Student Debt and the Class of 2005:
Average Debt by State, Sector, and School

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The Project on Student Debt has conducted a new analysis of student debt levels for the class of 2005, based on data reported by more than 1,400 four-year colleges and universities around the country.* The results provide a unique, state-level look at student loan debt, with total, public, and private sector averages for all 50 states (weighted by campus enrollment). In addition to identifying states with notably high or low average debt levels, our analysis also examined assumptions about the relationship between debt and other factors such as tuition and cost of living. Key findings include state-by-state average debt levels and rankings, as well as notable debt patterns by sector and at individual campuses.

An interactive map at www.projectonstudentdebt.org provides the statewide averages *and* campus-by-campus data* including the average debt of graduating seniors, percentage of students with debt, tuition and fees, and percentage of students receiving Pell grants (primarily those with family incomes below $40,000).

Key Findings

State Debt Levels Vary Significantly

Statewide average debt levels for the class of 2005 cover a broad range. Because most students go to state schools, the range for public university graduates is very close to the range for all graduates. The spread of statewide average debt for private college graduates is significantly wider.

- The average debt for all four-year college graduates (a weighted average combining both public and private non-profit institutions) ranges from a high of $22,793 in New Hampshire to a low of $11,709 in Utah.
- Statewide average debt for seniors graduating from public universities ranges from $23,198 in Iowa to $11,067 in Utah.
- At private, non-profit universities, statewide averages range much higher, from $32,504 in Arizona down to $13,309 in Utah.

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* The debt data used in this analysis are from Thomson Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2006 Thomson Peterson's, a part of Thomson Learning Inc. See "About the Data" below for more information.

Cost of Living Doesn't Predict Debt

States where the cost of living is high, like California, New York, Hawaii and Alaska, do not necessarily have the highest debt levels. In fact, none of those states is in the top 10 in terms of student debt, and only one (New York) is in the top 20. Instead, the five states with the highest levels of overall student debt for the graduating class of 2005 are: New Hampshire ($22,793), Iowa ($22,727), North Dakota ($22,682), Rhode Island ($20,798), and Pennsylvania ($20,775).

State Highs and Lows

The following tables show the 10 states with the highest and the lowest average student debt for the class of 2005 as a whole, and for those graduating from public and private non-profit four-year institutions.

HIGHEST **AVERAGE STUDENT DEBT: GRADUATING CLASS OF 2005 (starting with the highest)**		
OVERALL	**PUBLIC**	**PRIVATE**
New Hampshire	Iowa	Arizona
Iowa	North Dakota	Alaska
North Dakota	New Hampshire	New Hampshire
Rhode Island	Pennsylvania	Idaho
Pennsylvania	South Dakota	Montana
Minnesota	Tennessee	Oklahoma
Maine	Maine	Minnesota
South Dakota	Oregon	Washington
Washington	Vermont	Maine
Indiana	Ohio	Rhode Island

LOWEST **AVERAGE STUDENT DEBT: GRADUATING CLASS OF 2005 (starting with the lowest)**		
OVERALL	**PUBLIC**	**PRIVATE**
Utah	Utah	Utah
Hawaii	California	Delaware
Delaware	Hawaii	Kentucky
Maryland	Maryland	Maryland
California	Massachusetts	South Carolina
Kentucky	New Jersey	Arkansas
Alaska	West Virginia	Hawaii
West Virginia	New York	Virginia
Mississippi	Alaska	Mississippi
Georgia	Delaware	Nevada

Debt Isn't Always Lower at State Schools

In most states, average debt for public university graduates is lower than for private college graduates. However, in seven states, the average debt of students graduating from *private* colleges is *lower* than the debt of students graduating from state schools. Those states are Kentucky, South Carolina, Tennessee, Delaware, Arkansas, Iowa, and North Dakota.

Low Tuition Doesn't Guarantee Low Debt

Even if a college charges low tuition, students still need to pay for books, food, rent and other expenses. For lower income students, borrowing may be the only way to cover these considerable costs. A number of campuses with low in-state tuition (less than $3,500 in 2003-04) and large numbers of low-income students (more than one-third receive Federal Pell Grants) report average student debt levels of *more than $20,000*. These include: North Carolina A&T State University; Florida Agricultural and Mechanical University; Southern University and A&M College, Louisiana; Texas Southern University; Grambling State University, Louisiana; Mississippi University for Women; and the University of Montana, Western.

High Tuition Doesn't Necessarily Mean High Debt

Private college tuitions have skyrocketed in recent years. But so, too, has the amount of money that private colleges give out in grants or discounts to their students, essentially charging some students more, and other students less. When a college distributes those funds to students with financial need, it can help to reduce borrowing. There are more than 30 colleges that charge more than $20,000 in tuition yet report that the average debt of their graduates is $15,000 or less:

Institutions with High Tuition (more than $20,000) **and Low Debt** ($15,000 or less)	
Institution	**State**
Princeton University	NJ
California Institute of Technology	CA
Holy Names University	CA
Harvard University	MA
Eckerd College	FL
Wofford College	SC
Claremont Mckenna College	CA
Williams College	MA
Mercer University	GA
Gordon College	MA
Pomona College	CA
Cooper Union For The Advancement of Science & Art	NY
Wellesley College	MA
Amherst College	MA
Swarthmore College	PA
Long Island University, C W Post Campus	NY
John Carroll University	OH
Scripps College	CA
Colgate University	NY
Sarah Lawrence College	NY
Centre College	KY
Simons Rock College of Bard	MA
Johns Hopkins University	MD
Presbyterian College	SC
Stevens Institute of Technology	NJ
Yale University	CT
Tufts University	MA
Denison University	OH
Beloit College	WI
Saint Joseph College	CT
Macalester College	MN
Sewanee, The University of The South	TN
The Boston Conservatory	MA

Behind the Numbers: Factors that Can Influence Debt Levels

There are many reasons why average debt levels may differ from state to state and from school to school. Of course, state and institutional financial aid policies have a great deal to do with the variation. However, each state is also unique in its population size, demographics, resources and priorities, as is each school. The factors that influence debt levels may include:

- The availability of state grant aid to students with financial need.
- How loans are treated in financial aid packages.
- The income profile of the student population.
- Tuition and fee levels.
- Discounts or "institutional aid" offered by colleges, and the degree to which that aid is targeted to students with financial need.
- The location of colleges (which affects students' ability to live with parents or relatives while attending school).
- The availability of low-cost community colleges, and the policies related to transferring to four-year schools.
- The state and local cost of living (e.g., food, rent, transportation).
- Wage levels for students working part-time and summer jobs.
- How and when financial aid options are communicated to students.
- How long it takes for students to get all the classes they need and complete a degree (extra semesters means added costs, more debt, and less income).

Class of 2005: Average Student Debt by State*

	Overall		Public 4-Year		Private 4-Year	
State	Overall Average Debt 2005	Rank Among States 2005 (Overall)	Average Debt Public 2005	Rank Among States 2005 (Public)	Average Debt Private 2005	Rank Among States 2005 (Private)
AK	16011	44	15184	42	31494	2
AL	17599	25	17337	18	18683	33
AR	17004	31	17058	19	16844	44
AZ	17678	24	16564	23	32504	1
CA	15203	46	12542	49	21596	14
CO	16346	39	15840	34	20201	26
CT	19440	12	15787	37	21769	12
DC	20846	n/a	16270	n/a	21211	n/a
DE	14728	48	15200	41	13728	48
FL	18303	20	16402	26	21282	16
GA	16131	41	15292	40	18235	36
HI	14290	49	12841	48	16915	43
IA	22727	2	23198	1	22184	11
ID	19299	14	18779	11	24310	4
IL	17089	29	15850	33	18431	35
IN	19518	10	18614	13	21679	13
KS	16753	32	16448	25	18010	39

Average Student Debt by State (continued)						
	Overall		Public 4-Year		Private 4-Year	
State	Overall Average Debt 2005	Rank Among States 2005 (Overall)	Average Debt Public 2005	Rank Among States 2005 (Public)	Average Debt Private 2005	Rank Among States 2005 (Private)
KY	15861	45	16224	28	14661	47
LA	19024	17	18751	12	20025	27
MA	18169	21	14326	46	19953	28
MD	14822	47	14154	47	16533	46
ME	20239	7	19185	7	22284	9
MI	18942	18	18526	14	21020	19
MN	20560	6	18393	16	23208	7
MO	16505	37	15643	38	18181	37
MS	16065	42	15431	39	17853	41
MT	17314	26	16539	24	23937	5
NC	16661	35	16010	32	18069	38
ND	22682	3	22839	2	20380	24
NE	17792	22	16850	20	19546	31
NH	22793	1	21469	3	24672	3
NJ	16393	38	14658	45	21280	17
NM	16137	40	15815	35	18921	32
NV	16687	34	16662	22	18000	40
NY	18795	19	15015	43	21138	18
OH	19259	15	18854	10	19938	29
OK	17063	30	15813	36	23397	6
OR	19420	13	19050	8	20295	25
PA	20775	5	20113	4	21493	15
RI	20798	4	16200	29	22216	10
SC	17719	23	18228	17	16644	45
SD	19724	8	19723	5	19729	30
TN	19165	16	19568	6	18641	34
TX	17176	28	16400	27	20529	22
UT	11709	50	11067	50	13309	49
VA	16558	36	16124	31	17817	42
VT	19482	11	18875	9	20564	21
WA	19565	9	18399	15	22365	8
WI	17224	27	16154	30	20987	20
WV	16041	43	14924	44	20475	23
WY	16741	33	16741	21	n/a	n/a

* These statewide debt averages, calculated by the Project on Student Debt (www.projectonstudentdebt.org), include only campuses that reported debt amounts for 2005 graduates to Thomson Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2006 Thomson Peterson's, a part of Thomson Learning Inc.

About the data

The student debt data used in this analysis are as reported by institutions in response to a questionnaire from the Thomson Peterson's Undergraduate Financial Aid and Undergraduate Databases. Through this proprietary database, the proportion of graduating seniors with student loans, and their average debt, are available for 1,421 colleges and universities in the United States, accounting for 88 percent of the full-time enrollments at public and private non-profit four-year colleges in the nation. The reporting schools represent approximately three-fourths of all public and non-profit Bachelor's degree-granting institutions in the country.

The statewide averages are calculated using individual schools' reports of the total federal and private student loans taken out by graduating seniors while they attended that institution. Prior borrowing by students who transfer is not included, meaning that actual debt levels would be higher. Actual debt may also be higher due to private (or "alternative") loans taken out by the students but not handled by the campus financial aid office (and therefore not in their records).

The averages are weighted according to enrollment (full-time Fall term 2003) and the proportion of graduating seniors with debt. In cases where the campus reported average debt but did not report a proportion with debt, the national average of 66% was used. Other campus data (such as tuition, enrollment, and Pell grant recipients) are from economicdiversity.org and are derived from U.S. Department of Education sources.

The Institute for College Access and Success (TICAS), Inc., the sponsor of the Project on Student Debt and economicdiversity.org, has licensed the debt data for non-profit, educational purposes through an agreement with Thomson Peterson's.

To find this report and an interactive map online, visit www.projectonstudentdebt.org.

The Project on Student Debt works to increase public understanding of the changing role of student debt and its implications for our families, economy and society. Recognizing that loans play a critical role in making college possible, the Project's goal is to identify cost-effective solutions that expand educational opportunity, protect family financial security, and advance economic competitiveness.

The Project on Student Debt is managed by The Institute for College Access and Success, a nonprofit, nonpartisan organization dedicated to expanding educational opportunity. The Project is supported by the Partnership to Reduce the Burden of Student Debt, an initiative of the Pew Charitable Trusts with support from the Surdna Foundation. The Project's other funders include The Rosalinde and Arthur Gilbert Foundation, and The William and Flora Hewlett Foundation. For more information see www.projectonstudentdebt.org.

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