



Debt

Almost 80 percent of young adults (average age of just over 18) worry about debt and are experiencing debt-related stress in their daily lives. (Source: EverFi)

60% of all college students receive no financial help from their parents. (SOURCE: 30daystox May 8, 2014)

One third of respondents said financial stressors have had a negative impact on their academic performance or progress. (Source: Inceptia - Financial Stress: An Everyday Reality for College Students)

A recent Gallup-Purdue Index study found that 35% of 2000-2014 U.S. college graduates report graduating with more than \$25,000 in undergraduate student loan debt, in inflation-adjusted dollars (Source: Gallup; April 16, 2015).

When asked how much debt was reasonable for someone who had earned a bachelor's degree, 62% gave an amount that was \$20,000 or higher. 5% said no amount of debt was reasonable (Public-opinion poll from Gallup and the Lumina Foundation; April 17, 2015).

For someone with an associate degree, 27% of respondents gave an amount that was \$20,000 or higher. 10% said no amount of debt was reasonable (Public-opinion poll from Gallup and the Lumina Foundation; April 17, 2015).

When asked how much debt was reasonable for someone who took college classes for several years but did not graduate, 20% answered \$20,000 or higher. 20% of respondents also said no amount was reasonable (Public-opinion poll from Gallup and the Lumina Foundation; April 17, 2015).

Student loan debt is at a record high of \$1.1 trillion, and the average undergraduate who borrows to attend school graduates nearly \$30,000 in debt. Almost 20% of student borrowers are in default (Kevin Carey, "A Quiet Revolution in Helping Life the Burden of Student Debt" *The New York Times*, January 24, 2015).

Vast majority of students, 70%, are graduating with debt (Source: Martin O'Malley, "Common-sense steps to ease burden of student debt weighing down futures *The Washington Post*).

Although average tuition at a public four-year college has more than tripled over the past 30 years, a typical family's income has barely budged (Source: Martin O'Malley, "Common-sense steps to ease burden of student debt weighing down futures *The Washington Post*).

By the fourth quarter of 2014, across public, private, and for-profit institutions, students held \$1.16 trillion in student debt – eclipsing both car loans and credit card debt (Source: from the article "College Affordability Down, Debt Up").

Between the 2007-2008 and 2012-2013 school years, the share of students graduating from a public four-year institution with debt rose from 55% to 59%; the average amount of debt held by the

average bachelor's degree recipient with loans at a public four-year institution grew 16% - from \$22,000 to \$25,600 (in 2013 dollars) (Source: from the article "College Affordability Down, Debt Up").

Of student borrowers who entered college in the 2003-2004 academic year and defaulted by 2009, 63% had dropped out (Ben Miller, "Student-Loan Default Rates Are Easily Gamed. Here's a Better Measure", *The Chronicle of Higher Education*).

Among households with education debt, the mean per-person debt more than tripled, from \$5,810 to \$19,341 from 1989 to 2013 (in 2010 dollars). Median debt grew from \$3,517-\$10,390. (Source: Akers and Chingos 2014b).

In 2013, 7% of households with debt had balances in excess of \$50,000 and 2% had balances over \$100,000 (Source: Akers and Chingos 2014b).

Estimates suggest that roughly ¼ of the increase in student debt since 1989 can be attributed to Americans obtaining more education (both through increased enrollment and increased levels of attainment) while increases in tuition can explain 51% of the increase in debt observed during this period (Source: Akers and Chingos 2014a).

Month-to-month affordability of student debt does not seem to have declined in recent history. Median monthly payments ranged between 3% and 4% of monthly earnings in every year from 1992 through 2013. Mean monthly payments, which are larger than median payments in each year due to the distribution being right-skewed, declined from 15% in 1992 to 7% in 2012 (Source: Akers and Chingos 2014b).

In 1992, the mean term of repayment was 7.5 years, which increased to 12.5 years in 2013. This increase was likely due to loan consolidation, which increased dramatically in the early 2000s (Source: Department of Education 2014, S-16).'

Among households with outstanding education debt in the lowest quartile of the debt distribution (\$0 to \$3,386), 34% report having made a late payment on a financial obligation in the past year compared with 26% of households with education debt in the highest quartile (\geq \$18,930). Households with student loan debt do NOT show indications of financial distress more often than households without student loan debt (Akers 2014b).

About 50% of all first-year students in the U.S. seriously underestimate how much debt they've taken on. And among all first-year students with federal student loans, 28% report having no federal debt and 14% report that they have no debt at all (Source: Akers and Chingos 2014c).

Today, the median household needs to work for almost a year to pay the full sticker price of college tuition. To make up the gap, millions of students and families every year are forced deeper into debt to make up the difference-around \$100 billion a year is borrowed through a cottage industry of private and publicly-funded loan programs (Source: "Debt by Degree Series", John W. Schoen, <http://www.cnbc.com/id/102746071>).

Of the \$1.2 trillion in outstanding student-loan debt, 40% is borrowing for graduate school (Source: the College Board).

The numbers are staggering; more than \$1.2 trillion in outstanding student loan debt, 40 million borrowers, an average balance of \$29,000 (Source: Kelley Holland, "The High Economic and Social Costs of Student Loan Debt", June, 15, 2015).

The National Association of Realtors found in a recent survey that 23% of first-time buyers said it was hard for them to save for a down payment, and within that group 57% said student debt was impeding their saving, up from 54% a year earlier (Source: Kelley Holland, "The High Economic and Social Costs of Student Loan Debt", June, 15, 2015).

23% of American adults have outstanding student loan debt. The loans were either taken out for their own college education, for their spouse's college education or for the schooling of that of a child or grandchild (Source: Federal Reserve).

The District of Columbia is the student debt capital of America. At nearly \$41,000, the average student loan burden for someone living in Washington, D.C., is \$10,000 higher than in any other state (Source: "The Relationship Between Student Debt and College Competition," Ben Miller, June 26, 2015).

Borrowers who earn a degree are much less likely to default on their loans than those who do not, and dropouts represent an estimated 60% of all people who default on their loans (Source: "The Relationship Between Student Debt and College Competition," Ben Miller, June 26, 2015).

It is better to be a bachelor's degree graduate with \$28,000 in loans, the national average in 2013, than a dropout who owes \$10,000 (Source: "The Relationship Between Student Debt and College Competition," Ben Miller, June 26, 2015).

At \$26,250, Louisiana's average debt per borrower is not far from the national average. But the state has a very low attainment rate, only 26% of adults between the ages of 18 and 65 have an associate's degree or higher. As a result, it has the second highest debt per graduate in the country (Source: "The Relationship Between Student Debt and College Competition," Ben Miller, June 26, 2015).

Virginia's average debt per borrower, \$28,467, is the 4th highest in the country. It also has a high attainment rate, with 41% of adults holding at least an associate's degree. Virginia has the 11th lowest debt per degree holder (Source: "The Relationship Between Student Debt and College Competition," Ben Miller, June 26, 2015).