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Black College Graduates Leave With Diplomas and Debt—a Lot of Debt

Major gaps in student-loan borrowing persist between black and white college students.

BY JANIE BOSCHMA AND BRIAN MCGILL



(Erik S. Lesser/Getty Images)

September 22, 2014 Student-loan debt is at an all-time high, with both black and white college students borrowing at record levels. But black graduates are much more likely to be saddled with large amounts of debt, according to a [new analysis](#)

www.gallup.com/poll/176051/black-college-graduates-likely-graduate-debt.aspx?source=alert&utm_medium=email&utm_campaign=syndication&utm_content=morelink&utm_term=All%20Gallup%20Headlines%20Vell-Being

from the Gallup-Purdue Index, which measures the relationship between the college experience and graduates' lives.

Of all black graduates reported taking on at least \$25,000 or more to complete their undergraduate degrees between 2000 and 2014, 67 percent reported borrowing more than 34 percent of white graduates. That borrowing gap is a reflection of other socioeconomic disparities, says Cecilia Rouse, of the Woodrow Wilson School at Princeton University and an economics professor specializing in the economics of labor and education.

About the fact that there is a black-white gap in income and wealth, and that's what underlies this gap in borrowing as well," Rouse

The average black household in the United States has less than one-tenth the accumulated wealth of the average white household. And that gap is widening. Researchers at Brandeis University estimate that the wealth gap between blacks and whites almost tripled [<http://money.cnn.com/2014/08/21/news/economy/black-white-inequality/>] over the past 25 years. So while the percentage of black and white high school graduates enrolling in college is now almost identical, black college students have far fewer resources to pay for that education.

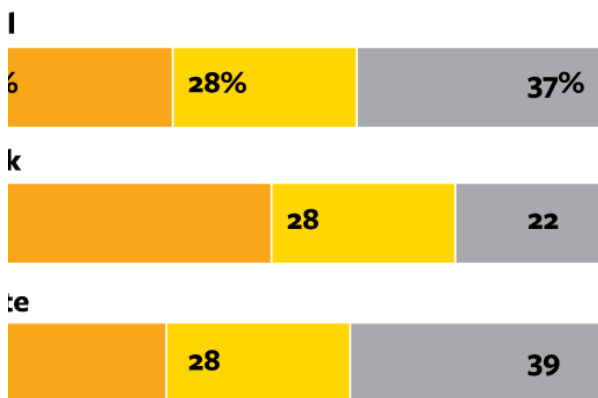
More than three-quarters of black college graduates say they took out loans between 2000 and 2014, while 60 percent of white college graduates did so. Only one in five black graduates reported no student loans, about half as many as white graduates.

Black College Grads Carry More Debt After Graduation

Given [how long](#)

Undergraduate student-loan debt, 2000-14

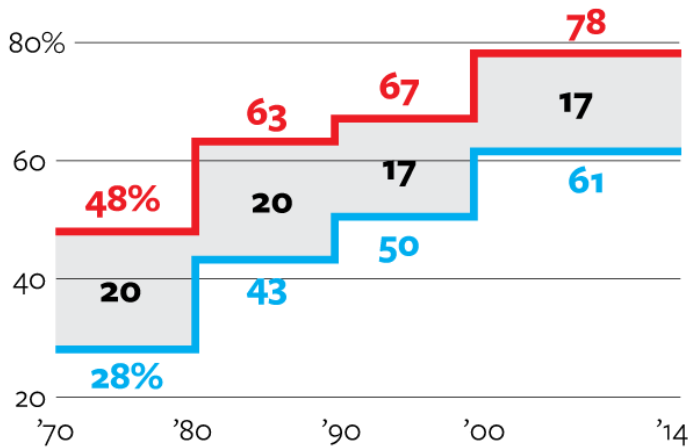
More than \$25k ● \$1-\$25k ● No loans



Figures are inflation-adjusted in 2014 dollars, percentages rounded

Percentage of graduates with student-loan debt of any amount

● Black grads ● White grads ● Gap (pct. points)



Source: Gallup

www.nationaljournal.com/next-america/education/why-you-might-be-paying-student-loans-until-you-retire-and-beyond-20140918 it is more likely to pay off student loans, Gallup researchers call debt levels a "concerning statistic" for the overall well-being of college graduates.

Another major concern for Elizabeth Baylor, associate director for postsecondary education at the Center for American Progress, is the impact of student debt on delaying economic empowerment. "If the debt burden is too high," she says, "students from low- and moderate-income

es will have trouble making the economic gains that we all know a college degree offers."

ge affordability is especially a concern, Baylor says, given the growing proportion of minority students in college and within the
ifying U.S. population.

ents of color are increasingly a larger part of our higher education system," Baylor says, "so as state investment in public colleges
treated in the past decade, it's important to make sure that those schools remain affordable to students of color who are a big share
blic colleges."

e points out that student loans do play an important role for students of color, many of whom come from low-income families, in
ng them to pursue higher education and ultimately, social mobility. "Education remains a very solid investment for students in terms
reasing their earning capacity and future labor-market outcomes," she says. It's therefore no surprise that so many do borrow, given
sparities that persist in wealth.

matters more, Rouse adds, is whether students understand and are aware of the repayment options available to them, especially
adjusted for income levels and circumstances.

don't. But Rouse does expect students to become "savvier borrowers.

Department of Education is getting much more aggressive in the kinds of counseling students need to have before they take out
," she says, "so they also understand their options after they have taken out a loan."

Gallup-Purdue Index tallied how many college graduates took out student loans—and how much they borrowed—to complete their
es, but it does not report the type of loan or how much of that debt is currently outstanding.