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States with highest & lowest student debt

By Lynn O'Shaughnessy

The college loan burden that students are shouldering when they graduate has gotten heavier, according to a [new report](#) released by [The Project on Student Debt](#).

Two-thirds of students in the Class of 2010 graduated with [college debt](#) with the average amount being \$25,250. Compared with the previous year's average student debt, that's an increase of five percent.

Obviously, this is a particularly bad time to be graduating with student loans when the unemployment rate for recent college grads is 9.1%.

The student loan debt varied significantly by state. Students living in the Northeast and Midwest faced greater debt than the rest of the country. Students from New Hampshire graduated with the highest level of debt (\$31,048) while Utah residents graduated with the lowest (\$15,509).

States with highest student debt

High Debt States	
New Hampshire	\$31,048
Maine	\$29,983
Iowa	\$29,598
Minnesota	\$29,058
Pennsylvania	\$28,599
Vermont	\$28,391
Ohio	\$27,713
Indiana	\$27,001
Rhode Island	\$26,340
New York	\$26,271



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Schools with the lowest student debt

Low Debt States	
Utah	\$15,509
Hawaii	\$15,550
New Mexico	\$16,399
Nevada	\$16,622
California	\$18,113
Arizona	\$18,454
Georgia	\$18,888
Kentucky	\$19,375
Tennessee	\$19,957
Wyoming	\$20,571

Private colleges where it's easy to get into financial trouble

When researchers looked at the average debt that students were graduating with at individual institutions, there was a huge range. At the campus level, average debt for individual students ranged from \$950 to an astounding \$55,250.



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Here are the schools that graduate students with the highest amount of student debt:

High Debt Private Nonprofit Colleges and Universities (Alphabetical by Name)	
California Institute of the Arts	CA
Cleveland Institute of Art	OH
College for Creative Studies	MI
D'Youville College	NY
Eastern Nazarene College	MA
Florida Institute of Technology	FL
Kettering University	MI
Minneapolis College of Art and Design	MN
New York University	NY
Ohio Northern University	OH
Regent University	VA
Rivier College	NH
Rose-Hulman Institute of Technology	IN
Sacred Heart University	CT
Saint Joseph's College	PA
The College of Saint Scholastica	MN
University of Dubuque	IA
Wheelock College	MA
Woodbury University	CA
Widener University-Main Campus	PA



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Bottom line: It's okay to borrow for college as long as you stick with federal student loans. For most students, the maximum they will be able to borrow with federal college loans is \$27,000. Refer to the following for more about safely borrowing.

High school seniors tend to turn their brains off when it comes to paying for college. They're so excited when the **college acceptance letters** begin arriving that they overlook how they will juggle the tab.

In my last post, I focused on how much **college debt** parents should shoulder. But an equally important question is how much students should be borrowing through college loans.

As far as I'm concerned the amount of college debt that students should tackle is a lot easier to pinpoint. I'd argue that students should take out no more than \$27,000 worth of college loans. Here's why:

Students are less likely to get into financial trouble if they exclusively use **federal student loans** and sticking with federal loans will automatically restrict the amount a student can borrow. That's because the federal government imposes yearly student loan limits. Most students will be borrowing through the **Stafford Loan** program.

Here are the current maximum Stafford Loan amounts:

- Freshmen: \$5,500
- Sophomore: \$6,500
- Junior: \$7,500
- Senior: \$7,500

A student who sticks exclusively with Stafford loans based on the current loan amounts could borrow no more than \$27,000.

The alternative to federal loans are **private student loans**, which are scary. The interest rates on private college loans are variable and the starting interest rates for some students can be far higher than federal loan rates. What's more students don't get the protections that federal loans offer such as **income-based repayment** and **public service loan forgiveness** programs.

Here's the bottom line: If students can't attend the college of their dreams by borrowing just \$27,000, they may want to look at their other college options. Down the road, they will probably be glad they did.