

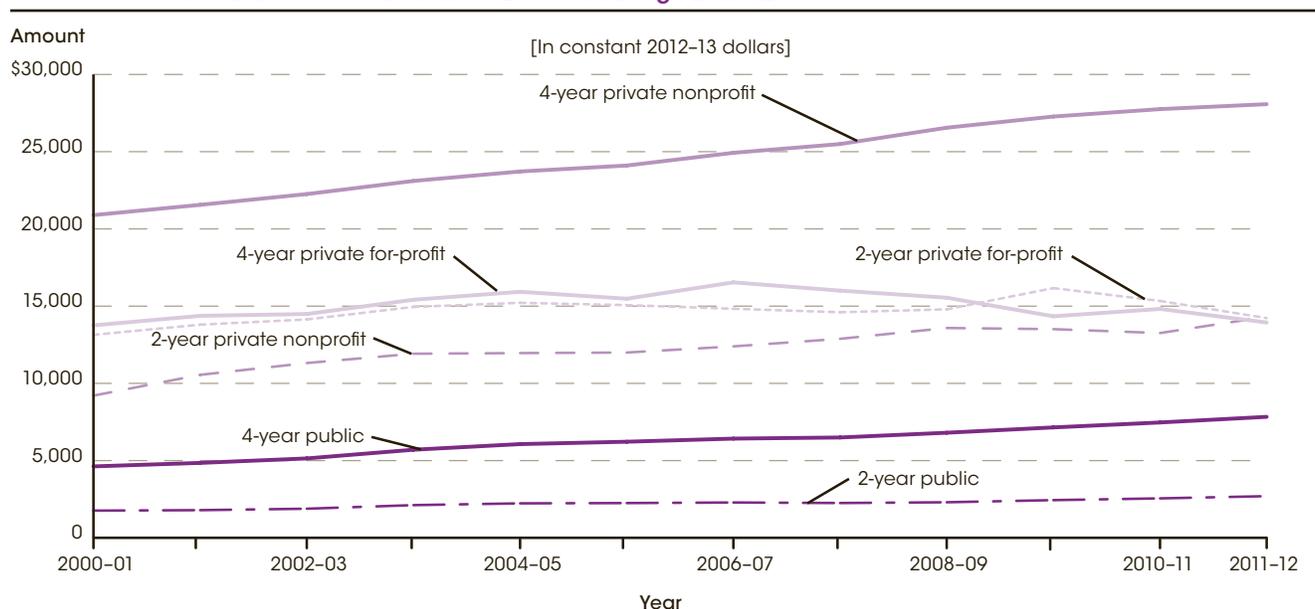
Student Loan Volume and Default Rates

In 2011–12, the average student loan amount of \$6,800 represented a 36 percent increase over the 2000–01 amount of \$5,000 (in constant 2012–13 dollars). Of the 4.7 million students who entered the repayment phase on their student loans in fiscal year (FY) 2011, some 476,000, or 10.0 percent, had defaulted before the end of FY 2012.

Title IV of the Higher Education Act of 1965 authorized several student financial assistance programs—including federal grants, loans, and work study—to help offset the cost of attending a postsecondary institution. The largest federal loan program is the William D. Ford Federal Direct Loan program; the federal government is the lender

for this program. Interest on the loans made under the Direct Loan program may be subsidized, based on need, while the student is in school. Most loans are payable over 10 years, beginning 6 months after the student leaves the institution, either by completing the program or by leaving prior to completion.

Figure 1. Average tuition and fees for full-time students at Title IV degree-granting postsecondary institutions, by level and control of institution: 2000–01 through 2011–12



NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Data on tuition and fees for public institutions are for in-state students only. Data on tuition and fees are collected in the fall. Because of their low response rate, data for private 2-year colleges must be interpreted with caution. Tuition and fees were weighted by the number of full-time-equivalent undergraduates. SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Fall 2000 through Fall 2011, Institutional Characteristics component. See *Digest of Education Statistics 2013*, table 330.10.

Average undergraduate tuition and fees for full-time students across all degree-granting postsecondary institutions in 2011–12 were \$10,300 in constant 2012–13 dollars—a 46 percent increase over 2000–01 (\$7,100). Among 4-year institutions, tuition and fees at public institutions had the largest percentage increase (69 percent, from \$4,600 to \$7,800) during this period; however, the largest dollar amount increase was at private nonprofit institutions (\$7,200 increase, from \$20,900 to

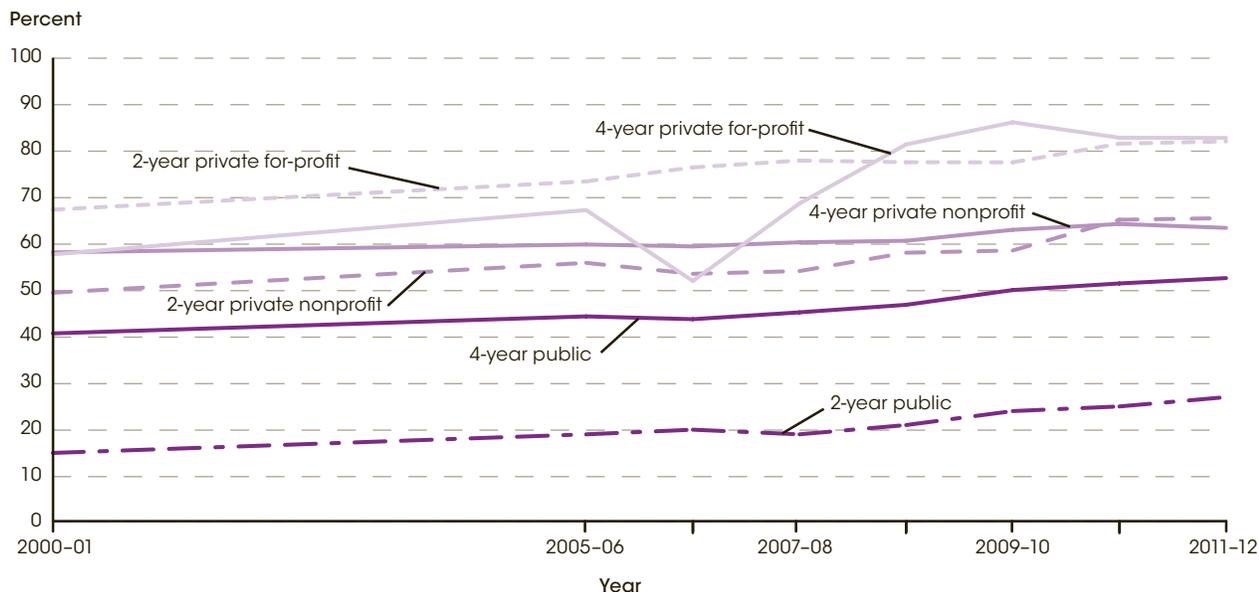
\$28,100). The smallest change among 4-year institutions was at private for-profit institutions (1 percent higher in 2011–12 than in 2000–01, \$13,900 vs. \$13,800). Among 2-year institutions, the largest percentage increase in tuition and fees during this period occurred at private nonprofit institutions (55 percent, from \$9,200 to \$14,300), while the smallest increase in tuition and fees occurred at private for-profit institutions (8 percent, from \$13,100 to \$14,200).

For more information, see the Reader's Guide and the Guide to Sources.

In 2011–12, average undergraduate tuition and fees at 4-year degree-granting postsecondary institutions were \$13,800 in 2011–12 (in constant 2012–13 dollars). Average in-state tuition and fees were lowest at public 4-year institutions (\$7,800), followed by private for-profit 4-year institutions (\$13,900) and private nonprofit

4-year institutions (\$28,100). At 2-year degree-granting postsecondary institutions, average undergraduate tuition and fees were \$3,300. Average in-state tuition and fees were lowest at public 2-year institutions (\$2,700), followed by private for-profit 2-year institutions (\$14,200) and private nonprofit 2-year institutions (\$14,300).

Figure 2. Percentage of first-time, full-time students enrolled in financial aid programs receiving loan aid at Title IV degree-granting postsecondary institutions, by level and control of institution: Selected years, 2000–01 through 2011–12

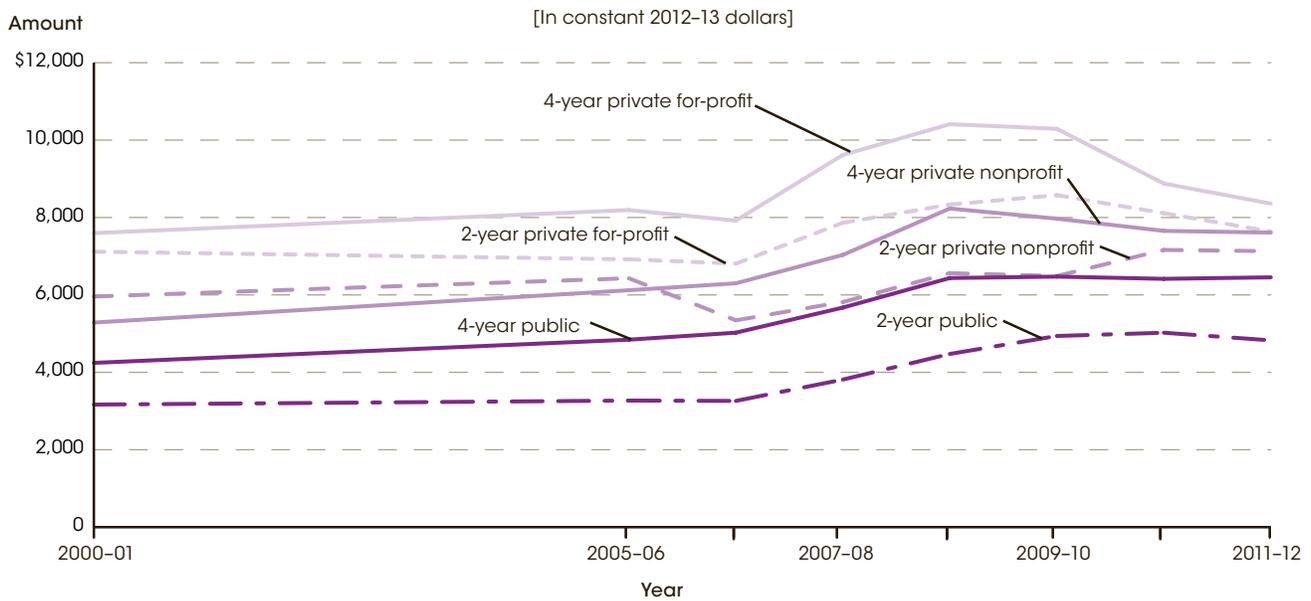


NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Average amounts only include students receiving loans. Includes only loans made directly to students. Does not include Parent Loans for Undergraduate Students (PLUS) and other loans made directly to parents. Loan data are collected in the spring.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2002 through Spring 2013, Student Financial Aid component. See *Digest of Education Statistics 2013*, table 331.20.

In 2011–12, some 51 percent of first-time, full-time undergraduate students enrolled in student aid programs received student loans. Between 2000–01 and 2011–12, the overall percentage of students receiving loan aid increased by 11 percentage points. During this period, the percentage of students receiving loan aid increased

at all types of institutions, with the largest increase among 4-year institutions occurring at private for-profit institutions (from 58 to 83 percent) and the largest increase among 2-year institutions occurring at private nonprofit institutions (from 49 to 66 percent).

Figure 3. Average loan amounts for first-time, full-time students receiving loan aid at Title IV degree-granting postsecondary institutions, by level and control of institution: Selected years, 2000–01 through 2011–12



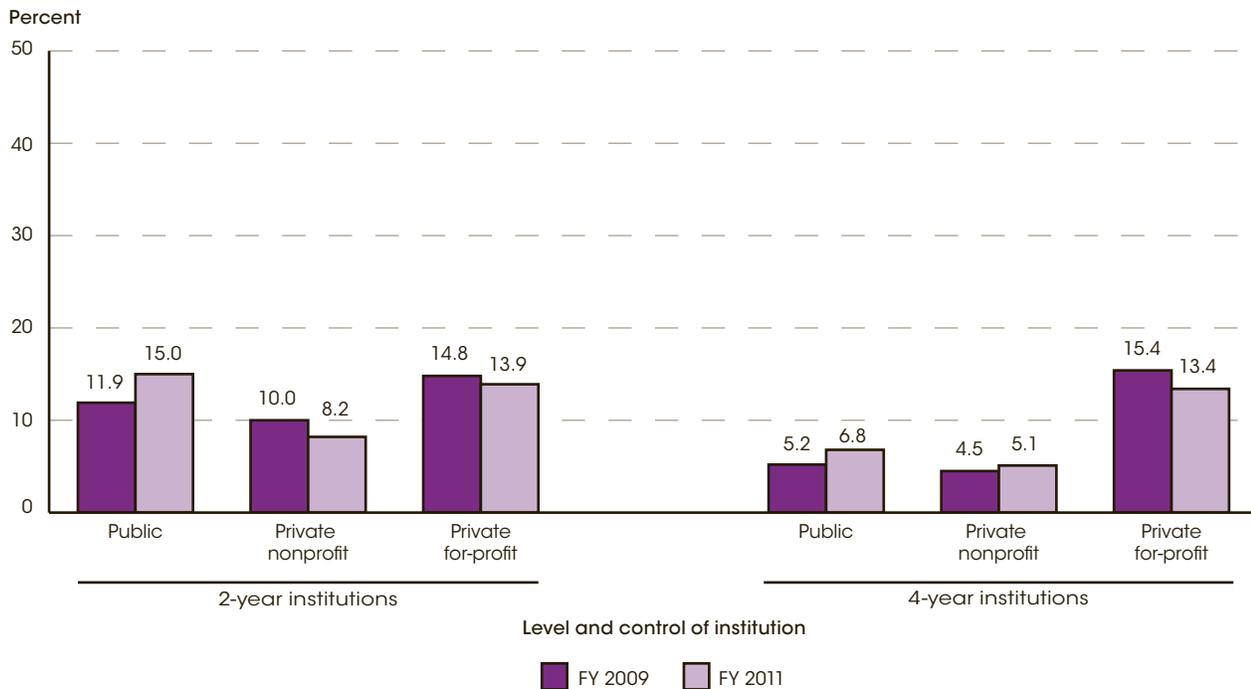
NOTE: Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. Average amounts only include students receiving loans. Includes only loans made directly to students. Does not include Parent Loans for Undergraduate Students (PLUS) and other loans made directly to parents. Loan data are collected in the spring.
SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), Spring 2002 through Spring 2013, Student Financial Aid component. See *Digest of Education Statistics 2013*, table 331.20.

Average annual student loan amounts for first-time, full-time undergraduate students enrolled in student aid programs also increased between 2000–01 and 2011–12, from \$5,000 to \$6,800, after adjusting for inflation (a 36 percent increase). Average loan amounts were higher in 2011–12 than in 2000–01 for all types of institutions. Among 4-year institutions, the largest percentage increase in average loan amount was at public institutions (52 percent, from \$4,200 to \$6,500), while the smallest percentage change was at private for-profit institutions (10 percent higher, from \$7,600 to \$8,400). In 2011–12, inflation-adjusted average annual student loan amounts were highest at private for-profit 4-year institutions (\$8,400) and lowest at public 2-year institutions (\$4,800). Among 2-year institutions, the largest percentage increase in average loan amount during this period was at public institutions (52 percent, from \$3,200 to \$4,800), while

the smallest change was at private for-profit institutions (7 percent higher, from \$7,100 to \$7,600).

Approximately 4.7 million students entered the repayment phase of their student loans in fiscal year (FY) 2011, meaning that their student loans became due between October 1, 2010, and September 30, 2011. The percentage of students who entered repayment on their loans in FY 2011 and defaulted prior to the end of the next fiscal year is the 2-year cohort default rate. Of the 4.7 million students who entered the repayment phase on their student loans in FY 2011, some 476,000, or 10.0 percent, had defaulted before the end of FY 2012. For students in the Direct Loan Program or the Federal Family Education Loan (FFEL) program, default occurs when a payment has not been made for 270 days.

Figure 4. Two-year student loan cohort default rates at Title IV degree-granting postsecondary institutions, by level and control of institution: Fiscal years (FY) 2009 and 2011



NOTE: Does not include foreign or unclassified institutions. Default rates were calculated using student counts by institution from the Federal Student Aid Cohort Default Rate Database and the Integrated Postsecondary Education Data System (IPEDS) classification of institutions. The repayment phase is the period when student loans must be repaid and generally begins 6 months after a student leaves an institution. Default occurs when a borrower fails to make a payment for 270 days. The 2-year cohort default rate is the percentage of students who entered repayment during a given fiscal year and defaulted within the next fiscal year. Degree-granting institutions grant associate's or higher degrees and participate in Title IV federal financial aid programs. SOURCE: U.S. Department of Education, Office of Federal Student Aid, Direct Loan and Federal Family Education Loan Programs, Cohort Default Rate Database; retrieved December 3, 2013, from <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdrschooitype2yr.pdf>. See *Digest of Education Statistics 2013*, table 332.50.

The default rate for students in the FY 2011 cohort was 8.2 percent at 4-year degree-granting postsecondary institutions and 14.6 percent at 2-year degree-granting postsecondary institutions. The default rate for the FY 2011 cohort was highest at public 2-year institutions (15.0 percent). The lowest default rate was for students at private nonprofit 4-year institutions (5.1 percent).

the FY 2010 (9.1 percent) and FY 2009 (8.8 percent) cohorts. The largest percentage point increase in default rates from FY 2009 to FY 2011 was at public 2-year institutions (from 11.9 to 15.0 percent). During this period, the largest percentage point decrease occurred at private for-profit 4-year institutions (from 15.4 to 13.4 percent).

Across all institutions, the overall default rate for the FY 2011 cohort (10.0 percent) was higher than the rates for

Reference tables: *Digest of Education Statistics 2013*, tables 330.10, 331.20, and 332.50

Glossary: Default rate, Degree-granting institutions, Postsecondary education