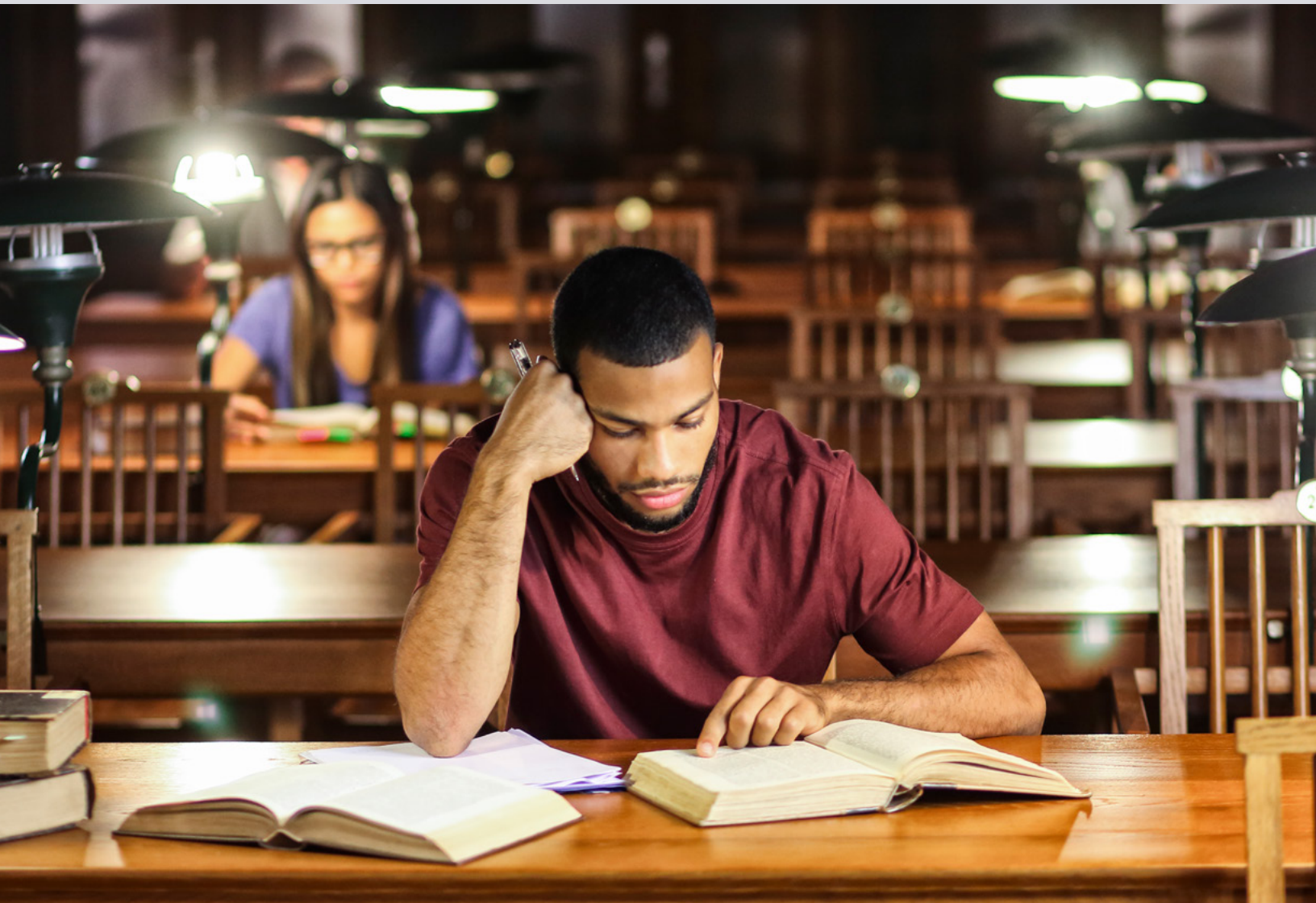


Race and Ethnicity in Higher Education: 2020 Supplement
CHAPTER 5

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○ **Undergraduate Debt and**
○ **Student Loan Payment**
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Race and Ethnicity in Higher Education: 2020 Supplement

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This chapter is part of a larger report by the American Council on Education (ACE) titled *Race and Ethnicity in Higher Education: 2020 Supplement*, which follows ACE's 2019 release of *Race and Ethnicity in Higher Education: A Status Report*. These reports, along with their accompanying microsite, provide a data-informed foundation for those working to close persistent equity gaps by providing a comprehensive review of the educational pathways of today's college students and the educators who serve them.

Race and Ethnicity in Higher Education: 2020 Supplement and the microsite were made possible through the generous support of The Andrew W. Mellon Foundation.

Visit www.equityinhighered.org to learn more about the project and to download the full report, figures, detailed data tables, and other resources on race and ethnicity in higher education.

The screenshot shows the homepage of the ACE website. At the top left is the ACE logo with the text "American Council on Education" and "RACE AND ETHNICITY IN HIGHER EDUCATION". To the right of the logo is a navigation menu with links for HOME, ABOUT, INDICATORS, DATA SOURCES, DATA TABLES, and RESOURCES. Further right are social media icons for Twitter, Facebook, LinkedIn, YouTube, and a search icon. The main content area features a large image of a smiling Black woman with a backpack. Overlaid on the image is a "Featured Findings" section with two statistics: "40.1% of Associate Degrees were Earned by Students of Color" and "31.5% of Bachelor's Degrees were Earned by Students of Color". Below the image are two buttons: "EXPLORE THE FINDINGS" and "DOWNLOAD THE REPORT". At the bottom left, there is a section titled "Explore the Findings" with a short paragraph of text. At the bottom right, there is a blue box with the text "NEW: IDEAS AND INSIGHTS" and "View essays, videos, podcasts, and more >" next to a speech bubble icon.

About the American Council on Education

ACE is a membership organization that mobilizes the higher education community to shape effective public policy and foster innovative, high-quality practice. As the major coordinating body for the nation's colleges and universities, our strength lies in our diverse membership of more than 1,700 colleges and universities, related associations, and other organizations in America and abroad. ACE is the only major higher education association to represent all types of U.S. accredited, degree-granting institutions: two-year and four-year, public and private. For more information, please visit www.acenet.edu.

INTRODUCTION

More education generally corresponds to higher earnings. For example, the median annual earnings of adults who have attained a bachelor's degree as their highest degree earned are nearly \$23,000 higher than those who have only attained a high school credential (Espinosa et al. 2019). The earnings premium makes it possible for many borrowers to pay off their education loans, without which they might not have been able to pay for college. However, too many students accumulate levels of debt that they struggle to repay. Sometimes this occurs because they do not complete their programs or earn credentials that do not pay off in the labor market.

Undergraduate borrowing patterns differ dramatically across racial and ethnic groups. Black or African American students tended to borrow more than others earning similar credentials; Asian and Hispanic or Latino students tended to borrow less. Once they left college, students also had very different repayment experiences. Asian borrowers tended to repay most loans successfully. Despite higher rates of participation in income-driven repayment plans that limit monthly payment amounts, Black or African American borrowers were more likely than others to experience repayment problems. They had higher default rates, were more likely to require forbearance because of financial hardship, and were more likely to be delinquent on their payments. They were also less successful than others in paying down their loan principal. Among Black or African American students who began college in 2003–04, both associate and bachelor's degree recipients who borrowed owed more on average than their original loan amount 12 years later.

The data reported here do not explain the causes of the variation in outcomes across racial and ethnic groups. However, as evidenced in *Race and Ethnicity in Higher Education: A Status Report* (2019) and other chapters in this report, race and ethnicity continue to have great influence in access, success, and outcomes of students in postsecondary education, especially for Black or African American students. For example, Black or African American students tend to come from lower socioeconomic backgrounds and enter college with lower levels of academic preparation than those from other groups, particularly White and Asian students. Black or African American students across all levels of postsecondary education are more likely than all other groups to enroll in for-profit institutions, where outcomes are lower and borrowing tends to be higher. Earnings of Black or African American college graduates are lower than those of members of other groups with similar levels of education. These data reveal the effects of racist systemic barriers that inhibit the advancement of the Black or African American community.

In every racial and ethnic group and for every degree or credential type, students who completed at for-profit institutions had the highest forbearance and delinquency rates and were most likely to default. For-profit associate and bachelor's degree holders had higher average monthly federal loan payments than those from other sectors.

Understanding differences in borrowing patterns and in repayment success across different groups of students and institution types can help stakeholders develop and implement student loan policies and practices that can mitigate inequities in borrowing and repayment experiences.

This chapter examines how students pay for college and their student loan repayment. The chapter includes evidence on the shares of students who go into default, forbearance, and delinquency. These terms are defined by the Federal Student Aid office within the U.S. Department of Education as the following:

Deferment: Deferment is a temporary period of time in which a borrower's loan payment is postponed. During deferment, the following loans do not accrue interest: Direct Subsidized Loans, the subsidized portion of Direct Consolidation Loans, Subsidized Federal Stafford Loans, the subsidized portion of FFEL Consolidation Loans, and Federal Perkins Loans. All other federal student loans continue to accrue interest during deferment (Federal Student Aid, n.d.b).

Forbearance: Forbearance is a temporary period of time in which a borrower's monthly loan payments stop or are reduced. For many borrowers, interest continues to accrue during forbearance, resulting in the borrower having to repay more (Federal Student Aid, n.d.c).

Delinquency: Loans become delinquent, or past due, after the first day that borrowers miss a payment, and remain delinquent until the borrower pays the past amount due or moves into deferment or forbearance or changes their repayment plan. Loan servicers report delinquencies of 90 days or more to major national credit bureaus, which can negatively affect a borrower's credit rating (Federal Student Aid, n.d.d).

Default: Default occurs when borrowers fail to repay their loan. Most borrowers move into default when no payment is made in more than 270 days. Defaulting on a federal student loan can have serious effects, including loss of eligibility for future federal student aid, wage garnishing, and inability to purchase homes, rent an apartment, and even get a job (Federal Student Aid, n.d.a).

KEY FINDINGS

- Undergraduate borrowing patterns varied considerably by race and ethnicity. In each type of program and within sectors, Black or African American students generally borrowed more than others; Asian and Hispanic or Latino students accumulated lower than average levels of debt. Black or African American students also borrowed more than other students with similar incomes.
- Among bachelor's degree recipients with federal loans, the proportion of borrowers participating in income-driven repayment (IDR) plans in 2017 ranged from 14.3 percent of Asian borrowers to 33.4 percent of Black or African American borrowers. Black or African American participation rates were also higher than those of other groups among associate degree and certificate recipients.
- Average monthly loan payments for borrowers who began college in 2011–12 and completed bachelor's degrees ranged from \$174 for Asian graduates of public four-year institutions to \$277 for Black or African American graduates of for-profit institutions. Among associate degree recipients, the range was from \$111 for Hispanic or Latino graduates of public two-year institutions to \$202 for Black or African American graduates of for-profit institutions.
- In 2017, average monthly loan payments for borrowers who began college in 2011–12 and completed certificates ranged from \$85 for Hispanic or Latino graduates of public two-year institutions to \$116 for Black or African American graduates of for-profit institutions and \$135 for those of more than one race in that sector. Among those who left college without a degree or certificate, the range was from \$87 for American Indian or Alaska Native borrowers to \$164 for Asian borrowers.
- Twelve years after they first enrolled, 22.6 percent of Black or African American bachelor's degree recipients who began college in 2003–04 and borrowed had defaulted, compared with 7.9 percent overall and just 2.5 percent of Asian borrowers.

- Among associate degree recipients, the highest default rates within 12 years were 47.5 percent among for-profit Black or African American graduates and 38.5 percent among public two-year Black or African American graduates, compared with 12.4 percent of White associate degree recipients from public two-year institutions.
- More than half of Black or African American certificate completers (55.2 percent) had defaulted within 12 years, as had 47.7 percent of Hispanic or Latino borrowers and 36.7 percent of White borrowers. Twelve years after beginning college, default rates among non-completers ranged from 28.5 percent of Asian borrowers to 63.5 percent of Black or African American borrowers.
- Six years after beginning college, forbearance rates among borrowers who began college in 2011–12 and completed a credential ranged from 29.3 percent of Asian borrowers to 63.7 percent of Black or African American borrowers and 70.7 percent of American Indian or Alaska Native borrowers. Among non-completers, forbearance rates ranged from 73.5 percent of Asian borrowers to 96.3 percent of Black or African American borrowers.
- Among those who completed credentials, the share of borrowers who had been delinquent on a loan within six years of beginning college ranged from 21.4 percent of Asian borrowers to 51.7 percent of Hispanic or Latino borrowers and 61.9 percent of Black or African American borrowers. Delinquency rates were higher among non-completers.
- Twelve years after beginning college in 2003–04, 84.9 percent of Black or African American borrowers with bachelor's degrees had entered a forbearance—compared with 46.0 percent overall and 34.6 percent of Asian borrowers. Among Hispanic or Latino borrowers, 52.0 percent entered a forbearance; among White borrowers, 40.4 percent entered a forbearance.
- The majority of Black or African American borrowers (64.7 percent) and of Hispanic or Latino borrowers (69.8 percent) who started college in 2011–12 and earned associate degrees at public two-year colleges—where the majority of students do not borrow—were delinquent within six years of enrolling, compared with 50.4 percent of White borrowers. In the for-profit sector, these figures were 85.6 percent for Black or African American borrowers, 73.8 percent for Hispanic or Latino borrowers, and 66.9 percent for White borrowers.
- On average, 12 years after beginning college in 2003–04, students who completed bachelor's degrees owed 60.3 percent of the original amount they had borrowed. These amounts owed ranged from 45.6 percent for Asian borrowers and 53.5 percent for White borrowers to 69.7 percent for Hispanic or Latino borrowers and 105.5 percent for Black or African American borrowers. Remaining balances were also highest for Black or African American borrowers among associate degree recipients, certificate recipients, and non-completers.

UNDERGRADUATE DEBT

The following material on undergraduate debt is excerpted from “How Students Finance Undergraduate Study,” chapter 7 of *Race and Ethnicity in Higher Education: A Status Report*, published in 2019 by ACE.

The data presented here provide information on the average amount borrowed per borrower and per student. The average amount borrowed per borrower includes only those students who took out loans to finance their education. The average amount borrowed per student includes all students, regardless of whether or not they took out loans to finance their education.

Bachelor’s Degree Recipients

The share of 2015–16 bachelor’s degree recipients who borrowed for their undergraduate education ranged from 58.7 percent of Asian students to 86.4 percent of Black or African American students and 89.6 percent of Native Hawaiian or other Pacific Islander students.

Table 5.1: Total Borrowing: Bachelor’s Degree Recipients, by Race and Ethnicity: 2015–16

	Share of Total	% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student	% Independent	% Completing at Public Four-Year	% Completing at Private Nonprofit Four-Year	% Completing at For-Profit
All racial and ethnic groups	100.0%	68.9%	\$29,669	\$27,000	\$20,432	45.6%	59.8%	27.9%	8.9%
American Indian or Alaska Native	0.7%	76.2%	\$26,380	\$24,000	\$20,103	63.3%	59.9%	14.5%!	11.7%!
Asian	6.6%	58.7%	\$25,510	\$22,307	\$14,968	40.8%	63.0%	28.8%	7.2%
Black or African American	12.0%	86.4%	\$34,010	\$32,523	\$29,390	58.0%	53.7%	24.8%	18.3%
Hispanic or Latino	15.0%	67.3%	\$25,524	\$23,500	\$17,183	49.6%	61.2%	21.5%	12.4%
Native Hawaiian or other Pacific Islander	0.4%	89.6%	\$26,515	\$29,000	\$23,756	66.7%	53.6%	13.9%!	25.2%!
White	58.5%	70.3%	\$30,119	\$27,000	\$21,184	42.8%	60.3%	29.7%	6.6%
More than one race	3.0%	73.7%	\$29,906	\$27,958	\$22,053	43.0%	61.5%	27.3%	8.8%
International students	3.9%	‡	‡	‡	‡	‡	59.7%	37.3%	2.3%

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016

Notes: Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | Table 5.1 is Table 7.12 in the 2019 publication.

- The Black or African American bachelor’s degree recipients who borrowed had median debt of \$32,523 and average debt of \$34,010, the highest of any group. This compares with a median of \$22,307 and an average of \$25,510 for Asian students, the lowest of any group.

- Fifty-eight percent of Black or African American bachelor's degree recipients were independent, compared with 40.8 percent of Asian students. Around 18 percent of Black or African American students graduated from for-profit institutions, compared with 7.2 percent of Asian students.
- Debt levels for Hispanic or Latino bachelor's degree recipients were lower than those for White students.

Although some of the differences in the debt levels accrued by bachelor's degree recipients were associated with the sectors from which they earned their degrees, the debt levels of Black or African American graduates stood out even within sectors.

Table 5.2: Total Borrowing upon Completion of a Bachelor's Degree, by Sector and Race and Ethnicity: 2015–16

		% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student
Public Four-Year	All racial and ethnic groups	66.6%	\$27,079	\$25,703	\$18,041
	American Indian or Alaska Native	79.4%	\$24,367	\$22,168	\$19,353
	Asian	56.5%	\$20,658	\$20,020	\$11,664
	Black or African American	83.7%	\$30,613	\$29,750	\$25,617
	Hispanic or Latino	63.4%	\$22,322	\$20,000	\$14,146
	Native Hawaiian or other Pacific Islander	84.8%	‡	‡	‡
	White	68.6%	\$28,079	\$26,020	\$19,259
	More than one race	74.6%	\$28,680	\$27,140	\$21,409
Private Nonprofit Four-Year	All racial and ethnic groups	68.7%	\$31,435	\$27,000	\$21,598
	American Indian or Alaska Native	72.9%	‡	‡	‡
	Asian	57.0%	\$29,145	\$25,250	\$16,626
	Black or African American	88.6%	\$36,093	\$35,693	\$31,987
	Hispanic or Latino	74.5%	\$25,612	\$25,000	\$19,091
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	70.6%	\$31,925	\$27,000	\$22,551
	More than one race	67.0%	\$29,995	\$27,000	\$20,100
For-Profit	All racial and ethnic groups	86.1%	\$40,583	\$42,544	\$34,923
	American Indian or Alaska Native	87.2%	\$40,010	\$38,474	\$34,907
	Asian	88.9%	\$43,186	\$44,000	\$38,371
	Black or African American	90.9%	\$42,046	\$45,000	\$38,216
	Hispanic or Latino	84.6%	\$37,962	\$39,812	\$32,107
	Native Hawaiian or other Pacific Islander	95.9%	\$27,039!	\$22,250!!	\$25,943!
	White	85.1%	\$41,134	\$42,650	\$34,990
	More than one race	89.5%	\$38,560	\$39,558	\$34,517

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016

Notes: Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is >50%. | Table 5.2 is Table 7.13 in the 2019 publication.

- The share of students earning bachelor's degrees from public four-year colleges and universities who borrowed ranged from 56.5 percent of Asian students to 83.7 percent of Black or African American students.
- Among bachelor's degree recipients at public four-year institutions, Black or African American borrowers had debts averaging \$30,613; this compared with \$28,079 for the 68.6 percent of White students who borrowed, \$22,322 for the 63.4 percent of Hispanic or Latino students who borrowed, and \$20,658 for the 56.5 percent of Asian students who borrowed.
- Borrowing rates were higher and less varied in the for-profit sector. The average debt per bachelor's degree recipient ranged from \$32,107 for Hispanic or Latino students to \$38,216 for Black or African American students and a slightly higher \$38,371 for Asian students.

Independent bachelor's degree recipients were more likely than dependent bachelor's degree recipients to have debt. The median debt levels for independent borrowers upon completion was \$32,014, compared with \$25,536 for dependent graduates in 2015–16. Average debt levels per student were \$17,472 for dependent bachelor's degree recipients and \$23,961 for independent bachelor's degree recipients.

Table 5.3: Total Borrowing: Bachelor's Degree Recipients, by Dependency Status and Race and Ethnicity: 2015–16

		% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student
Dependent Students	All racial and ethnic groups	65.7%	\$26,585	\$25,536	\$17,472
	American Indian or Alaska Native	79.2%	\$19,345	\$20,292!	\$15,325
	Asian	55.1%	\$21,995	\$19,750	\$12,122
	Black or African American	85.7%	\$29,661	\$28,850	\$25,418
	Hispanic or Latino	64.8%	\$22,142	\$20,250	\$14,358
	Native Hawaiian or other Pacific Islander	87.9%	\$20,445!	\$22,000!!	\$17,973
	White	67.6%	\$27,583	\$26,000	\$18,653
	More than one race	73.1%	\$27,072	\$26,188	\$19,798
Independent Students	All racial and ethnic groups	72.6%	\$32,996	\$32,014	\$23,961
	American Indian or Alaska Native	74.5%	\$30,722	\$26,682!	\$22,875
	Asian	63.8%	\$29,913	\$26,510	\$19,094
	Black or African American	86.9%	\$37,111	\$38,923	\$32,261
	Hispanic or Latino	69.8%	\$28,721	\$26,528	\$20,058
	Native Hawaiian or other Pacific Islander	90.4%	\$29,405	\$33,000	\$26,589
	White	74.0%	\$33,220	\$32,000	\$24,569
	More than one race	74.5%	\$33,598	\$33,649	\$25,047

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016

Notes: ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is > 50%. | Table 5.3 is Table 7.14 in the 2019 publication.

- Among both dependent and independent bachelor's degree recipients, Black or African American students accrued the largest debts.
- Native Hawaiian or other Pacific Islander students borrowed at rates similar to those of Black or African American students but borrowed less.
- Average debt per Black or African American graduate was \$25,418 among dependent students and \$32,261 among independent students.
- Asian and Hispanic or Latino debt levels, for both dependent and independent graduates, were lower than the overall averages.

Even within income quartiles, Black or African American students had higher rates of borrowing and higher cumulative debt levels than other bachelor's degree recipients.

Table 5.4: Total Borrowing: Bachelor's Degree Recipients, by Income and Race and Ethnicity: 2015–16

		% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student
Income Quartile 1 (Lowest)	All racial and ethnic groups	74.1%	\$24,836	\$25,000	\$18,407
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	55.2%	\$18,976	\$17,781	\$10,467
	Black or African American	93.5%	\$28,994	\$28,910	\$27,110
	Hispanic or Latino	62.5%	\$20,781	\$19,500	\$12,994
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	81.2%	\$25,490	\$26,000	\$20,694
	More than one race	84.8%	\$26,127	\$24,451	\$22,159
Income Quartile 2	All racial and ethnic groups	69.5%	\$26,186	\$25,515	\$18,188
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	55.0%	\$20,601	\$19,000	\$11,329
	Black or African American	82.8%	\$29,905	\$28,809	\$24,764
	Hispanic or Latino	67.2%	\$21,658	\$19,500	\$14,547
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	75.7%	\$27,314	\$26,000	\$20,669
	More than one race	76.7%	\$29,423	\$30,000	\$22,582

		% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student
Income Quartile 3	All racial and ethnic groups	68.2%	\$27,137	\$26,000	\$18,506
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	66.4%	\$21,705	\$22,242	\$14,421
	Black or African American	77.6%	\$29,390	\$29,000	\$22,817
	Hispanic or Latino	69.2%	\$24,203	\$21,500	\$16,744
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	70.6%	\$28,167	\$26,400	\$19,885
	More than one race	72.1%	\$24,390	\$22,250	\$17,576
Income Quartile 4 (Highest)	All racial and ethnic groups	57.3%	\$27,515	\$25,106	\$15,774
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	44.3%	\$28,024	\$22,539	\$12,415
	Black or African American	79.3%	\$31,871	\$28,000	\$25,278
	Hispanic or Latino	60.5%	\$23,073	\$20,311	\$13,961
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	59.1%	\$27,903	\$26,000	\$16,500
	More than one race	63.2%	\$28,909	\$27,000	\$18,275

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016
Notes: ‡ Estimate suppressed. Reporting standards not met. | Table 5.4 is Table 7.15 in the 2019 publication.

- Among bachelor's degree recipients in the second quartile of the household income distribution, 82.8 percent of Black or African American graduates borrowed an average of \$29,905, yielding an average debt per student of \$24,764.
- Approximately 67 percent of Hispanic or Latino graduates in the second income quartile borrowed an average of \$21,658, yielding an average debt per student of \$14,547.
- Across each income quartile, Asian bachelor's degree recipients borrowed at the lowest rates and borrowed on average the least (with the exception of those in the highest income quartile).

Associate Degree Recipients

Among students who received an associate degree in 2015–16, almost half borrowed an average of \$18,500, with a median debt among borrowers of \$15,000 at graduation. Black or African American students and American Indian or Alaska Native students had the highest rates of borrowing (67.2 percent each).

Table 5.5: Total Borrowing: Associate Degree Recipients, by Race and Ethnicity: 2015–16

	% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student	% Independent	% Completed at Public Two-Year Institution	% Completed at For-Profit Institution
All racial and ethnic groups	48.0%	\$18,501	\$15,005	\$8,889	64.3%	82.3%	11.2%
American Indian or Alaska Native	67.2%	\$18,225	\$14,713	\$12,254	76.3%	84.1%	14.0%!
Asian	29.6%	\$17,459	\$15,013	\$5,170	60.4%	87.3%	8.2%
Black or African American	67.2%	\$22,303	\$19,482	\$14,986	76.8%	71.5%	20.4%
Hispanic or Latino	36.3%	\$15,778	\$12,000	\$5,719	55.9%	83.5%	10.9%
Native Hawaiian or other Pacific Islander	47.3%	‡	‡	‡	46.3%	82.1%	15.9%!
White	50.9%	\$17,794	\$14,250	\$9,063	64.1%	84.0%	9.3%
More than one race	51.0%	\$21,795	\$20,199	\$11,113	65.4%	84.4%	9.4%
International students	7.9%!	‡	‡	‡	70.2%	87.2%	4.3%!

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016

Notes: Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | Table 5.5 is Table 7.8 in the 2019 publication.

- Black or African American students had the highest median debt (\$19,482), the highest average debt per borrower (\$22,303), and the highest average debt per student (\$14,986).
- These higher debt levels could be partly attributed to the fact that 76.8 percent of Black or African American associate degree recipients were independent students, compared with 64.3 percent overall (and 55.9 percent of Hispanic or Latino students).
- Roughly one-fifth (20.4 percent) of Black or African American graduates earned their degrees at for-profit institutions, where tuition prices and debt levels are much higher than at public two-year colleges.

Students who earned their associate degrees at for-profit institutions were much more likely to borrow and borrow considerably larger amounts than those who earned similar degrees at public two-year colleges.

Table 5.6: Total Borrowing: Associate Degree Recipients, by Sector and Race and Ethnicity: 2015–16

		% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower	Average Amount Borrowed per Student
Public Two-Year	All racial and ethnic groups	40.4%	\$15,486	\$11,811	\$6,264
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	23.0%	\$12,771	\$11,433!	\$2,931
	Black or African American	57.3%	\$18,581	\$14,334	\$10,652
	Hispanic or Latino	27.7%	\$11,624	\$6,750	\$3,221
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	44.6%	\$15,451	\$12,000	\$6,889
	More than one race	44.8%	\$19,392	\$1,700	\$8,690
For-Profit	All racial and ethnic groups	87.4%	\$26,231	\$24,676	\$22,928
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	79.6%	\$27,913	\$22,111	\$22,220
	Black or African American	92.9%	\$30,210	\$29,690	\$28,075
	Hispanic or Latino	85.1%	\$22,854	\$20,588	\$19,444
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	87.3%	\$24,985	\$23,346	\$21,807
	More than one race	83.4%	\$28,816	\$28,761	\$24,022

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016

Notes: Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | Table 5.6 is Table 7.9 in the 2019 publication.

- Among 2015–16 associate degree graduates, 87.4 percent from the for-profit sector had education debt averaging \$26,231, with a median of \$24,676; 40.4 percent of graduates at public two-year institutions had education debt averaging \$15,486, with a median of \$11,811.
- The relatively large share of Black or African American students who graduated from for-profit institutions (20.4 percent of Black or African American students compared with 11.2 percent overall) contributed to this group’s high debt levels. Yet, even within sectors, Black or African American associate degree recipients were more likely to accrue debt and had the highest average and median debt levels.
- At public two-year colleges, the average debt per associate degree recipient was around \$3,000 for both Asian and Hispanic or Latino students, \$6,900 for White students, and \$10,700 for Black or African American students. In the for-profit sector the average debt per Black or African American student was \$28,075.
- The average debt of \$19,444 per Hispanic or Latino student was the lowest of the four largest racial and ethnic groups at for-profit institutions.

Table 5.7: Total Borrowing per Borrower and per Student: Associate Degree Recipients, by Dependency Status and Race and Ethnicity: 2015–16

		% Who Borrowed	Average Amount Borrowed per Borrower	Average Amount Borrowed per Student
Dependent Students	All racial and ethnic groups	34.7%	\$12,087	\$4,197
	American Indian or Alaska Native	‡	‡	‡
	Asian	19.9%	\$12,542	\$2,502
	Black or African American	48.7%	\$12,975	\$6,324
	Hispanic or Latino	28.5%	\$12,206	\$3,475
	Native Hawaiian or other Pacific Islander	‡	‡	‡
	White	38.0%	\$11,628	\$4,415
	More than one race	39.0%	\$13,175	\$5,179
Independent Students	All racial and ethnic groups	55.4%	\$20,728	\$11,490
	American Indian or Alaska Native	81.7%	\$18,540	\$15,156
	Asian	36.0%	\$19,250	\$6,921
	Black or African American	72.8%	\$24,189	\$17,601
	Hispanic or Latino	42.4%	\$17,672	\$7,488
	Native Hawaiian or other Pacific Islander	‡	‡	‡
	White	58.2%	\$20,050	\$11,669
	More than one race	57.0%	\$24,930	\$14,251

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016
 Note: ‡ Estimate suppressed. Reporting standards not met. | Table 5.7 is Table 7.10 in the 2019 publication.

- Independent associate degree recipients were more likely to borrow than dependent degree recipients (55.4 percent compared with 34.7 percent). They also, on average, borrowed more (\$20,728 compared with \$12,087 in 2015–16).
- Within both dependent and independent student groups, Black or African American associate degree recipients were more likely than those from other racial and ethnic groups to borrow and they borrowed more.
- Asian dependent and independent associate degree recipients were least likely to borrow (19.9 percent and 36.0 percent) than other groups.
- Among dependent students who borrowed, White associate degree recipients had the lowest average debt level in 2015–16 at \$11,628. Among independent students who borrowed, Hispanic or Latino associate degree recipients had the lowest average debt level at \$17,672.

Although dependent Black or African American students tended to have lower family incomes than those from other groups, even within income quartiles, Black or African American associate degree recipients accrued more debt than did other student groups. Sample sizes permit comparisons across groups only within the lower two income quartiles.

Table 5.8: Total Borrowing: Associate Degree Recipients, by Family Income and Race and Ethnicity: 2015–16

		% Who Borrowed	Average Amount Borrowed per Borrower	Median Amount Borrowed per Borrower
Income Quartile 1	All racial and ethnic groups	33.2%	\$12,216	\$10,875
	American Indian or Alaska Native	‡	‡	‡
	Asian	23.2%	‡	‡
	Black or African American	48.8%	\$13,178	\$9,500!
	Hispanic or Latino	18.8%	\$9,970	\$8,692!
	Native Hawaiian or other Pacific Islander	‡	‡	‡
	White	43.3%	\$11,685	\$10,875
	More than one race	‡	‡	‡
Income Quartile 2	All racial and ethnic groups	33.1%	\$11,497	\$10,250
	American Indian or Alaska Native	‡	‡	‡
	Asian	‡	‡	‡
	Black or African American	57.5%	\$11,654	\$9,500!
	Hispanic or Latino	28.3%	\$12,809	\$10,250
	Native Hawaiian or other Pacific Islander	‡	‡	‡
	White	35.3%	\$10,404	\$9,000
	More than one race	‡	‡	‡

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016

Notes: Sample sizes permit comparisons across groups only within the lower two income quartiles. ‡ Estimate suppressed. Reporting standards not met. ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | Table 5.8 is Table 7.11 in the 2019 publication.

- Among students from the lowest income quartile, the share of 2015–16 associate degree recipients graduating with debt ranged from 18.8 percent of Hispanic or Latino students, who borrowed an average of \$9,970, to 48.8 percent of Black or African American students, who borrowed an average of \$13,178.
- Among students from the lower-middle income quartile, the share of associate degree recipients graduating with debt ranged from 28.3 percent of Hispanic or Latino students, who borrowed an average of \$12,809, to 57.5 percent of Black or African American students, who borrowed an average of \$11,654.

REPAYMENT PLANS

Federal student loan borrowers can choose from a range of repayment plans. If they do not choose a specific repayment plan, they will be placed in the standard 10-year repayment plan in which monthly payments are fixed at the level that allows the loan to be repaid within 10 years. There are several other repayment plan options for students, some of which include:

- Graduated repayment plan: Payments start out lower than under the standard plan but increase every two years, allowing the loan to be repaid within 10 years.
- Extended repayment plan: Payments may be fixed or graduated; loans will be repaid within 25 years.
- Revised Pay as You Earn (REPAYE): The required monthly payment is 10 percent of the borrower's discretionary income for those whose income exceeds 150 percent of the poverty line. Remaining balances will be forgiven after 20 years if all of the loans were for undergraduate study and after 25 years if any were for graduate school.
- Pay as You Earn (PAYE): The required monthly payment is 10 percent of the borrower's discretionary income for those whose income exceeds 150 percent of the poverty line, but never more than it would be under the standard 10-year plan. Remaining balances will be forgiven after 20 years.
- Income-Based Repayment (IBR): The required monthly payment is 10 or 15 percent of the borrower's discretionary income for those whose income exceeds 150 percent of the poverty line, but never more than it would be under the standard 10-year plan. Remaining balances will be forgiven after 20 or 25 years.

In June 2013, 62.6 percent of Federal Direct Loan borrowers in repayment were enrolled in the standard 10-year repayment plan, which requires level monthly payments for 10 years or until the debt is retired, whichever comes first. These borrowers held 38.5 percent of the outstanding debt.

Four years later, in June 2017, these numbers had declined to 47.5 percent of borrowers and 25.5 percent of outstanding debt. By June 2019, 42.9 percent of borrowers holding 21.4 percent of the outstanding debt were in this repayment plan.

Over these years, more and more borrowers have enrolled in income-driven repayment (IDR) plans, which limit their monthly payments to an affordable share of their incomes. In June 2013, 10.6 percent of borrowers holding 21.3 percent of the total outstanding debt participated in these plans. Those shares rose to 28.1 percent of borrowers and 45.5 percent of outstanding debt in June 2017 and to 31.0 percent of borrowers and 50.1 percent of outstanding debt in June 2019 (U.S. Department of Education, n.d.).

Table 5.9: Share of Borrowers and Outstanding Balances, by Type of Repayment Plan: 2013, 2017, and 2019

		June 2013	June 2017	June 2019
Standard Repayment Plan	% of Borrowers in Repayment Plan	62.6%	47.5%	42.9%
	% of Outstanding Debt in Repayment Plan	38.5%	25.5%	21.4%
Income-Driven Repayment Plans	% of Borrowers in Repayment Plan	10.6%	28.1%	31.0%
	% of Outstanding Debt in Repayment Plan	21.3%	45.5%	50.1%

Source: National Student Loan Data System (NSLDS)

Notes: Includes outstanding principal and interest balances of Direct Loan borrowers in repayment, deferment, and forbearance. | Data do not include loans through the Federal Family Education Loan Program.

The data below, from the *2012/17 Beginning Postsecondary Students Longitudinal Study*, report on repayment plan participation as of June 2017. Overall, 65.7 percent of borrowers who had completed a degree or certificate and 70.3 percent of those who left college without a credential were in the standard 10-year repayment plan; 19.9 percent of completers and 15.3 percent of non-completers were in IDR plans.

Among both completers and non-completers, Asian borrowers were most likely to be in the standard repayment plan (80.6 percent and 82.9 percent, respectively) and least likely to be in IDR plans (13.6 percent and 11.1 percent). Among completers, Black or African American borrowers were least likely to be in the standard plan (54.0 percent) and most likely to be in IDR (28.8 percent). Among non-completers, American Indian or Alaska Native (48.8 percent) and Hispanic or Latino (67.4 percent) borrowers were least likely to be in the standard plan; Hispanic or Latino borrowers and those of more than one race were most likely to be in IDR plans (16.0 percent and 17.5 percent, respectively).

Table 5.10: Participation in Repayment Plans, by Plan Type, College Completion, and Race and Ethnicity

	% in Standard Repayment Plan: Completed Any College Credential	% in Standard Repayment Plan: Did Not Complete College Credential	% in Income-Driven Repayment Plans: Completed Any College Credential	% in Income-Driven Repayment Plans: Did Not Complete College Credential
All racial and ethnic groups	65.7%	70.3%	19.9%	15.3%
American Indian or Alaska Native	62.9%	48.8%	20.8%!	15.4%!
Asian	80.6%	82.9%	13.6%	11.1%!
Black or African American	54.0%	73.0%	28.8%	15.2%
Hispanic or Latino	64.2%	67.4%	20.0%	16.0%
Native Hawaiian or other Pacific Islander	72.0%	‡	9.6%!	‡
White	67.7%	69.8%	18.4%	15.2%
More than one race	69.4%	69.7%	16.6%	17.5%!

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who first entered college in 2011-12 and whether they completed a college credential by 2017. Data reflect all federal student loans taken within the six-year time frame. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is > 50%.

Bachelor's Degree Recipients

Nearly two-thirds of all borrowers (65.4 percent) who completed bachelor's degrees—but only 47.9 percent of Black or African American borrowers—were in the standard 10-year repayment plan.

Table 5.11: Average Monthly Federal Loan Payments of Bachelor's Degree Recipients and Distribution of Borrowers Across Repayment Plans, by Sector and Race and Ethnicity

		% in Standard Repayment Plan	% in Graduated Repayment Plan	% in Income-Driven Repayment Plan	% in Alternative Repayment Plan	Average Federal Loan Monthly Payment
All Institutions	All racial and ethnic groups	65.4%	10.8%	20.6%	3.3%	\$217
	Asian	79.6%	4.2%	14.3%	2.0%	\$193
	Black or African American	47.9%	13.0%	33.4%	5.7%	\$216
	Hispanic or Latino	63.1%	12.3%	22.2%	2.4%	\$205
	White	67.7%	10.9%	18.4%	3.1%	\$223
	More than one race	68.1%	8.6%	20.0%	3.3%	\$218
Public Four-Year	All racial and ethnic groups	68.3%	10.4%	18.0%	3.2%	\$205
	Asian	84.2%	‡	12.1%	‡	\$174
	Black or African American	47.8%	13.9%	31.9%	6.4%	\$200
	Hispanic or Latino	68.6%	13.7%	17.1%	‡	\$193
	White	70.6%	9.9%	16.1%	3.5%	\$212
	More than one race	66.5%	11.2%	20.6%	‡	\$218
Private Nonprofit Four-Year	All racial and ethnic groups	62.6%	11.6%	22.4%	3.5%	\$234
	Asian	73.3%	7.1%	15.8%	‡	\$231
	Black or African American	46.9%	12.9%	35.5%	4.8%	\$230
	Hispanic or Latino	54.7%	10.5%	29.4%	5.4%	\$220
	White	65.9%	12.2%	19.2%	2.7%	\$238
	More than one race	61.9%	7.3%	24.9%	‡	\$221
Public Two-Year	All racial and ethnic groups	63.6%	9.6%	25.6%	1.2%	\$210
	Black or African American	52.6%	‡	39.0%	‡	\$203
	Hispanic or Latino	69.1%	6.1%	23.0%	‡	\$224
	White	58.9%	12.5%	27.1%	‡	\$215
For-Profit	All racial and ethnic groups	49.8%	11.4%	33.5%	5.3%	\$259
	Black or African American	48.8%	9.9%	33.1%	8.3%	\$277
	Hispanic or Latino	45.3%	15.2%	33.7%	5.8%	\$225
	White	49.9%	10.8%	35.5%	3.8%	\$262

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who first entered college in 2011-12 and whose highest degree earned by 2017 was a bachelor's degree. Data reflect all federal student loans taken within the six-year time frame.

As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Sector reflects the sector of the last institution attended as of 2017, which is likely, but not necessarily, where the bachelor's degree was earned. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed.

Reporting standards not met. | Estimates for groups not separately shown were suppressed due to small sample size. | Alternative repayment plan includes a few additional repayment options not separately shown.

- Approximately one-fifth of bachelor's degree recipients with federal loans were in income-driven repayment plans (20.6 percent). Participation in this type of plan ranged from 14.3 percent of Asian borrowers to 33.4 percent of Black or African American borrowers.
- The highest participation rate in the standard 10-year repayment plan was 84.2 percent of Asian borrowers from public four-year institutions; the lowest was 45.3 percent of Hispanic or Latino borrowers from for-profit institutions.
- Black or African American borrowers had the highest rate of participation in IDR plans among bachelor's degree recipients from public and private nonprofit institutions, with 39.0 percent of Black or African American borrowers from public two-year institutions in IDR plans.
- Average monthly loan payments for borrowers who completed bachelor's degrees ranged from \$174 for Asian graduates of public four-year institutions to \$277 for Black or African American graduates of for-profit institutions.

Associate Degree Recipients

The share of borrowers who completed associate degrees who were in the standard 10-year repayment plan ranged from 55.6 percent of Black or African American borrowers to 85.6 percent of Asian borrowers.

Table 5.12: Average Monthly Federal Loan Payments of Associate Degree Recipients and Distribution of Borrowers Across Repayment Plans, by Sector and Race and Ethnicity

		% in Standard Repayment Plan	% in Graduated Repayment Plan	% in Income-Driven Repayment Plan	% in Alternative Repayment Plan	Average Federal Loan Monthly Payment
All Institutions	All racial and ethnic groups	64.3%	11.3%	20.4%	4.1%	\$156
	Asian	85.6%	2.8%	11.0% ^{!!}	‡	\$178
	Black or African American	55.6%	11.3%	26.6%	6.5%	\$161
	Hispanic or Latino	61.2%	14.1%	21.7%	3.0%	\$149
	White	66.4%	10.5%	19.1%	4.1%	\$156
	More than one race	72.7%	15.3%	11.5% [!]	‡	\$164
Public Four-Year	All racial and ethnic groups	75.6%	6.4%	15.3%	2.6%	\$138
	Black or African American	70.6%	8.0%	21.4%	‡	\$125
	Hispanic or Latino	75.2%	2.7%	19.7%	‡	\$125
	White	74.4%	7.4%	14.3%	4.0%	\$145
Private Nonprofit Four-Year	All racial and ethnic groups	66.6%	10.2%	23.2%	‡	\$171
	Hispanic or Latino	51.4%	4.0%	44.4%	‡	\$135 [!]
	White	70.4%	13.5%	16.2%	‡	\$156

		% in Standard Repayment Plan	% in Graduated Repayment Plan	% in Income-Driven Repayment Plan	% in Alternative Repayment Plan	Average Federal Loan Monthly Payment
Public Two-Year	All racial and ethnic groups	67.4%	10.9%	18.1%	3.6%	\$139
	Black or African American	55.0%	17.6%	27.3%	‡	\$132
	Hispanic or Latino	71.8%	5.1%	20.3%	‡	\$111
	White	68.5%	10.7%	15.8%	5.0%	\$143
For-Profit	All racial and ethnic groups	52.4%	16.1%	27.3%	4.3%	\$186
	Black or African American	50.1%	9.6%	34.1%	6.2%	\$202
	Hispanic or Latino	49.1%	25.8%	21.2%	3.9%	\$174
	White	54.6%	11.7%	29.5%	4.2%	\$185

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who first entered college in 2011-12 and whose highest degree earned by 2017 was an associate degree. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Sector reflects the sector of the last institution attended as of 2017, which is likely, but not necessarily, where the associate degree was earned. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is >50%. | Estimates for groups not separately shown were suppressed due to small sample size. | Alternative repayment plan includes a few additional repayment options not separately shown.

- About one-fifth of associate degree recipients with federal loans were in IDR plans (20.4 percent). Participation in this type of plan was highest among Black or African American borrowers (26.6 percent).
- Borrowers from for-profit institutions were most likely to participate in IDR plans—27.3 percent overall and 34.1 percent of Black or African American borrowers from this sector.
- Average monthly loan payments for borrowers who completed associate degrees ranged from \$111 for Hispanic or Latino graduates of public two-year institutions to \$202 for Black or African American graduates of for-profit institutions.

Certificate Recipients

The share of borrowers who completed certificates who were in the standard 10-year repayment plan ranged from 52.5 percent of American Indian or Alaska Native borrowers to 87.1 percent of Asian borrowers.

Table 5.13: Average Monthly Federal Loan Payments of Certificate Recipients and Distribution of Borrowers Across Repayment Plans, by Sector and Race and Ethnicity

		% in Standard Repayment Plan	% in Graduated Repayment Plan	% in Income-Driven Repayment Plan	% in Alternative Repayment Plan	Average Federal Loan Monthly Payment
All Institutions	All racial and ethnic groups	68.6%	12.5%	16.7%	2.2%	\$107
	American Indian or Alaska Native	52.5%	30.7%	16.8%	‡	\$98
	Asian	87.1%	3.8%	9.1%	‡	\$114
	Black or African American	67.5%	11.0%	19.5%	2.0%	\$117
	Hispanic or Latino	67.3%	14.2%	16.0%	2.5%	\$97
	White	69.5%	11.0%	17.3%	2.2%	\$106
	More than one race	71.9%	17.0%	7.5%	3.7%	\$149
Public Two-Year	All racial and ethnic groups	73.0%	9.2%	13.7%	4.2%	\$97
	Black or African American	66.9%	21.6%	8.5%	‡	\$108
	Hispanic or Latino	66.7%	7.3%	17.0%	‡	\$85
	White	77.1%	6.0%	15.2%	1.7%	\$97
For-Profit	All racial and ethnic groups	65.4%	14.4%	18.4%	1.8%	\$107
	Black or African American	64.9%	9.0%	24.0%	2.1%	\$116
	Hispanic or Latino	66.7%	16.2%	16.0%	1.1%	\$100
	White	63.8%	14.0%	19.8%	2.4%	\$108
	More than one race	62.2%	29.6%	4.2%	‡	\$135

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who first entered college in 2011-12 and whose highest credential earned by 2017 was a certificate. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Sector reflects the sector of the last institution attended as of 2017, which is likely, but not necessarily, where the certificate was earned. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | Estimates for groups not separately shown were suppressed due to small sample size. | Alternative repayment plan includes a few additional repayment options not separately shown.

- Roughly 17 percent of certificate recipients with federal loans were in income-driven repayment plans. Participation in this type of plan ranged from 9.1 percent of Asian borrowers to 19.5 percent of Black or African American borrowers.
- Borrowers from for-profit institutions were more likely than those from public two-year colleges to participate in IDR plans—18.4 percent overall and 24.0 percent of Black or African American borrowers from this sector.
- Average monthly loan payments for borrowers who completed certificates ranged from \$85 for Hispanic or Latino graduates of public two-year institutions to \$116 for Black or African American graduates of for-profit institutions and \$135 for those of more than one race in that sector.

Non-completers

Borrowers who left college without a degree include students with very different amounts of time in school and levels of debt. Monthly loan payments for students who left college without a degree or certificate averaged \$113 and ranged from \$87 for American Indian or Alaska Native borrowers to \$164 for Asian borrowers.

Table 5.14: Average Monthly Federal Loan Payments of Non-completers and Distribution of Borrowers Across Repayment Plans, by Sector and Race and Ethnicity

		% in Standard Repayment Plan	% in Graduated Repayment Plan	% in Income-Driven Repayment Plan	% in Alternative Repayment Plan	Average Federal Loan Monthly Payment
All Institutions	All racial and ethnic groups	70.3%	11.6%	15.3%	2.8%	\$113
	American Indian or Alaska Native	48.8%	29.7%!	15.4%!	‡	\$87
	Asian	82.9%	5.0%!	11.1%!	‡	\$164
	Black or African American	73.0%	10.2%	15.2%	1.5%	\$120
	Hispanic or Latino	67.4%	13.7%	16.0%	3.0%!	\$100
	White	69.8%	11.9%	15.2%	3.2%	\$112
	More than one race	69.7%	8.6%	17.5%!	4.1%!	\$111
Public Four-Year	All racial and ethnic groups	69.7%	11.3%	14.3%	4.7%	\$136
	Black or African American	73.3%	5.2%!	20.4%	‡	\$137
	Hispanic or Latino	75.3%	11.5%!	11.0%!	‡	\$128
	White	66.5%	13.2%!	13.8%	6.5%!	\$138
Private Nonprofit Four-Year	All racial and ethnic groups	72.6%	9.3%	15.1%	3.0%!	\$161
	Black or African American	72.0%	11.5%!	13.6%!	2.9%!	\$136
	Hispanic or Latino	72.5%	12.9%!	14.6%!	‡	\$108
	White	73.8%	7.8%!	15.7%	2.7%!	\$178
Public Two-Year	All racial and ethnic groups	69.7%	11.9%	16.5%	2.0%	\$90
	Black or African American	71.5%	13.8%	13.3%	1.3%!	\$106
	Hispanic or Latino	68.8%	10.3%!	18.4%	2.5%!	\$84
	White	69.8%	11.8%	16.1%	2.2%	\$87
	More than one race	50.4%	9.4%!	38.2%!	‡	\$77

		% in Standard Repayment Plan	% in Graduated Repayment Plan	% in Income-Driven Repayment Plan	% in Alternative Repayment Plan	Average Federal Loan Monthly Payment
For-Profit	All racial and ethnic groups	71.0%	12.0%	14.7%	2.3%	\$111
	Black or African American	74.3%	9.5%	14.5%	1.6%	\$120
	Hispanic or Latino	63.2%	16.2%	16.9%	3.8%!!	\$100
	White	72.0%	11.5%	14.6%	1.9%	\$110
	More than one race	80.3%	10.7%!	8.1%	‡	\$110

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who entered college in 2011-12 and were no longer enrolled and had not completed a credential by 2017. Data reflect all federal student loans taken within the six-year time frame. | Sector reflects the sector of the last institution attended as of 2017. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is > 50%. | Estimates for groups not separately shown were suppressed due to small sample size. | Alternative repayment plan includes a few additional repayment options not separately shown.

- Average payments were highest (\$161) for those who attended private nonprofit four-year institutions. Within this sector, White non-completers had the highest average monthly payments—\$178.
- Average payments were lowest (\$90) for those who attended public two-year colleges. Within this sector, Black or African American non-completers had the highest average monthly payments—\$106.
- The highest average monthly payments for any group of non-completers was \$178 for White borrowers who attended private nonprofit four-year institutions. Black or African American and White borrowers from public four-year institutions and Black or African American borrowers from private nonprofit four-year institutions paid between \$136 and \$138; other groups of non-completers had lower payments.

DEFAULT

The data reported here compare repayment outcomes across two cohorts of students: the first, six years after first enrolling in college in 2011–12, and the second, 12 years after they began college in 2003–04. These figures are sometimes difficult to interpret because of differences in the amount of time students spend in college and thus, in the amount of time they have been in repayment at the survey date. For example, very low default rates among bachelor’s degree recipients six years after first enrollment are to a large extent a function of the short time most of them have been out of college. Many have not had time to default. In contrast, much larger shares of associate degree and certificate recipients and of those who left college without a credential have been in repayment for several years and thus more likely to default.

The most obvious sign of difficulty repaying student loans is default. Borrowers who default on their federal loans may have their wages or even their social security payments garnished. They will have difficulty borrowing for other purposes—such as buying a house or a car—or getting a credit card. They are likely to face barriers to employment and to renting housing. IDR plans should minimize default because they set monthly payments on the basis of borrowers’ incomes.

Among students who began college in 2011–12 and completed a degree or certificate by 2017, 5.9 percent had defaulted on at least one federal loan, including 3.2 percent of those who were in an IDR plan and 7.4 percent of those in other repayment plans. In contrast, 40.7 percent of those who had not completed a credential and were no longer in college had defaulted by 2017.

Among both completers and non-completers, default rates were highest among Black or African American and American Indian or Alaska Native borrowers: 53.8 percent of Black or African American borrowers who did not complete their programs and 11.0 percent of completers defaulted; 55.5 percent of American Indian or Alaska Native borrowers who did not complete their programs defaulted.

Table 5.15: Total Share of Students Who Defaulted Within Six Years of First Beginning Postsecondary Education, by College Completion, Repayment Plans, and Race and Ethnicity

	Completed Any College Credential	Completed any College Credential: Enrolled in Income-Driven Repayment Plan	Completed any College Credential: Not Enrolled in Income Driven-Repayment Plan	Did Not Complete College Credential
All racial and ethnic groups	5.9%	3.2%	7.4%	40.7%
American Indian or Alaska Native	11.6%	‡	16.0% [!]	55.5%
Asian	1.0%	‡	1.3%	34.1% [!]
Black or African American	11.0%	5.8%	14.5%	53.8%
Hispanic or Latino	9.9%	5.5% [!]	12.3%	40.9%
Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
White	3.8%	1.7% [!]	4.8%	33.2%
More than one race	5.8% [!]	2.4%	7.2% [!]	45.7%

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who first entered college in 2011-12 and whether they completed a college credential by 2017. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is > 50%.

Bachelor's Degree Recipients

Only 1.2 percent of borrowers who began college in 2011–12 and earned bachelor's degrees defaulted within six years of beginning college. The highest default rate was 2.9 percent among Black or African American bachelor's degree recipients. Following borrowers who began college in 2003–04 and earned bachelor's degrees 12 years after they first enrolled in college shows larger differences across racial and ethnic groups. Among Black or African American borrowers, 22.6 percent had defaulted, compared with 7.9 percent overall and just 2.5 percent of Asian borrowers.

Table 5.16: Six-Year and 12-Year Default Rates of Bachelor's Degree Recipients, by Race and Ethnicity

	% Ever Defaulted Within Six Years of First Enrollment: 2012 Cohort	% Ever Defaulted Within 12 Years of First Enrollment: 2004 Cohort
All racial and ethnic groups	1.2%	7.9%
American Indian or Alaska Native	‡	‡
Asian	‡	2.5%!
Black or African American	2.9%	22.6%
Hispanic or Latino	1.5%!	11.8%
Native Hawaiian or other Pacific Islander	‡	‡
White	0.9%	5.7%
More than one race	‡	12.7%!

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2012 cohort reflect students who first entered college in 2011-12 and whose highest degree earned by 2017 was a bachelor's degree. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Data for the 2004 cohort reflect students who first entered college in 2003-04 and whose highest degree earned by 2009 was a bachelor's degree. Data reflect all federal student loans taken through 2015, a 12-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2009. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%.

Associate Degree Recipients

Among associate degree recipients, 6.2 percent of those who began college in 2011–12 and graduated from public two-year colleges and 20.1 percent of those who graduated from for-profit institutions defaulted within six years of beginning college.

Table 5.17: Six-Year and 12-Year Default Rates of Associate Degree Recipients, by Race and Ethnicity

		% Ever Defaulted Within Six Years of First Enrollment: 2012 Cohort	% Ever Defaulted Within 12 Years of First Enrollment: 2004 Cohort
All Institutions	All racial and ethnic groups	8.8%	21.9%
	Asian	‡	32.1%!
	Black or African American	11.9%	33.2%
	Hispanic or Latino	12.0%!	20.1%!
	White	7.4%	17.4%
	More than one race	1.0%!	41.4%!
Public Two-Year	All racial and ethnic groups	6.2%	17.6%
	Black or African American	13.1%!	38.5%
	Hispanic or Latino	4.4%!	6.7%!
	White	5.0%!	12.4%
For-Profit	All racial and ethnic groups	20.1%	33.6%
	Black or African American	21.1%	47.5%!
	Hispanic or Latino	25.8%!	‡
	White	19.5%	30.1%!

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2012 cohort reflect students who first entered college in 2011–12 and whose highest degree earned by 2017 was an associate degree. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Data for the 2004 cohort reflect students who first entered college in 2003–04 and whose highest degree earned by 2009 was an associate degree. Data reflect all federal student loans taken through 2015, a 12-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2009. | Sector reflects the sector of the last institution attended as of 2017, which is likely, but not necessarily, where the associate degree was earned. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error is >50%. | Estimates for groups not separately shown were suppressed due to small sample size.

- The highest default rates six years after beginning college were 25.8 percent among for-profit Hispanic or Latino graduates and 21.1 percent among for-profit Black or African American graduates.
- The racial and ethnic patterns after 12 years in the 2003–04 beginning cohort were similar to those among bachelor’s degree recipients. Among Black or African American borrowers, 33.2 percent had defaulted compared with 21.9 percent overall.
- The default rate was almost as high among Asian borrowers with associate degrees as among Black or African American borrowers. In contrast, 17.4 percent of White borrowers and 20.1 percent of Hispanic or Latino had defaulted within 12 years of beginning college.

Certificate Recipients

Among certificate recipients who began college in 2011–12, 21.1 percent defaulted within six years of beginning college. Among Black or African American borrowers and those of more than one race, the default rate was 30.4 percent.

Table 5.18: Six-Year and 12-Year Default Rates of Certificate Recipients, by Race and Ethnicity

	% Ever Defaulted Within Six Years of First Enrollment: 2012 Cohort	% Ever Defaulted Within 12 Years of First Enrollment: 2004 Cohort
All racial and ethnic groups	21.1%	44.3%
American Indian or Alaska Native	16.3%!!	‡
Asian	‡	‡
Black or African American	30.4%	55.2%
Hispanic or Latino	21.4%	47.7%
Native Hawaiian or other Pacific Islander	‡	‡
White	16.9%	36.7%
More than one race	30.4%	‡

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2012 cohort reflect students who first entered college in 2011-12 and whose highest credential earned by 2017 was a certificate. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest credential attained by 2017. | Data for the 2004 cohort reflect students who first entered college in 2003-04 and whose highest credential earned by 2009 was a certificate. Data reflect all federal student loans taken through 2015, a 12-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest credential attained by 2009. | ‡ Estimate suppressed. Reporting standards not met. | !! Interpret with caution. Ratio of standard error is > 50%.

- The next highest default rate was among Hispanic or Latino borrowers who completed certificates, at 21.4 percent; smaller shares of other groups of borrowers defaulted within six years.
- More than half of Black or African American certificate completers (55.2 percent) who began college in 2003–04 had defaulted within 12 years, as had 47.7 percent of Hispanic or Latino borrowers and 36.7 percent of White borrowers.

Non-completers

Table 5.19: Six-Year and 12-Year Default Rates of Non-completers, by Race and Ethnicity

	% Ever Defaulted Within Six Years of First Enrollment: 2012 Cohort	% Ever Defaulted Within 12 Years of First Enrollment: 2004 Cohort
All racial and ethnic groups	40.7%	44.5%
American Indian or Alaska Native	55.5%	‡
Asian	34.1%!	28.5%
Black or African American	53.8%	63.5%
Hispanic or Latino	40.9%	45.4%
Native Hawaiian or other Pacific Islander	‡	‡
White	33.2%	37.3%
More than one race	45.7%	55.2%

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data reflect students who first entered college in 2011–12 and were no longer enrolled and had not completed a credential by 2017. Data reflect all federal student loans taken within the six-year time frame. | Data reflect students who first entered college in 2003–04 and were no longer enrolled and had not completed a credential by 2009. Data reflect all federal student loans taken through 2015, a 12-year time frame. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%.

- Six years after beginning college, default rates were high for non-completers from all racial and ethnic groups who had started college in 2011–12: 55.5 percent of American Indian or Alaska Native borrowers had defaulted on at least one federal loan, as had 53.8 percent of Black or African American borrowers, 45.7 percent of those of more than one race, 40.9 percent of Hispanic or Latino borrowers, 34.1 percent of Asian borrowers, and 33.2 percent of White borrowers.
- Twelve years after beginning college, 44.5 percent of those who started college in 2003–04 and borrowed before leaving college without a degree or certificate had defaulted. Default rates ranged from 28.5 percent of Asian borrowers, 37.3 percent of White borrowers, and 45.4 percent of Hispanic or Latino borrowers to 55.2 percent of those of more than one race and 63.5 percent of Black or African American borrowers.

FORBEARANCE AND DELINQUENCY

Default is not the only measure of struggling with loan repayment. Many borrowers who are not enrolled in IDR plans find that they cannot afford their monthly payments. Borrowers facing financial hardship can apply for deferment or forbearance. Borrowers who return to college have their existing loans deferred, but forbearance is always a sign of financial difficulties. Some borrowers simply do not make the required payments and become delinquent on their loans. A payment that is more than 30 days late is likely to be reported to credit agencies. More than 270 days of delinquency constitutes a default.

Six years after beginning college in 2011–12, 49.1 percent of borrowers who had completed a degree or certificate had entered forbearance on a loan. Forbearance rates ranged from 29.3 percent of Asian borrowers, 38.2 of Native Hawaiian or other Pacific Islander borrowers, and 44.0 percent of White borrowers to 59.6 percent of Hispanic or Latino borrowers, 63.7 percent of Black or African American borrowers, and 70.7 percent of American Indian or Alaska Native borrowers.

Forbearance rates were much higher for non-completers, with 91.1 percent overall receiving this temporary suspension of payments. Forbearance rates ranged from 73.5 percent of Asian borrowers who had not completed their programs to 96.3 percent of Black or African American borrowers.

About 42 percent of borrowers who completed a credential had been delinquent on a loan within six years of beginning college in 2011–12. This included 21.4 percent of Asian borrowers, 51.7 percent of Hispanic or Latino borrowers, and 61.9 percent of Black or African American borrowers.

Among non-completers, 72.6 percent were delinquent on loan payments. This included 47.2 percent of Asian borrowers, 75.4 percent Black or African American borrowers, 80.3 percent of Hispanic or Latino borrowers, and 86.4 percent of American Indian or Alaska Native borrowers.

Table 5.20: Six-Year Forbearance and Default Rates Among College Completers and Non-completers, by Race and Ethnicity

		% Ever Had Forbearance	% Ever Had Delinquency
Completed Any Credential	All racial and ethnic groups	49.1%	41.6%
	American Indian or Alaska Native	70.7%	60.9%
	Asian	29.3%	21.4%
	Black or African American	63.7%	61.9%
	Hispanic or Latino	59.6%	51.7%
	Native Hawaiian or other Pacific Islander	38.2% [!]	27.5% [!]
	White	44.0%	35.3%
	More than one race	49.0%	42.4%
Did Not Complete College Credential	All racial and ethnic groups	91.1%	72.6%
	American Indian or Alaska Native	94.1%	86.4%
	Asian	73.5%	47.2%
	Black or African American	96.3%	75.4%
	Hispanic or Latino	94.0%	80.3%
	Native Hawaiian or other Pacific Islander	‡	‡
	White	88.0%	69.7%
	More than one race	91.7%	71.0%

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17

Notes: Data reflect students who first entered college in 2011–12 and whether or not they completed a credential by 2017. Data reflect all federal student loans taken within the six-year time frame. | † Estimate suppressed. Reporting standards not met. | ‡ Interpret with caution. Ratio of standard error to estimate is >30% but <50%.

Bachelor's Degree Recipients

Despite low default rates, many bachelor's degree recipients experienced forbearance (37.5 percent) or delinquency (31.6 percent) within six years of beginning college in 2011–12. These events were most frequent among Black or African American borrowers—49.2 percent and 51.2 percent, respectively.

Table 5.21: Six-Year and 12-Year Forbearance and Delinquency Rates of Bachelor's Degree Recipients, by Race and Ethnicity

		% Ever Had Forbearance Within Six Years of First Enrollment: 2012 Cohort	% Ever Had Delinquency Within Six Years of First Enrollment: 2012 Cohort	% Ever Had Forbearance Within 12 Years of First Enrollment: 2004 Cohort
All Institutions	All racial and ethnic groups	37.5%	31.6%	46.0%
	Asian	27.4%	19.4%	34.6%
	Black or African American	49.2%	51.2%	84.9%
	Hispanic or Latino	42.3%	37.1%	52.0%
	White	35.2%	28.0%	40.4%
	More than one race	37.8%	31.9%	52.9%
Public Four-Year	All racial and ethnic groups	34.1%	27.7%	46.1%
	Asian	25.5%	15.0%	36.3%
	Black or African American	39.6%	47.3%	87.0%
	Hispanic or Latino	40.0%	33.2%	49.7%
	White	32.5%	24.0%	40.4%
	More than one race	39.1%	32.3%	53.5%
Private Nonprofit Four-Year	All racial and ethnic groups	40.2%	33.9%	44.4%
	Asian	34.1%	24.6%	32.1%
	Black or African American	59.2%	49.5%	81.5%
	Hispanic or Latino	44.8%	41.3%	57.3%
	White	37.1%	31.0%	39.5%
	More than one race	34.6%	29.3%	49.4%
For-Profit	All racial and ethnic groups	56.9%	63.8%	58.8%
	Black or African American	74.0%	78.2%	‡
	Hispanic or Latino	58.7%	65.6%	‡
	White	49.4%	58.1%	51.3%

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2012 cohort reflect students who first entered college in 2011–12 and whose highest degree earned by 2017 was a bachelor's degree. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Data for the 2004 cohort reflect students who first entered college in 2003–04 and whose highest degree earned by 2009 was a bachelor's degree. Data reflect all federal student loans taken through 2015, a 12-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2009. | Sector reflects the sector of the last institution attended as of 2017, which is likely, but not necessarily, where the bachelor's degree was earned. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | Estimates for groups not separately shown were suppressed due to small sample size. | ‡ Estimate suppressed. Reporting standards not met.

- Within 12 years of beginning college in 2003–04, 84.9 percent of Black or African American borrowers have required a forbearance—compared with 46.0 percent overall and 34.6 percent of Asian borrowers. Among Hispanic or Latino borrowers, 52.0 percent required a forbearance within 12 years of beginning college.
- Bachelor’s degree recipients from for-profit institutions were most likely to experience these repayment issues within six years of beginning college in 2011–12. For example, 49.4 percent of White graduates of for-profit institutions had a forbearance, compared with 35.2 percent of White borrowers overall; 65.6 percent of Hispanic or Latino graduates of for-profit institutions had a delinquency, compared with 37.1 percent of Hispanic or Latino students overall. Black or African American borrowers were outliers in their repayment experiences, even within sectors, with higher rates of forbearance and delinquency than any other group.

Associate Degree Recipients

Many associate degree recipients experienced forbearance (61.1 percent) or delinquency (52.5 percent) within six years of starting college in 2011–12. These events were most frequent among Black or African American borrowers—73.0 percent and 67.3 percent, respectively.

Table 5.22: Six-Year and 12-Year Forbearance and Delinquency Rates of Associate Degree Recipients, by Race and Ethnicity

		% Ever Had Forbearance Within Six Years of First Enrollment: 2012 Cohort	% Ever Had Delinquency Within Six Years of First Enrollment: 2012 Cohort	% Ever Had Forbearance Within 12 Years of First Enrollment: 2004 Cohort
All Institutions	All racial and ethnic groups	61.1%	52.5%	62.3%
	Asian	22.6% ^l	19.9% ^l	38.1% ^l
	Black or African American	73.0%	67.3%	89.0%
	Hispanic or Latino	61.4%	55.4%	72.3%
	White	59.0%	48.6%	54.3%
	More than one race	60.9%	53.1%	74.3%
Public Two-Year	All racial and ethnic groups	63.7%	54.5%	53.5%
	Black or African American	77.6%	64.7%	88.0%
	Hispanic or Latino	75.9%	69.8%	61.2%
	White	59.6%	50.4%	48.1%
For-Profit	All racial and ethnic groups	77.9%	71.2%	68.3%
	Black or African American	81.6%	85.6%	95.8%
	Hispanic or Latino	83.1%	73.8%	‡
	White	78.2%	66.9%	55.8%

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2012 cohort reflect students who first entered college in 2011–12 and whose highest degree earned by 2017 was an associate degree. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2017. | Data for the 2004 cohort reflect students who first entered college in 2003–04 and whose highest degree earned by 2009 was an associate degree. Data reflect all federal student loans taken through 2015, a twelve-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2009. | Sector reflects the sector of the last institution attended as of 2017. Institutions were categorized into sectors based upon control of the institution and the length of the predominant award granted. | Estimates for groups not separately shown were suppressed due to small sample size. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%.

- Among borrowers who started college in 2011–12, forbearance (77.9 percent) and delinquency (71.2 percent) were more common among for-profit graduates within six years than among those from public two-year colleges (63.7 percent and 54.5 percent, respectively.)

- Within six years of starting college in 2011–12, Black or African American and Hispanic or Latino borrowers in the public two-year and for-profit sectors were more likely than White borrowers to require a forbearance or be delinquent in their payments. For example, 64.7 percent of Black or African American borrowers and 69.8 percent of Hispanic or Latino borrowers who earned associate degrees at public two-year colleges were delinquent, compared with 50.4 percent of White borrowers. In the for-profit sector, these figures were 85.6 percent for Black or African American borrowers, 73.8 percent for Hispanic or Latino borrowers, and 66.9 percent for White borrowers.
- The patterns in repayment success among associate degree recipients 12 years after starting college in 2003–04 were similar to those among bachelor’s degree recipients. Among Black or African American borrowers, 89.0 percent have required a forbearance, compared with 62.3 percent overall and 38.1 percent of Asian borrowers.
- Outcomes for Hispanic or Latino borrowers were much closer to the overall averages than those for Black or African American borrowers: 72.3 percent of Hispanic or Latino borrowers had a forbearance 12 years after starting college in 2003–04.

Certificate Recipients

Among certificate recipients, 70.7 percent were delinquent, and 83.4 percent had a forbearance within six years of beginning college in 2011–12. Black or African American borrowers had higher than average frequencies of each of these outcomes (84.3 percent and 92.2 percent, respectively). Borrowers of more than one race were also more likely than average to experience these outcomes.

Table 5.23: Six-Year and 12-Year Forbearance and Delinquency Rates of Certificate Recipients, by Race and Ethnicity

	% Ever Had Forbearance Within Six Years of First Enrollment: 2012 Cohort	% Ever Had Delinquency Within Six Years of First Enrollment: 2012 Cohort	% Ever Had Forbearance Within 12 Years of First Enrollment: 2004 Cohort
All racial and ethnic groups	83.4%	70.7%	59.2%
American Indian or Alaska Native	81.3%	74.9%	‡
Asian	56.0%	42.2% [!]	‡
Black or African American	92.2%	84.3%	70.8%
Hispanic or Latino	86.1%	72.9%	54.5%
Native Hawaiian or other Pacific Islander	‡	‡	‡
White	79.1%	63.9%	55.0%
More than one race	87.7%	79.3%	‡

Sources: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:12/17 | U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2012 cohort reflect students who first entered college in 2011–12 and whose highest credential earned by 2017 was a certificate. Data reflect all federal student loans taken within the six-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest credential attained by 2017. | Data for the 2004 cohort reflect students who first entered college in 2003–04 and whose highest credential earned by 2009 was a certificate. Data reflect all federal student loans taken through 2015, a 12-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest credential attained by 2009. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%.

- Patterns for Hispanic or Latino students were close to the overall average: 72.9 percent were delinquent and 86.1 percent had forbearance within six years of starting college in 2011–12. Asian and White borrowers were less likely than others to have these outcomes.
- Black or African American certificate recipients also had worse repayment experiences than others 12 years out, with 70.8 percent having received forbearance, compared with 59.2 percent overall.

REDUCING DEBT BALANCES

Another measure of repayment is the extent to which borrowers reduce their loan balances over time. The amount owed may increase if borrowers do not make payments large enough to cover accruing interest or if there are penalties.

Table 5.24: Ratio of Amount Still Owed to Amount Borrowed 12 Years After First Beginning Postsecondary Education, by Award Level and Race and Ethnicity

		Average	25th Percentile	Median (50th Percentile)	75th Percentile
Bachelor's Degree Recipients	All racial and ethnic groups	60.3%	0.0%	61.0%	104.0%
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	45.6%	0.0%	33.0%	93.0%
	Black or African American	105.5%	96.0%	115.0%	126.0%
	Hispanic or Latino	69.7%	32.0%!	80.0%	109.0%
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	53.5%	0.0%	51.0%	94.0%
	More than one race	71.2%	23.0%!	81.0%	123.0%
Associate Degree Recipients	All racial and ethnic groups	78.5%	31.0%	93.0%	121.0%
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	40.1%!	0.0%	31.0%!	76.0%
	Black or African American	117.3%	102.0%	123.0%	134.0%
	Hispanic or Latino	91.4%	83.0%	101.0%	122.0%
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	68.8%	7.0%!	78.0%	115.0%
	More than one race	80.1%	37.0%!	89.0%	126.0%

		Average	25th Percentile	Median (50th Percentile)	75th Percentile
Certificate Recipients	All racial and ethnic groups	62.1%	0.0%	68.0%	113.0%
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	‡	‡	‡	‡
	Black or African American	83.6%	23.0%!!	103.0%	122.0%
	Hispanic or Latino	47.5%	0.0%	12.0%!!	107.0%
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	58.0%	0.0%	59.0%	102.0%
	More than one race	‡	‡	‡	‡
Did Not Complete College Credential Total	All racial and ethnic groups	69.4%	0.0%	79.0%	113.0%
	American Indian or Alaska Native	‡	‡	‡	‡
	Asian	50.0%	0.0%	45.0%!	101.0%
	Black or African American	94.9%	59.0%	106.0%	126.0%
	Hispanic or Latino	63.8%	0.0%	72.0%	107.0%
	Native Hawaiian or other Pacific Islander	‡	‡	‡	‡
	White	62.2%	0.0%	63.0%	109.0%
	More than one race	60.4%	0.0%	70.0%	105.0%

Source: U.S. Department of Education, Beginning Postsecondary Students Longitudinal Study, BPS:04/09, and 2015 Federal Student Aid Supplement

Notes: Data for the 2004 cohort reflect students who first entered college in 2003-04 and their highest credential earned by 2009. Data reflect all federal student loans taken through 2015, a 12-year time frame. As a result, loan outcomes may reflect loans taken for additional enrollment beyond the highest degree attained by 2009. | ‡ Estimate suppressed. Reporting standards not met. | ! Interpret with caution. Ratio of standard error to estimate is >30% but <50%. | !! Interpret with caution. Ratio of standard error to estimate is >50%.

- On average, 12 years after beginning college, students who began college in 2003–04 and completed bachelor’s degrees owed 60.3 percent of the amount they had borrowed. These average amounts owed ranged from 45.6 percent for Asian borrowers and 53.5 percent for White borrowers to 69.7 percent for Hispanic or Latino borrowers, 71.2 percent for those of more than one race, and 105.5 percent for Black or African American borrowers. The median remaining balance overall was 61.0 percent, ranging from 33.0 percent for Asian borrowers to 115.0 percent for Black or African American borrowers.
- Twelve years after beginning college, associate degree recipients still owed an average of 78.5 percent of the total amount they had borrowed. Remaining balances ranged from 40.1 percent of the amount Asian students had borrowed to 117.3 percent of the original amount for Black or African American borrowers. The median remaining balance overall was 93.0 percent; Black or African American borrowers had the highest median remaining balance of any group at 123.0 percent.
- Twelve years after beginning college, certificate recipients still owed an average of 62.1 percent of the total amount they had borrowed, with a median of 68.0 percent. The average for Black or African American borrowers was 83.6 percent and the median was 103.0 percent.
- Twelve years after beginning college, borrowers who did not complete a credential still owed an average of 69.4 percent of the total amount they had borrowed, with a median of 79.0 percent. The average for Black or African American borrowers was 94.9 percent and the median was 106.0 percent.

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