Student Debt and Financial Aid Presentation Preview

Regent Finance Committee
October 25, 2017

University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus
Highlights

- 9.8% - Annual increase in institutional financial aid in FY 2017.
- 7.9% - Increase in Pell eligible population since 2012.
- 1 out of every 3 - Resident undergraduate students receiving financial aid, received a Pell grant in FY 2017.
- 3.7% - Student loan default rate is 8 percentage points lower than the national and Colorado averages.
- 20.6% - Increase in undergraduate degrees awarded to Pell students since 2012. (5.8% increase in total undergraduate degrees over the same timeframe)
National Student Loan Debt Facts

- Total annual federal student loan borrowing has declined from its high point of $87.3 billion in 2011 to $73.2 billion in 2017.
- Total outstanding student loan debt in 2017 is $1.4 trillion.
- More than half of borrowers are not in college and are repaying loans.
- 75 percent of bachelor’s degree recipients pay loans back in ten years.
- 40 percent of the $1.4 trillion is from those with graduate degrees.
- Two-thirds of loan defaults are on a balance of $10,000 or less.
- 1 in 4 non-completers default on their student loans.
- 95 percent of loan balances are less than $100,000.
- 90 percent of undergraduate loan balances are under $40,000.
National Undergraduate vs. Graduate Debt Amounts, 2015

Percentage of Borrowers

<table>
<thead>
<tr>
<th>Loan Amounts</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5,000 (19%)</td>
<td>21%</td>
<td>8%</td>
</tr>
<tr>
<td>$5,000 - $9,999 (19%)</td>
<td>21%</td>
<td>9%</td>
</tr>
<tr>
<td>$10,000 - $19,999 (23%)</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>$20,000 - $39,999 (23%)</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>$40,000 or More (16%)</td>
<td>10%</td>
<td>43%</td>
</tr>
</tbody>
</table>

How much debt is from undergraduates vs. graduate

Delinquency Rates of Completers vs. Non-Completers, 2015

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>With Degree</th>
<th>With No Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public 4-year</td>
<td>10.3%</td>
<td>40.9%</td>
</tr>
<tr>
<td>Public 2-year</td>
<td>16.6%</td>
<td>46.4%</td>
</tr>
<tr>
<td>Private 4-year, not-for-profit</td>
<td>11.6%</td>
<td>32.8%</td>
</tr>
<tr>
<td>Private, for profit</td>
<td>26.5%</td>
<td>54.3%</td>
</tr>
</tbody>
</table>

Note: Delinquency means failed to make payment within 30 days up to nine months for federal loans, after nine months delinquency is considered default. Source: Mezza, Alvaro and Kamila Sommer. "A Trillion Dollar Question: What Predicts Student Loan Delinquencies?", Board of Governors of the Federal Reserve System, FED Notes. October 16, 2015.
Non-Completion = Higher Delinquency

![Graph showing the relationship between level of education and loan balance and delinquency rates.]

- No Degree: $12,524, 43.5% delinquency
- Certificate/Associate's Degree: $12,307, 22.8% delinquency
- Bachelor's Degree: $24,133, 11.1% delinquency
- Master's or Above: $48,260, 6.8% delinquency

**Note:** Delinquency means failed to make payment within 30 days up to nine months for federal loans, after nine months delinquency is considered default.

Annual Headcount and Federal Loan Volume

Student Enrollment
- Public: 9.2%
- Private-Nonprofit: 18.6%
- Private for-profit: 72.2%

Federal Loan Volume
- Public: 17.4%
- Private-Nonprofit: 33.4%
- Private for-profit: 49.2%

Sources: IPEDS 12-month headcount enrollment FY 2015-16; Title IV Programs Volume Reports, AY 2015-16 (Q4);
On average, Bachelor’s degree recipients earn approximately **$1.4 million more** than High School graduates over the course of their career.

Note: Does not include possible earnings while pursuing Bachelor’s degree.