

## *College Affordability*

### *Why is this an issue?*

- Higher education is no longer a luxury, it's a necessity. College graduates have fared better in the recent recession and current recovery, and have higher wages and better job prospects overall.
- But with the costs of that education rising, paying for it has become more challenging. Around two-thirds of students graduated with loans in 2010.
- Since 1998, the average debt level for graduating seniors has nearly doubled, with students graduating in 2010 owing an average of \$25,250.

### *Why should I care?*

- This heavy borrowing has a significant impact on graduates' lifestyles and career decisions. Many defer marriage, graduate education, or making major purchases such as a home or car.
- High levels of student debt also increase the likelihood of default. In a follow-up study of student borrowers who graduated in 1992-93, those who graduated with \$15,000 or more in loans were nearly three times as likely to default as those who owed less than \$5,000.
- Loan repayment is an even more significant burden for women, who earn less on average over the course of their lives than their male counterparts.
- Since women are more likely to borrow than men and will make less on average after graduation, female graduates are more likely to struggle with their loan debt.

### *Additional Resources*

- *Student Loan Debt History*, Federal Reserve Bank of New York. [www.newyorkfed.org/studentloandebt](http://www.newyorkfed.org/studentloandebt).
- *Private Student Loans*, Consumer Financial Protection Bureau. [http://files.consumerfinance.gov/f/201207\\_cfpb\\_Reports\\_Private-Student-Loans.pdf](http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf).
- *Student Resources*, Consumer Financial Protection Bureau. [www.consumerfinance.gov/students](http://www.consumerfinance.gov/students).