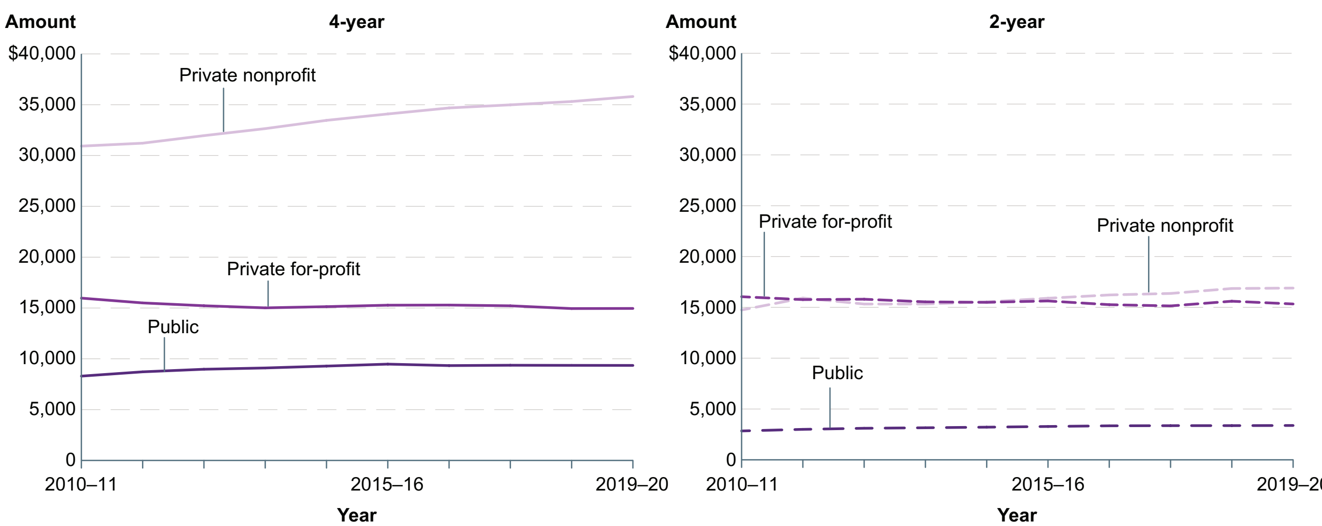
Loans for Undergraduate Students

In 2018–19, some 43 percent of first-time, full-time degree/certificate-seeking undergraduate students were awarded loan aid, a 7 percentage point decrease from 2010–11 (50 percent). Between 2010–11 and 2018–19, the average annual student loan amount for these students decreased by 5 percent, from $7,700 to $7,300 (in constant 2019–20 dollars).

To help offset the cost of attending a postsecondary institution, Title IV of the Higher Education Act of 1965 authorized several student financial assistance programs–namely, federal grants, loans, and the Federal Work-Study Program. The largest federal loan program is the William D. Ford Federal Direct Loan Program, for which the federal government is the lender. Interest on the loans provided under the Direct Loan Program may be subsidized, based on need, while the recipient is in school. Other types of student loans include institutional loans and private loans. The standard loan repayment plan is designed so that loans are payable within 10 years, beginning 6 months after the student graduates, drops below half-time enrollment, or withdraws from the academic program.

Figure 1. Average annual undergraduate tuition and fees for full-time students at degree-granting postsecondary institutions, by level and control of institution: Academic years 2010–11 through 2019–20

[In constant 2019–20 dollars]

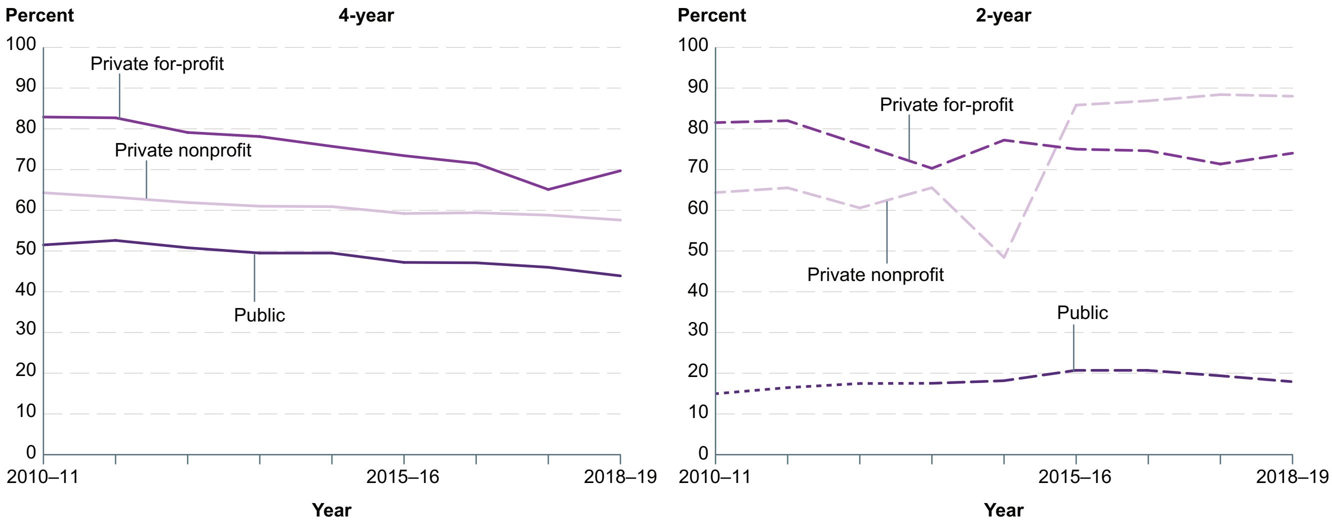


NOTE: Data in this table represent the 50 states and the District of Columbia. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Some data have been revised from previously published figures. For public institutions, in-state tuition and required fees are used. Tuition and fees are weighted by the number of full-time-equivalent undergraduates. Constant dollars are based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to an academic-year basis.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2011 through Spring 2020, Fall Enrollment component, and Fall 2009 through Fall 2019, Institutional Characteristics component. See *Digest of Education Statistics 2020*, table 330.10.

Between academic years 2010-11 and 2019-20, average annual undergraduate tuition and fees for full-time students across all degree-granting postsecondary institutions increased by 20 percent, from $11,100 to $13,400.[1] Among 4-year institutions over this period, tuition and fees increased by 13 percent at public institutions (from $8,300 to $9,300) and by 16 percent at private nonprofit institutions (from $30,900 to $35,800). In contrast, between 2010-11 and 2019-20, tuition and fees at private for-profit 4-year institutions decreased by 6 percent (from $16,000 to $15,000).

At 2-year institutions, the largest percentage increase in tuition and fees from 2010-11 to 2019-20 was at public institutions (19 percent, from $2,800 to $3,400). Tuition and fees at private nonprofit 2-year institutions increased by 15 percent, from $14,700 in 2010-11 to $16,900 in 2019-20. In contrast, tuition and fees at private for-profit 2-year institutions decreased by 4 percent between 2010-11 and 2019-20 (from $16,000 to $15,300).

Figure 2. Percentage of first-time, full-time degree/certificate-seeking undergraduate students who were awarded loan aid at degree-granting postsecondary institutions, by level and control of institution: Academic years 2010–11 through 2018–19



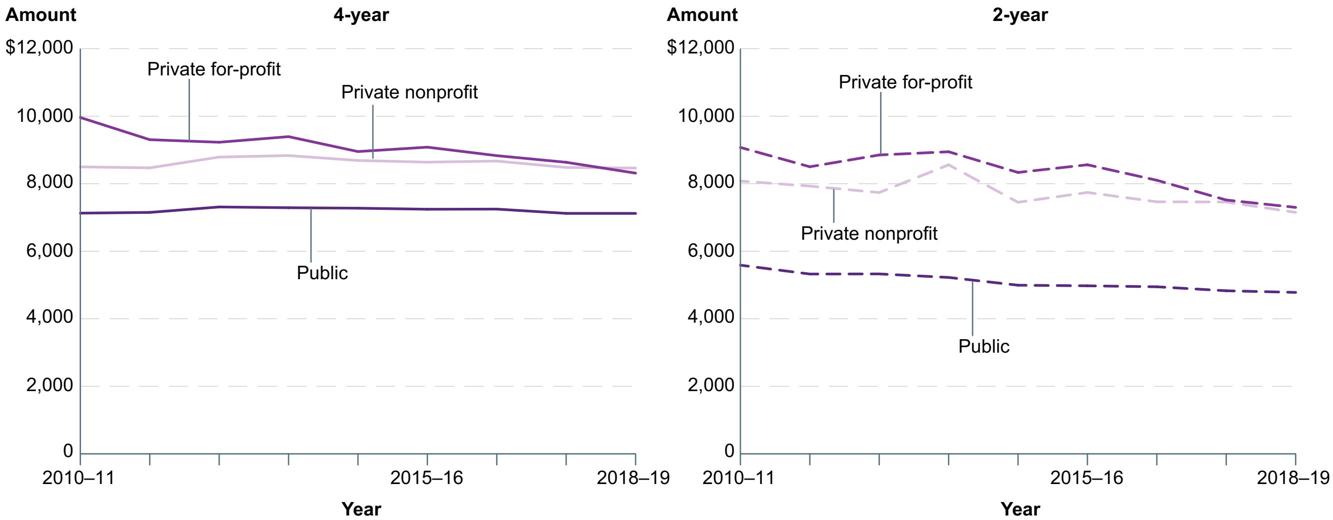
NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Some data have been revised from previously published figures. Data for public 2-year institutions exclude 2011–12 and 2012–13, as indicated by the dotted line. Includes only loans made directly to students; does not include Parent PLUS Loans or other loans made directly to parents.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Winter 2011–12 through Winter 2019–20, Student Financial Aid component. See *Digest of Education Statistics 2020*, table 331.20; *Digest of Education Statistics 2019*, table 331.20; *Digest of Education Statistics 2018*, table 331.20; and *Digest of Education Statistics 2017*, table 331.20.

Forty-three percent of first-time, full-time degree/certificate-seeking undergraduate students overall were awarded loan aid in 2018-19, a 7 percentage point decrease from 2010-11 (50 percent).[2] At public 4-year institutions, the percentage of undergraduates who were awarded loans decreased by 8 percentage points, from 51 percent in 2010-11 to 44 percent in 2018-19. Likewise, at private nonprofit 4-year institutions, the percentage of undergraduates who were awarded loans decreased by 7 percentage points, from 64 percent in 2010-11 to 58 percent in 2018-19. Among 4-year institutions, the largest decrease in the percentage of students who were awarded loans was at private for-profit institutions (13 percentage points), from 83 percent in 2010-11 to 70 percent in 2018-19.

Among public 2-year institutions, the percentage of students who were awarded loans was 3 percentage points higher in 2018-19 (18 percent) than in 2010-11 (15 percent). The percentage of undergraduates who were awarded loans at private nonprofit 2-year institutions was 24 percentage points higher in 2018-19 (88 percent) than in 2010-11 (64 percent), with most of the change occurring between 2013-14 and 2015-16. At private for-profit 2-year institutions, however, the percentage of undergraduates who were awarded loans was 8 percentage points lower in 2018-19 (74 percent) than in 2010-11 (82 percent).

Figure 3. Average annual loan amounts for first-time, full-time degree/certificate-seeking undergraduate students who were awarded loan aid at degree-granting postsecondary institutions, by level and control of institution: Academic years 2010–11 through 2018–19

[In constant 2019–20 dollars]



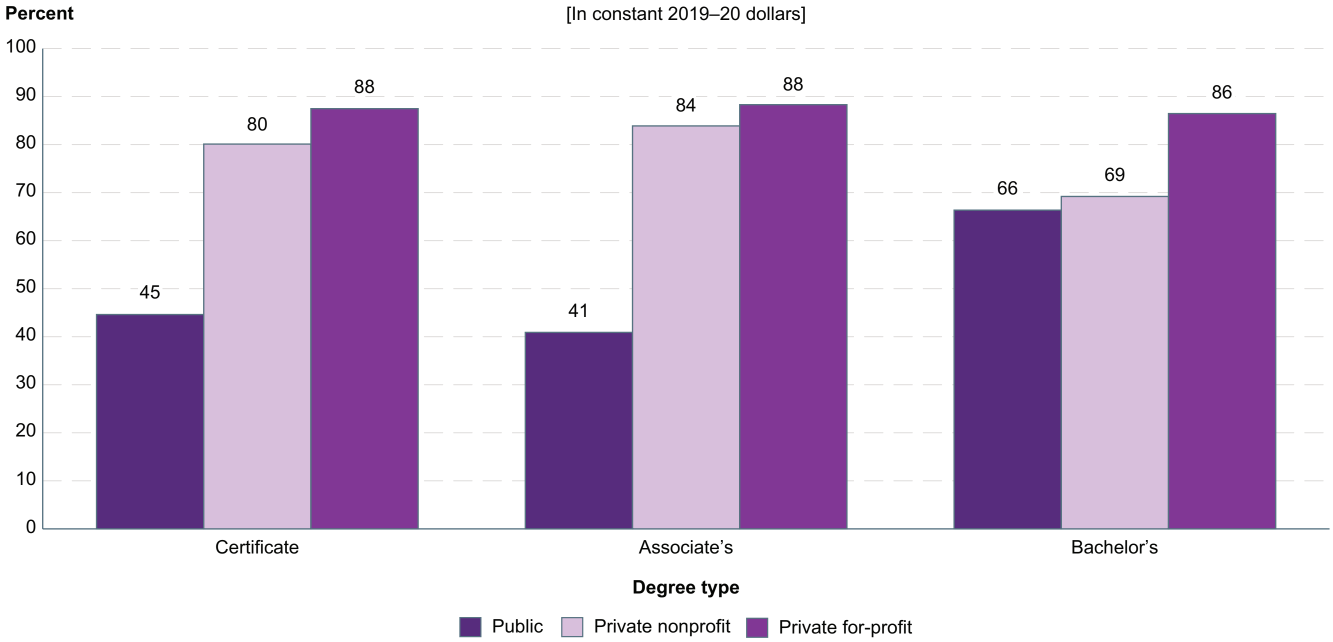
NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Some data have been revised from previously published figures. Includes only loans made directly to students; does not include Parent PLUS Loans or other loans made directly to parents. Constant dollars are based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to an academic-year basis.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Winter 2011–12 through Winter 2019–20, Student Financial Aid component. See *Digest of Education Statistics 2020*, table 331.20; *Digest of Education Statistics 2019*, table 331.20; *Digest of Education Statistics 2018*, table 331.20; and *Digest of Education Statistics 2017*, table 331.20.

Overall, the average annual loan amount that first-time, full-time degree/certificate-seeking undergraduate students were awarded decreased by 5 percent between 2010-11 and 2018-19 (from $7,700 to $7,300). At public 4-year and private nonprofit 4-year institutions, loan amounts were similar in 2018-19 and 2010-11 ($7,100 in both years at public 4-year institutions and $8,500 in both years at private nonprofit 4-year institutions). In contrast, at private for-profit 4-year institutions, the loan amount decreased by 17 percent between 2010-11 ($10,000) and 2018-19 ($8,300).

At 2-year institutions, average annual loan amounts decreased between 2010-11 and 2018-19 across institutional controls (public, private nonprofit, and private for-profit). Loan amounts decreased by 14 percent at public 2-year institutions ($5,600 vs. $4,800), by 11 percent at private nonprofit 2-year institutions ($8,100 vs. $7,200), and by 20 percent at private for-profit 2-year institutions ($9,100 vs. $7,300).

In 2018-19, the loan amount for students at private nonprofit 4-year institutions ($8,500) was higher than the amount for students at all other categories of institutions (public, private nonprofit, and private for-profit 2-year institutions and public and private for-profit 4-year institutions). This differs from the rest of the period between 2010-11 and 2018-19, during which loans were highest at private for-profit 4-year institutions.

Figure 4. Percentage of undergraduate degree/certificate completers who ever received loans, by degree type and control of institution: Academic year 2015–16

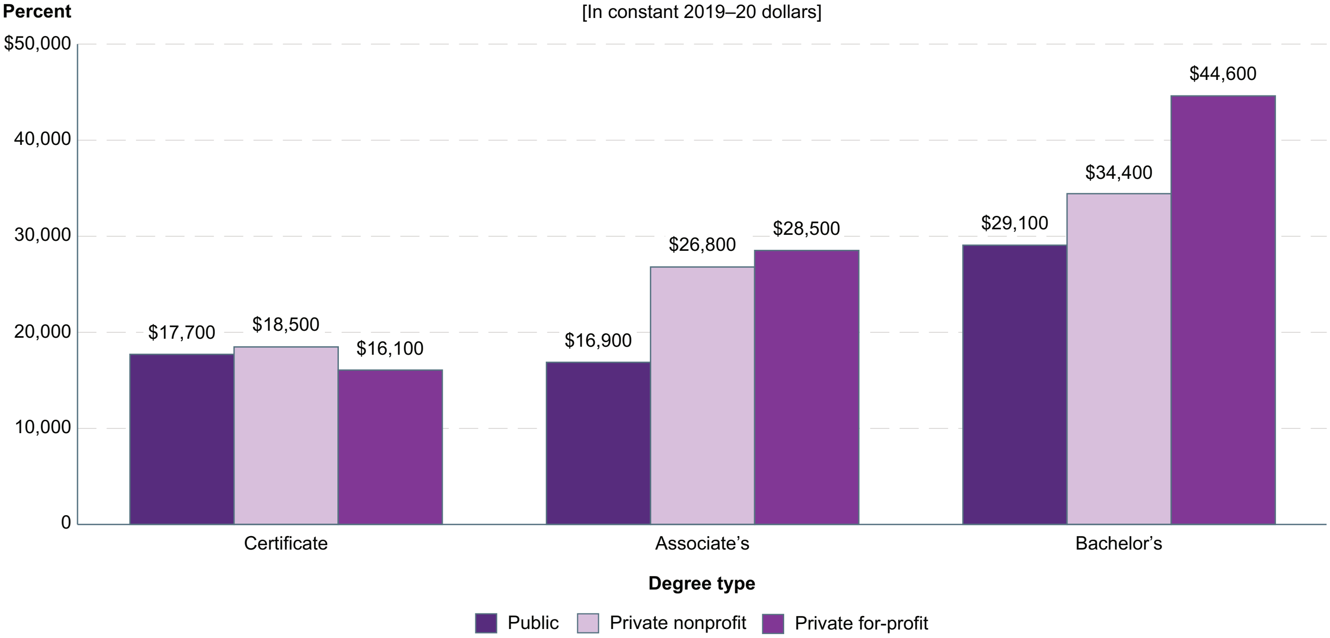


NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Includes only loans made directly to students; does not include Parent PLUS Loans or other loans made directly to parents. Although rounded numbers are displayed, the figures are based on unrounded data.
SOURCE: U.S. Department of Education, National Center for Education Statistics, 2015–16 National Postsecondary Student Aid Study (NPSAS:16). See *Digest of Education Statistics 2020*, table 331.95.

Among undergraduate students who completed an undergraduate degree or certificate in the 2015-16 academic year, 62 percent ever received at least one loan for their undergraduate education.[3] At all levels, the percentage who ever received loans was lowest among those who attended public institutions. Among certificate completers, 45 percent of those who attended public institutions, 80 percent of those who attended private nonprofit institutions, and 88 percent of those who attended private for-profit institutions ever received loans.

Among associate's degree completers, 41 percent of those who attended public institutions, 84 percent of those who attended private nonprofit institutions, and 88 percent of those who attended private for-profit institutions ever received loans. Among bachelor's degree completers, 66 percent of those who attended public institutions, 69 percent of those who attended private nonprofit institutions, and 86 percent of those who attended private for-profit institutions ever received loans.

Figure 5. Average cumulative loan amount for undergraduate degree/certificate completers who ever received loans, by degree type and control of institution: Academic year 2015–16



NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Includes only loans made directly to students; does not include Parent PLUS Loans or other loans made directly to parents. Constant dollars are based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to an academic-year basis. Averages exclude students with no student loans.
SOURCE: U.S. Department of Education, National Center for Education Statistics, 2015–16 National Postsecondary Student Aid Study (NPSAS:16). See *Digest of Education Statistics 2020*, table 331.95.

The average cumulative loan amount borrowed by 2015–16 undergraduate degree/certificate completers who ever received loans for their undergraduate education was lowest among certificate completers ($16,800), followed by associate's degree completers ($20,000) and bachelor's degree completers ($32,300). Among associate's degree completers, those who attended public institutions received a lower cumulative loan amount ($16,900) than those who attended private nonprofit institutions ($26,800) and those who attended private for-profit institutions ($28,500). Among bachelor's degree completers, those who attended public institutions received the lowest cumulative loan amount ($29,100), followed by those who attended private nonprofit institutions ($34,400) and those who attended private for-profit institutions ($44,600). Among certificate completers, however, there were no measurable differences in cumulative loan amounts between those who attended public, private nonprofit, or private for-profit institutions.

Ten percent of 2015–16 undergraduate degree/certificate completers had parents who received PLUS Loans.[4] A lower percentage of associate's degree completers had parents who received PLUS Loans (5 percent) than did certificate completers (7 percent) and bachelor's degree completers (15 percent). Among bachelor's degree completers, 17 percent of those who attended private nonprofit institutions had parents who received PLUS Loans, compared with 14 percent of those who attended public institutions and 13 percent of those who attended private for-profit institutions.

Among recipients, the average PLUS Loan amount for the parents of bachelor's degree completers ($35,200) was higher than for parents of certificate completers and associate's degree completers (both $14,000). Among bachelor's degree completers, the average PLUS Loan amount parents received was highest for those who attended private nonprofit institutions ($45,300), compared with those who attended public institutions ($29,700) and private for-profit institutions ($34,400).

Endnotes:

[1] All dollar amounts in this indicator are expressed in constant 2019–20 dollars.
[2] Includes only loans made directly to students. Does not include Parent PLUS Loans or other loans made directly to parents.
[3] Loan data from the National Postsecondary Student Aid Study (NPSAS) presented in figures 4 and 5 may not be comparable to data from the Integrated Postsecondary Education Data System (IPEDS) presented in figures 1 through 3. NPSAS incorporates data from institutional records, the National Student Loan Data System, and student-reported information, while IPEDS relies only on institutional records.
[4] Parent PLUS Loans are taken out by parents of dependent students and are used toward the students' undergraduate education. Parent PLUS Loans were available through both the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan Program (FFELP) until FFELP was discontinued in 2010. Since then, Parent PLUS Loans have been referred to as Direct PLUS Loans.

Reference tables: *Digest of Education Statistics 2020*, tables 330.10, 331.20, and 331.95; *Digest of Education Statistics 2019*, table 331.20; *Digest of Education Statistics 2018*, table 331.20; *Digest of Education Statistics 2017*, table 331.20

Related indicators and resources: Financial Aid [*Status and Trends in the Education of Racial and Ethnic Groups*]; Financing Postsecondary Education in the United States [*The Condition of Education 2013 Spotlight*]; Price of Attending an Undergraduate Institution; Sources of Financial Aid; Trends in Student Loan Debt for Graduate School Completers [*The Condition of Education 2018 Spotlight*]

Glossary: Certificate; College; Constant dollars; Control of institutions; Direct Loan Program; Full-time enrollment; Postsecondary institutions (basic classification by level); Private institution; Public school or institution; Title IV eligible institution; Tuition and fees; Undergraduate students