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COLLEGE DEBT FAR FROM A UNIFORM BURDEN

Report finds West Coast students with lowest debt, Northeast with highest

By Melissa Korn
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Tales of college graduates paralyzed by crippling student loan burdens are wildly exaggerated – in some corners of the country, like the West Coast. In New England, meanwhile, such horror stories are quite accurate.

Average student loan debt for the class of 2016 ranged from $19,975 in Utah to $36,367 in New Hampshire, according to a report published Wednesday by the Institute for College Access and Success. The share of graduates with debt also varied widely, from 43 percent in Utah to 77 percent in West Virginia.

"There's a lot of oversimplification when it comes to any of these stories related to student debt," said Debbie Cochrane, vice president of TICAS and a coauthor of the new report. "Averages don't tell the whole story."

States where private colleges are fairly prevalent, like Pennsylvania and Maine, or where public universities draw more students who pay out-of-state tuition rates, had the most indebted graduates – they averaged more than $31,000 in loans at graduation. Low-debt states, including California, New Mexico, Arizona and Florida, are dominated by public university systems with local students.

Performance-based funding has been adopted to varying degrees in states including Florida and Wisconsin, with lawmakers increasingly looking at outcomes measures like loan repayment and default rates when assessing how best to invest in public higher education.

Still, little is known about the overall student debt picture for recent graduates.

"One of the things that strikes me as surprising is how many schools there are that continue to not report information about their graduates' debt levels," Ms. Cochrane said.

The TICAS report is based on data that schools self-report to Peterson's, a college guide publisher. Just over half of all public and nonprofit, private schools do share that data, representing 78 percent of graduates from such schools and 73 percent of all bachelor's degree recipients. (For-profit colleges aren't included.)

In addition to state-level differences, debt loads and the prevalence of student loans vary widely by school. Nearly 200 institutions that reported usable data had graduates with average debt of more than $35,000, and 26 schools reported that at least nine in ten graduates had loans.

Ninety-four percent of 2016 graduates from Cabrini University in Pennsylvania had loans, with average borrowing of $43,437. Nearly one-third of borrowers had private loans.

Meanwhile at Bryn Mawr College, 4 miles away, 52 percent of 2016 graduates had debt, averaging $23,081. One percent had private loans.

A Bryn Mawr spokesman said the school has made access for students across the socioeconomic spectrum a priority. “We meet the full demonstrated financial need of all our students, so fewer of them borrow, and those that do, borrow less,” he said.

A representative from Cabrini didn’t respond to a request for comment.

“If a student is looking at a school where almost all students leave with tremendously high levels of debt, that should be a red flag,” Ms. Cochrane said.

One worrying theme from the new student-debt report, the authors say, is that a significant share of the loans graduates hold are from banks or state lenders, rather than federally backed debt. Federal loans tend to offer more consumer protections and flexible repayment options.

Of the 100 colleges where graduates took out the most in private loans, 85 were nonprofit, private, four-years schools, and many said they spent institutional funds on merit aid for students who may not have financial need.

Baffling the researchers, 34 of the top 100 were located in Pennsylvania.