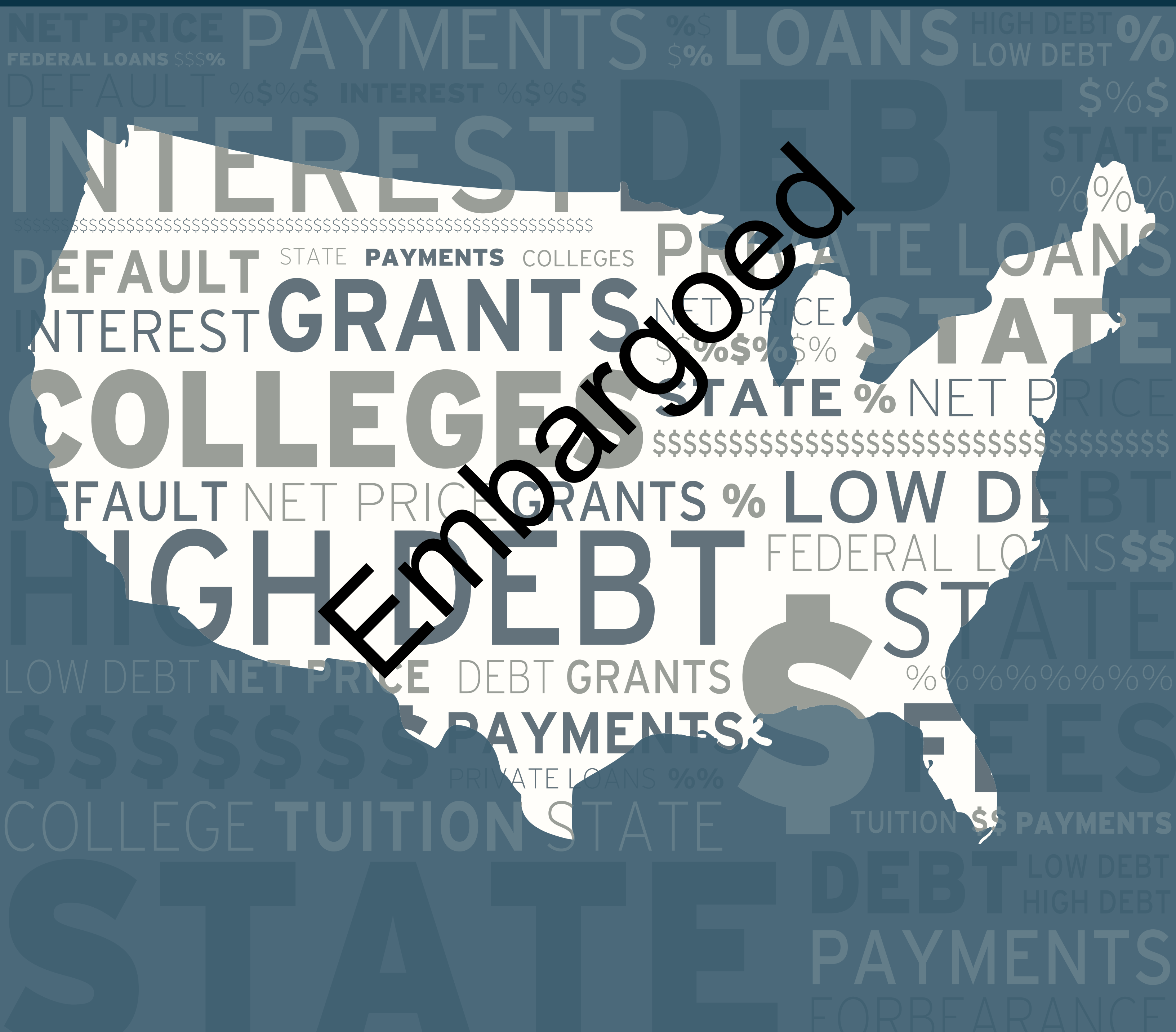
STUDENT DEBT AND THE CLASS OF 2013

NOVEMBER 2014



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 2013

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OVERVIEW

Student Debt and the Class of 2013 is our ninth annual report on the cumulative student loan debt of recent graduates from four-year colleges. Our analysis of available data finds debt levels continue to rise, with considerable variation among states as well as colleges.

About seven in 10 (69%) college seniors who graduated from public and private nonprofit colleges in 2013 had student loan debt. These borrowers owed an average of $28,400, up two percent compared to $27,850 for public and nonprofit graduates in 2012.[1] About one-fifth (19%) of the Class of 2013's debt was comprised of private loans, which are typically more costly and provide fewer consumer protections and repayment options than safer federal loans.[2]

At almost one in five (18%) colleges, average debt rose at least 10 percent, while at seven percent of colleges, average debt went down at least 10 percent.

The 2013 national, state, and college figures in this report are only for public and nonprofit colleges, because virtually no for-profit colleges choose to report what their graduates owe. The most recent national data covering all types of colleges are from a federal survey conducted in 2011-12, when for-profit colleges accounted for about seven percent of new bachelor's degrees. In 2012, bachelor's degree recipients at for-profit colleges were 29 percent more likely to have loans than graduates of public and nonprofit colleges, and they owed 43 percent more.[3] For more about for-profit colleges, see page 11.

For public and nonprofit graduates, state averages for debt at graduation ranged widely in 2013, from $18,650 to $32,800, and new graduates' likelihood of having debt ranged from 43 percent to 76 percent. In six 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 3 for state-by-state debt figures.

Average debt varies even more at the college level than at the state level, from $2,250 to $71,350 for the Class of 2013. At almost one in five (18%) colleges, average debt rose at least 10 percent, while at seven percent of colleges, average debt went down at least 10 percent.[4] While colleges with higher costs tend to have higher average debt, there are 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 6.

Colleges are not required to report debt levels for their graduates. To estimate state-by-state averages and identify high- and low-debt schools, we use figures provided voluntarily by more than half of all public and nonprofit bachelor's degree granting four-year colleges, representing 83 percent of bachelor's degree recipients from those two types of colleges combined. As noted above, for-profit bachelor's degree granting four-year colleges are not included in any of this report's 2013 figures because only one percent of these colleges, representing three percent of for-profit bachelor's degree recipients, chose to provide debt data.

The limitations of relying on voluntarily reported data underscore the need for federal collection of cumulative student debt data for all schools. Even for colleges that do report voluntarily, the debt figures in this 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.

During the time many members of the Class of 2013 were entering the job market, the unemployment rate for young college graduates was 7.8 percent, similar to the 7.7 percent from

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[1] These figures reflect the cumulative student loan debt of 2012-13 bachelor's degree recipients at public and nonprofit four-year colleges combined. At public colleges, 68 percent of graduates had $26,000 in debt on average; at nonprofit colleges, 75 percent of graduates had average debt of $32,600. See the ***Appendix*** on page 17 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 2013'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.

[3] For the most recent national figures on debt at graduation from all types of colleges, please see our fact sheet ***Quick Facts About Student Debt***, available at http://projectonstudentdebt.org/files/pub/Debt_Facts_and_Sources.pdf.

[4] These figures include colleges that reported data for both 2012 and 2013.

the previous year[5] and still much higher than the levels seen prior to 2009, before the recent financial crisis.[6] In addition, traditional unemployment rates do not capture those considered underemployed. A broader measure that includes both unemployment and underemployment shows that 16.8 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.[7]

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.[8] The unemployment rate for young high school graduates was 16.5 percent in 2013, more than double the rate for young college graduates.[9]

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 widely available to federal student loan borrowers since 2009, regardless of when they took out their loans. Many Class of 2013 graduates will be eligible for Pay As You Earn (PAYE), which has lower payments than IBR and forgives any remaining debt after 20 rather than 25 years of payments. PAYE is available to students who first borrowed federal student loans after September 30, 2007 and received a disbursement after September 30, 2011.

Multiple 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 2013 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) rose while the Class of 2013 was in college, including substantial increases to the federal Pell Grant, the largest need-based grant program.[10] 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 14.

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

[5] The unemployment rate for this group was 7.8% in 2013 and 7.7% in 2012. 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 July 2014. 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 that is not working.

[6] The unemployment rate for this group peaked at 9.1% in 2010, the highest annual figure in the data, which go back to 1994.

[7] Economic Policy Institute analysis of Current Population Survey microdata for the 12-month period from April 2013-March 2014. 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 who do not have an advanced degree and are 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. 2014. ***The Class of 2014: The Weak Economy Is Idling Too Many Young Graduates***. http://www.epi.org/publication/class-of-2014/. Accessed September 29, 2014.

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

[9] Unpublished data from the Current Population Survey, provided by the Bureau of Labor Statistics (BLS) in response to personal communications in July 2014. 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 that is not working.

[10] In current dollars, not adjusted for inflation, average grant aid per FTE went from about $6,150 in 2008-09 to about $7,200 in 2012-13, with increases each year. Calculations by the Institute for College Access & Success (TICAS) 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 2013 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.[11] We base state averages on the best available college-level data, which were reported voluntarily to college guide publisher Peterson's by 1,108 public and nonprofit four-year colleges for the Class of 2013. The data reported by colleges are not audited or confirmed by any outside entity. For more about the data and our methodology, please see the *Appendix* on page 17.

The following tables show the states with the highest and lowest average debt levels for the Class of 2013.

Similar to past years, high-debt states are located mainly in the Northeast and Midwest, with low-debt states in the West and South.[12]

TABLE 1

HIGH-DEBT STATES	
New Hampshire	$32,795
Delaware	$32,571
Pennsylvania	$32,528
Rhode Island	$31,561
Minnesota	$30,894
Connecticut	$30,191
Maine	$29,934
Michigan	$29,583
Iowa	$29,370
South Carolina	$29,092

TABLE 2

LOW-DEBT STATES	
New Mexico	$18,656
California	$20,340
Nevada	$21,666
District of Columbia	$22,048
Oklahoma	$22,174
Arizona	$22,253
Utah	$22,418
Hawaii	$22,785
Wyoming	$22,879
Louisiana	$23,358

In general, 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 6.

The following table shows each state's average debt and proportion of students with loans in the Class of 2013, along with information about the amount of usable data actually available for each state.[13]

[11] 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, revisions 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.

[12] These regions are as defined in: U.S. Census Bureau. *Census regions and divisions with State FIPS Codes*. https://www.census.gov/geo/maps-data/maps/pdfs/reference/us_regdiv.pdf. Accessed October 23, 2014.

[13] See *What Data are Included in the State Averages?* on page 19.

TABLE 3

PERCENTAGE OF GRADUATES WITH DEBT AND AVERAGE DEBT OF THOSE WITH LOANS, BY STATE							
	Class of 2013				Institutions (BA-granting)		Graduates
State	Average Debt	Rank	% with Debt	Rank	Total	Usable	% Represented in Usable Data
Alabama	$28,895	12	54%	40	33	15	66%
Alaska	$28,570	13	49%	46	5	4	100%
Arizona	$22,253	45	55%	36	11	4	97%
Arkansas	$25,375	31	55%	36	23	10	61%
California	$20,340	49	55%	36	126	75	89%
Colorado	$24,520	36	55%	36	24	16	88%
Connecticut	$30,191	6	64%	16	24	16	94%
Delaware	$32,571	2	62%	21	6	1	60%
District of Columbia	$22,048	47	52%	44	9	4	64%
Florida	$24,017	40	53%	42	89	35	84%
Georgia	$24,517	37	61%	24	51	29	88%
Hawaii	$22,785	43	47%	49	9	3	68%
Idaho	$26,622	23	68%	11	9	4	54%
Illinois	$28,543	15	70%	4	75	46	74%
Indiana	$28,466	16	62%	21	49	35	88%
Iowa	$29,370	9	69%	9	34	22	88%
Kansas	$26,229	27	65%	15	29	16	89%
Kentucky	$24,693	34	59%	28	32	21	94%
Louisiana	$23,358	41	48%	47	26	13	65%
Maine	$29,934	7	64%	16	19	10	63%
Maryland	$26,349	26	59%	28	33	19	76%
Massachusetts	$28,565	14	66%	13	82	53	77%
Michigan	$29,583	8	63%	19	57	29	85%
Minnesota	$30,894	5	70%	4	37	25	85%
Mississippi	$27,571	19	57%	34	17	9	79%
Missouri	$24,957	33	63%	19	53	31	85%
Montana	$27,568	20	66%	13	11	8	97%
Nebraska	$26,490	24	62%	21	24	9	63%
Nevada	$21,666	48	43%	50	9	3	92%
New Hampshire	$32,795	1	76%	1	14	9	76%
New Jersey	$28,109	18	70%	4	38	20	81%
New Mexico	$18,656	50	54%	40	11	4	42%
New York	$26,381	25	60%	26	177	90	73%
North Carolina	$24,319	39	61%	24	61	38	87%
North Dakota	*	*	*	*	15	5	25%
Ohio	$29,090	11	68%	11	86	42	87%

TABLE 3 (CONTINUED)

PERCENTAGE OF GRADUATES WITH DEBT AND AVERAGE DEBT OF THOSE WITH LOANS, BY STATE							
	Class of 2013				Institutions (BA-granting)		Graduates
State	Average Debt	Rank	% with Debt	Rank	Total	Usable	% Represented in Usable Data
Oklahoma	$22,174	46	53%	42	29	17	86%
Oregon	$25,577	30	60%	26	29	15	64%
Pennsylvania	$32,528	3	71%	3	128	85	86%
Rhode Island	$31,561	4	69%	9	11	8	82%
South Carolina	$29,092	10	59%	28	34	19	84%
South Dakota	$25,750	29	72%	2	13	8	81%
Tennessee	$24,585	35	57%	34	46	24	87%
Texas	$25,244	32	59%	28	92	49	79%
Utah	$22,418	44	52%	44	9	9	100%
Vermont	$27,318	22	64%	16	18	6	67%
Virginia	$25,780	28	59%	28	46	35	96%
Washington	$24,418	38	58%	33	34	19	97%
West Virginia	$27,320	21	70%	4	20	12	83%
Wisconsin	$28,128	17	70%	4	39	28	89%
Wyoming	$22,879	42	48%	47	1	1	100%

*We did not calculate state averages when the usable cases with student debt data covered less than 30% of bachelor's degree recipients in the Class of 2013 or when the underlying data for that state showed a change of 30% or more in average debt from the previous year. For more details, see the *Appendix* on page 17.

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.

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 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 2012 poll, the majority of students surveyed ruled out colleges based on sticker price alone.[14]

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 can contribute to relatively low average debt at graduation. Some schools enroll relatively few students with low and moderate incomes, which may also contribute to low student debt levels if their higher income students can afford to attend without borrowing much or at all.

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.

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.[15] There are also colleges that do not report these figures at all or fail to update them. Of the 1,957 public and nonprofit four-year colleges in the U.S. that granted bachelor's degrees during the 2012-13 year, 1,108—just 57 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.[16]

There is great variation from college to college, with average debt figures from $2,250 to $71,350 among the 1,051 colleges that had both usable data and at least 100 graduates in the Class of 2013.[17] At the high end, 129 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 10 percent to 100 percent. Forty-nine colleges reported that more than 90 percent of their 2013 graduates had debt.

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[14] 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.

[15] The survey instructions and other information on our data sources can be found in the ***Appendix*** on page 17.

[16] 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.

[17] Unless otherwise noted, only colleges that reported both average debt and percent with debt for the Class of 2013 and had at least 100 bachelor's degree recipients in 2012-13 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 1,522 colleges with at least 100 bachelor's degree recipients in 2012-13, 1,051 (or 69%) reported both average debt and percent with debt for the Class of 2013. Revisions to the student debt data reported by colleges to Peterson's and received by TICAS by September 15, 2014 are reflected in these data.

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.

The available college-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 the high and low ends of the spectrum for schools that choose to provide student debt data.[18]

For public and nonprofit four-year colleges, available college-level data on student debt, enrollment, costs, the percentage of students receiving Pell Grants,[19] 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 student 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.

HIGH-DEBT COLLEGES

The colleges on the lists on the following page are notable for having very high average debt levels for the Class of 2013. Because public colleges generally have significantly lower costs and lower debt levels than nonprofit colleges, we list public and nonprofit colleges separately on these "high-debt" lists.

The 20 high-debt public colleges listed here have average debt ranging from $33,950 to $48,850. Their in-state tuition and fees range from $6,100 to $16,600. While most have high in-state tuition relative to other public colleges, the in-state tuition at four of the 20 high-debt public colleges is below the national average for this sector.[20]

The 20 high-debt nonprofit colleges listed here have average debt ranging from $41,750 to $71,350. The tuition and fees at these colleges range from $24,550 to $41,500, with half charging less than the national average for this sector.[21]

Among the high-debt public colleges and the high-debt nonprofit colleges, the share of students who are low income ranged from 14 percent to 66 percent.[22]

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

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

[20] Figures in text that reference tuition and fees are rounded to the nearest $50, but underlying figures (rounded to the nearest $1) were compared to the weighted average for in-state tuition and fees at public four-year colleges, which is $8,276. Calculations by TICAS on 2012-13 student charges from U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS). Note that some students at these colleges pay higher, out-of-state tuition and fees.

[21] The weighted average for tuition and fees at nonprofit four-year colleges is $30,550. Calculations by TICAS on 2012-13 student charges from U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS).

[22] Nationally, 34% of undergraduates at public four-year colleges receive Pell Grants, a marker of low-income status. Seven of the 20 high-debt public colleges have a higher proportion of undergraduates receiving Pell Grants than the average for their sector, while for a different seven of the 20, the proportion is less than or equal to the sector average. At the remaining six 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. Nationally, 32% of undergraduates at nonprofit four-year colleges receive Pell Grants. Nine of the 20 high-debt nonprofit colleges have a higher than average proportion of undergraduates receiving Pell Grants than the average for their sector, while for 11 of the 20, the proportion is less than or equal to the sector average. Calculations by TICAS on 2012-13 Pell Grant and enrollment data from the U.S. Department of Education.

TABLE 4

HIGH-DEBT PUBLIC COLLEGES AND UNIVERSITIES (ALPHABETICAL BY NAME)	
Citadel Military College of South Carolina	SC
Clemson University	SC
Ferris State University	MI
Indiana Unversity of Pennysylvania - Main Campus	PA
Kentucky State University	KY
Lincoln University of Pennsylvania	PA
Mansfield University of Pennsylvania	PA
Massachusetts Maritime Academy	MA
Michigan Technological University	MI
Pennsylvania State University (multiple campuses)	PA
Temple University	PA
Texas Southern University	TX
The Richard Stockton College of New Jersey	NJ
University of Maine	ME
University of New Hampshire - Main Campus	NH
University of Pittsburgh - Bradford	PA
University of Pittsburgh - Greensburg	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)	
Abilene Christian University	TX
Adrian College	MI
Alvernia University	PA
Anna Maria College	MA
Becker College	MA
College of Our Lady of the Elms	MA
Curry College	MA
Lawrence Technological University	MI
LeTourneau University	TX
Pacific Union College	CA
Quinnipiac University	CT
Ringling College of Art and Design	FL
Rockford University	IL
Rose-Hulman Institute of Technology	IN
Saint Anselm College	NH
The College of Saint Scholastica	MN
University of Hartford	CT
University of the Sciences	PA
Utica College	NY
Wheelock College	MA

LOW-DEBT COLLEGES

The colleges on the following list are notable for having low debt levels for the Class of 2013, with reported average debt between $2,250 and $11,200, despite a much wider cost range. Of the 20 colleges listed, nine are public and 11 are nonprofit. Tuition and fees for the low-debt public colleges range from $5,250 to $6,700, with all nine of these colleges below the national average for the sector. The low-debt nonprofit colleges have tuition and fees from $10,900 to $39,550, with most (10 of 11) below the national average for this sector.[23]

Most of the nonprofit low-debt colleges are not highly selective and do not have large endowments. Only three of them are highly selective and well-endowed schools, 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 6 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.

Most of the low-debt public and nonprofit colleges listed here enroll high proportions of low-income students.[24]

TABLE 6

LOW-DEBT COLLEGES AND UNIVERSITIES (ALPHABETICAL BY NAME)		
Berea College	KY	Private nonprofit
California State University - Bakersfield	CA	Public
California State University - Dominguez Hills	CA	Public
California State University - Sacramento	CA	Public
Campbellsville University	KY	Private nonprofit
College of the Ozarks	MO	Private nonprofit
CUNY Bernard M Baruch College	NY	Public
CUNY Brooklyn College	NY	Public
CUNY Lehman College	NY	Public
CUNY York College	NY	Public
East-West University	IL	Private nonprofit
Fort Valley State University	GA	Public
Hampton Univesity	VA	Private nonprofit
Howard University	DC	Private nonprofit
Keystone College	PA	Private nonprofit
Maranatha Baptist Bible College	WI	Private nonprofit
Mercy College of Ohio	OH	Private nonprofit
National University	CA	Private nonprofit
Princeton University	NJ	Private nonprofit
The University of Texas of the Permian Basin	TX	Public

[23] The weighted average for in-state tuition and fees at public four-year colleges is $8,276. The weighted average for tuition and fees at nonprofit four-year colleges is $30,550. Calculations by TICAS on 2011-12 student charges from U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS).

[24] Four of the nine low-debt public colleges have a higher proportion of undergraduates receiving Pell Grants than the average for their sector (34%), while for one of the nine, the proportion is below the sector average. At the remaining four 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 higher share of Pell recipients than the national average. Nine of the 11 low-debt 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.

DATA ON DEBT AT GRADUATION: HOW GOOD IS GOOD ENOUGH?

This report uses the only type of data currently available to gauge cumulative student debt levels for bachelor's degree recipients every year and at the college level. But as we note elsewhere in this report, these data have significant limitations. There are several reasons why the voluntarily reported, college-level debt data provide an incomplete picture of the debt carried by graduating seniors. Most notably, very few for-profit colleges—where graduates are most likely to have debt and have 43 percent more debt than public and nonprofit college graduates—provide debt figures voluntarily. (For more information on data limitations, see the *Appendix* on page 17. For more information on for-profit colleges, see page 11.)

Examination of these college-level data over time or in conjunction with other data sources also raises questions about the accuracy and comprehensiveness of these voluntarily reported, college-level data. For example:

- Some colleges report large swings in their average debt figures from year to year. For example, University of the Sciences, a nonprofit college in Philadelphia, reported a $71,370 average debt per borrower in the Class of 2013, placing it on our list of high-debt nonprofit colleges (see Table 5). Yet the average debt reported by the college in the prior year, for the Class of 2012, was low enough (at $10,620) to place the school on our list of low-debt colleges. Such a large change in a single year raises questions about both figures.[25]

- Of the 20 schools on our list of low-debt colleges, seven reported an average total debt figure for bachelor's degree graduates that was very similar to their average annual debt figures, reflecting the debt students took in a single year. Since borrowers earning four-year degrees frequently borrow for multiple years of education, similarities between cumulative and annual debt figures raise questions about whether the low cumulative debt reported by these colleges might be a reporting error.[26]

- Fifty colleges reported that none of their Class of 2013 graduates had private loan debt.[27] Yet when many Class of 2013 graduates were starting college in 2009-10, seven of these same colleges reported on a federal survey that at least 10 percent of their first-time, full-time students took out private loans.[28]

- While colleges awarding 83 percent of bachelor's degrees in 2012-13 reported debt figures, hundreds of colleges declined to report enough data to be included in this analysis. Moreover, the group of colleges included in our analysis changes every year. Eight percent of colleges included in our Class of 2012 analysis failed to report data for the Class of 2013, including four colleges highlighted for reporting high or low debt in our report on the Class of 2012: Green Mountain College (VT), Henderson State University (AR), Maine Maritime Academy (ME), and Minneapolis College of Art and Design (MN).[29]

[25] Note that University of the Sciences reported that 82% of its Class of 2012 graduated with debt, while reporting that only 41% of its Class of 2013 graduated with debt.

[26] For these seven colleges, the average cumulative debt for bachelor's degree recipients with loans in the Class of 2013, as reported to Peterson's was within $1,000 of either the average annual amount of student loans borrowed by first-time full-time students with loans in 2012-13 or the average annual amount of federal student loans borrowed by all undergraduates with federal loans in 2012-13. Calculations by TICAS on data from U.S. Department of Education, National Center for Education Statistics, College Navigator, accessed October 20, 2014 and data from Peterson's (see the *Appendix* on page 17).

[27] These colleges reported the same figures for overall student debt (federal and private loans combined) and federal student debt, indicating that no graduates had private student debt. 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.

[28] Calculations by TICAS on student financial aid data from U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) Data Center for 2009-10.

[29] Henderson State University was on the list of low debt colleges in our report on the Class of 2012. The other three colleges were on the lists of high debt colleges. Figures in this paragraph cover all public and nonprofit four-year colleges that reported granting bachelor's degrees in 2011-12 (for the Class of 2012) or 2012-13 (for the Class of 2013).

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 are both necessary and long overdue.

- Across the country, average debt figures derived from college-reported data are consistently lower than debt figures calculated using the federal National Postsecondary Student Aid Study (NPSAS). This federal study is the most comprehensive and reliable source of financial aid data at the national level, but it is conducted only once every four years and does not provide data for individual colleges. For nonprofit colleges in particular, average debt calculations based on the data voluntarily reported by colleges to Peterson's underestimate graduates' average debt by at least 10 percent compared to the more compreshensive figures from NPSAS. At both public and nonprofit colleges, aggregate college-level data understate the share of graduates with debt by at least eight percentage points.[30]

While these voluntarily reported data are the best available and still useful for illustrating the variations in student debt across states and colleges, they also illustrate why better data are sorely needed. Students and families need better information about costs and student outcomes when making college choices, and improvements in the collection and availability of student debt data are both necessary and long overdue. (See our recommendations for better data on page 15).

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 eight of 595 (1%) for-profit, four-year, bachelor's-granting colleges chose to report debt figures for the Class of 2013, and they enrolled only three percent of bachelor's degree recipients at for-profit colleges in the 2012-13 year. For-profit colleges do not generally respond at all to the survey used to collect the data in this report or to other similar surveys. (For more about this survey see page 17.) About seven percent of bachelor's degree recipients awarded in 2012-13 were from for-profit colleges.*

National data for 2012 graduates of for-profit colleges—the most recent data available—show that the vast majority of graduates from for-profit four-year colleges (88%) took out student loans. These students graduated with an average of $39,950 in debt—43 percent more than 2012 graduates from other types of four-year colleges.**

* Calculations by TICAS on 2012-13 completions from U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS). These figures refer to all for-profit four-year colleges that reported granting baccalaureate degrees in 2012-13.

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

[30] Calculations by TICAS on data from Peterson's and from U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS).

PRIVATE (NON-FEDERAL) LOANS

Nationally, about one-fifth (19%) of 2013 graduates' debt is comprised of private education loans.[31] Private loans are one of the riskiest ways to pay for college. The majority of these non-federal loans are made to students by private banks and lenders.[32] 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-driven repayment, and loan forgiveness programs. National data for 2012 graduates indicate that 30 percent of bachelor's degree recipients that year graduated with private loans, with average private loan debt of $13,600.[33] 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 in 2012.[34]

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.

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.[35] 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.[36]

At some colleges with relatively high or low average debt, a large proportion of their graduates' debt comes from private loans. Of the high-debt colleges listed on page 9, the share of graduates' debt that was from private loans ranged from zero to 54 percent. For almost half of the 40 high-debt colleges—three public and 14 nonprofit—more than one-third of the Class of 2013's debt came from private loans. In addition, there are eight low-debt colleges—three public and five nonprofit—where more than one-third of the Class of 2013's debt came from private loans.[37]

While there is broad consensus that private loans should be used only as a last resort, 47 percent of undergraduates who took out risky private loans in 2011-12 did not use the maximum available in safer federal student loans.[38] 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.[39] 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, encouraging this risky form of

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

[32] 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.

[33] Calculations by TICAS on data from U.S. Department of Education, National Postsecondary Student Aid Study 2011-12. These are the most recent data available that show the share of graduates with private loans and the average private loan debt of those who have such debt.

[34] Ibid.

[35] 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.

[36] For more on the difficulties borrowers face in repaying private loans, see: Consumer Financial Protection Bureau. 2014. ***Annual Report of the CFPB Student Loan Ombudsman***. http://files.consumerfinance.gov/f/201410_cfpb_report_annual-report-of-the-student-loan-ombudsman.pdf. Accessed October 24, 2014.

[37] Note that one public low-debt college and two nonprofit low-debt colleges did not report the data necessary to calculate the share of debt that is from private loans.

[38] TICAS. 2014. ***Private Loans: Facts and Trends***. http://www.ticas.org/files/pub/private_loan_facts_trends.pdf. The term "private loans" is defined here to mean bank and lender-originated loans only.

[39] The Institute for College Access & Success's 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.

financing. 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,[40] 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.[41] 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. (See our recommendation about private loan certification on page 16.)

[40] See: MeasureOne. 2014 ***MeasureOne Issues Second Private Student Performance Report***. http://www.measureone.com/measureone-issues-second-private-student-loan-performance-report. Accessed October 20, 2014.

[41] 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. Private loans refers here to non-federal loans from banks and lenders made to undergraduates only.

POLICY RECOMMENDATIONS TO REDUCE THE BURDEN OF STUDENT DEBT

Federal student loans help keep college within reach for many students who could not otherwise afford to enroll or graduate. For students who need to borrow, they are the safest and most affordable option. Yet as more students borrow, and borrow more, concerns about the effects of student loan debt—for individuals and the broader economy—have risen. High student loan debt, risky private loans, and even low debt when paired with low earnings, can hold borrowers back from starting a family, buying a home, saving for retirement, starting a business, or saving for their own children's education.

Below, we highlight key recommendations to reduce the burden of student debt. These and more are detailed in our national policy agenda, available online at projectonstudentdebt.org/policyagenda.

1. REDUCE THE NEED TO BORROW

When the costs that students and their families are expected to cover exceed available savings, earnings, and grants, students borrow to fill the gap. At the federal level, we recommend making more need-based grant aid available and containing up-front costs to reduce how much low- and moderate-income students need to borrow.

- **Increase Pell Grants.** Grants based on financial need reduce low- and moderate-income students' need for loans and help them attend and finish college. We recommend doubling the maximum federal Pell Grant, which currently covers the lowest share of college costs since the start of the program.

- **Prevent State Disinvestment.** The majority of students attend public colleges, where average per student state funding remains nearly 25 percent lower than before the recession.[42] We recommend that Congress 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. HELP KEEP LOAN PAYMENTS MANAGEABLE

There are now several income-driven repayment plans for federal student loans. They each cap monthly payments based on the borrower's income and family size, and provide a light at the end of the tunnel by discharging remaining debt—if any—after 20 or 25 years of payments, depending on the plan. Simplifying and raising awareness of these and other repayment plans will help borrowers make informed and affordable repayment choices before they default.

- **Simplify Income-Driven Repayment.** We recommend replacing the multiple existing income-driven plans with a single, improved plan. It would let any borrower choose the assurance of manageable payments capped at 10 percent of income and forgiveness after 20 years of payments, while better focusing benefits on those who need them most.[43]

- **Raise Awareness of Repayment Options.** The Administration has taken steps to promote awareness of income-driven plans and make it easier to enroll, but much more needs to be done. For example, we recommend the U.S. Department of Education (the Department) continuously target outreach to borrowers showing signs of financial distress.

[42] Center on Budget and Policy Priorities. 2014. ***States Are Still Funding Higher Education Below Pre-Recession Levels***. http://www.cbpp.org/files/5-1-14sfp.pdf. Accessed October 22, 2014.

[43] See: TICAS. 2013. ***Helping Students Make Wise Borrowing Choices and Repay Federal Student Loans***. http://bit.ly/1dmyMqd.

3. HELP STUDENTS AND FAMILIES MAKE INFORMED CHOICES

To make wise decisions about where to go to college and how to pay for it, students and families need clear, timely, accurate, and comparable information about costs, financial aid, and typical outcomes.

- **Better Data.** As highlighted in this report, there is an urgent need for better data on cumulative student loan debt at graduation. Currently available data on student debt are incomplete and uneven, with no comprehensive college-level data on debt at graduation or private loan borrowing. While the Department is working toward obtaining cumulative debt data through the National Student Loan Data System (NSLDS), such data will be incomplete because private loans are not included in that database. 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 NSLDS platform through which lenders currently report on every federal loan, or an equivalent system for tracking all federal and private loans. Until such a system is in place, we continue to recommend that the Department immediately collect these data from colleges via the Integrated Postsecondary Education Data System (IPEDS).[44]

- **Let Students Apply for Aid Earlier.** Calculating aid eligibility using the tax data available when students typically apply to college (sometimes referred to as "prior-prior year") would let students find out how much aid they are eligible for *before* they have to decide where to apply and dramatically simplify the process for both students and schools. The National Association of Financial Aid Administrators and members of Congress from both parties have embraced this timing fix, which we have long recommended, and the Secretary of Education already has the authority to implement it.[45]

- **Consumer Information.** With easy-to-understand, comparable information, students and families could better identify colleges that provide the best value and fit. That is why we support the improvement and promotion of these federal consumer tools.

  - *College Scorecards:* a one-page form to help consumers quickly and easily understand the chances of completing, borrowing, ending up with high debt, and defaulting at any particular school. For this tool to provide the most useful information, the federal government must collect better college-level data on student borrowing at the point of completion.[46]

  - *Net Price Calculator:* required by federal law to be maintained on each college website to help students and families figure out which schools they might be able to afford, before they have to decide where to apply. Our research has found that many of these calculators are hard to find, use, and compare,[47] and more must be done to ensure they live up to their potential.

[44] See: TICAS. 2013. ***TICAS IPEDS Comments***. http://www.ticas.org/pub_view.php?idx=914.

[45] 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 22, 2014. Also see: Section 480(a)(B) of the Higher Education Act, as amended, 20 USC 1087vv(a)(1)(B); U.S. House, Committee on Education and the Workforce. 2014. ***Simplifying the Application for Student Aid Act***. http://edworkforce.house.gov/news/documentsingle.aspx?DocumentID=386112. Accessed October 29, 2014; U.S. Senate, Office of Sen. Tom Harkin. 2014. ***With Focus on Affordability and Access, HELP Chairman Harkin Unveils Discussion Draft to Reauthorize Higher Education Act***. http://www.harkin.senate.gov/release.cfm?i=352965. Accessed October 29, 2014; U.S. Senate, Office of Sen. Corey Booker. 2014. ***U.S. Senator Booker Announces Legislation Promoting College Affordability***. http://www.booker.senate.gov/?p=press_release&id=60. Accessed October 29, 2014.

[46] TICAS. 2013. ***New College Scorecard: Two Steps Forward, One Step Back***. http://views.ticas.org/?p=982.

[47] TICAS. 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.

- *Shopping Sheet:* a voluntary format for college financial aid offers, to make it easy for students to understand and compare the real cost of attending the colleges where they have been accepted. More than 2,000 colleges now use the Shopping Sheet, but most still do not.[48] Students should be able to count on clear and comparable financial aid offers no matter where they apply.
- *Loan counseling:* entrance and exit counseling required by federal law for any student who receives a federal loan. The timing and content of the Department's current online counseling, which is used by thousands of colleges, must 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 among repayment options.

4. STRENGTHEN COLLEGE ACCOUNTABILITY

While students are 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. To more closely tie a college's eligibility for federal funding to the risk students take by enrolling and the risk taxpayers take by subsidizing it, and reward schools that serve students well, we recommend using a Student Default Risk Index (SDRI).[49] While a school's Cohort Default Rate (CDR) reflects only the share of a school's student loan borrowers who default, the SDRI is the 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.

- **End Eligibility for Worst Performers.** Establish an SDRI threshold above which performance is unacceptable, and cut failing schools off from federal aid (as is done currently with CDRs).
- **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 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.

5. REDUCE RISKY PRIVATE LOAN BORROWING

Private education loans typically have variable interest rates and cost much more over the life of the loan than fixed-rate federal student loans. Private loans also lack the important borrower protections and repayment options that come with federal loans, and lower income students usually receive the worst private loan rates and terms.[50] Yet almost half of undergraduates who borrow private loans could have borrowed more in safer federal loans.[51] We recommend a number of changes to reduce unnecessary reliance on risky private loans and enhance protections for borrowers who have such loans. Our recommendations include requiring school certification of private loans, creating a market for refinancing private loans, restoring fair bankruptcy treatment for private loan borrowers, and encouraging community colleges to participate in the federal loan program.

[48] The White House, The Domestic Policy Council & Council of Economic Advisors. 2014. *Taking Action: Higher Education and Student Debt*. http://www.whitehouse.gov/sites/default/files/docs/student_debt_report_final.pdf. Accessed October 22, 2014.

[49] See: TICAS. 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.

[50] See: TICAS. 2014. *Private Student Loans Publications and Resources*. http://projectonstudentdebt.org/privateloans.vp.html.

[51] TICAS. 2014. *Private Loans: Facts and Trends*. http://www.ticas.org/files/pub/private_loan_facts_trends.pdf. The term "private loans" is defined here to mean bank and lender-originated loans only.

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.[52]

This section of the Common Data Set 2013-2014 used to collect student debt data for the Class of 2013:

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

Include:

* 2013 undergraduate class who graduated between July 1, 2012 and June 30, 2013 who started at your institution as first-time students and received a bachelor's degree between July 1, 2012 and June 30, 2013.
* 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.$ _______________[53]

[52] Peterson's Undergraduate Financial Aid and Undergraduate Databases, copyright 2014 Peterson's, a Nelnet company. All rights reserved.

[53] Common Data Set Initiative. *Common Data Set 2013-2014*. http://www.commondataset.org. Accessed September 13, 2013.

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.

Except where otherwise noted, in this report the term "colleges" refers to public four-year and nonprofit four-year institutions of higher education that granted bachelor's degrees during the 2012-13 year and are located in the 50 states plus the District of Columbia.

ESTIMATING NATIONAL AVERAGES

The most comprehensive and reliable source of financial aid data at the national level, the National Postsecondary Student Aid Study (NPSAS), consistently shows higher student debt than national estimates derived from data that some colleges voluntarily report to Peterson's. For example, the most recent NPSAS showed average debt for the Class of 2012 that exceeded the average based on Peterson's data for the same year by about $1,950.[54] NPSAS is only conducted by the U.S. Department of Education every four years, does not provide representative data for all states, and provides no data for individual colleges. Therefore, in years when NPSAS is not conducted, we estimate the national average student debt upon graduation by using the change in the national average from Peterson's to update the most recent NPSAS figure.

The college-level data from Peterson's show an increase in average debt of two percent between borrowers in the Class of 2012 and the Class of 2013, from $25,900 to $26,400. NPSAS data show that bachelor's degree recipients at public and nonprofit four-year colleges who graduated with loans in the Class of 2012 had an average of $27,850 in debt. Applying a two percent increase to $27,850, we estimate that the actual student debt for the Class of 2013 is $28,400.

NPSAS data also show that about two-thirds (68%) of bachelor's degree recipients at public and nonprofit four-year colleges graduated with loans in the Class of 2012. The college-level data from Peterson's show the percentage of bachelor's degree recipients graduating with loans between the Class of 2012 and the Class of 2013 increased by two percent (or one percentage point, from 60% to 61%). Applying this increase in the share of graduates borrowing to 68 percent, we estimate that almost seven in ten graduates (69%) of the Class of 2013 graduated with loans.[55]

DATA LIMITATIONS

There are several reasons why CDS data (such as the college-level data from Peterson's) 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 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

[54] Calculations by TICAS on data from Peterson's and from U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study (NPSAS), http://nces.ed.gov/surveys/npsas/, accessed October 17, 2014. 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. NPSAS 2012 did not provide representative samples for any states. In previous years, NPSAS provided representative samples for a handful of states.

[55] We apply the same methodology to calculate other national figures for bachelor's degree recipients in the Class of 2013, i.e., 19 percent of debt was comprised of private loans, 68 percent of graduates at public colleges had debt with an average of $26,000 per borrower, and 75 percent of graduates at nonprofit colleges had debt with an average of $32,600 per borrower.

survey is voluntary and not 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 11 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?

Our state-level figures are based on the 1,108 colleges that answered both overall debt questions (H4 and H5 in the above CDS excerpt) for the Class of 2013, and reported that they awarded bachelor's degrees for the Class of 2013 in the Integrated Postsecondary Education Data System (IPEDS), a set of federal surveys on higher education.[56] These colleges represent 57 percent of all public and nonprofit four-year colleges that granted bachelor's degrees and 83 percent of all bachelor's degree recipients in these sectors in 2012-13.[57] Nonprofit colleges compose 62 percent of the colleges with usable data, similar to the share they make up of public and nonprofit four-year colleges combined (67%).

The college-level debt figures used to calculate state averages are estimates, which, as noted above, are reported voluntarily by college officials and are not audited. 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 2012-13 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 2013 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 2012-13 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

[56] See: U.S. Department of Education, National Center for Education Statistics. Integrated Postsecondary Education System (IPEDS). http://nces.ed.gov/ipeds/. Accessed August 22, 2014.

[57] Out of the 2,307 public four-year and nonprofit four-year colleges in the federal Integrated Postsecondary Education Data System (IPEDS) for 2012-13, 1,957 granted bachelor's degrees during the 2012-13 year, with 1,692,722 bachelor's degree recipients in the Class of 2013. The 1,108 colleges included in our state averages have a total of 1,397,886 bachelor's degree recipients in the Class of 2013. Of the 1,957 colleges in IPEDS that awarded bachelor's degrees, 194 were not found in the Peterson's dataset or could not be matched to a specific entry in the dataset. Another 439 institutions did not respond to the most recent Peterson's Undergraduate Financial Aid survey, while 216 institutions responded to the survey, but did not report figures for both overall debt questions for the Class of 2013.

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?

Except where otherwise noted, the lists of colleges and other data about student debt at colleges in this report are based on the 1,051 colleges that answered both overall debt questions (H4 and H5 in the above CDS excerpt) for the Class of 2013, and reported that they awarded at least 100 bachelor's degrees for the Class of 2013. 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 (one percent of the bachelor's degree recipients at public and nonprofit four-year colleges in 2012-13), and their very small graduating classes make their debt levels less meaningful for consumer or policy purposes.

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