

About This Project

Rockefeller Philanthropy Advisors

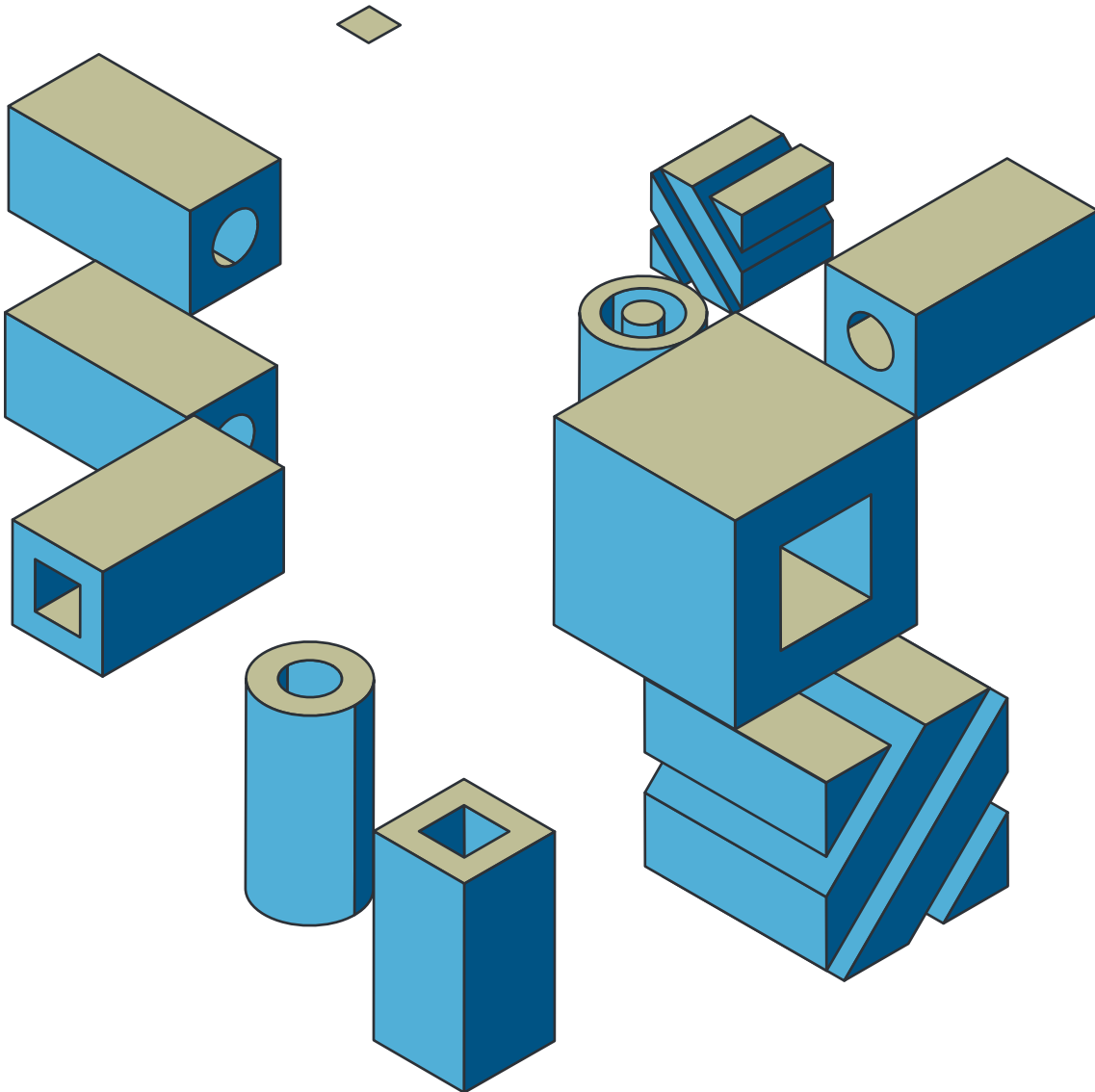
f ..w€yzy,,y^4| },u, Š| ^..†“ 4Ux0%o.%4f dU=4%44 .., †^... Š4

y ywŠC4 | },u, Š| ^..†“ @f dU4yf u},, %4Š4| y4..yz^... Š4

Šyuf 4yx4“ 4' †y^}y,, vvx4^u, Šf u€y^%4 Š| 446,, } wu, Š4

}f †^..C4 „ u, wu, 4ow ^}Š' 4..4i, 46 xy,, Š4

The Facts About Student Debt



„ u, w, u, 4 ^ ..%foywš%B1

zyu^4.z4š xy, Š4yvŠ4š, 4 ..%f44š, } wu, Šš| ^yuŠ4

,yCy,%a%awušyx4 }š| 4š xy, Š%š }š| 4} y^y,, Š4| u^
uvšy^}šv%u, x4} y^y,, Š4x< wuš... u, 4 }š.~}y%Bh| }%š

u%awušyx4 }š| 4y† u“ f y,, Š4} w, Šy%a .., Š%š.4
† ...}w 4oa, š... %šow| 4%š ...š%š.4}f }, }%f4 ^..v

..4f yx}u4v.Cy^u{ y4.z4%oy%šy, uš,, { š.4v...y{ y4
„ u, w, Bh| y%š.~}y%of yšf y%Cyu, 4š, } wu, Š4
%šyf }w4 ^..v,yf %š, š| y4v...y{ y4 „ u, w, { 4%šyf B1

Basic facts about student debt

..4y^Š wšyŠ| uŠf u“ 4f †^..Cf4 y^4y^w f %Šu, vy%@

uv... ŠBERGŠ},,},... B|Š4%Šu, } wu, Š“ 4 } | y^Š| u, 4

u^y4y%Š, yxŠ.4 „ u, wy4qo...ŠŠy^ f 4w., %of †Š... 4
„ yyx%Š..4., y4 ..x, x4y4yŠy^4.. 4z4Š xy, Š%Š < Šu, 4

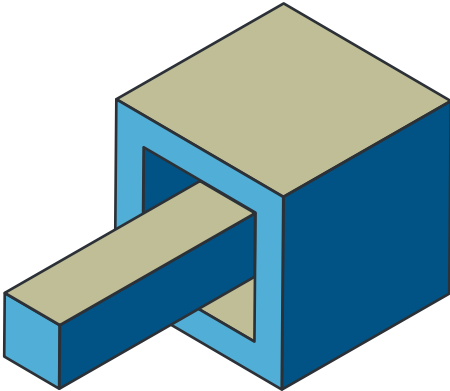
Table 1. Distribution of Outstanding Education Loan Balances Fourth Quarter 2015

Loan Balance	Percentage of Borrowers
\$1 - \$4,999	20%
\$5,000 - \$9,999	18%
\$10,000 - \$24,999	28%
\$25,000 - \$49,999	19%
\$50,000 - \$74,999	

^yw†}y,, Š%uŠ4 < v,}wu, x4 ^)CEŠy4 ... † ^... Š4v...y{ y%b



V< Š4yvŠ4yCf,%b uCf4,, ŵyu%ax4b6,, } wu, Š“4,,



z.:A† ^... Š4%vš... ‘ |}w† 4i’ u^xyx4L4 y^wy,, Š4.z4uw†

8FL@DD4Cf^u{ y4yvŠ4 {< ^y4}Šyx4iv..Cf }Š4 u%b..f 4
H4 y^wy,, Šš..4L4 y^wy,, Šk {< ^y4=4Vuk f 4Š4,@FDEHB

**Figure 1. Cumulative Debt of Bachelor's Degree
Recipients in 2012 Dollars by Sector, 2003- 04, 2007- 08,
and 2011- 12 (2012 Dollars)**

2

Table 2. Federal Loans per Full- Time Equivalent Student, 1995- 96 to 2015- 16, Selected Years (2015 Dollars)



{ ^ux< ušyx4 }š| 4GD@DD4.4f ..^y4, 4yvš }, w< x
z.ˆA† ^... Š4, %šš š... %šVuk f 4š4, @FDEHBI/ywuk %y4

Federal and private student loans

ˆy ywšyx4, š| y4yvš4yCy, %4z4y{ ^yy4yw† }y, Š4, x4
†, yš4y{ ^yy%o †ušw ,uˆ, “ 4uw| y,...ˆ %4y{ ^yy%BI< š4

† ^}Cšy4%α ^vy%šVuk f 4š4, @FDEJ@ { < ^y4 =BI

† ^..{ ^uf %o }, w< x}, { 4, w.f yAxˆ }Cy, 4y† u“ f y, Š4
†, u, %o %š xy, Š4p ...x}, { š| y%4..u, %4^y4f ..^y4

No						
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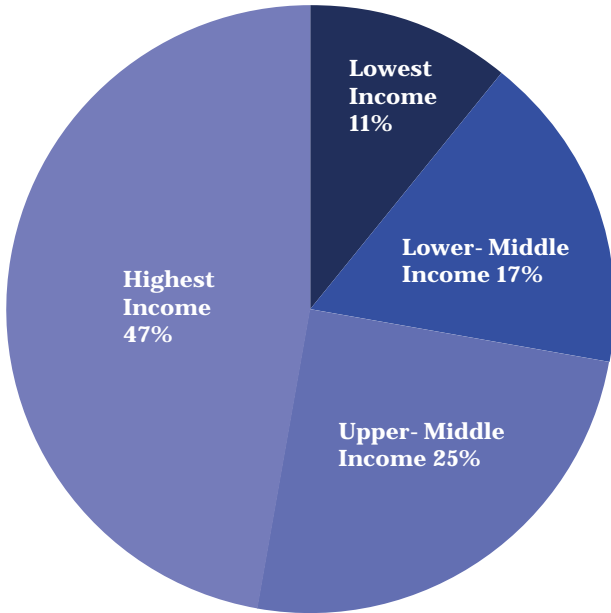
zuf }, " 4.v.){ uš... %š| ušf u€y4š4} w ,š4.∧š| yf š.4

| } | y^4x< wš... 4 „ u, v, { 4%šyf B1

U, ..š| y^4w}švu,4uvš.∧4i yvš, { 4š xy, škyvš4< ^xy, %4

% xy, Š4^y4 < }Šy4} y^y, Š4 .f 4| ..%4y, uŠ, { 4.4

Figure 2. Distribution of Outstanding Education Debt by Household Income Quartile, 2013



Who Goes to College?

“yu^%4{ ..4 }Š| ... Š4...^...: }, { @v< Š4 ..: 4 „ x4 ..4.Š| y^4
‘ u“ Š.4 „ u, wyŠ| y}^4x< wuŠ... B1 ..: yCf^@f u, “ 4

‘ y„ Š4Šu{ | Š.4v...y{yB1, Š| yŠ y„ Š‘ A ^%Š4y„ Š ^“ @

In the late 1970s, less than one-third of high school graduates from the lowest family income quintile went straight to college. In the twenty-first century, more than half of this group starts college right after high school.

h| y4š xy, Š4yvŠ4 }vš ^y4 .x ,x4...€4 < }Šy4} y^y,, Š4

f },,}... Š.4B4f },,}... 4.Cy^4 %Š4 Cy4yu^%B4 Cy^ Š| y4

u,4,, ^...f y,, Š%Š| uŠ4 y^y4, Š| y4..A† ^... Š4%vš..4

c Cy^ Š| y4...: }, { 4 Cy4yu^%B4 y,yx4“ Š| y4 ^yuŠ4
f ywy%0,, @Š.Šu,4,, ^...f y,, Š4yu† Š4“ 4D4y^wy,, Š u,, x4
Š| y4%y4.zŠ| y4..A† ^... Š4%vš..4.x v,yxB4 ,, y4f },

When borrowers don't repay their debts

U%0..Šyx4v..Cy@š xy,, Š%0, Š| y4..A† ^... Š4%vš..4
v..^...: 4%0,, } wu,, Š“ 4f ..^yŠ| u,, Š| ..%04 }Š| 4%0f

„... † ^... Š4%vš..%Bh | y%0š xy,, Š%šy,, xŠ.4y4..f 4

^yz ,, x%0w,, %uŠyxBKyzk ,Šy^%0r^y4)€y,“ Š.4 uCy4
x} w ,Š“ 4wvy%0, { 4^yx}Š@y,, Š,, { 4,, 4† u^Šf y,, Š@

Perhaps the most consistent finding about student loan defaults is the role of degree completion.

h| y4.. wu,4xy^u,4š xy,, Š4.u,, Š| ^yyA“ yu^4yzk ,Š4

| yuCy“ 4,, 4š xy,, Š4)x }, w< x}, { 4š xy,, Š4.u,, %0 Š.4
,, u,, wyŠ| y}^4x< wuŠ... B

l, %o wy, Š4y%α ^wy%o^y, “ 4’ †, u], 44v., %k

dy^ | u†%Š | y4f ..%Š4v... %ŠŠy,, Š4 ,, x}, { 4iv..Š4Š xy,, Š4

..Š4v.f †, yŠyx44ky{ ^yy4.4y^Š} vuŠy4 ux4kyzux ,Šyx4

%Š xy,, Š%b | ..4v...^...: yxŠ.4iŠŠy,, x4.4A†^... Š4,, x4

u,, x4 ^)CŠy4 ... †^... Š4v...y{y%4,, x4 ,, }Cf^%Šy%b
< { < ^y4-4Vuk f 4Š4, 4DEI @Z}{ < ^y4HU=Bh.4 < ŠŠ | y%4
{ < ^y%4, Š.4 y%4oyvŠ}Cf@Š4%4f †...Šu, ŠŠ.4 ..Šy4 | uŠ4

†y^vy,, Š4.zŠ | ..%4iŠŠy,, x}, { 4.4A†^... Š4,, %ŠŠ Š... %b

v< ŠŠ | y4 ... AŠ ux}Š... u, 4Š xy,, Š%o ,)€y, " 4,,xy^@,,

Table 4. Share of Defaulters and Three- Year Federal Student Loan Default Rate Among Borrowers Entering Repayment in 2010- 11, by Loan Balance

$x \} f \} , , \} \% o y x 4 \mid y \wedge y ' \} \check{S} \mid u, \check{S} . 4 \} , u, w y 4 \} . f y 4 < \wedge w \mid u \% 0 \} 1$

$\} , u, w \} , \{ 4 z 4 < v, \} w 4 \} \mid y \wedge 4 x < w \check{S} . \dots , @ \check{S} \mid y " 4 f \} \mid \check{S} 4 \} . \check{S} 4$

$\check{S} \mid u \check{S} \% o f y \dots y 4 , \% 0 \} , , 4 u " \quad \dagger \wedge . v u v, " \check{S} \mid \wedge . : \{ \mid 4 \} \mid y \wedge 4$

..Cf^u,,@uf ... { 4| y4f ..Š4 „ u, wu,“ 4Šu}, yx4 ^ .x †%4
,, 4| y4 uŠ... Bh| y“ 4.4 ..Š4f †,“ 4| uŠ4...^... }, { 4.4

v..u^x4%ov%4x}y%o ‘ | }w| 4^y4y%Š4y,}Cf^yx4| ^ .x { | 4

‘ | ..4...^... v< Š4.4 %4Š| y4xy^u,4..u, 4^..{ ^uf 4

}wu,4 „ u, wu,4y,, y Š4..f 4 }| y^4x< wuŠ... 4 ..x,x4

%Š xy,, Š4uvy4%oy%4| uŠ4^y4< }Šy4k} y^y,, Š4..f 4

..z4| y}^4 „ u, wu,4y^w f %Šu, wy%4yz..y4.4zŠy^4
w...y{y@ ..x,x4y,, y Š4..f 4u†u“y^4%ov%4x}y%B4

... „ @r^y4< }Šy4k} y^y,, Š4..f 4| ..%4.z4ywy,, Š4 }| 4

z..A†^... Š4,, %Š Š... %4^y4u^Šw,u^,“ 4E,, y^uv,yB4

%4zA „ u, w,, { @ }Š| 4...^... y^4%4%4, Šu,“ 4u“}, { 4..4

Š...4.zŠy, 4u4,, 4.z4 u^Šyx4f y@y ...Š4u, x4f ... y“ @

‘ ..x,x4%ov%4x}”y4| ..%4 | ..4uvy4k} w,Šy%4uŠ| y^4

xy,, Š4 }Š| 4..w f y,, Šyx4 „ u, wu,4 yx4^y4, Šy^Šz^yy4 | },y4| y4Š xy, Š4

u4} y^y,, Š4%|@4vvv f < ,uŠ,, { 4f ...y4yvŠ4 }Š| ..< Š4

y ...Š4f †,“ 4z4 y4u^yz ,,“ 4ū{yŠ4< v,}w4%v%4x}y%4

y' †y^y,, wy4%,, } vu,, Š4 „ u, wu,4y,, y Š4%..f 4| y}^4

z^..f 4| y4xy^u,4..C^,, f y,, Š „ ..4f uŠy^4 ..: 4 } | 4

† uŠ4.z4| y4 „ u, wu,4)%64.z4 „ † u}x4š xy,, Š4.u,, %4

G4yŠy^4< }xu, wy „ ..Š4 %4y,, y^u,4, z..f uŠ).. z..4

%š x}y%4 }Š| 4%šyf %4ū},...y4z..4| y4} y^}, { 4 yyx%4

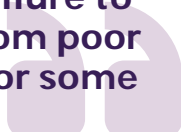
y yvšC4u“ ^...4 }Š| |...x,, { 4%šyf 4 ..< ,x4, w< xy4^..C%o,, %4..

h| y^y4^y4.Š| y^4 ' y%4o...Š4.zŠ| }%4w.f † ^y| y., %G4

u.,4f u€y44k} y^y., wyB

],. uxy† < uŠy4 < }xu., wy4 y., y^uŠy%f < w| 4.zŠ| y4k} w ,

A significant share of the difficulties related to student loan repayment arises from failure to complete degrees and from poor labor market outcomes for some types of credentials.



Conclusion

u%xy@f ..%š v< Š4 ..Š4u, v...^...: y^%b }Š| 4 }| 4yCE

ux< ,Š%a, x4..f y^4..A†^... Š4%wš..4š xy,, Š%a, š| y4

%xy4.zš| y4}, y u, x4 ..<,x4 uCE4 ..4 ..š%w., xu^“ 4

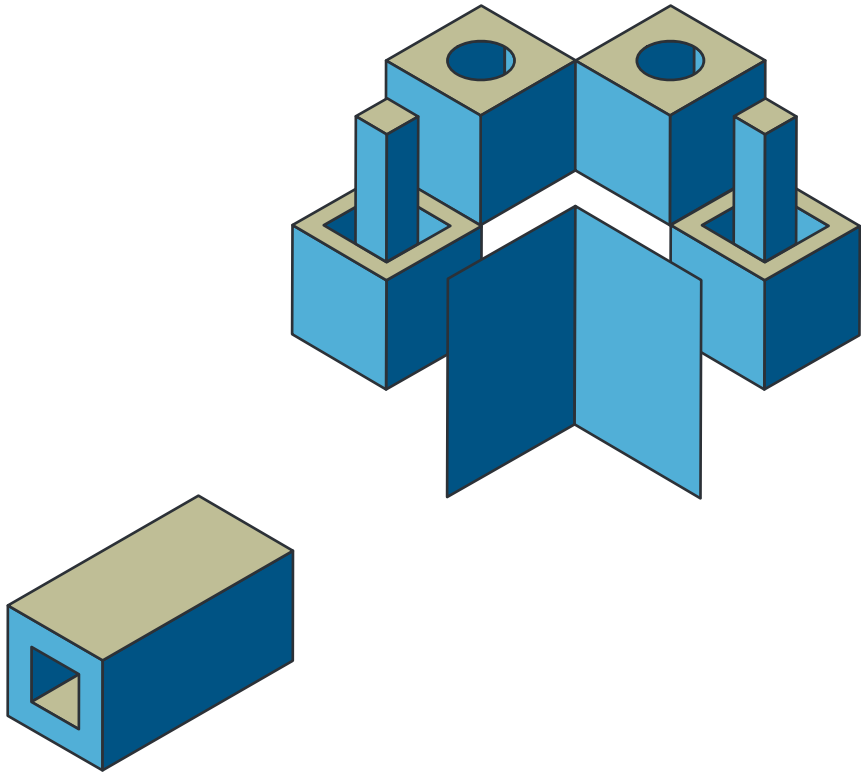
References

}, 4 } | y ^ 4x < wuŠ... M/y., y Š%W u., y., {y%u., x4

‘ ‘ B | }Šy| ..< %B ..C%Šy%Gyzuk ,ŠC ,y%G u{yC
,y%GFDEJDKELs wyus %Š xy., Šs xyvŠ† xzB

Zyxy^u, 4x < wuŠ... 4u' 4/y., y Š%Bh| y4 ^vu., 4., %ŠŠ ŠyB4

,y%G < v, }wuŠ... (KJIJEFDDDIJKA%Šy., { Š| y.,



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Merriweather by Eben Sorkin

