college graduates, who are more likely to borrow and graduate with more debt. For more about for-profit colleges, see page 13.

The limitations of relying on voluntarily reported data underscore the need for federal collection of student debt data for all schools. Even for colleges that do report voluntarily, the debt figures in the report may understate actual borrowing because they do not include transfer students or any private loans the college was unaware of. The report's state estimates are based on the available college-level data, so actual state averages may be higher as well.

Having to repay student loans can pose particular challenges for recent graduates who cannot find any or enough work, particularly if they have private loans. During the time many members of the Class of 2012 were entering the job market, the unemployment rate for young college graduates was 7.7 percent, a decrease from 8.8 percent one year earlier but still higher than the levels seen

[1] These figures reflect the cumulative student loan debt of undergraduates who were citizens or permanent residents; attended public, private nonprofit, or for-profit four-year colleges in the 50 states or District of Columbia; and expected to graduate with a bachelor's degree during 2011-12. See *Appendix A* for more information. All dollar figures in this report are in current or nominal dollars, not adjusted for inflation. Dollar figures in the report text are rounded to the nearest $50, while dollar figures in tables or footnotes are rounded to the nearest $1.

[2] This figure represents the share of the Class of 2012's student debt that is private loans (vs. federal loans). "Private loans" refers here to all non-federal loans made to students to cover the cost of attending college.

before the recent financial crisis.[3] In addition, traditional unemployment rates do not capture those considered underemployed. A broader measure that includes both unemployment and underemployment shows that 18.3 percent of young college graduates were working fewer hours than they wanted, were not working but still looking for work, or had given up looking for work.[4]

While these facts are troubling, recent research underscores the strong employment and earnings prospects for those with college degrees. On average, four-year college graduates continue to experience far less unemployment and to earn higher salaries than their counterparts with only a high school education.[5] The unemployment rate for young high school graduates was 17.9 percent in 2012, more than double the rate for young college graduates.[6]

When student borrowers face unexpectedly low earnings, income-driven repayment programs can help. Designed to keep loan payments manageable at any income level, Income-Based Repayment (IBR) has been available to federal student loan borrowers since 2009. Class of 2012 graduates may also have access to Pay As You Earn (PAYE), which forgives any remaining debt after 20 rather than 25 years in repayment, and is available to students who first borrowed federal student loans after September 30, 2007 and received a disbursement after September 30, 2011.

Many factors influence student debt levels for each graduating class and the rate of increase over time, such as changes in college costs, family resources, and need-based grant aid. For many 2012 graduates, their college years came during a time of increasing college costs and stagnant family resources. State budget cuts led to sharp tuition increases at many public colleges, increasing students' need to borrow. On the other hand, available grant aid (federal, state, institutional, and private combined) increased while the Class of 2012 was in college, including a substantial increase to the federal Pell Grant, the largest need-based grant program, in 2009-10.[7] Borrowing levels almost certainly would have been higher were it not for increased grant aid during this period.

This report includes policy recommendations to address rising student debt, including collecting more comprehensive college-level data. Other recommendations focus on reducing the need to borrow, improving consumer information, strengthening college accountability, and protecting private loan borrowers. For more about these recommendations, see page 16.

A companion interactive map with details for all 50 states, the District of Columbia, and more than 1,000 public and private nonprofit four-year colleges is available at projectonstudentdebt.org/state_by_state-data.php.

[3] The unemployment rate for this group peaked at 9.1% in 2010, the highest annual figure in the data, which go back to 1994. These annual unemployment figures are from unpublished data from the Current Population Survey, provided by the Bureau of Labor Statistics (BLS) in response to personal communications in March 2013. The figures apply to those in the civilian non-institutional population who are college graduates with a bachelor's degree or higher, are aged 20 to 24, and are working or actively seeking work. The unemployment rate measures the proportion of that population who are not working.

[4] Economic Policy Institute analysis of Current Population Survey microdata for the 12-month period from March 2012 to February 2013. Note that the population covered is slightly different from the BLS unemployment rates cited above, so the combined underemployment/unemployment figure is not directly comparable to the BLS unemployment rate. The combined rate applies to those who are those in the civilian non-institutional population who are college graduates not enrolled in further schooling, aged 21 to 24, and working, actively seeking work, or who recently gave up looking for work and measures the share of this population who are not working or who are working part time but want to work full time. Economic Policy Institute. 2013. *The Class of 2013: Young graduates still face dim job prospects*. http://www.epi.org/publication/class-of-2013-graduates-job-prospects/. Accessed September 23, 2013.

[5] The College Board. 2013. *Education Pays 2013*. http://trends.collegeboard.org/education-pays. Accessed October 17, 2013.

[6] Unpublished data from the Current Population Survey, provided by the Bureau of Labor Statistics (BLS) in response to personal communications in March 2013. The figures apply to those in the civilian non-institutional population who are high school graduates with no college, are aged 20 to 24, and are working or actively seeking work. The unemployment rate measures the proportion of that population who are not working.

[7] In current dollars, not adjusted for inflation, average grant aid per FTE went from about $4,700 in 2007-08 to about $6,900 in 2011-12, with increases each year. Calculations by the Project on Student Debt on data from The College Board. 2013. *Trends in Student Aid 2013*. Table 3A and Table A2. http://trends.collegeboard.org/sites/default/files/student-aid-2013-source-data.xls.

STUDENT DEBT BY STATE

The statewide average debt levels for the Class of 2012 vary widely among the states, but most of the same states appear at the high and low ends of the spectrum as in previous years.[8] We base state averages on the best available college-level data, which were reported voluntarily by 1,075 public and private nonprofit four-year colleges for the Class of 2012.

The following tables show the states with the highest and lowest average debt levels for the Class of 2012.

As in past years, high-debt states are mainly in the Northeast and Midwest, with low-debt states mainly in the West and South.

TABLE 1

HIGH-DEBT STATES	
Delaware	$33,649
New Hampshire	$32,698
Pennsylvania	$31,675
Minnesota	$31,497
Rhode Island	$31,156
Iowa	$29,456
Maine	$29,352
New Jersey	$29,287
Ohio	$29,037
Michigan	$28,840

TABLE 2

LOW-DEBT STATES	
New Mexico	$17,994
California	$20,269
Arizona	$20,299
Nevada	$20,568
Wyoming	$21,241
Utah	$21,520
Tennessee	$21,775
District of Columbia	$22,106
Kentucky	$22,384
Louisiana	$22,789

In general, private nonprofit colleges have higher costs than public ones, and higher average costs at the state or college level are associated with higher average debt. However, there are many colleges with high costs and low debt, and vice versa. Multiple factors influence average college debt levels, such as endowment resources available for financial aid, student demographics, state policies, institutional financial aid packaging policies, and the cost of living in the local area. For more about debt at the college level, please see *Student Debt at Colleges* on page 7.

[8] The state averages and rankings in this report are not directly comparable to those in previous years' reports due to changes in which colleges in each state report data each year, corrections to the underlying data submitted by colleges, and changes in methodology. To compare state averages over time based on the current data and methodology, please visit College InSight, http://College-InSight.org.

The following table shows each state's average debt and proportion of students with loans in the Class of 2012, along with information about the amount of usable data actually available for each state.[9]

TABLE 3

PERCENTAGE OF GRADUATES WITH DEBT AND AVERAGE DEBT OF THOSE WITH LOANS, BY STATE

	Class of 2012				Institutions (BA-granting)		Graduates
State	Average Debt	Rank	% with Debt	Rank	Total	Usable	% Represented in Usable Data
Alabama	$26,450	24	53%	40	33	15	64%
Alaska	$28,782	11	49%	46	5	3	94%
Arizona	$20,299	47	54%	38	11	4	97%
Arkansas	$23,324	35	55%	36	23	12	65%
California	$20,269	48	52%	42	127	72	79%
Colorado	$24,540	30	52%	42	23	15	84%
Connecticut	$27,816	17	61%	21	23	15	91%
Delaware	$33,649	1	56%	32	6	1	60%
District of Columbia	$22,106	42	56%	32	9	5	65%
Florida	$22,873	39	51%	44	86	28	70%
Georgia	$23,089	37	59%	26	57	29	85%
Hawaii	*	*	*	*	9	3	80%
Idaho	$26,751	21	65%	11	9	5	61%
Illinois	$28,028	15	64%	13	75	46	85%
Indiana	$27,886	16	64%	13	49	38	95%
Iowa	$29,456	6	71%	3	34	22	90%
Kansas	$23,677	33	59%	26	29	11	84%
Kentucky	$22,384	41	62%	19	32	19	75%
Louisiana	$22,789	40	48%	47	26	11	64%
Maine	$29,352	7	67%	9	19	12	67%
Maryland	$25,951	26	58%	29	34	20	77%
Massachusetts	$28,460	12	66%	10	82	48	76%
Michigan	$28,840	10	62%	19	57	30	85%
Minnesota	$31,497	4	70%	4	38	26	87%
Mississippi	$27,322	20	57%	31	17	9	78%
Missouri	$23,030	38	63%	16	54	30	69%

[9] See *What Data are Included in the State Averages?* on p6.

TABLE 3 (CONTINUED)

PERCENTAGE OF GRADUATES WITH DEBT AND AVERAGE DEBT OF THOSE WITH LOANS, BY STATE							
	Class of 2012				Institutions (BA-granting)		Graduates
State	Average Debt	Rank	% with Debt	Rank	Total	Usable	% Represented in Usable Data
Montana	$27,475	18	64%	13	10	9	99%
Nebraska	$26,473	23	63%	16	24	9	59%
Nevada	$20,568	46	41%	49	9	3	92%
New Hampshire	$32,698	2	74%	2	15	9	79%
New Jersey	$29,287	8	65%	11	38	20	76%
New Mexico	$17,994	49	61%	21	10	4	45%
New York	$25,537	27	60%	23	178	84	72%
North Carolina	$23,893	32	59%	26	61	32	78%
North Dakota	*	*	*	*	15	4	22%
Ohio	$29,037	9	69%	6	82	42	85%
Oklahoma	$23,636	34	53%	40	29	15	70%
Oregon	$26,639	22	60%	23	29	18	73%
Pennsylvania	$31,675	3	70%	4	126	81	81%
Rhode Island	$31,156	5	69%	6	11	7	78%
South Carolina	$27,416	19	55%	36	34	17	80%
South Dakota	$25,121	28	78%	1	13	8	81%
Tennessee	$21,775	43	58%	29	46	25	83%
Texas	$24,030	31	56%	32	90	47	76%
Utah	$21,520	44	50%	45	9	8	92%
Vermont	$28,299	13	63%	16	18	11	75%
Virginia	$25,017	29	60%	23	46	38	97%
Washington	$23,293	36	56%	32	34	16	87%
West Virginia	$26,227	25	54%	38	21	10	74%
Wisconsin	$28,102	14	68%	8	39	28	85%
Wyoming	$21,241	45	47%	48	1	1	100%

* We did not calculate state averages when the usable cases with student debt data covered less than 30 percent of bachelor's degree recipients in the Class of 2012 or when the underlying data for that state showed a change of 30 percent or more in average debt from the previous year. For more details, see sidebar on the next page.

WHAT DATA ARE INCLUDED IN THE STATE AVERAGES?

Several organizations conduct annual surveys of colleges that include questions about student loan debt, including *U.S. News & World Report*, Peterson's (publisher of its own college guides), and the College Board. To make the process easier for colleges, these organizations use questions from a shared survey instrument, called the Common Data Set (CDS). Despite the name "Common Data Set," there is no actual repository or "set" of data. Each surveyor conducts, follows up, and reviews the results of its own survey independently. For this analysis, we licensed and used the data from Peterson's*. For more detail on the data and our methodology, please see *Appendix A*.

The state averages are calculated using data voluntarily reported by campus officials at 1,075 colleges, which are not audited or reviewed by any outside entity. For their data to be considered usable for calculating state averages, colleges had to report both the percentage of graduating students with loans and their average debt, and report that they awarded bachelor's degrees during the 2011-12 year. As shown in Table 3, we did not calculate state averages for North Dakota because the usable cases with student debt data covered less than 30 percent of bachelor's degree recipients in the Class of 2012, or for Hawaii because the underlying data for that state showed a change of 30 percent or more in average debt from the previous year. Such large year-to-year swings likely reflect different institutions reporting each year, reporting errors, or changes in methodology by institutions reporting the data, rather than actual changes in debt levels. We weight the state averages according to the size of the graduating class (number of bachelor's degree recipients during the 2011-12 year) and the proportion of graduating seniors with debt.

The state averages and rankings in this report are not directly comparable to averages in previous years' reports, due to changes in which colleges in each state report data each year, corrections to the underlying data submitted by colleges, and changes in methodology.

STUDENT DEBT AT COLLEGES

Student debt levels can vary considerably among colleges due to a number of factors, such as differences in tuition and fees, living expenses in the local area, the demographic makeup of the graduating class, the availability of need-based aid from colleges and states, colleges' financial aid policies and practices, the extent to which parents take out Parent PLUS loans, and, at public colleges, the extent of out-of-state enrollment. Even colleges with similar published prices can have very different debt levels. For example, Chicago State University has relatively high average debt, while Northeastern Illinois University has relatively low average debt. Both are public four-year colleges with tuition and fees of about $8,000-$9,000, and the majority of their undergraduates come from low-income households.

Students and families often look at the published tuition and fees for a college as an indicator of affordability. However, students attending college need to cover the full "cost of attendance," which also includes the cost of books and supplies, living expenses (room and board), transportation, and miscellaneous personal expenses. Many students receive grants and scholarships that offset some of these costs, and colleges that appear financially out of reach based on sticker price may actually be affordable because they offer significant grant aid.

Net price calculators, required on almost all college websites since October 2011, enable consumers to look past sticker price and get an early, individualized estimate of what a specific college might cost them. Net price is the full cost of attendance minus expected grants and scholarships, and it can be much lower than the sticker price. In a recent poll, the majority of students surveyed ruled out colleges based on sticker price alone.[10]

At some of the most expensive schools in the country, the net price for low- and moderate-income students can be lower than at many public colleges, because of financial aid packaging policies and considerable resources for need-based aid from endowments and fundraising. This in turn contributes to relatively low average debt at graduation. At some schools, enrolling a small share of students with low and moderate incomes may also contribute to low student debt levels.

Other factors can affect the way colleges report the debt figures used in this analysis. There are differences in how colleges interpret the relevant survey questions and calculate their average debt figures, despite attempts to provide clear definitions and instructions.[11] There are also colleges that do not report these figures at all or fail to update them. Of the 1,955 public and private nonprofit four-year colleges in the U.S. that granted bachelor's degrees during the 2011-12 year, 1,075 – just 55 percent – reported figures for both average debt and percent with debt. Some colleges choose not to respond to the survey used to collect these data, or choose not to respond to the student debt questions.[12]

[10] The College Board and Art & Science Group, LLC. 2012. *A Majority of Students Rule Out Colleges Based on Sticker Price: Students Do Not Take into Account Their Likely Financial Aid Award and Its Impact on Net Cost*. Student Poll Vol. 9, Issue 1. http://www.artsci.com/studentpoll/v9n1/index.html.

[11] The survey instructions and other information on our data source can be found in *Appendix A*.

[12] Differences in the identifiers used for colleges and the way campuses are grouped in different surveys also limit the number of colleges with usable data.

There is great variation from college to college, with average debt figures from $4,450 to $49,450 among the 1,005 colleges that had both usable data and at least 100 graduates in the Class of 2012.[13] At the high end, 122 colleges reported average debt of more than $35,000. The share of students with loans also varies widely. The percent of graduates with debt ranges from 6 percent to 100 percent. Forty-eight colleges reported more than 90 percent of their Class of 2012 graduating with debt.

The available campus-level data are not comprehensive or reliable enough to rank individual colleges with especially high or low debt levels. For example, we cannot say that any one college in our data set has the highest debt in the country, because one or more colleges that decline to provide any data could have an even higher amount. However, we have identified colleges with reported debt levels that fall into high or low ranges relative to the levels reported by all institutions. These lists illuminate the high and low ends of the spectrum for colleges reporting student debt data.[14]

There is great variation from college to college, with average debt figures from $4,450 to $49,450 for the Class of 2012.

For public and private nonprofit four-year colleges, campus-level data on student debt, enrollment, costs, the percentage of students receiving Pell Grants,[15] and the number of bachelor's degree recipients are available through an interactive map at projectonstudentdebt.org/state_by_state-data.php. These and additional data related to affordability, diversity, and success are also available online at College-InSight.org, where users can compare data over several years and for states, sectors, individual colleges, and the nation as a whole.

[13] Only colleges that reported both average debt and percent with debt for the Class of 2012 and had at least 100 bachelor's degree recipients in 2011-12 are included in the data about student debt at colleges in this report, such as the lists of colleges with high or low debt in this section. Among the 1,511 colleges with at least 100 bachelor's degree recipients in 2011-12, 1,005 (or 67%) reported both average debt and percent with debt for the Class of 2012. Revisions to the student debt data reported by colleges to Peterson's and received by TICAS by October 7, 2013 are reflected in these data.

[14] These lists present 20 public colleges and 20 private nonprofit colleges at the top of the spectrum and 20 public or private nonprofit colleges at the bottom of the spectrum in terms of the average debt of borrowers.

[15] The share of enrolled undergraduates who receive Pell Grants is a common marker of economic diversity at colleges.

HIGH-DEBT COLLEGES

Most high-debt public colleges enroll relatively high proportions of low-income students. In contrast, at most high-debt private nonprofit colleges, low-income enrollment is relatively low.

The colleges on the following lists to the right are notable for having very high average debt levels for the Class of 2012. Because public colleges generally have significantly lower costs and lower debt levels than private colleges, we list public and private colleges separately on these "high-debt" lists.

The 20 high-debt public colleges listed here have average debt ranging from $33,650 to $41,650. Their in-state tuition and fees range from $5,800 to $16,150. While most have high in-state tuition relative to other public colleges, at four of these colleges it is below the national average for this sector.[16]

The 20 high-debt private nonprofit colleges listed here have average debt ranging from $41,500 to $49,450. The tuition and fees at these colleges range from $12,350 to $40,450, with six charging less than the national average for this sector.[17]

Most high-debt public colleges enroll relatively high proportions of low-income students. [18] In contrast, at most high-debt private nonprofit colleges, low-income enrollment is relatively low.[19]

[16] Figures in the text are rounded to the nearest $50, but underlying figures (to the nearest $1) were compared to the weighted average for in-state tuition and fees at public four-year colleges, which is $7,916. Calculations by the Project on Student Debt on 2011-12 student charges from U.S. Department of Education, Integrated Postsecondary Education System (IPEDS). Note that some students at these colleges pay higher, out-of-state tuition and fees.

[17] The weighted average for tuition and fees at private nonprofit four-year colleges is $29,198. Calculations by the Project on Student Debt on 2011-12 student charges from U.S. Department of Education, Integrated Postsecondary Education System (IPEDS).

[18] Nationally, 35% of undergraduates at public four-year colleges receive Pell Grants, a marker of low-income status. Nine of the 20 high-debt public colleges have a higher proportion of undergraduates receiving Pell Grants than the average for their sector, while for six of the 20, the proportion is less than or equal to the sector average. At the remaining five colleges, there are no data at the campus level for the variable we use to measure the share of undergraduates receiving Pell, though other data suggest these colleges have a lower share of Pell recipients than the national average. Calculations by the Project on Student Debt on 2011-12 Pell Grant and enrollment data from the U.S. Department of Education.

[19] Nationally, 32% of undergraduates at private nonprofit four-year colleges receive Pell Grants. At least six of the 20 high-debt private nonprofit colleges have a higher than average proportion of undergraduates receiving Pell Grants than the average for their sector, while for 13 of the 20, the proportion is below the sector average. At the remaining college, there are no data at the campus level for the variable we use to measure the share of undergraduates receiving Pell, though other data suggest this college has a higher share of Pell recipients than the national average. Calculations by the Project on Student Debt on 2011-12 Pell Grant and enrollment data from the U.S. Department of Education.

TABLE 4

HIGH-DEBT PUBLIC COLLEGES AND UNIVERSITIES (ALPHABETICAL BY NAME)	
Chicago State University	IL
Coastal Carolina University	SC
Ferris State University	MI
Indiana Unversity of Pennyslvania - Main Campus	PA
Kentucky State University	KY
Maine Maritime Academy	ME
Mansfield University of Pennsylvania	PA
Michigan Technological University	MI
Morgan State University	MD
New Jersey Institute of Technology	NJ
Pennsylvania State University (multiple campuses)	PA
Rowan University	NJ
Texas Southern University	TX
The College of New Jersey	NJ
The Richard Stockton College of New Jersey	NJ
University of New Hampshire - Main Campus	NH
University of Pittsburgh - Bradford	PA
University of Pittsburgh - Johnstown	PA
University of Pittsburgh - Pittsburgh Campus	PA
University of West Alabama	AL

TABLE 5

HIGH-DEBT PRIVATE NONPROFIT COLLEGES AND UNIVERSITIES (ALPHABETICAL BY NAME)	
Anna Maria College	MA
Becker College	MA
Bryant University	RI
Concordia University - Saint Paul	MN
Curry College	MA
Green Mountain College	VT
Lawrence Technological University	MI
LeTourneau University	TX
Marylhurst University	OR
Minneapolis College of Art and Design	MN
Quinnipiac University	CT
Regent University	VA
Ringling College of Art and Design	FL
Rose-Hulman Institute of Technology	IN
Sacred Heart University	CT
Saint Anselm College	NH
Trinity University	TX
University of New Haven	CT
Utica College	NY
Wheelock College	MA

WHERE ARE THEY NOW?

Because the U.S. Department of Education does not collect data on student debt at graduation from individual colleges, our annual analyses are based on data that colleges report voluntarily. The subset of colleges represented in our analysis this year includes a little over half (55%) of all public and nonprofit four-year colleges, accounting for about four out of five (79%) bachelor degrees awarded in 2011-12.

This subset changes each year as colleges choose whether or not to report the necessary data. For instance, 10 percent of all colleges that reported usable data for our analysis of 2011 graduates failed to report debt data for their 2012 graduates. However, colleges that received particular attention as a result of their data may be more likely to stop reporting. Most notably, 20 percent of colleges on the "High-Debt Public Colleges" list in our "Class of 2011" report and 30 percent of all colleges on the "Low-Debt colleges" list did not provide debt data for 2012.*

While we cannot say why colleges that voluntarily reported debt data in the past chose to stop reporting, it underscores the limitations of voluntarily reported data and the need for the Education Department to collect this data for all colleges.***

"CLASS OF 2011" HIGH- AND LOW-DEBT COLLEGES THAT FAILED TO REPORT DEBT DATA FOR CLASS OF 2012*

Alabama A&M University	High Debt	Public	AL	Did not respond to the survey
Albany State University	High Debt	Public	GA	Did not respond to the survey
Augusta State University	Low Debt	Public	GA	Did not report any debt data**
College of Mount St. Joseph	High Debt	Private nonprofit	OH	Did not report any debt data
College of Saint Elizabeth	Low Debt	Private nonprofit	NJ	Did not report any debt data
CUNY York College	Low Debt	Public	NY	Did not respond to the survey
Dalton State College	Low Debt	Public	GA	Did not respond to the survey
Delaware State University	High Debt	Public	DE	Did not respond to the survey
Elizabeth City State University	Low Debt	Public	NC	Did not report any debt data
University of Houston - Clear Lake	Low Debt	Public	TX	Did not report any debt data
University of North Dakota	High Debt	Public	ND	Did not respond to the survey

* Only colleges that reported both average debt and percent with debt for the Class of 2012 and had at least 100 bachelor's degree recipients in 2011-12 are included in the data about student debt at colleges in this report.

** Augusta State University merged with another college and the merged school did not report debt data to Peterson's for the class of 2012.

*** Data for all public and nonprofit colleges that granted bachelor's degrees in 2011-12 can be found on the companion web page for this report (http://projectonstudentdebt.org/state_by_state-data.php). Further details on these and other colleges can also be found on College InSight (http://college-insight.org). The data cover all 880 such schools without usable debt data as well as the 1,075 with usable debt data.

LOW-DEBT COLLEGES

The colleges on the following list are notable for having low debt levels for the Class of 2012, with reported average debt between $4,450 and $11,750, despite a much wider cost range. Of the 20 colleges listed, eight are public and 12 are private nonprofit. Tuition and fees for the low-debt public colleges range from $5,550 to $7,900, with all eight of these colleges below the national average for the sector. The low-debt private nonprofit colleges have tuition and fees from $900 to $37,850, with most (nine of 12) below the national average for this sector.[20]

Three of the nonprofit low-debt colleges are highly selective national universities and liberal arts colleges with fairly large endowments, which often give generous grant aid to lower income students. Two of these highly selective colleges, Berea College and the College of the Ozarks, are "work colleges," where all students work and tuition and fees are covered through work and/or grants, though students at these colleges may still need to borrow to cover the rest of the cost of attendance. (See page 7 for a discussion of the full cost of attendance.) The third one, Princeton University, is one of a handful of schools that pledges to meet full need with grants and/or a limited amount of work. Some students at such schools borrow to help cover the expected family contribution or to reduce the need to work. However, most of the low-debt colleges are not highly selective and do not have large endowments.

Also, most of the low-debt public and private nonprofit colleges listed here enroll high proportions of low-income students.[21]

TABLE 6

LOW-DEBT COLLEGES AND UNIVERSITIES (ALBHABETICAL BY NAME)		
Berea College	KY	Private nonprofit
California State University - Bakersfield	CA	Public
California State University - Sacramento	CA	Public
Campbellsville University	KY	Private nonprofit
Chestnut Hill College	PA	Private nonprofit
College of the Ozarks	MO	Private nonprofit
Columbia College	MO	Private nonprofit
CUNY Bernard M Baruch College	NY	Public
CUNY Hunter College	NY	Public
Fort Valley State University	GA	Public
Gallaudet University	DC	Private nonprofit
Hampton Univesity	VA	Private nonprofit
Henderson State University	AR	Public
Howard University	DC	Private nonprofit
Keystone College	PA	Private nonprofit
King College	TN	Private nonprofit
Northeastern Illinois University	IL	Public
Princeton University	NJ	Private nonprofit
Tennessee Technological University	TN	Public
University of the Sciences	PA	Private nonprofit

[20] The weighted average for tuition and fees at private nonprofit four-year colleges is $29,198. Calculations by the Project on Student Debt on 2011-12 student charges from U.S. Department of Education, Integrated Postsecondary Education System (IPEDS).

[21] Five of the eight low-debt public colleges have a higher proportion of undergraduates receiving Pell Grants than the average for their sector (35%), while for one of the eight, the proportion is below the sector average. At the remaining two colleges, there are no data at the campus level for the variable we use to measure the share of undergraduates receiving Pell, though other data suggest the share with Pell is at least as high as the national average. Ten of the twelve low-debt private nonprofit colleges have a higher proportion of undergraduates receiving Pell Grants than the average for their sector (32%), while at the other two colleges, the proportion is below the sector average.

A NOTE ON STUDENT DEBT AT FOR-PROFIT COLLEGES

For-profit colleges are not included in the lists of high- and low-debt colleges or in the state averages, because so few of these colleges report the relevant debt data. Only nine of 584 for-profit, four-year, bachelor's-granting colleges chose to report debt figures for the Class of 2012, representing two percent of bachelor's degree recipients at these colleges in the 2011-12 year.* For-profit colleges do not generally respond at all to the voluntary Peterson's survey used to collect the data we use in this report or to other similar surveys. (For more about this survey see page 21.) About seven percent of bachelor's degree recipients in 2011-12 were from for-profit colleges.**

National data show that the vast majority of graduates from for-profit four-year colleges (88%) took out student loans, and they borrowed 43 percent more than graduates from other types of four-year colleges.***

* Of these nine colleges, seven had at least 100 bachelor's recipients in 2011-12, the threshold for inclusion in the college-level student debt data in this report.

** Calculations by the Project on Student Debt on 2011-12 completions from U.S. Department of Education, Integrated Postsecondary Education System (IPEDS).

*** Calculations by the Project on Student Debt on data from U.S. Department of Education, National Postsecondary Student Aid Study 2011-12.

PRIVATE (NON-FEDERAL) LOANS

Private education loans are one of the riskiest ways to pay for college.[22] The majority of these non-federal loans are made to students by private banks and lenders.[23] No more a form of financial aid than a credit card, private loans typically have interest rates that, regardless of whether they are fixed or variable, are highest for those who can least afford them. Private loans lack the basic consumer protections and flexible repayment options of federal student loans, such as unemployment deferment, income-based repayment, and loan forgiveness programs. National data indicate that 30 percent of bachelor's degree recipients graduated with private loans, with average private loan debt of $13,600.[24] However, there is great variation in private loan borrowing among different types of institutions. Private loans are most prevalent at for profit colleges, with 41 percent of their seniors graduating with private loans.[25] Nationally, about one-fifth (20%) of graduates' debt is comprised of private loans.[26]

At the college level, private loans are not reported separately in the data used for this report, but colleges are asked about both federal loan borrowing and overall borrowing. This allows us to examine the proportion of graduates' debt that is from private loans, which varies widely from college to college.[27] The composition of student debt can significantly affect borrowers' ability to repay their loans, as private loans typically have much higher costs and provide little, if any, relief for struggling borrowers.

At some colleges with high average debt, a large proportion of their graduates' debt comes from private loans, but this is not always the case. Of the high-debt colleges listed on page 10, the share of graduates' debt that was from private loans ranged from zero to 78 percent. For half of the 40 high-debt colleges – five public and 15 nonprofit – more than one-third of the Class of 2012's debt came from private loans. At four of these nonprofit colleges – Bryant University (RI), Regent University (VA), Ringling College of Art and Design (FL), and Trinity University (TX) – the majority of the Class of 2012's debt came from private loans.

While there is broad consensus that private loans should be used only as a last resort, the most recent available data show that the majority of undergraduates who took out risky private loans in 2007-08 did not use the maximum available in safer federal student loans.[28] College financial aid offices can and should play a significant role in reducing their students' reliance on private loans by counseling students, particularly those who have untapped federal loan eligibility, when they apply for private loans.[29] However, college practices vary widely, with some colleges not only bypassing such counseling opportunities but even including private loans in the initial financial aid package, giving the school's tacit approval of this risky form of financing.

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[22] Unless otherwise noted, the terms "private education loans" and "private loans" refer to any non-federal loans taken out by students for the purpose of covering the costs of attending college.

[23] Some states and colleges offer non-federal student loans as well. While some state and college loan programs may have certain features that are similar to federal student loans, such as relatively low fixed interest rates, the fact that the loan comes from a state agency or directly from the college does not guarantee its affordability or consumer friendliness.

[24] Calculations by the Project on Student Debt on data from U.S. Department of Education, National Postsecondary Student Aid Study 2011-12.

[25] Ibid.

[26] Note that the data used here and throughout this report include only student loans and does not include federal Parent PLUS loans, which parents of dependent undergraduates can use to cover any college costs not already covered by other aid.

[27] The college-level data may understate the share of debt that is from private loans since colleges may not be aware of private loans made directly to borrowers.

[28] Consumer Financial Protection Bureau and U.S. Department of Education. August 29, 2012. ***Private Student Loans***. http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf Accessed October 2, 2012. In this analysis, the term "private student loan" refers only to non-federal loans from banks and lenders.

[29] Project on Student Debt. 2011. ***Critical Choices: How Colleges Can Help Students and Families Make Better Decisions about Private Loans.*** http://projectonstudentdebt.org/pub_view.php?idx=766.

While most lenders currently ask colleges to confirm the borrower's enrollment and costs before making a private loan, this is not required by law and depends on decisions by lenders in response to market conditions.

Such differences in college policies and practices can be an important factor in the differences in private loan usage, even among otherwise similar colleges.

Importantly, the private loans included in this analysis are only those that the colleges are aware of and voluntarily report. While private loan amounts are supposed to be limited to students' net college costs, lenders are not required to go through college financial aid offices to determine what students' net college costs actually are. While most lenders currently ask colleges to confirm the borrower's enrollment and costs before making a private loan, this is not required by law and depends on decisions by lenders in response to market conditions.

An analysis by the Consumer Financial Protection Bureau (CFPB) and U.S. Department of Education found that, at the height of the private loan market in 2007, almost a third (31%) of private loans were made without the colleges' involvement. In 2011, after the contraction of the private loan market, only five percent of private loans were made without contacting the college.[30] When colleges are unaware that their students are seeking or receiving private loans, they are unable to counsel students appropriately or report private loan usage accurately.

[30] Consumer Financial Protection Bureau and U.S. Department of Education. August 29, 2012. ***Private Student Loans***. http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf. Accessed October 2, 2012. In this analysis, the term "private student loan" refers only to non-federal loans from banks and lenders.

RECOMMENDATIONS FOR ADDRESSING RISING STUDENT DEBT

While student loans help millions of students keep college within reach, there are widespread concerns about the effect of student loan debt on students, families, and the economy. Worries about debt keep too many people from attending or completing college. In addition, high student loan debt, particularly private loan debt, and even low debt when paired with low earnings, can leave students with unmanageable payments and hold them back from starting a business, starting a family, buying a home, or saving for retirement.

Below, we highlight key recommendations for addressing rising student debt, including reducing the risks and burdens of debt.[31]

1. Reduce students' need to borrow

Students borrow when savings, earnings, and grant aid are not sufficient to cover college costs. Need-based grants help limit how much students need to borrow and work while in school, but the purchasing power of the federal Pell Grant has declined sharply in recent decades. To close gaps in college enrollment and completion between high- and low-income students, we recommend that Congress double the maximum Pell grant and also consider maintenance-of-effort provisions to ensure that new federal dollars supplement – rather than supplant – state and other forms of higher education funding and financial aid.

2. Provide students with key information when they need it

To make wise decisions about where to go to college and how to pay for it, students and their families need clear, timely, and comparable information about costs, financial aid, and typical outcomes. That is why we support the improvement and promotion of important federal tools and processes that provide more and better consumer information throughout the college process.

- **FAFSA4caster.** The FAFSA4caster is the U.S. Department of Education's free financial aid calculator intended to provide students with an early estimate of their eligibility for federal student aid.[32] However, it would be both easier to use and provide better estimates if users could electronically transfer their most recent tax or W-2 information into the 4caster, in the same way that applicants can transfer their tax data when completing the online Free Application for Federal Student Aid (FAFSA) and when applying for an income-driven repayment plan for federal student loans.

- **College Scorecards.** The College Scorecard is a one-page form developed by the Obama Administration to help consumers quickly and easily understand the chances of completing, borrowing, ending up with high debt, and defaulting at any particular school.[33] However, for this tool to provide the most useful information, the federal government must collect better college-level data on student borrowing and completion, like those discussed below.

- **Net Price Calculators.** Almost all colleges are required by federal law to post online "net price calculators" to help students and families start figuring out which colleges they might be able to afford, before they have to decide where to apply. Unfortunately, our

[31] See: The Institute for College Access & Success. 2013. *Aligning the Means and the Ends: How to Improve Federal Student Aid and Increase College Access and Success*. http://projectonstudentdebt.org/pub_view.php?idx=873.

[32] See: U.S. Department of Education. Federal Student Aid. *FAFSA4caster*. http://studentaid.ed.gov/fafsa/estimate. Accessed November 7, 2013.

[33] U.S. Department of Education. 2013. ***College Scorecard.*** http://collegecost.ed.gov/scorecard/. Accessed October 31, 2013.

research has found that many calculators are hard to find, use, and compare.[34] Recent guidance from the Department has helped, but more remains to be done to ensure that the calculators live up to their potential.[35]

- **Allow Students to Apply for Aid Earlier.** Currently, the application for federal student aid (known as the FAFSA) requires very recent tax data, which many applicants and their parents do not have when it is time to apply for college. Calculating aid eligibility using the tax or W-2 data available when students typically apply to college would dramatically simplify the process for both students and schools (e.g., using 2012 tax data when applying in 2013 for academic year 2014-15 instead of requiring the use of 2013 tax data). The National Association of Student Financial Aid Administrators (NASFAA) has endorsed this change and highlighted that Congress in 2008 gave the Department authority to pilot this promising approach.[36]

- **Shopping Sheet.** Jointly developed by the Department and the Consumer Financial Protection Bureau (CFPB), the "Shopping Sheet" is a voluntary model format for college financial aid offers. The goal is to make it easy for students who have been accepted to a college to understand and compare the real cost of attending that college. So far, more than 1,800 colleges have agreed to use the Shopping Sheet.[37] To ensure that students receive clear and comparable information from every college to which they are admitted, we support bipartisan legislation to require all colleges receiving federal aid to use a similar standardized format.[38]

3. Collect better data on student debt and outcomes

Students and families need better information about costs and student outcomes when making college choices, and improvements in the collection and availability of student data like those discussed below are necessary to achieve that goal. The success of the President's proposal to rate colleges based on access, affordability, value, and student outcomes will also depend on the quality of the data used in the ratings, underscoring the urgency of gathering better data.[39]

- **Collect College-Level Information about Debt at Graduation Including Private Loan Debt.** When deciding whether and where to go to college, students should know not just their chance of graduating but their chance of graduating with debt, particularly risky private loan debt, as well as the average amount of debt borrowers graduate with at each college. However, comprehensive school-level data on cumulative debt and private loan borrowing are not available, which is why our annual report on graduates' debt must rely on partial voluntarily provided and privately collected data. With minor enhancements to its annual survey of colleges (known as IPEDS), the Department could

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[34] The Institute for College Access & Success. 2012. ***Adding It All Up 2012: Are College Net Price Calculators Easy to Find, Use, and Compare?*** http://www.ticas.org/pub_view.php?idx=859.

[35] See: The Institute for College Access & Success. 2013. ***Improved Guidance for Colleges on Net Price Calculators***. http://views.ticas.org/?p=1038.

[36] National Association of Student Financial Aid Administrators (NASFAA). 2013. ***A Tale of Two Income Years: Comparing Prior-Prior Year and Prior-Year Through Pell Grant Awards***. http://www.nasfaa.org/ppy-report.aspx. Accessed October 31, 2013.

[37] U.S. Department of Education. 2013. ***Institutions of Higher Education that Have Agreed to Voluntarily Adopt the Financial Aid Shopping Sheet***. http://www2.ed.gov/policy/highered/guid/aid-offer/shopping-sheet-institutions.xls. Accessed October 31, 2013.

[38] U.S. Senate. Office of Senator Al Franken. 2013. ***Sens. Franken, Harkin, Grassley, Rubio Push Bipartisan Bill to Help Families and Students Understand True Cost of College***. http://www.franken.senate.gov/?p=news&id=2452. Accessed November 6, 2013.

[39] The White House. Office of the Press Secretary. ***FACT SHEET on the President's Plan to Make College More Affordable: A Better Bargain for the Middle Class***. http://www.whitehouse.gov/the-press-office/2013/08/22/fact-sheet-president-s-plan-make-college-more-affordable-better-bargain-. Accessed November 7, 2013.

collect and/or calculate better debt figures right away. Ultimately, the best way to provide accurate and comprehensive data on private loan borrowing while minimizing the reporting burden for colleges is for the Department to collect the data directly from lenders, using the system through which lenders currently report on every federal loan. This would enable all borrowers to see all their loans, federal and private, in one place and receive loan counseling based on their total student debt.

- **Collect Better Graduation Rate Data Immediately.** Planned changes to IPEDS include a substantial and important expansion of the graduation-rate data that are collected and reported.[40] For the first time, these data would be collected not just for first-time full-time undergraduates, but also for part-time and non-first-time undergraduates. However, the Department recently proposed delaying the collection of these data until 2015-16 instead of moving forward immediately.[41]

4. Strengthen college accountability

While students are, and should be, held accountable for studying and making progress toward a credential, there are few consequences for schools that fail to graduate large shares of students or consistently leave students with debts they cannot repay. We recommend more closely tying a college's eligibility for funding to the risk students take by enrolling and the risk taxpayers take by subsidizing it, with rewards for schools that serve students well.

- **Student Default Risk Index (SDRI).** Sanction schools based on their Student Default Risk Index (SDRI) rather than their Cohort Default Rate (CDR). The CDR reflects only the share of a school's student loan borrowers who default. The SDRI is the three-year CDR multiplied by the school's borrowing rate. By incorporating the share of students who borrow loans into the measure, the SDRI more accurately conveys a student's risk of defaulting at a given school.

- **Risk Sharing.** Move beyond all-or-nothing school eligibility for aid by requiring risk-sharing from schools that receive a majority of their revenue from federal student aid and have SDRIs that are relatively high but fall below the eligibility cutoff.

- **Rewards.** Reward colleges with very low SDRIs, providing incentives for colleges to enroll low-income students and help them apply for aid and enroll full time.

- **Gainful Employment.** End federal financial aid for poor quality programs that consistently over-charge and under-deliver, leaving students with insurmountable debt. We recommend that the Administration promptly promulgate new rules to enforce the longstanding statutory requirement that career education programs receiving federal funding "prepare students for gainful employment in a recognized occupation."

[40] U.S. Department of Education. National Center for Education Statistics. 2013. *Integrated Postsecondary Education Data System (IPEDS) 2014-16: Proposed changes to the IPEDS data collection instruments for 2014-15 and 2015-16*. http://1.usa.gov/16Rwi1f. Accessed October 31, 2013.

[41] See: The Institute for College Access & Success. 2013. *TICAS IPEDS Comments*. http://www.ticas.org/pub_view.php?idx=914.

5. **Reduce reliance on private loans and strengthen consumer protections for private loan borrowers**

Interest rates on private loans are typically variable, like on a credit card, and over the life of the loan much higher than the fixed rates on federal student loans. Lower-income students often receive the worst rates and terms, and private loans do not have the important borrower protections and repayment options that come with federal loans. We recommend the changes below to reduce reliance on risky private loans and to enhance protections for borrowers who have such loans.

- **Mandatory Certification.** The most recent data available show that the majority of undergraduates who borrowed private education loans in 2007-08 could have borrowed more in federal student loans before turning to the riskier private market.[42] Students, schools, and lenders, as well as the CFPB and the Department, have all endorsed requiring private lenders to confirm the borrower's eligibility with the school before disbursing the loan, and notifying the student of any remaining federal aid eligibility. We urge the CFPB and Department to implement these changes, and we support legislation in the House[43] and Senate[44] to require their adoption.

- **Bankruptcy Treatment.** Since 2005, it has been much more difficult to discharge private loans than credit cards and other consumer debt in bankruptcy. This leaves most private loan borrowers at the mercy of the lender if they face financial distress due to unemployment, disability, illness, or military deployment, or when a school shuts down before they can finish their certificate or degree. We are part of a broad coalition that supports legislation in both the House and Senate to restore fair bankruptcy treatment to private loan borrowers.[45]

- **Refinancing and/or Loan Modification.** Borrowers who face unmanageably high debt burdens on their private loans do not have access to lower payments through income-driven repayment plans or other federal options, such as unemployment deferments. We recommend the CFPB and Congress develop standards for loan refinancing and/or modification to make private loan borrowers' debts more manageable. We also support legislation to jumpstart a market for refinancing private loans.[46]

[42] Consumer Financial Protection Bureau and U.S. Department of Education. August 29, 2012. ***Private Student Loans***. http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf. In this analysis, the term "private student loan" refers only to non-federal loans from banks and lenders.

[43] See: U.S. House. Office of Representative Jared Polis. 2013. ***Polis Introduces Legislation to Address Crisis of Rising Student Loan Debt***. http://polis.house.gov/news/documentsingle.aspx?DocumentID=362465. Accessed November 21, 2013.

[44] See: U.S. Senate. Office of Senator Dick Durbin. 2013. ***As Student Loan Debt Surpasses $1 Trillion, Senators Introduce Legislation to Address Crisis***. http://www.durbin.senate.gov/public/index.cfm/pressreleases?ID=adad47a3-9b82-4c46-b971-57bb9dc11044. Accessed October 31, 2013.

[45] See the coalition letter to Senator Durbin in support of the Fairness for Struggling Students Act of 2013, available at http://projectonstudentdebt.org/pub_view.php?idx=872, and the coalition letter to Representative Cohen in support of the Private Student Loan Bankruptcy Fairness Act of 2013, available at http://projectonstudentdebt.org/pub_view.php?idx=871.

[46] U.S. Senate. Office of Senator Sherrod Brown. ***Sen. Sherrod Brown Unveils Plan to Refinance Private Student Loans***. http://www.brown.senate.gov/newsroom/in-the-news/article/sen-sherrod-brown-unveils-plan-to-refinance-private-student-loans. Accessed November 6, 2013.

6. Improve and promote awareness of federal loan repayment options

The federal student loan default rate is now the highest it has been in 16 years,[47] and according to economists with the Federal Reserve Bank of New York, almost seven million student and parent borrowers have at least one education loan past due.[48] These figures underscore the need to increase borrower awareness of their repayment options, and to improve loan counseling both before and while borrowers are in repayment to help them enroll in affordable plans before they default.

- **Income-Driven Repayment Plans.** Since July 2009, federal student loan borrowers have had additional repayment plan options that cap monthly payments as a share of income and forgive any debt remaining after 20 or 25 years in repayment. These plans help ensure that monthly payments are affordable, but default and delinquency rates make clear that many more borrowers could be benefiting from lower, income-driven payments. The Administration recently announced additional steps to promote awareness of income-driven plans and ease enrollment, but much more needs to be done.

  In addition, we recommend replacing the existing income-driven plans with a single, well-targeted, and streamlined plan that lets all borrowers choose the assurance of manageable payments and forgiveness after 20 years in repayment. Monthly payments would be capped at 10% of a borrower's income and remaining balances forgiven after 20 year of payments.[49]

- **Student Loan Counseling.** Current federal law and regulations require entrance and exit counseling for any student who receives a federal loan, but the timing and content of the counseling needs to be improved and individualized to better help students borrow wisely, complete college, and repay their loans. For example, entrance counseling should occur *before* the student agrees to the loan, and exit counseling should better help borrowers consider the tradeoffs between repayment plan options.

[47] U.S. Department of Education. Federal Student Aid. 2013. ***National Student Loan Two-year Default Rates***. http://www2.ed.gov/offices/OSFAP/defaultmanagement/defaultrates.html. Accessed October 29, 2013.

[48] Federal Reserve Bank of New York. 2013. ***Household Debt and Credit: Student Debt***. http://www.newyorkfed.org/newsevents/mediaadvisory/2013/Lee022813.pdf. Accessed October 29, 2013.

[49] The Institute for College Access & Success. 2013. ***Helping Students Make Wise Borrowing Choices and Repay Federal Student Loans***. http://www.ticas.org/files/pub/component/Helping_Students_Make_Wise_Borrowing_Choices_and_Repay_Federal_Loans.pdf.

APPENDIX:
WHERE THE NUMBERS COME FROM AND HOW WE USE THEM

Several organizations conduct annual surveys of colleges that include questions about student loan debt, including *U.S. News & World Report*, Peterson's (publisher of its own college guides), and the College Board. To make the process easier for colleges, these organizations use questions from a shared survey instrument, called the Common Data Set. Despite the name "Common Data Set," there is no actual repository or "set" of data. Each surveyor conducts, follows up, and reviews the results of its own survey independently. For this analysis, we licensed and used the data from Peterson's.[50] Below is the section of the Common Data Set 2012-13 used to collect student debt data for the Class of 2012:

Note: These are the graduates and loan types to include and exclude in order to fill out CDS H4, H4a, H5 and H5a.

Include:

* 2012 undergraduate class who graduated between July 1, 2011 and June 30, 2012 who started at your institution as first-time students and received a bachelor's degree between July 1, 2011 and June 30, 2012.
* only loans made to students who borrowed while enrolled at your institution.
* co-signed loans.

Exclude:

* those who transferred in.
* money borrowed at other institutions.

H4. Provide the percentage of the class (defined above) who borrowed at any time through any loan programs (institutional, state, Federal Perkins, Federal Stafford Subsidized and Unsubsidized, private loans that were certified by your institution, etc.; exclude parent loans). Include both Federal Direct Student Loans and Federal Family Education Loans. ________%

H4a. Provide the percentage of the class (defined above) who borrowed at any time through federal loan programs--Federal Perkins, Federal Stafford Subsidized and Unsubsidized. Include both Federal Direct Student Loans and Federal Family Education Loans. NOTE: exclude all institutional, state, private alternative loans and parent loans. ________%

H5. Report the average per-undergraduate-borrower cumulative principal borrowed of those in line H4. $____________

H5a. Report the average per-undergraduate-borrower cumulative principal borrowed, of those in H4a, through federal loan programs--Federal Perkins, Federal Stafford Subsidized and Unsubsidized. Include both Federal Direct Student Loans and Federal Family Education Loans. These are listed in line H4a. NOTE: exclude all institutional, state, private alternative loans and exclude parent loans. $____________[51]

[50] Peterson's Undergraduate Financial Aid and Undergraduate Databases, copyright 2013 Peterson's, a Nelnet company. All rights reserved.

[51] Common Data Set Initiative. *Common Data Set 2012-13*. http://www.commondataset.org. Accessed November 16, 2012.

We calculated per capita debt — the average debt across all graduates whether they borrowed or not — by multiplying the percent with debt (H4) by the average debt (H5); per capita federal debt by multiplying the percent with federal debt (H4a) by the average federal debt (H5a); and per capita non-federal debt by subtracting per capita federal debt from per capita debt. The proportion of debt that is non-federal is calculated as the per capita non-federal debt divided by the per capita debt.

Our state-level figures are based on the 1,075 colleges that answered both overall debt questions (H4 and H5 in the above CDS excerpt) for the Class of 2012, and reported that they awarded bachelor's degrees for the Class of 2012 in the Integrated Postsecondary Education Data System (IPEDS), a set of federal surveys on higher education.[52] These colleges represent 55 percent of all public and private nonprofit four-year colleges that granted bachelor's degrees and 79 percent of all bachelor's degree recipients in these sectors in 2011-12.[53] Around two-thirds (62%) are private nonprofit colleges, which is similar to the ratio found among all colleges.

In this report, the term "colleges" refers to public four-year and private nonprofit four-year institutions of higher education that granted bachelor's degrees during the 2011-12 year and are located in the 50 states plus the District of Columbia.

CALCULATING NATIONAL AVERAGES

The most comprehensive and reliable source of financial aid data at the national level is the National Postsecondary Student Aid Study (NPSAS), conducted by the U.S. Department of Education every four years.[54] The overall national figures in this report for the percent with debt and average debt for borrowers are calculated from this source and reflect the cumulative student loan debt (from federal and private loans) of undergraduates who were citizens or permanent residents, attended public, private nonprofit, or for-profit four-year colleges in the 50 states or District of Columbia, and expected to graduate with a bachelor's degree during 2011-12. All other figures for student debt at graduation, such as those for different types of colleges and different types of loans, are from the same source.[55]

DATA LIMITATIONS

There are several reasons why CDS data provide an incomplete picture of the debt levels of graduating seniors. Although the CDS questions ask colleges to report cumulative debt from both federal and private (non-federal) student loans, colleges may not be aware of all the private loans their students carry. The CDS questions also instruct colleges to exclude transfer students and the debt those students carried in. In addition, because the survey is voluntary and not

[52] See: U.S. Department of Education, National Center for Education Statistics. Integrated Postsecondary Education System (IPEDS). http://nces.ed.gov/ipeds/. Accessed November 26, 2013.

[53] Out of the 2,298 public four-year and private nonprofit four-year colleges in the federal Integrated Postsecondary Education Data System (IPEDS) for 2011-12, 1,955 granted bachelor's degrees during the 2011-12 year, with 1,658,761 bachelor's degree recipients in the Class of 2012. The 1,075 colleges included in our state averages have a total of 1,315,002 bachelor's degree recipients in the Class of 2012. Of the 1,955 colleges in IPEDS that awarded bachelor's degrees, 114 were not found in the Peterson's dataset. Another 581 institutions did not respond to the most recent Peterson's Undergraduate Financial Aid survey, while 185 institutions responded to the survey, but did not report figures for both overall debt questions for the Class of 2012.

[54] See: U.S. Department of Education. National Center for Education Statistics. National Postsecondary Student Aid Study (NPSAS). http://nces.ed.gov/surveys/npsas/. Accessed November 26, 2013. NPSAS uses multiple sources (student-level data obtained by colleges, the National Student Loan Data System, and student surveys), allowing it to better account for all types of loans and avoid errors. The survey is also based on a representative sample of all college students and includes transfer students. For these reasons, NPSAS consistently shows higher student debt than national estimates derived from colleges voluntarily reporting to Peterson's using the CDS questions. For the Class of 2012, NPSAS showed 71 percent of graduates borrowing with an average of $29,400 per borrower, while the CDS data showed 60 percent of graduates borrowing with an average of $25,900 per borrower.

[55] In years when NPSAS data are not available, we estimate the national figures by using the CDS data reported voluntarily by colleges to Peterson's to estimate the changes in each figure since the last NPSAS year.

audited, colleges may actually have a disincentive for honest and full reporting. Colleges that accurately calculate and report each year's debt figures rightfully complain that other colleges may have students with higher average debt but fail to update their figures, under-report actual debt levels, or never report figures at all. Additionally, very few for-profit colleges report debt data through CDS, and national data show that borrowing levels at for-profit colleges are, on average, much higher than borrowing levels at other types of colleges. See page 13 for more about for-profit colleges.

Despite the limitations of the CDS data, they are the only data available that show cumulative student debt levels for bachelor's degree recipients every year and at the college level. While far from perfect, CDS data are still useful for illustrating the variations in student debt across states and colleges.

WHAT DATA ARE INCLUDED IN THE STATE AVERAGES?

The state averages are calculated from data reported by the 1,075 colleges described above. These campus-level debt figures are estimates, which, as noted above, are reported voluntarily by campus officials and are not audited. For their data to be considered usable for calculating state averages, colleges had to report both the percent of graduating students with loans and their average debt, and report that they awarded bachelor's degrees during the 2011-12 year. We did not calculate state averages when the usable cases with student debt data covered less than 30 percent of bachelor's degree recipients in the Class of 2012 or when the underlying data for that state showed a change of 30 percent or more in average debt from the previous year. Such large year-to-year swings likely reflect different institutions reporting each year, reporting errors, or changes in methodology by institutions reporting the data, rather than actual changes in debt levels. We weight the state averages according to the size of the graduating class (number of bachelor's degree recipients during the 2011-12 year) and the proportion of graduating seniors with debt.

The state averages and rankings in this report are not directly comparable to averages in previous years' reports due to changes in which colleges in each state report data each year, revisions to the underlying data submitted by colleges, and changes in methodology. College InSight (at College-InSight.org) includes student debt data for states, sectors, and other groupings of colleges, back to 2003-04 (class of 2004). However, we recommend using caution when generating year-to-year comparisons for aggregates with the student debt data or other data taken from CDS. The underlying cohort of colleges reporting data for a particular topic or variable may not be representative of the grouping as a whole, the list of colleges reporting data within each grouping may change from year to year, and colleges may even change sectors.

WHAT DATA ARE INCLUDED IN THE LISTS OF COLLEGES?

The lists of colleges and other data about student debt at colleges in this report are based on the 1,005 colleges that answered both overall debt questions (H4 and H5 in the above CDS excerpt) for the Class of 2012, and reported that they awarded at least 100 bachelor's degrees for the Class of 2012. We exclude colleges with small graduating classes because their student debt data for a given year are more likely to be influenced by the borrowing of just one or two students. In addition, these colleges represent a very small share of the graduating class (1% of the bachelor's degree recipients at public and private nonprofit four-year colleges in 2011-12), and their very small graduating classes make their debt levels less meaningful for consumer or policy purposes.

CALIFORNIA $$%

REPAYMENT % NET PRICE $$% FAFSA $ LOW DEBT %$ HIGH DEBT %% FAFSA

FAFSA GRADUATION WYOMING

PENNSYLVANIA $$$ COLLEGES

HIGH DEBT $$% IBR FAFSA % FAFSA

PRIVATE LOANS ARIZONA

DELAWARE

LOANS % PELL GRANT $$% REPAYMENT

COSTS % NEW HAMPSHIRE

% BORROW $$% GRADUATION LOANS $$ REPAYMENT

NEVADA % $ %%% GRADUATION

FEDERAL LOANS RHODE ISLAND

COSTS NEW MEXICO

FAFSA

MINNESOTA HIGH DEBT NET PRICE $$$

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