

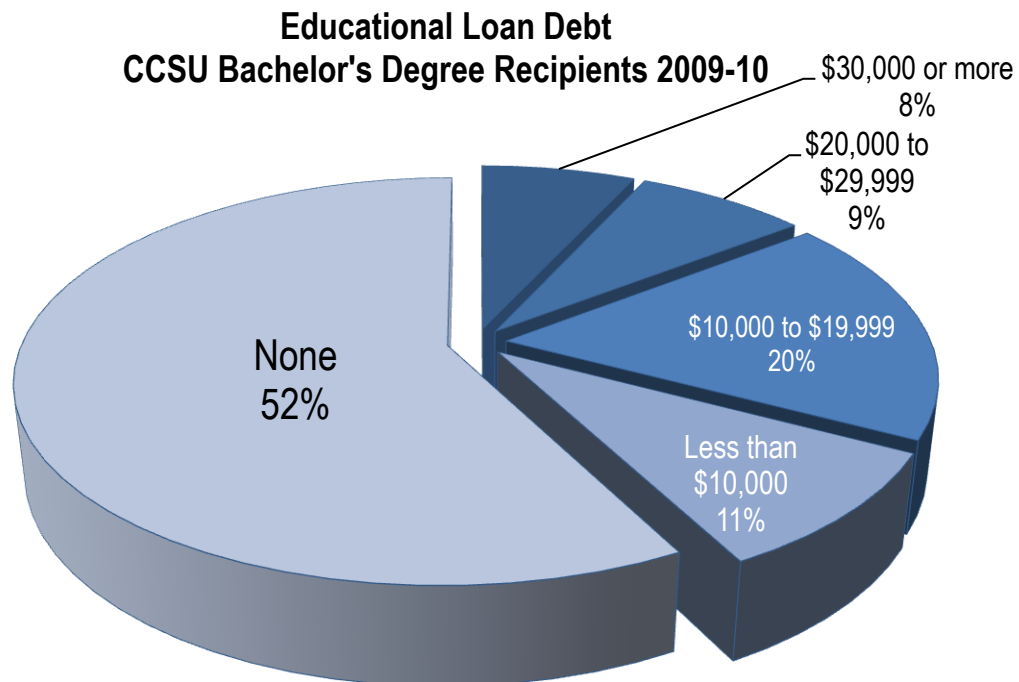


Educational Loan Debt of Bachelor's Degree Recipients at CCSU

September 9, 2010

This study was undertaken by the Office of Institutional Research and Assessment, in consultation with the Office of Financial Aid, to examine educational loan debt of students who earned bachelor's degrees at CCSU between 2003-04 and 2009-10. While previous studies of educational loan debt have relied on a self-report from surveys, this study examines CCSU's database records of loans processed through the Office of Financial Aid. Total educational loan debt considered in this study includes subsidized and unsubsidized loans made under federal aid programs *as well as alternative loans*; parent loans are not included. It should also be noted that credit card debt and other forms of consumer debt or other debt are not included in this study; nor are students included who borrowed money and then did not continue enrollment at CCSU.

Overall, the proportion of graduates who owe money for educational loans has increased over the past five years, but more than half (52%) of the students graduating in 2009-10 owed no money for educational loans, there was no change from prior year 2008-09. Of students who owed money for educational loans, the average amount owed was \$19,086, down from \$19,205 for students graduating in 2008-09.



Total number of bachelor's degree recipients in 2009-10 = 1,759. Totals may not add to 100% due to rounding. Total educational loan debt includes subsidized and unsubsidized loans made under federal aid programs as well as alternative loans; parent loans are not included. Data sources: IR Data Warehouse Gradfile10 and Banner tables RCLDS4 and RPRAWRD.

Detailed Findings

A total of 1,759 individuals received a bachelor's degree from CCSU in 2009-10; 844 of these (48%) had educational loan debt at the time of graduation, while 915 (52%) had no educational debt at the time of graduation. Of those who had educational loan debt, the average amount owed was \$19,086. Twenty-two graduates (1.3%) owed \$50,000 or more, compared to twenty-three graduates (1.4%) of from 2008-09. The maximum amount owed was \$74,862, down from \$84,951 among 2008-09 graduates.

Borrowing through federal loan programs has increased from 30% of all graduates in 2003-04 to 42% of graduates in 2009-10. The average amount owed upon graduation for loans in these programs increased from \$13,865 for those graduating in 2003-04 to \$16,346 for those graduating in 2009-10, and average annual increase of 3.3%. These figures exhibited modest increases from 2008-09 when the amount owed through federal loan programs was \$16,152, and the average annual increase was 3.0%, suggesting a deceleration in the rate of borrowing. Because handling of federal loans has been most consistent over time, it is the most reliable indicator to monitor change in levels of educational loan debt.

Educational Loan Debt of CCSU Graduates Receiving Bachelor's Degrees 2003-04 through 2009-10

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Bachelor's Degree Recipients(N) (Degree conferred between July 1 & June 30)	1,420	1,530	15,63	1,572	1,641	1,660	1,759
All Loans							
Borrowers (N)	--	--	583	649	693	804	844
Borrowers as Percent of Graduates	--	--	37%	41%	42%	48%	48%
Average Loan Debt of Borrowers	--	--	\$15,299	\$16,432	\$18,493	\$19,205	\$19,086
Federal Loans*							
Borrowers (N)	419	494	539	581	589	701	741
Borrowers as Percent of Completers	30%	32%	34%	37%	36%	43%	42%
Average Loan Debt of Borrowers	\$13,865	\$14,237	\$14,760	\$15,154	\$15,898	\$16,152	\$16,346
Alternative Loans							
Borrowers (N)	--	--	108	157	238	268	237
Borrowers as Percent of Completers	--	--	7%	10%	15%	16%	13%
Average Loan Debt of Borrowers	--	--	\$8,924	\$11,847	\$14,499	\$15,367	\$16,860

* Includes Subsidized and Unsubsidized Student Loans; excludes Parent Loans

Data Sources: IR Data Warehouse Gradfile10 and Banner tables RCLDS4 and RPRAWRD

Borrowing under alternative loan programs was not consistently certified by the CCSU Office of Financial Aid until 2005-06, and so reliable data for borrowing under alternative loan programs prior to 2005-06 are unavailable. For the years in which data are available, the proportion of graduates with educational loan debt from alternative loans has increased from 7% for those graduating in 2005-06 to 13% for those graduating in 2009-10. The average amount borrowed under these programs has also increased from \$8,924 to \$16,860. However, this increase in large part reflects the change to certify these loans through the Financial Aid Office, and a slower rate of increase would be expected for future years.

During the period for which data are available for federal and alternative loans, the proportion of graduates who owed money for educational loans rose from 37% in 2005-06 to 48% in 2009-10 and the average amount owed increased from \$15,299 to \$19,086, an annual increase of just over 8.5%, with much of this increase in the form of alternative loans. It is important again to observe that changes in the loan certification process have not increased student debt, but rather have provided a more comprehensive picture of accumulated debt from federal and non-federal educational loans.

Additional Data – CSU System Undergraduate Completer Survey

Data from the Connecticut State University System Undergraduate Completer Survey conducted about one year following graduation indicates a much lower proportion of graduates – 29% in the most recent year – reported accumulating no educational debt, compared to the 52% with no educational loan debt identified in this study. Also, 28% of graduates who responded to the survey reported owing \$20,000 or more in educational debt, while only about 17% of graduates identified through the database analysis in this study had educational loan debt of this magnitude.

CSU System Survey of Undergraduate Completers

What was the approximate educational debt you accumulated while attending CCSU?

Year of Graduation	Completed Surveys (N)	Response Rate	Educational Debt Accumulated				
			No Debt	Less than \$5,000	\$5,000-\$9,999	\$10,000-\$19,000	\$20,000 or more
2003	364	31%	36%	6%	16%	30%	12%
2004	373	27%	34%	9%	15%	27%	14%
2005	443	29%	33%	9%	12%	30%	16%
2006	412	27%	34%	10%	8%	29%	19%
2007	402	26%	29%	9%	12%	29%	21%
2008	443	28%	33%	5%	10%	23%	29%
2009	437	27%	29%	8%	10%	25%	28%

Three possible factors may explain the differences in these data. First, it is possible that survey respondents who took out an educational loan have responded to the survey in disproportionate numbers over time. This explanation is not unreasonable in the context of a 27-31% response rate that has been falling over the past six years. A second possibility is that many graduates may have borrowed additional money through alternative loan programs prior to 2005-06 and early in their academic careers when there are lower limits on borrowing through federal programs. These loans would not have been captured in the present study. Finally, it is also possible that respondents to the survey may interpret “educational debt” to include broadly any money borrowed during their time as a student, including credit card debt, even though the loan was taken out perhaps to pay for living expenses rather than expressly dedicated for educational or related expenses.

Additional study of student debt loads should continue to be conducted over time to monitor the educational loan debt that graduates accrue over the course of their education. In addition, a future study should examine the educational debt levels of students who do not complete an undergraduate program, since these individuals will have some level of indebtedness, yet not have the additional earning power of a completed degree to assist in repayment of these financial obligations.