

Dangers of Debt: Student Loans

In recent years, the importance of obtaining some post-secondary education has increased significantly. At the same time, various societal factors make obtaining additional degrees more challenging. Tuition at private and public schools continue to rise, higher education budgets are often the target of state budget cutbacks and with a tightening economy student loans have become a primary way of paying for high education.

Here are some facts:

By the time they graduate nearly two-thirds of students at four-year colleges and universities have student loan debt (66.4% in 2004). In 1993, less than one-half of four year graduates had student loans.

- In 2004, nearly two-thirds (62.4%) of graduates from public universities had student loans.
- Over the past decade, debt levels for graduating seniors with student loans more than doubled from \$9,250 to \$19,200- a 108% increase (58% after accounting for inflation)
- At public universities, debt levels for graduating seniors with student loans more than doubled from \$8,014 to \$17,250 over the past decade- a 116% increase (65% after accounting for inflation)
- At private universities, debt levels for graduating seniors with student loans nearly doubled from \$11,356 to \$22,125 over the past decade- a 95% increase (49% after accounting for inflation)

(Trends in Student Aid, The College Board, 2006)