

Bethel University – College of Arts & Sciences (CAS)

Indebtedness of 2022 Baccalaureate Graduates

(Graduated between July, 2021 and June, 2022)

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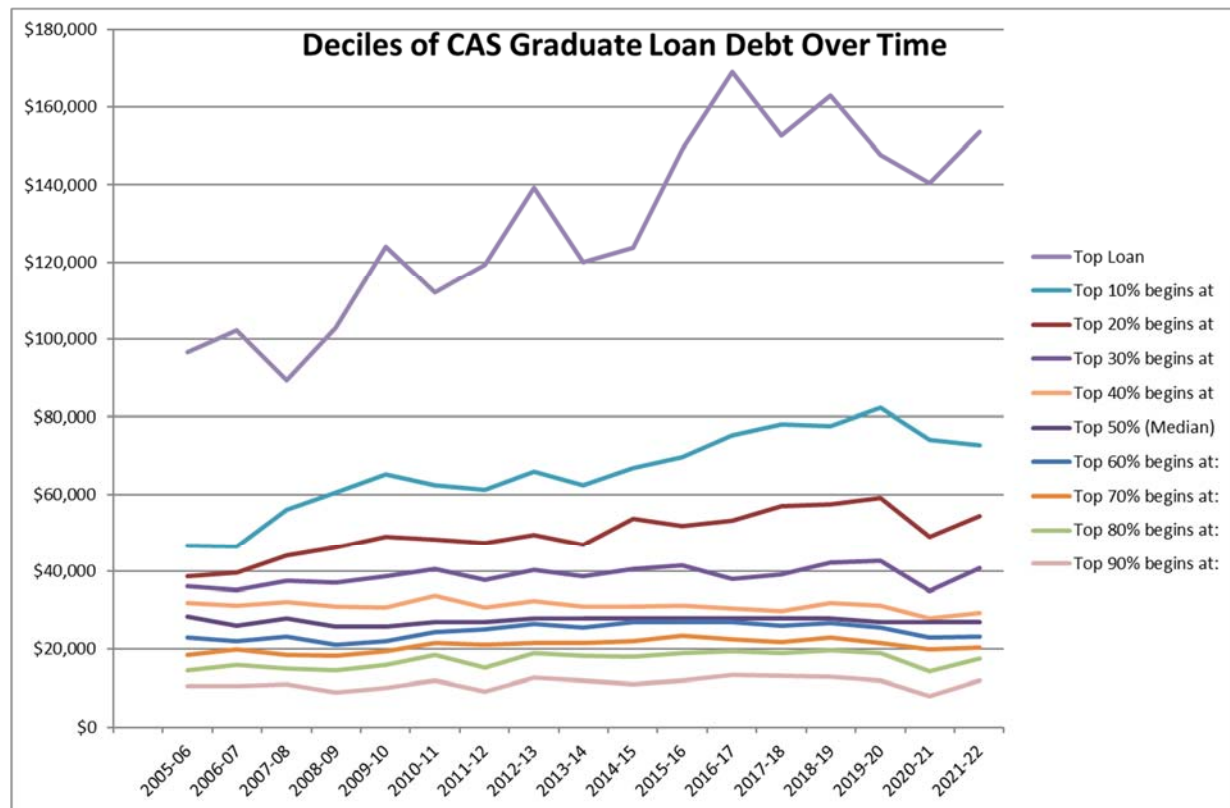
Of the 460 students that began at Bethel as first-time students and graduated with baccalaureate degrees from CAS between July 1, 2021 and June 30, 2022, 309 (67.2%) borrowed student loans while at Bethel. This is the lowest percentage of grads who have borrowed in the past 15 years, down from 73.9% last year. The high-water mark was in 2011 when 80% of graduates had borrowed.

The average undergraduate debt for these borrowers was \$36,197, up from a dip last year but similar to the average six years ago. Average undergraduate educational debt has increased a little over 1% per year over the past 15 years.

The median debt (of those who borrow) has been more stable, varying between \$26,000 and \$28,000 over the past fifteen years. The graph (below) illustrates that, while most borrowers' loan amounts have been relatively flat over time, those who borrow large amounts have influenced the average loan. This past year, 13 graduates borrowed \$100,000 or more, up from 12 the year before.

Graduating in:	Percent Borrowing:	Average Debt	Median Debt
2022	67.2%	\$36,197	\$27,000
2021	73.9%	\$33,551	\$27,000
2020	72.5%	\$38,086	\$27,000
2019	73.3%	\$38,286	\$28,000
2018	71.6%	\$37,883	\$27,950
2017	72.9%	\$36,990	\$28,000
2016	77.0%	\$36,132	\$28,000
2015	75.5%	\$34,803	\$28,000
2014	79.7%	\$33,685	\$28,000
2013	76.6%	\$34,884	\$28,000
2012	76.2%	\$32,483	\$27,000
2011	80.0%	\$33,383	\$27,000
2010	78.1%	\$32,698	\$25,909
2009	79.7%	\$30,496	\$25,761
2008	74.6%	\$30,747	\$28,020

Bethel's default rate dropped to 0.9% from 1.9% last year. This is an artificial drop, caused by the "pause" in debt collection activities for government student loans during the pandemic.



Females were more likely to borrow than males (69.5% compared with 63.0%), but had lower average debt amounts (\$35,625, compared with \$37,323 for males). Students of color were more likely to borrow than white students (71.4% compared with 66.8%), but borrowed less (\$29,643 compared with \$37,505).

Departments with graduating students with higher debt include Math, Music and Theatre, and Applied Health Sciences. Lower debt amounts were found in Political Science, Language and Cultures, and Biochemistry/Molecular Biology. Observation: There appears to be no year-to-year pattern of higher or lower debt associated with majors. A department with high average debt one year is just as likely to have lower average debt the next year.

The "rule-of-thumb" in the student loan industry is that total student borrowing should not exceed 8% - 10% of a borrower's starting gross salary. Multiply the estimated monthly payment by 120 to see the annual starting salary required for the student loan payment to be within 10% of salary. [For example, \$415 X 120 = \$49,800]. Our average student borrower would need a starting salary of \$49,769 for their student loan payment to be no more than 10% of their salary. Students whose debt exceeds 10% of their starting salary will need to consolidate loans over a longer repayment period, live more frugally, defer certain plans (home ownership, marriage, etc.) or receive family help in repaying college loans. [Note: Recent data from U.S. News College Compass shows that the average recent Bethel graduate makes \$49,700 two years after graduation (with health professions recent grads earning an average of \$68,700). This helps explain our low student loan default rate.]