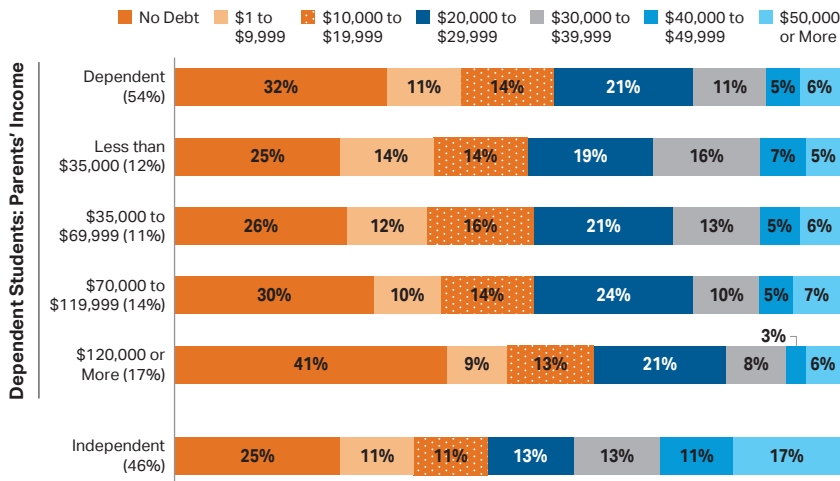


Cumulative Debt by Family Income and Age: Bachelor's Degree Recipients

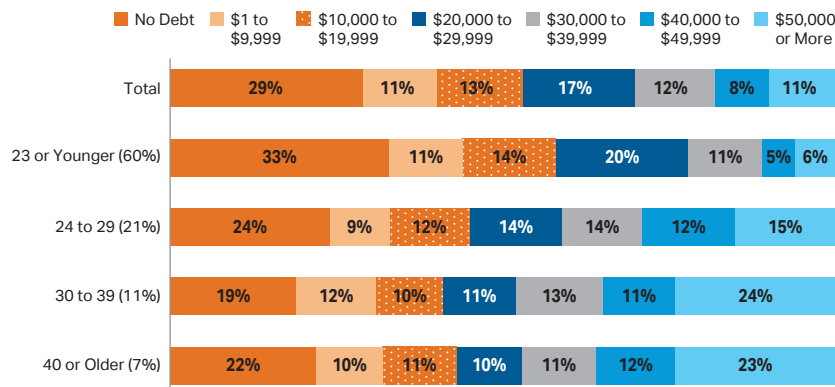
Students from higher-income families are less likely than others to finance their bachelor's degrees through borrowing. Across all income groups, about 10% of dependent students graduated with \$40,000 or more in student debt in 2015-16, and about half of these students borrowed \$50,000 or more.

FIGURE 15A Cumulative Debt of 2015-16 Bachelor's Degree Recipients by Dependency Status and Family Income



- Independent students are most likely to graduate with high levels of debt: 28% borrowed at least \$40,000, including 17% who graduated with \$50,000 or more in debt.
- Only 2% of dependent students earned their bachelor's degrees from for-profit institutions, compared with 17% of independent students. Dependent students from families with incomes of \$120,000 or higher were most likely to have attended private nonprofit colleges.
- Among the 60% of 2015-16 bachelor's degree recipients who were age 23 or younger, 33% did not have education debt; 11% borrowed \$40,000 or more.
- About a quarter of those who graduated between the ages of 24 and 29 did not borrow; 27% of those who were between the ages of 24 and 29 and 35% of those who were 30 years of age or older borrowed \$40,000 or more.
- Over one-quarter of those who earned their bachelor's degrees at age 30 or older attended for-profit institutions; 3% of those who earned their bachelor's degrees at age 23 or younger were from this sector.

FIGURE 15B Cumulative Debt of 2015-16 Bachelor's Degree Recipients by Age



ALSO IMPORTANT:

- Dependent students can borrow a lifetime maximum of \$31,000 in Direct loans for undergraduate study. Independent students (and undergraduate students whose parents are not eligible for PLUS loans) can borrow up to \$57,500.
- For 14% of 2015-16 bachelor's degree recipients, total debt included private loans, which do not carry the same repayment protections as federal loans. (NPSAS, 2016).

Distribution of 2015-16 Bachelor's Degree Recipients

	Public	Private	For-Profit
Independent	58%	24%	17%
Dependent	66%	32%	2%
Less than \$35,000	67%	29%	4%
\$35,000 to \$69,999	68%	29%	3%
\$70,000 to \$119,999	70%	28%	2%
\$120,000 or More	61%	38%	1%
Age			
23 or Younger	66%	32%	3%
24 to 29	67%	20%	13%
30 to 39	49%	25%	26%
40 or Older	42%	30%	29%

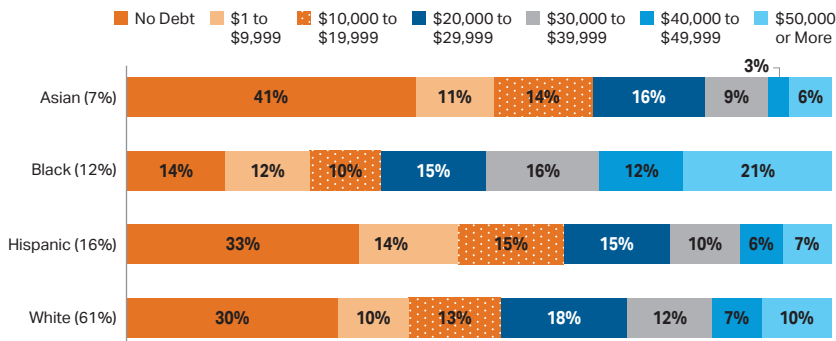
NOTES: Percentages on the vertical axis are shares of bachelor's degree recipients in each dependency and income group in Figure 15A and shares of those in each age group in Figure 15B. Age was as of December 2015. Includes both federal and nonfederal borrowing for degree recipients who were U.S. citizens or permanent residents. Excludes parent PLUS loans. Includes students who transferred as well as students who received their degrees at for-profit and two-year institutions. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study (NPSAS), 2016; calculations by the authors.

Cumulative Debt by Race/Ethnicity: Bachelor's Degree Recipients

In 2015-16, 33% of black bachelor's degree recipients accrued \$40,000 or more in student debt, compared with 17% of white graduates, 13% of Hispanics, and 9% of Asians.

FIGURE 16 Cumulative Debt of 2015-16 Bachelor's Degree Recipients by Race/Ethnicity



NOTES: Percentages on the vertical axis are shares of bachelor's degree recipients in each racial/ethnic group. Includes both federal and nonfederal borrowing for 2015-16 bachelor's degree recipients who were U.S. citizens or permanent residents. Excludes parent PLUS loans. Includes students who transferred as well as students who received their degrees at for-profit and two-year institutions. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, NPSAS, 2016; calculations by the authors.

Characteristics of 2015-16 Bachelor's Degree Recipients by Race/Ethnicity

	All	Asian	Black	Hispanic	White
Sector of Bachelor's Degree					
Public	63%	64%	56%	65%	63%
Private Nonprofit	28%	29%	26%	22%	30%
For-Profit	9%	7%	18%	12%	7%
Age in December 2015					
23 or Younger	60%	65%	47%	55%	64%
24 to 29	21%	25%	23%	26%	19%
30 to 39	11%	6%	16%	13%	11%
40 or Older	7%	4%	14%	6%	6%
Dependency Status					
Dependent	54%	59%	42%	50%	57%
Independent Without Dependents	28%	28%	29%	30%	27%
Independent with Dependents	18%	13%	29%	19%	16%
Parents' Income for Dependent Students					
Less than \$35,000	22%	32%	49%	37%	13%
\$35,000 to \$69,999	21%	23%	24%	29%	18%
\$70,000 to \$119,999	25%	21%	16%	17%	29%
\$120,000 or More	32%	23%	11%	17%	40%
Time Elapsed Between First Enrollment and Degree Completion					
Within 4 Years	40%	45%	31%	34%	43%
5 Years	18%	15%	14%	19%	19%
6 Years	10%	13%	11%	11%	9%
7 to 10 Years	16%	18%	17%	20%	14%
More than 10 Years	16%	10%	26%	16%	15%

- Only 14% of black graduates did not borrow. Among white, Asian, and Hispanic bachelor's degree recipients, 30% or more graduated without debt.

- The circumstances of black graduates differ from other racial groups in ways that may make them more likely to rely on student debt to fund their education. In 2015-16:

- Black graduates were disproportionately represented in the for-profit sector, where debt levels were highest (*Trends in Student Aid 2018*, Figure 16). Eighteen percent of black graduates earned their degrees in the for-profit sector; 12% of Hispanic and 7% of Asian and white graduates earned their bachelor's degrees in this sector.
- On average, black graduates were older than members of other racial and ethnic groups and were more likely to be independent students and to have dependents of their own. Dependent black students came disproportionately from lower-income families. In addition, on average, the time between beginning postsecondary study and earning a bachelor's degree was longer for black students than for others. As shown in Figures 15A and 15B, older and independent students tend to accumulate more debt. The same is true of those who take longer to complete their degrees.

ALSO IMPORTANT:

- Because of small sample sizes in this survey, it is not possible to report separately on American Indian students or other small racial and ethnic groups.
- On average, black and Hispanic households have less wealth than those from other racial and ethnic groups. In 2014, when median net worth was \$130,800 for white households and \$156,500 for Asian households, it was \$17,500 for Hispanic households and \$9,600 for black households. (U.S. Census Bureau, *Wealth and Asset Ownership*, <https://www.census.gov/data/tables/2014/demo/wealth/wealth-asset-ownership.html>)