



*The Debt Plus Project explores the characteristics, enrollment patterns, and descriptive outcomes of Parent PLUS Loans, including how borrowing varies across student, family, and institutional contexts.*

## **Early Insights on Borrowing Across Student and Institutional Contexts**

Below are preliminary findings from analyses on data from the Beginning Postsecondary Students Longitudinal Study (2012:17) and U.S. Department of Education (IPEDS and Title IV Reports). Read more in our report, *A PLUS or a Minus: How Parent PLUS Borrowing Varies Across Institutions*.

### **Parent PLUS Loans**

While federal student loan borrowing is declining nationally, many students and families still rely on loans to make college a possibility. However, not all loan programs are created equally. Unlike other Title IV loan programs (i.e., Direct Subsidized and Unsubsidized loans), Parent PLUS loans—borrowed by guardians on behalf of dependents—have virtually no borrowing cap, higher interest rates, and fewer options for repayment support. In 2022, over half a million undergraduates and families used this program, totaling 11% of all federal loan debt.

### **Students and Parents**

#### **➤ *About 1 in 7 undergraduates ever receive support from a Parent PLUS Loan.***

Approximately 14% of undergraduates in the BPS 12/17 sample ever had a Parent PLUS Loan. Borrowing is higher and more common in the public and private not-for-profit, 4-year sectors, and most PLUS students borrow for an average of 2 years during their undergraduate career. PLUS borrowers have higher cumulative Title IV student loan debt at graduation than non-borrowers.

#### **➤ *PLUS Loans are concentrated among high-achieving, high-income students.***

PLUS students, on average, have higher admissions test scores and more AP/dual credit—and are less likely to be first-generation college students. The largest share of recipients attend large and medium residential colleges; one-third attend “moderately selective” 4-years. PLUS recipients are almost 2x as likely to be attending college out-of-state and more than 2x as likely to live on campus.

#### **➤ *PLUS borrowing and borrowing contexts vary widely by race/ethnicity.***

While cumulative student loan balances are higher among Black borrowers, White and Asian students carry the highest average PLUS debt (nearly \$30k and \$35k, respectively). Racially minoritized borrowers are, however, more likely to report using funds to “support friends and family expenses.”

➤ ***PLUS Loans may influence students' experiences and outcomes.***

Students receiving PLUS dollars are slightly more likely to work while enrolled, but, on average, work fewer hours. PLUS recipients are more likely to enroll full-time and exhibit higher retention and completion rates than non-borrowers. Among borrowers entering in 2012, nearly 54% had completed a bachelor's degree by spring 2017 (compared to 30% of non-borrowers).

## Institutions

➤ ***PLUS borrowing is declining, but average loan amounts continue to rise.***

While both the number of students receiving PLUS dollars and the total volume of PLUS loans have declined by approximately 30% since 2016, the average loan among borrowers has continued to rise. The average PLUS loan grew 13% from approximately \$11,500 in 2010 to \$13,000 in 2020.

➤ ***Most PLUS recipients attend 4-year public and private not-for-profit institutions.***

In 2022, \$11B (93%) of PLUS dollars were distributed to 4-year, public (51%) and private, not-for-profit (42%) colleges and universities. Only 1% (\$300M) went to public, 2-year institutions. Average loan amounts vary widely within sectors (e.g., approximately \$18,000 per recipient across private, not-for-profit 4-years in 2022 compared to \$14,300 at public, 4-years).

➤ ***Minority-serving institutions are overrepresented across the PLUS landscape.***

While only 10% of all colleges and universities qualify as an HBCU or HSI, these institutions represent over 17% of PLUS Loan originations. Students at HBCUs more likely to borrow: In 2021, approximately 10% of all HBCU students received PLUS dollars compared to only 6% of students at predominantly White institutions.

➤ ***Some states and institutions take substantially more PLUS dollars than others.***

States with larger enrollments typically receive more PLUS dollars. The top six states (by loan volume) include New York, California, Pennsylvania, Illinois, Ohio, and Texas. States with relatively smaller merit- and need-based aid programs, however, have higher-than-expected PLUS reliance (e.g., Pennsylvania enrolls only 3% of all undergraduates but makes up 8% of all PLUS originations and has a higher PLUS loan average: \$14,000 in 2022 compared to only \$10,900 in Texas).

To learn more about our work, read our findings, and ***have your institution join our project***, please visit <https://debtplus.wceruw.org/>.

