

The Rise of College Student Borrowing

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A Social & Demographic Trends Report

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The Rise of College Student Borrowing

by Rebecca Hinze-Pifer and Richard Fry, Pew Research Center

Overview

Undergraduate college student borrowing has risen dramatically in recent years. Graduates who received a bachelor's degree in 2008¹ borrowed 50% more (in inflation-adjusted dollars) than their counterparts who graduated in 1996, while graduates who earned an associate's degree or undergraduate certificate in 2008 borrowed more than twice what their counterparts in 1996 had borrowed, according to a new analysis of National Center for Education Statistics data by the Pew Research Center's Social & Demographic Trends project.

Increased borrowing by college students has been driven by three trends:

- **More college students are borrowing.** In 2008, 60% of all graduates had borrowed, compared with about half (52%) in 1996.
- **College students are borrowing more.** Among 2008 graduates who borrowed, the average loan for bachelor's degree recipients was more than \$23,000, compared with slightly more than \$17,000 in 1996. For associate's degree and certificate recipients, the average loan increased to more than \$12,600 from about \$7,600 (all figures in 2008 dollars).
- **More college students are attending private for-profit schools**, where levels and rates of borrowing are highest. Over the past decade, the private for-profit sector has expanded more rapidly than either the public or private not-for-profit sectors. In 2008, these institutions granted 18% of all undergraduate awards, up from 14% in 2003.² Students who attend for-profit colleges are more likely than other students to borrow, and they typically borrow larger amounts.

Other key findings from the Pew Research analysis:

- One-quarter (24%) of 2008 bachelor's degree graduates at for-profit schools borrowed more than \$40,000, compared with 5% of graduates at public institutions and 14% at not-for-profit schools.
- Roughly one-in-four recipients of an associate's degree or certificate borrowed more than \$20,000 at both private for-profit and private not-for-profit schools, compared with 5% of graduates of public schools.
- Graduates of private for-profit schools are demographically different from graduates in other sectors. Generally, private for-profit school graduates have lower incomes, and are older, more likely to be from minority groups, more likely to be female, more likely to be independent of their parents and more likely to have their own dependents.

¹ All values in this report are measured over academic years rather than calendar years. For example, "2008 graduates" refers to students who graduated at any point in the 2007-2008 academic year.

² The U.S. Department of Education did not distinguish between private not-for-profit and for-profit schools in published graduation figures prior to 2003.

- Although private for-profit schools specialize in different fields of study than do public and private not-for-profit schools, the differences in borrowing patterns persist within fields of study. For almost every field of study at every level, students at private for-profit schools are more likely to borrow and tend to borrow larger amounts than students at public and private not-for-profit schools.

About this Report

The total loan amounts in this report are intended to capture the total debt students incurred for their degrees, from enrollment to graduation, so the analysis is limited to students who completed their degrees. It is based on publicly available data published by the U.S. Department of Education's National Center for Education Statistics. The National Postsecondary Student Aid Study (NPSAS) collects student-level information based on federal financial aid records, college and university records, and student interviews. It is conducted every four years and is nationally representative of schools that participate in federal financial aid programs. The Integrated Postsecondary Education Data System (IPEDS) collects institution-level data annually from nearly every institution of higher education that participates in federal financial aid programs. All years in the report are academic years, identified by the later calendar year. For example, 2008 refers to the 2007-2008 academic year. Appendix A describes the data sources and methodology in more detail.

This report was edited by Paul Taylor, executive vice president of the Pew Research Center and director of its Social & Demographic Trends project. The report also benefited from comments by Rakesh Kochhar and Mark Hugo Lopez of the Pew Research Center and Jacqueline King of the American Council on Education. The report was copy-edited by Marcia Kramer of Kramer Editing Services and number-checked by Daniel Dockterman of the Pew Research Center.

Student Borrowing Increases

College students who graduated in 2008 borrowed substantially more than students who graduated in 1996. In 2008, bachelor's degree recipients borrowed \$15,425 on average, compared with \$10,138 for 1996 graduates. Borrowing by associate's degree and undergraduate certificate recipients doubled, to \$6,649 in 2008 on average from \$3,318 in 1996 (all figures expressed in 2008 dollars).

Three trends contribute to the increase in average borrowing by students: a greater share of students is choosing to borrow; students who borrow are borrowing larger amounts; and students are attending a different mix of schools.³

More Borrowers

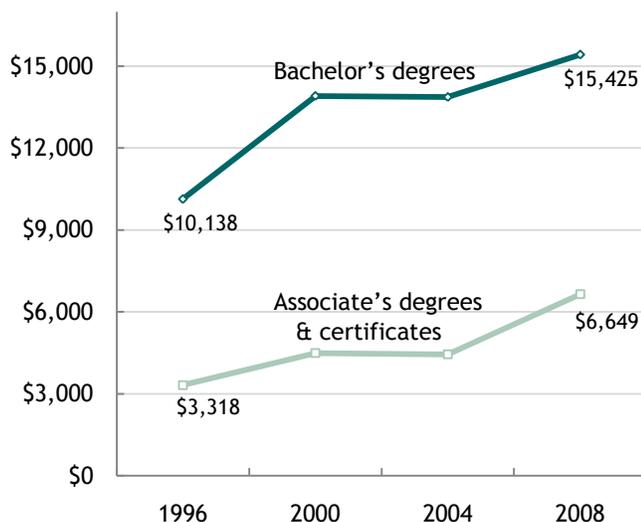
Students in the class of 2008 were more likely to borrow than were graduates in 1996, regardless of what type of school they attended. Overall, 60% of degree recipients in 2008 borrowed, compared with 52% in 1996. The largest increase (18 percentage points) occurred at private for-profit schools, where 95% of 2008 graduates borrowed, compared with 77% of 1996 graduates. The share of graduates who borrowed also increased at private not-for-profit schools (from 59% to 72%) and public schools (46% to 50%).

Larger Loans

For students who chose to borrow, the amount borrowed also gradually increased

Average Total Loans for All Graduates, by Type of Degree, 1996-2008

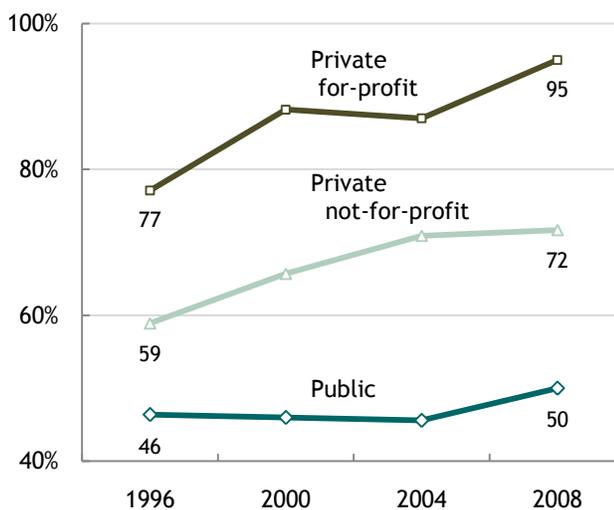
(2008 dollars)



Source: National Center for Education Statistics, National Postsecondary Student Aid Study

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Share of Graduates Who Borrowed, by Type of School, 1996-2008



Source: National Center for Education Statistics, National Postsecondary Student Aid Study

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³ This report focuses on student borrowing, without examining why students decide to borrow. The College Board publishes several annual reports exploring possible explanations, including [rising tuition and fees](#) and [changes in student aid patterns](#).

Types of Degrees and Types of Schools

This report examines borrowing by college students at three types of institutions: public, private not-for-profit and private for-profit.

Public schools graduated 2 million students in 2009. Among students who attended public schools, about 85% of associate's degree and certificate recipients attended community colleges.

Private not-for-profit schools awarded 575,000 credentials in 2009, 18% of all undergraduate awards. Private not-for-profit schools are predominantly active in the bachelor's degree market—they account for only 5% of associate's degrees and certificates.

Private for-profit schools awarded roughly the same number of credentials, 574,000, as private not-for-profit schools. They primarily grant associate's degrees and undergraduate certificates but are expanding rapidly into the bachelor's degree market. For-profit schools often operate networks of schools; examples include the University of Phoenix, Strayer University, Kaplan Higher Education and DeVry University. In 2009, the University of Phoenix Online was the largest individual for-profit grantor of bachelor's degrees (more than 14,500) and associate's degrees (more than 12,000).

Students may be enrolled in one of three major degree programs: bachelor's degrees, associate's degrees and certificates. Although much attention is focused on bachelor's degree students, half of the undergraduate credentials awarded annually—1.6 million of a total of 3.2 million—are for associate's degrees or certificates. Associate's degrees may typically be completed with two years of full-time course work, although many students take longer to graduate. A significant portion of associate's degree recipients transfers the credits earned toward a bachelor's degree program after graduation (Berkner & Choy, 2008). Certificates tend to be career-focused, ranging from trade certifications for truck drivers, home health workers, bar-tenders or massage therapists to credentials in computer network administration or construction management. Requirements for certificates vary from a few courses to as many as three or four years of full-time study.

Total Undergraduate Awards, 2009

(Thousands)

	Public	Private Not-for- Profit	Private For- Profit	All Institutions
Bachelor's Degrees	1,017	496	85	1,598
Associate's Degrees	596	47	144	787
Certificates, less than 1 year	255	15	162	431
Certificates, 1-2 years	166	12	163	341
Certificates, 3 years or more	12	5	20	37
All Awards	2,046	575	574	3,195

Note: Values may not sum to total due to rounding.

Source: National Center for Education Statistics, Integrated Postsecondary Education Data System.

between the class of 1996 and the class of 2008. For every type of degree and type of school with reliable data,⁴ borrowers who graduated in 2008 had significantly more debt than did those who graduated in 1996. Among borrowers, the average debt for bachelor's degree recipients increased 36%, from \$17,075 in 1996 to \$23,287 in 2008; the average debt for associate's degree recipients increased 72%, from \$7,751 to \$13,321; and the average debt for certificate awardees increased 57%, from \$7,300 to \$11,427.

Expansion of Private for-Profit Schools

The overall increase in borrowing is also driven by the shift of the student population to private for-profit schools. These schools granted 18% of all undergraduate credentials in 2009, up from 14% in 2003.⁵ The for-profit sector is expanding rapidly, awarding 172% more bachelor's degrees, 61% more associate's degrees and 36% more certificates in 2009 than in 2003. The total number of undergraduate awards granted by all schools has grown 22% in the same

Rates and Levels of Borrowing by Graduates, 1996 and 2008

(2008 dollars)

	Percent Who Borrowed		Average Debt of Borrowers	
	1996	2008	1996	2008
All Bachelor's Degrees	59%	66%	\$17,075	\$23,287
Public	59%	62%	\$15,599	\$20,087
Private not-for-profit	60%	72%	\$19,852	\$28,039
Private for-profit	‡	97%	‡	\$33,046
All Associate's Degrees	41%	48%	\$7,751	\$13,321
Public	36%	39%	\$6,079	\$10,577
Private not-for-profit	‡	74%	‡	\$19,914
Private for-profit	89%	99%	\$14,375	\$19,750
All Certificates	51%	65%	\$7,300	\$11,427
Public	32%	32%	\$6,369	\$9,719
Private not-for-profit	‡	‡	‡	‡
Private for-profit	73%	92%	\$6,519	\$11,717

Note: The ‡ symbol indicates sample size was too small for meaningful analysis.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

Percent Change in Number of Awards, by Type of School, 2003-2009

	Public	Private Not-for-Profit	Private For-Profit	All Institutions
Bachelor's Degrees	17%	12%	172%	19%
Associate's Degrees	20%	2%	61%	24%
Certificates	21%	-13%	36%	25%
All Awards	18%	10%	53%	22%

Source: National Center for Education Statistics, Integrated Postsecondary Education Data System.

⁴ The 2008 NPSAS sampled about 114,000 undergraduate students. This report focuses on the approximately 20% of those students who graduated in 2008. NPSAS does not report unweighted sample sizes for tabulations; all values in this report are based on estimated sample sizes larger than 100 individuals.

⁵ The U.S. Department of Education did not distinguish between private not-for-profit and private for-profit schools in published graduation figures prior to 2003.

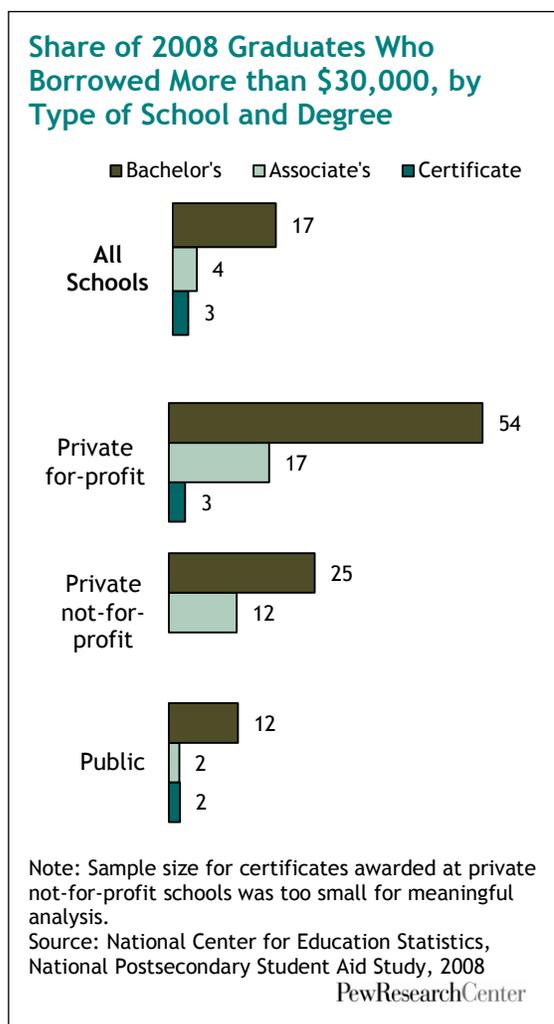
time period, with much more rapid growth at private for-profit schools (53%) than at public schools (18%) or private not-for-profit schools (10%).

Students at private for-profit schools both take out larger loans and are more likely to borrow than students seeking similar degrees at public or private not-for-profit schools.⁶ More than nine-in-ten (95%) graduates of for-profit schools in 2008 took out at least one loan. In contrast, half of 2008 graduates of public institutions and 72% of graduates at private not-for-profit schools decided to borrow. These differences may be attributable to a variety of factors, including that for-profit schools generally have higher costs of attendance, offer a different mix of fields of study, have different institutional practices (GAO, 2010) and serve different types of students.

High-Debt Borrowers

College borrowing is a mixed blessing. On the one hand, access to student credit may be an important factor facilitating college access for lower-income and non-traditional students. On the other hand, individuals with large student debt relative to their incomes may have difficulty making monthly payments.⁷

There is no clearly defined limit for what constitutes an acceptable level of student debt.⁸ Ease of repayment depends on future income and the repayment terms of the loan. Roughly one-in-ten graduates in 2008 borrowed more than \$30,000. With standard loan terms, a student with \$30,000 in debt will owe monthly payments of about \$350 for 10 years.⁹ A small fraction of certificate and associate's degree recipients borrow at this level (3% and 4%, respectively), but one-in-six (17%) of all bachelor's degree recipients do. By type of school, 12% of bachelor's degree recipients in public schools borrowed more than \$30,000, compared with 25% at private not-for-profit schools and 54% at for-profit schools.



The lesser amount of borrowing by associate's degree and certificate recipients is not surprising. Associate's degrees and most undergraduate certificates require less course work and may be completed more quickly than bachelor's degrees. Furthermore, graduates of these programs typically earn less over the course of their careers

⁶ Statistically, associate's degree recipients who borrowed averaged the same loan amount at private for-profit schools and at private not-for-profit schools. Private not-for-profit colleges granted just 6% of associate's degrees in 2008.

⁷ This report focuses on the size of the loan principal. The amount a loan recipient will eventually pay is determined by the interest and repayment terms on the loan. Loans originated through federal programs typically have more generous terms and more flexible repayment options than do private loans. In 2008, approximately one-quarter of student loan debt was financed through riskier private, non-federal loans.

⁸ See [Baum & Schwartz \(2006\)](#) for a detailed discussion of reasonable debt limits.

⁹ For a 10-year loan with a 6.8% annual interest rate.

than do graduates with bachelor's degrees. In the remainder of this report, bachelor's degree recipients who borrowed more than \$40,000 are regarded as high-debt borrowers and a lower bar—\$20,000—is used for graduates below the bachelor's degree level.

Borrowing for Bachelor's Degrees

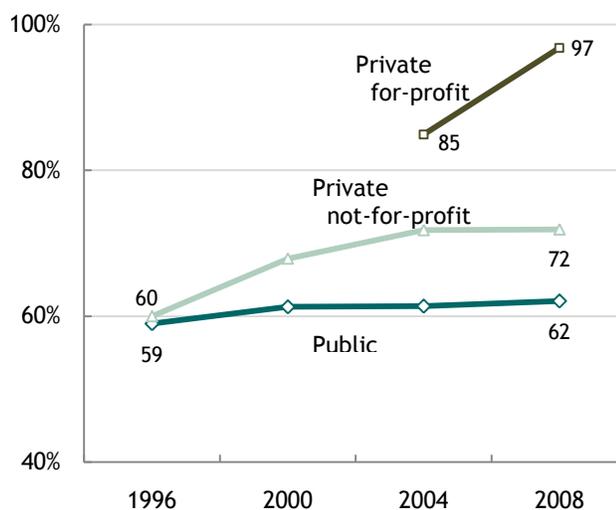
At graduation in 2008, bachelor's degree recipients had typically borrowed more than \$15,000 (including graduates who did not borrow), an increase of more than 50% since 1996.

The increase in borrowing is partly due to an increase in the share of students who decided to borrow. Bachelor's graduates of private schools in 2008 were increasingly likely to have used loans to pay for their degrees. At for-profit schools, nearly every bachelor's degree recipient in 2008 borrowed (97% in 2008), 12 percentage points higher than the share in 2004.¹⁰ Graduates at not-for-profit schools also increased their rate of borrowing, from 60% for the class of 1996 to 72% for the class of 2008. The rate at public schools slightly increased, from 59% to 62%.

Moreover, at all types of schools, bachelor's degree borrowers in the class of 2008 had typically taken on more debt than those in the class of 1996. At public colleges and universities, 2008 graduates had borrowed \$20,087, an increase of about \$4,500 since 1996. At private not-for-profit schools, the average loan amount increased 41%, from \$19,852 to \$28,039. Borrowing at for-profit schools also increased between the class of 2004 (\$30,106), the first year for which there are reliable data, and the class of 2008 (\$33,046).

For-profit schools have expanded very rapidly into the bachelor's degree market in

Percent of Bachelor's Degree Recipients Who Borrowed, by Type of School, 1996-2008



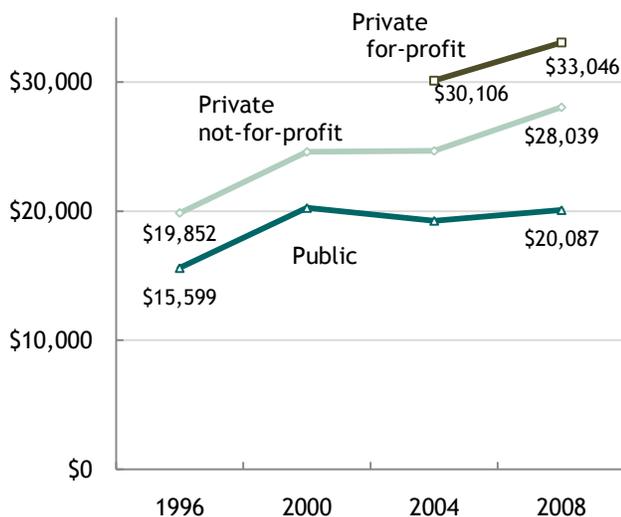
Note: Sample size for private for-profits schools is too small for meaningful analysis before 2004.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study

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Average Loans for Bachelor's Degree Recipients Who Borrowed, by Type of School, 1996-2008

(2008 dollars)



Note: Sample size for private for-profits schools is too small for meaningful analysis before 2004.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study

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¹⁰ Sample size for private for-profit schools is too small for meaningful analysis before 2004.

recent years. Although they account for a relatively small fraction of bachelor's degrees (5% in 2009), for-profit schools are growing much more rapidly than the sector in general. From 2003 to 2009, the total number of bachelor's degrees increased 19%; over the same time period, for-profit schools increased the number of bachelor's degrees they awarded by 172%.

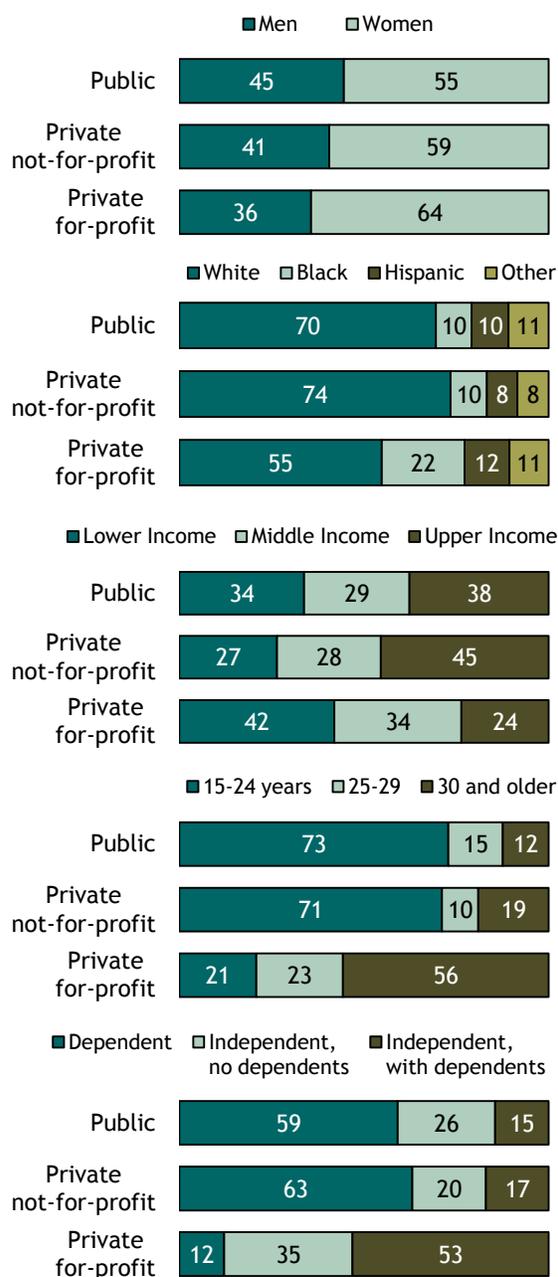
Borrowers at for-profit colleges and universities typically graduated with the largest loans (\$33,046, on average), compared with \$28,039 at private not-for-profit schools and \$20,087 at public institutions.

Students at for-profit schools are also more likely than graduates of other types of schools to graduate with high levels of debt. One-in-four (24%) 2008 graduates of for-profit schools had borrowed more than \$40,000. In comparison, 5% of graduates of public institutions and 14% of graduates of not-for-profit schools had that level of debt.

Given the generally lower cost of attendance at public colleges and universities, it is not surprising that graduates of these institutions borrow less. But there are other differences between private for-profit and private not-for-profit schools that may also contribute to the differences in student borrowing patterns.

Compared with graduates at public or private not-for-profit schools, bachelor's degree recipients at for-profit schools are older, more likely to be from minority groups, more likely to be female, more likely to be independent of their parents, more likely to have their own dependents and more likely to have lower incomes. For example, in 2008, 53% of bachelor's degree recipients at private for-profit schools were living independently with their own dependents, compared with 15% of bachelor's degree recipients at public schools. Also, 42% of bachelor's degree recipients at private for-profit schools were from lower-income households, compared with 34% at public schools.

Demographic Distributions for Bachelor's Degree Recipients, by Type of School, 2008



Notes: Hispanics are of any race. White, black and other include only non-Hispanics. Sums may not total 100% due to rounding. See Appendix A for a description of income groups.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

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Loan Amounts for 2008 Bachelor's Degree Recipients Who Borrowed, by Type of School

	Public		Private Not-for-Profit		Private For-Profit	
	Mean	Percent Who Borrowed	Mean	Percent Who Borrowed	Mean	Percent Who Borrowed
Bachelor's	\$20,087	62%	\$28,039	72%	\$33,046	97%
Men	\$19,622	60%	\$27,074	68%	\$33,789	96%
Women	\$20,438	64%	\$28,644	75%	\$32,641	98%
White	\$20,432	61%	\$27,948	69%	\$33,299	95%
Black	\$23,155	78%	\$29,184	83%	\$30,990	99%
Hispanic	\$17,366	62%	\$28,343	81%	‡	‡
Lower Income	\$22,140	72%	\$28,738	83%	\$32,861	99%
Middle Income	\$19,153	67%	\$28,275	78%	\$32,214	96%
Upper Income	\$18,187	49%	\$27,279	61%	\$34,926	95%

Note: The ‡ symbol indicates sample size was too small for meaningful analysis. Hispanics are of any race. White and black include only non-Hispanics. See Appendix A for a description of income groups.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

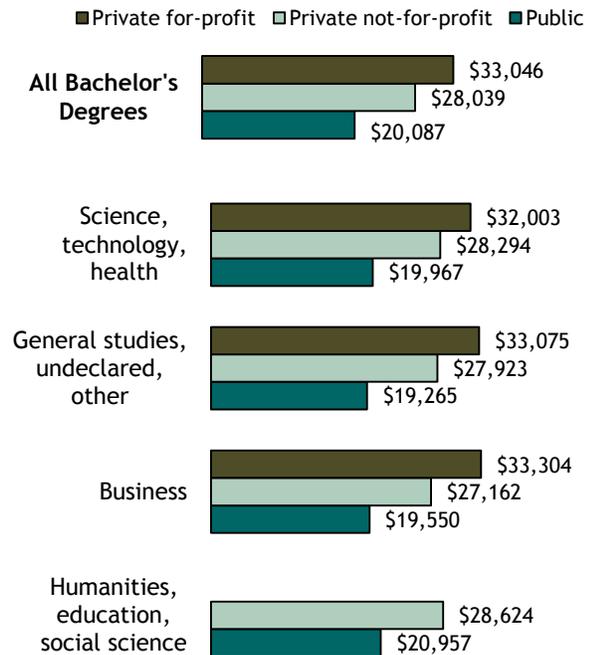
Within each type of school, differences in amounts borrowed by bachelor's degree recipients vary little by gender, race and ethnicity, or income. For example, men and women borrowed virtually identical amounts within each type of school in 2008. The most notable differences are that blacks at public schools borrowed considerably more than Hispanics (\$23,155 versus \$17,366) and lower-income graduates at public schools borrowed more than middle- and upper-income graduates at public schools. With respect to borrowing rates, there are some clear variations by demographic groups within each type of school. At public schools, for example, 72% of lower-income bachelor's degree recipients in 2008 borrowed, compared with 49% of upper-income graduates.

Across types of schools, there are larger differences in both amounts borrowed and the rate of borrowing, even within individual demographic groups. For example, the shares of lower-income graduates who borrowed ranges from 72% in public schools to 99% in for-profit schools, and the amount borrowed by these graduates increases from \$22,140 in public schools to \$32,861 in for-profit schools. It is also worth noting that lower-income students in private not-for-profit schools were less likely to borrow than were either middle- or upper-income graduates in private for-profit schools.

For-profit schools also produce graduates with a different balance of fields of study than do private not-for-profit or public schools. For example, although 4% of bachelor's degree graduates in the sample are from for-profit schools, they account for 13% of computer and information science graduates and only 1% of humanities and social science graduates. But for every field of study in which for-profit schools produce a significant number of graduates, borrowers with bachelor's degrees in the same field of study borrow more at for-profit schools than at other schools.

Furthermore, although differences in borrowing patterns exist across fields of study, the differences are relatively small compared with the differences across the public, private not-for-profit, and private for-profit sectors. Consider graduates with bachelor's degrees in business, who account for nearly one-quarter of graduates of private for-profit schools. Fully 95% of business graduates at for-profit schools choose to borrow, compared with 73% at private not-for-profit schools and 59% at public schools. Business graduates who borrowed at for-profit schools averaged \$33,011 in loans, significantly more than business borrowers at either not-for-profit schools (\$26,886) or public schools (\$19,441).

Average Loans by Field of Study, of Borrowers, 2008



Note: Sample size in humanities, education and social science was too small at private for-profit schools for meaningful analysis.
Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

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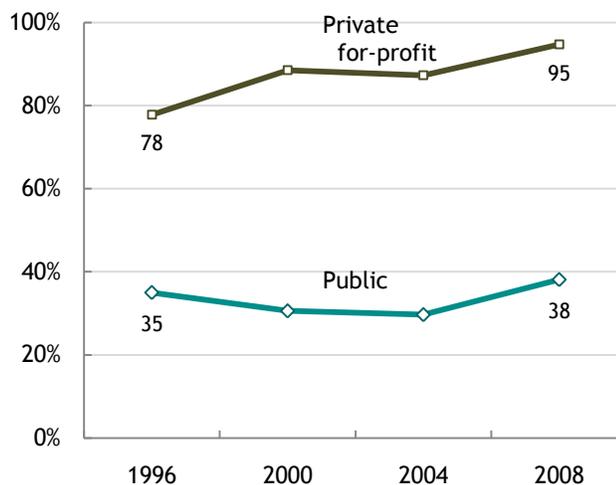
Borrowing for Associate's Degrees and Certificates

The average amount borrowed by recipients of associate's degrees and undergraduate certificates doubled from 1996 to 2008. Although associate's degrees and undergraduate certificates typically receive less attention than bachelor's degrees, they account for about half of the undergraduate credentials awarded by colleges and universities. Overall, an associate's degree or certificate recipient in 2008 borrowed \$6,649 on average, up from \$3,318 in 1996.¹¹

The share of associate's degree and certificate recipients from private for-profit schools who borrowed increased, from 78% in 1996 to 95% in 2008. The likelihood that an associate's or certificate graduate of a public institution would borrow increased slightly, from 35% in 1996 to 38% in 2008. Private not-for-profit schools account for a relatively small and shrinking portion of associate's degrees and certificates, and the sample size is too small for meaningful analysis before 2008.

Among graduates who borrowed, the total loan debt increased substantially at both public and private for-profit schools. Associate's degree and certificate borrowers at public schools raised their average loan amount from \$6,130 in 1996 to \$10,448 in 2008, an increase of 70%. At for-profit schools, borrowers' average debt increased from \$9,131 to \$14,742, or by 61%.

Percent of Associate's Degree and Certificate Recipients Who Borrowed, by Type of School, 1996-2008



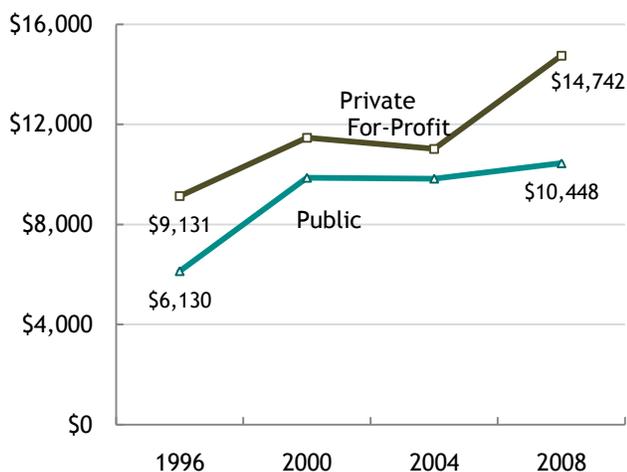
Notes: Sample size for private not-for-profit schools is too small for meaningful analysis.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study

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Average Loans for Associate's Degree and Certificate Recipients Who Borrowed, by Type of School, 1996-2008

(2008 dollars)



Note: Sample size for private, not-for-profit schools is too small for meaningful analysis.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study

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¹¹ This analysis combines associate's degrees and undergraduate certificates for the sake of clarity. The trends discussed hold when the two are analyzed separately.

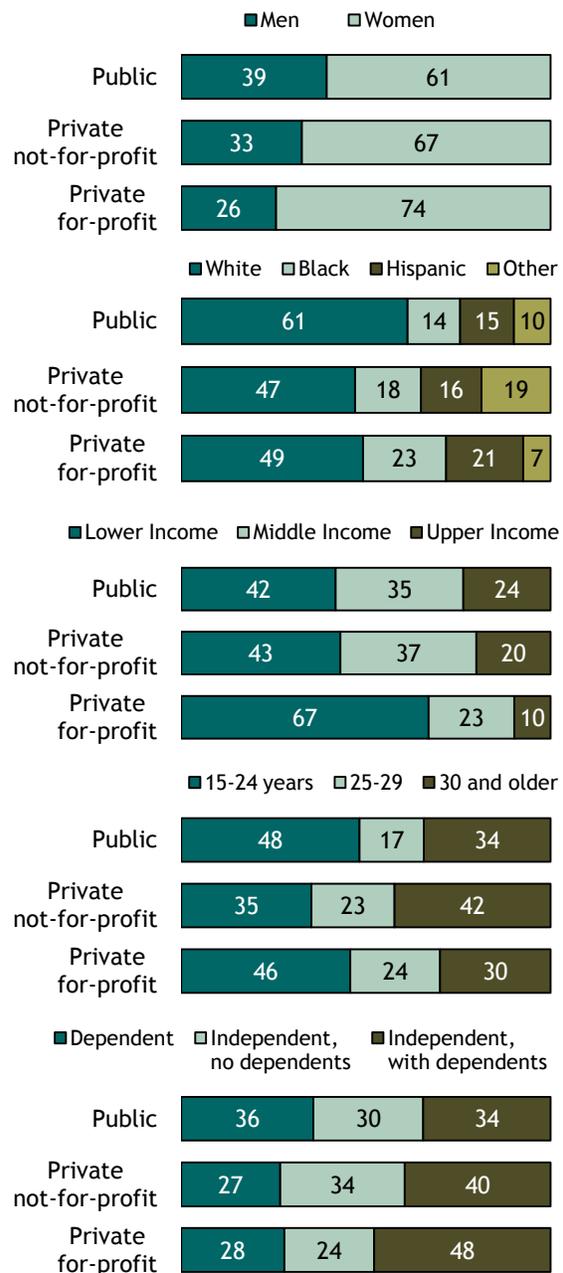
For-profit schools granted nearly a third of all associate's degrees and certificates in 2009, compared with slightly more than one-quarter of awards in 2003.

High-debt borrowing also increased from 1996 to 2008. Overall, one-in-ten associate's degree or certificate graduates borrowed more than \$20,000 in 2008, compared with 6% of graduates in 1996. At private for-profit institutions, 22% of 2008 awardees graduated with more than \$20,000 in loans (up from 15% in 1996).

Graduates of associate's degree and certificate programs at for-profit schools are demographically somewhat different from graduates of similar programs at other schools.¹² For-profit school graduates are more likely to be women (74%) than are graduates of public (61%) or private not-for-profit (67%) schools. Nearly seven-in-ten graduates of for-profit schools are lower income (67%), compared with slightly more than 40% at public and private not-for-profit schools. Almost half (48%) of for-profit school graduates have children or other dependents, compared with 34% at public schools and 40% at private not-for-profit schools.

Below the bachelor's level, for-profit schools offer a different mix of degrees than public institutions. In 2008, for instance, 77% of credentials in personal and consumer services and 38% of health care credentials were granted by for-profit institutions, compared with 9% of awards in science and humanities and 18% of awards in business.¹³ The borrowing differences between public and private for-profit schools persist for all fields of study in which for-profit schools produce a significant number of graduates.

Demographic Distributions for Associate's Degree and Certificate Recipients, by Type of School, 2008



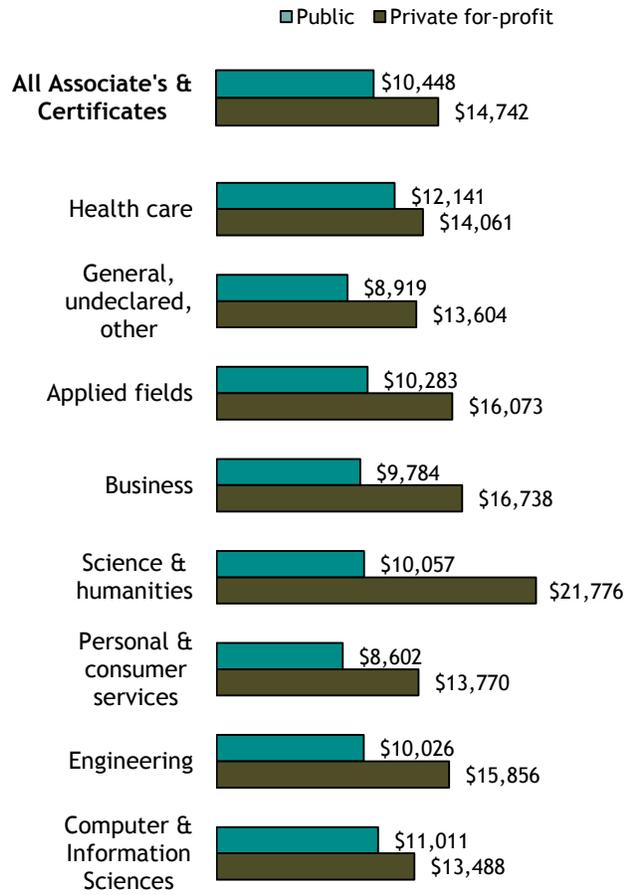
Notes: Hispanics are of any race. White, black and other include only non-Hispanics. Sums may not total 100% due to rounding. See Appendix A for a description of income groups. Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

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¹² This analysis is limited to schools that participate in federal financial aid programs. The majority of schools that are not aid-eligible are private for-profit schools. Cellini and Conger (2010) suggest that the demographic profile of students at two-year private, aid-eligible schools is different from the profile of students at non-eligible private two-year schools.

¹³ Values based on the 2008 NPSAS sample. Estimates based on the IPEDS sample produces similar, but not identical, estimates.

Average Loans for Associate's and Certificate Recipients Who Borrowed, by Type of School and Field of Study, 2008



Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

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Appendix A: Data and Methods

This report is based on two sets of data collected by the U.S. Department of Education's National Center for Education Statistics. The National Postsecondary Student Aid Study (NPSAS) is conducted every four years. Based on a nationally representative sample of college students, it combines information from federal financial aid records, institutional records and student interviews. All loan values in this report are estimates, based on the NPSAS sample. The Integrated Postsecondary Education Data System (IPEDS) collects institution-level information annually from all higher education institutions that participate in federal financial aid programs. IPEDS data were used to estimate the total number of degrees awarded in each sector over time. For-profit schools are slightly underrepresented in both NPSAS and IPEDS because they do not include schools that do not participate in federal student aid programs; the findings in this report refer to aid-eligible schools.

This analysis is limited to institutions in the 50 states and the District of Columbia that participate in Title IV federal financial aid programs. International students are not included in average loan amounts and other estimates based on NPSAS data. Awards to international students are not reported separately to IPEDS, so these students are included in total degrees awarded and other estimates based on IPEDS data. All years in the report are academic years, identified by the later calendar year. For example, 2008 refers to the 2007-2008 academic year.

Where income grouping is used, lower-income is defined as students whose 2006 household income was 200% of the 2006 federal poverty threshold or less. Middle-income students had household incomes between 201% and 400% of the threshold, and upper-income students had household incomes 401% of the threshold or higher. For students who were legal dependents of their parents, the parents' reported incomes and household size were used to determine income group.

The total loan estimates are intended to capture all student debt incurred by the student from initial enrollment to completion of degree or certificate. Consequently, the sample is limited to students who earned their degree or certificate in the year the data were collected. Loan estimates do not include credit card debt, mortgages or home equity loans, or any borrowing by other individuals on behalf of students, including federal PLUS loans to parents. Due to a change in NPSAS data collection procedures, 1996 estimates may be slightly inflated relative to later years. Estimates for 1996 include loans to students from family or friends, which are omitted in 2000, 2004 and 2008. NPSAS uses federal financial aid records to determine the amount of each student's federal debt but uses less reliable student interviews to determine the amount of private loans, which account for approximately one-quarter of all student loan debt.

All dollar values are inflation-adjusted to 2008 dollars by the CPI-U-RS.

Appendix B: Trends in Borrowing Rates and Levels

Percent of Graduates Who Borrowed, by Type of School and Degree

	1996	2000	2004	2008
All Certificates	51%	44%	54%	65%
Public	32%	27%	22%	32%
Private not-for-profit	‡	‡	‡	‡
Private for-profit	73%	87%	86%	92%
All Associate's Degrees	41%	40%	37%	48%
Public	36%	33%	31%	39%
Private not-for-profit	‡	‡	73%	74%
Private for-profit	89%	94%	91%	99%
All Bachelor's Degrees	59%	64%	65%	66%
Public	59%	61%	61%	62%
Private not-for-profit	60%	68%	72%	72%
Private for-profit	‡	‡	85%	97%

Note: The ‡ symbol indicates sample size was too small for meaningful analysis.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008

Average Total Loans for 2008 Graduates Who Borrowed, by Type of School and Degree

(2008 dollars)

	1996	2000	2004	2008
All Certificates	\$7,300	\$9,742	\$8,670	\$11,427
Public	\$6,369	\$9,557	\$8,328	\$9,719
Private not-for-profit	‡	‡	‡	‡
Private for-profit	\$6,519	\$9,344	\$8,719	\$11,717
All Associate's Degrees	\$7,751	\$11,857	\$11,722	\$13,321
Public	\$6,369	\$10,072	\$10,047	\$10,577
Private not-for-profit	‡	‡	\$16,072	\$19,914
Private for-profit	\$14,375	\$16,806	\$17,271	\$19,750
All Bachelor's Degrees	\$17,075	\$21,863	\$21,335	\$23,287
Public	\$15,599	\$20,253	\$19,257	\$20,087
Private not-for-profit	\$19,852	\$24,585	\$24,660	\$28,039
Private for-profit	‡	‡	\$30,106	\$33,046

Note: The ‡ symbol indicates sample size was too small for meaningful analysis.

Source: National Center for Education Statistics, National Postsecondary Student Aid Study, 2008