

Trends in Student Debt and Financial Aid

2025 TAIR Presentation

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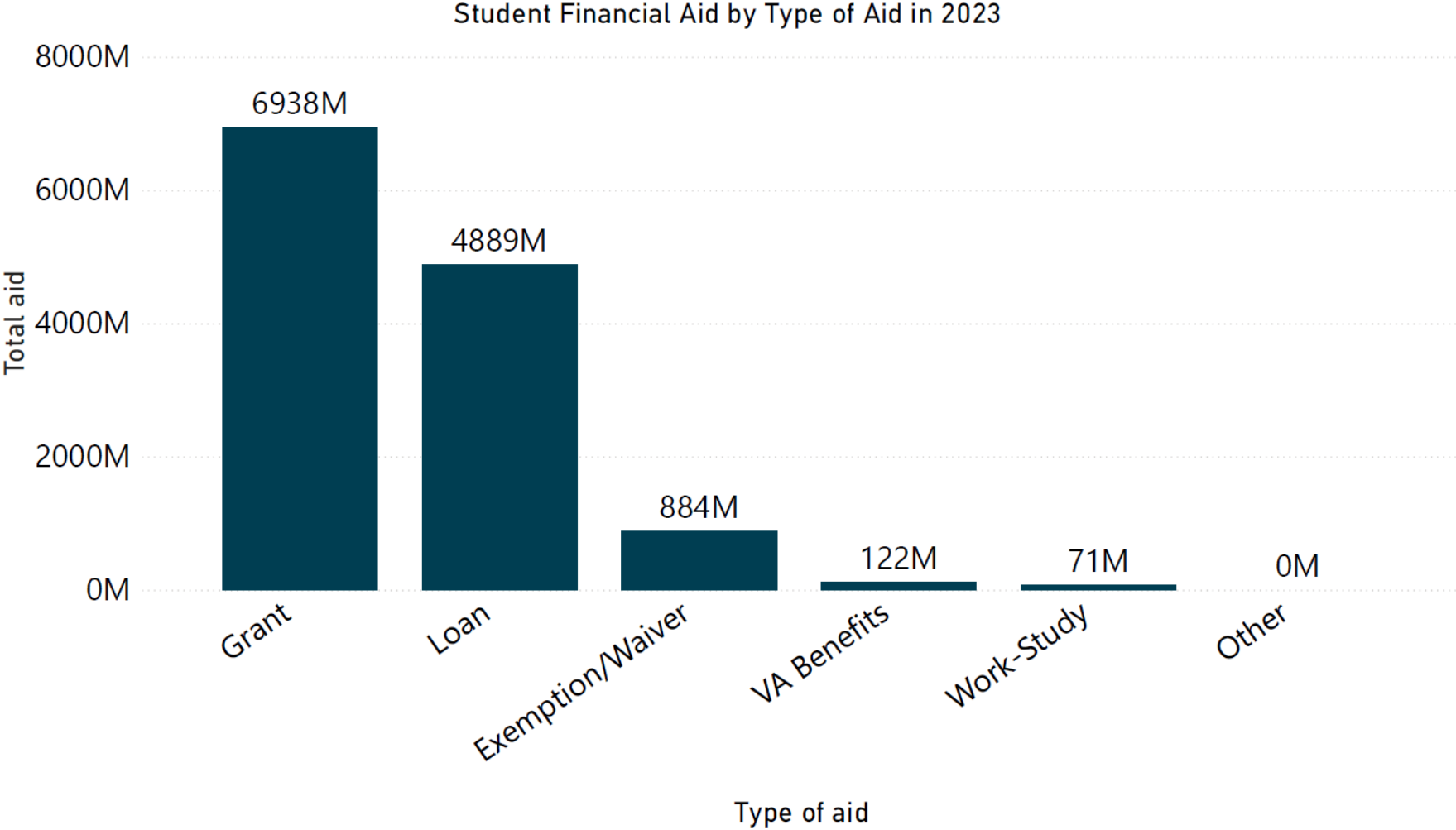
Trends in Student Financial Aid

Types of financial aid

- Grants
- Loans
- Exemptions and waivers
- Work-study
- VA benefits
- Other



Grant and loan aid are by far the largest categories



Sources of financial aid

- Federal
- State
- Institutions
- Other (e.g., private donors)

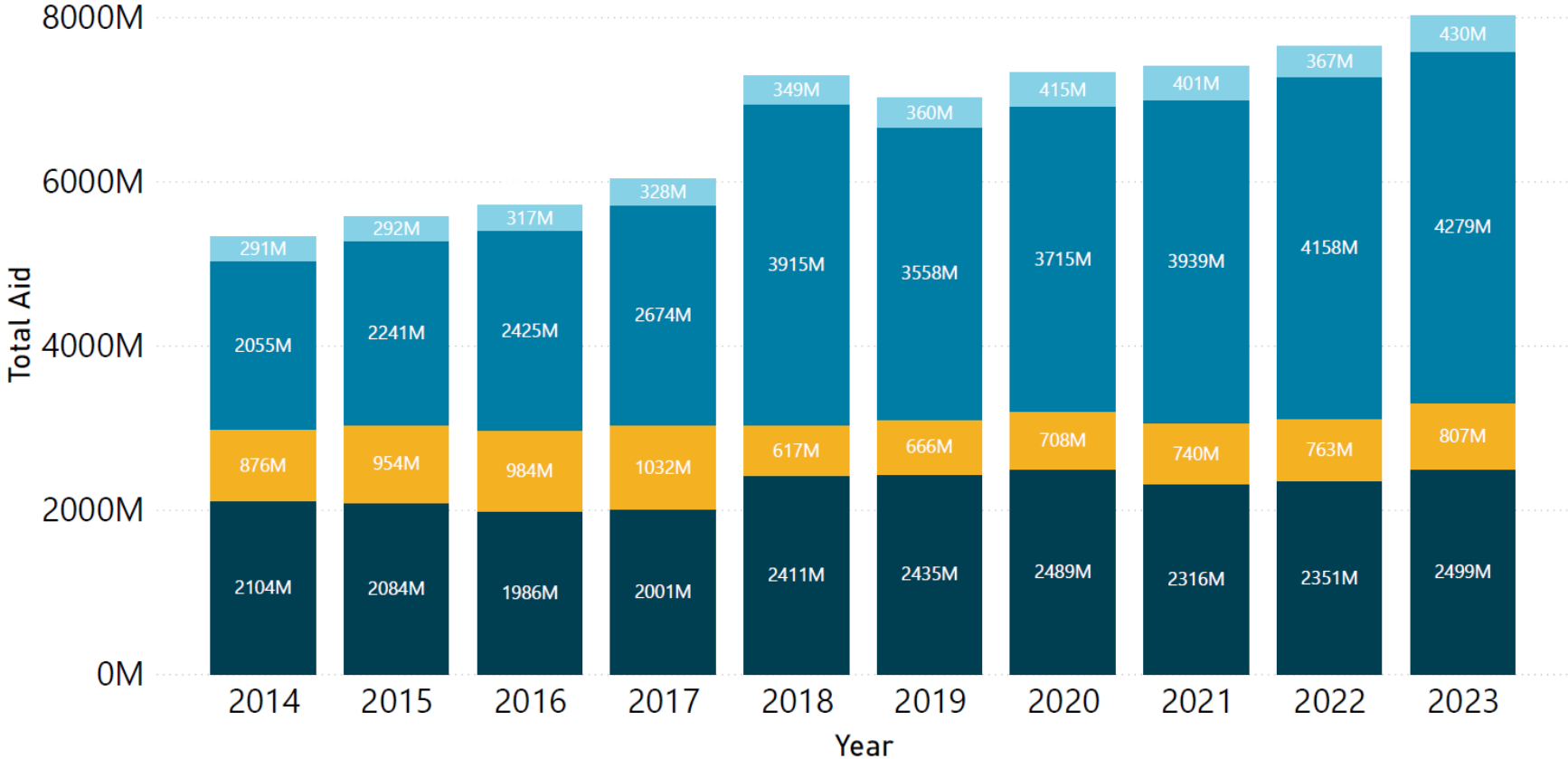


Institutions are the largest source of non (mostly scholarships/tuition discounts)

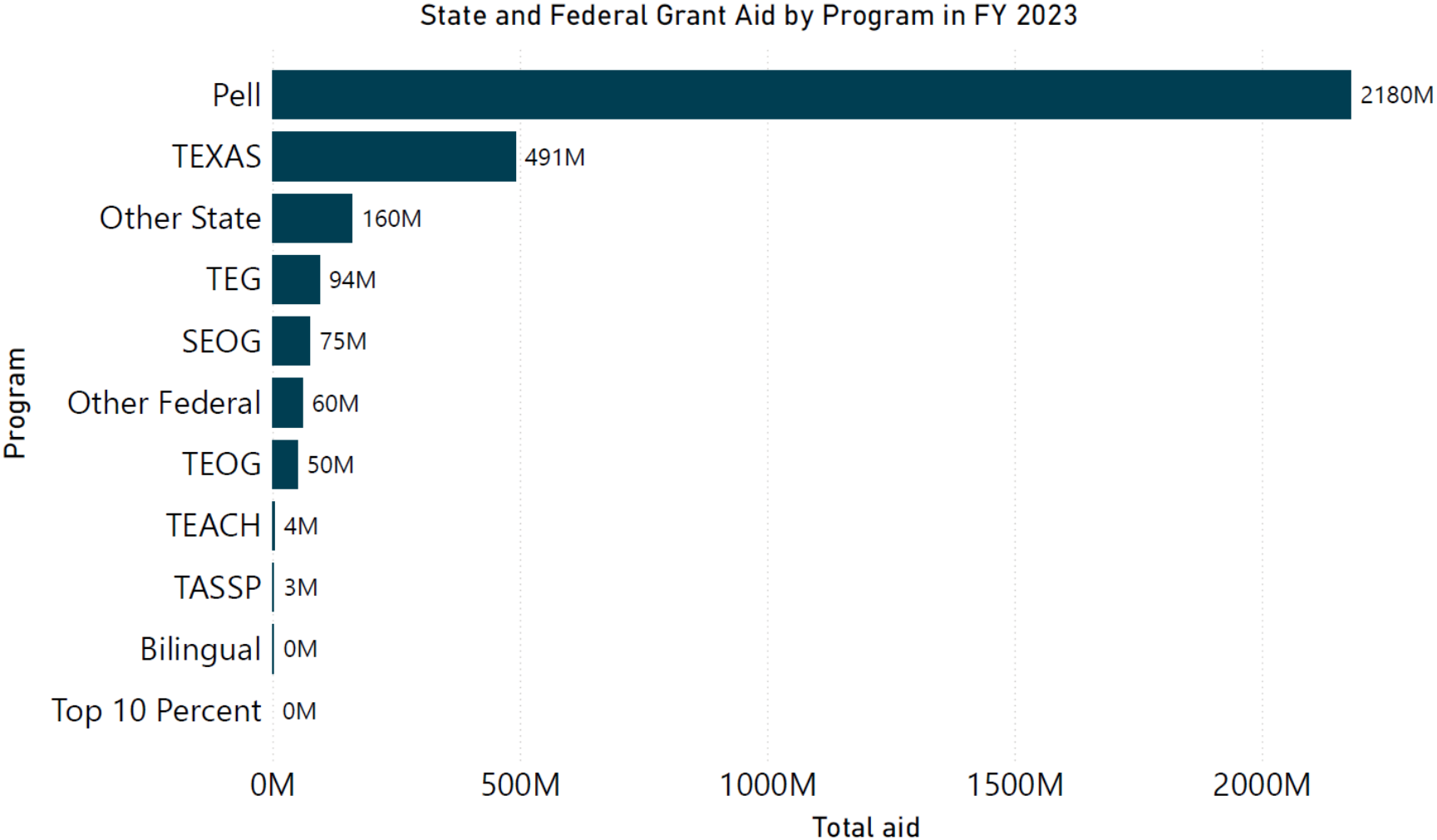
-loan aid

Financial Aid by Source (Excluding Loans)

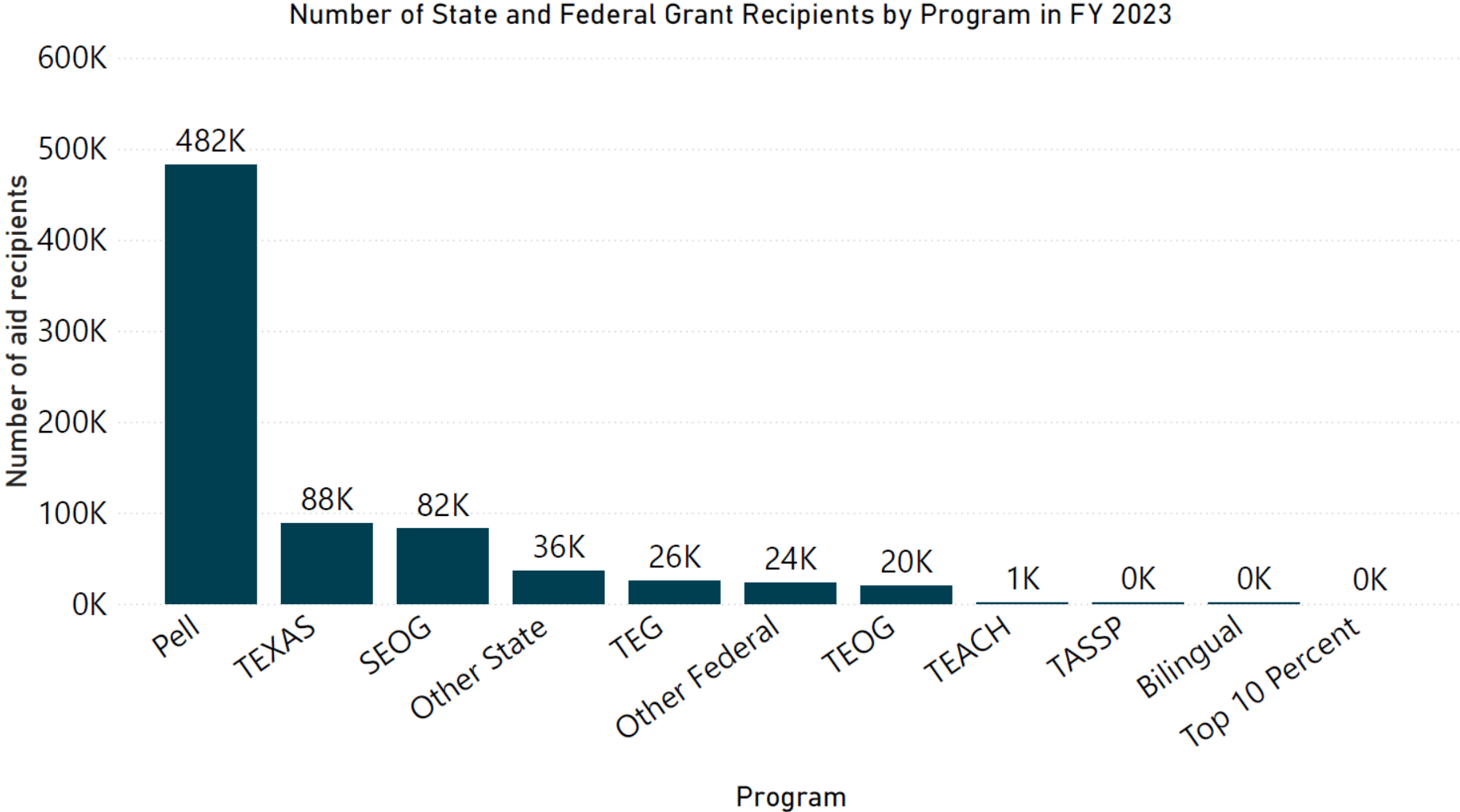
Source: ● Federal ● State ● Institutions ● Other



Federal Pell grants are the largest source of state and federal grant aid

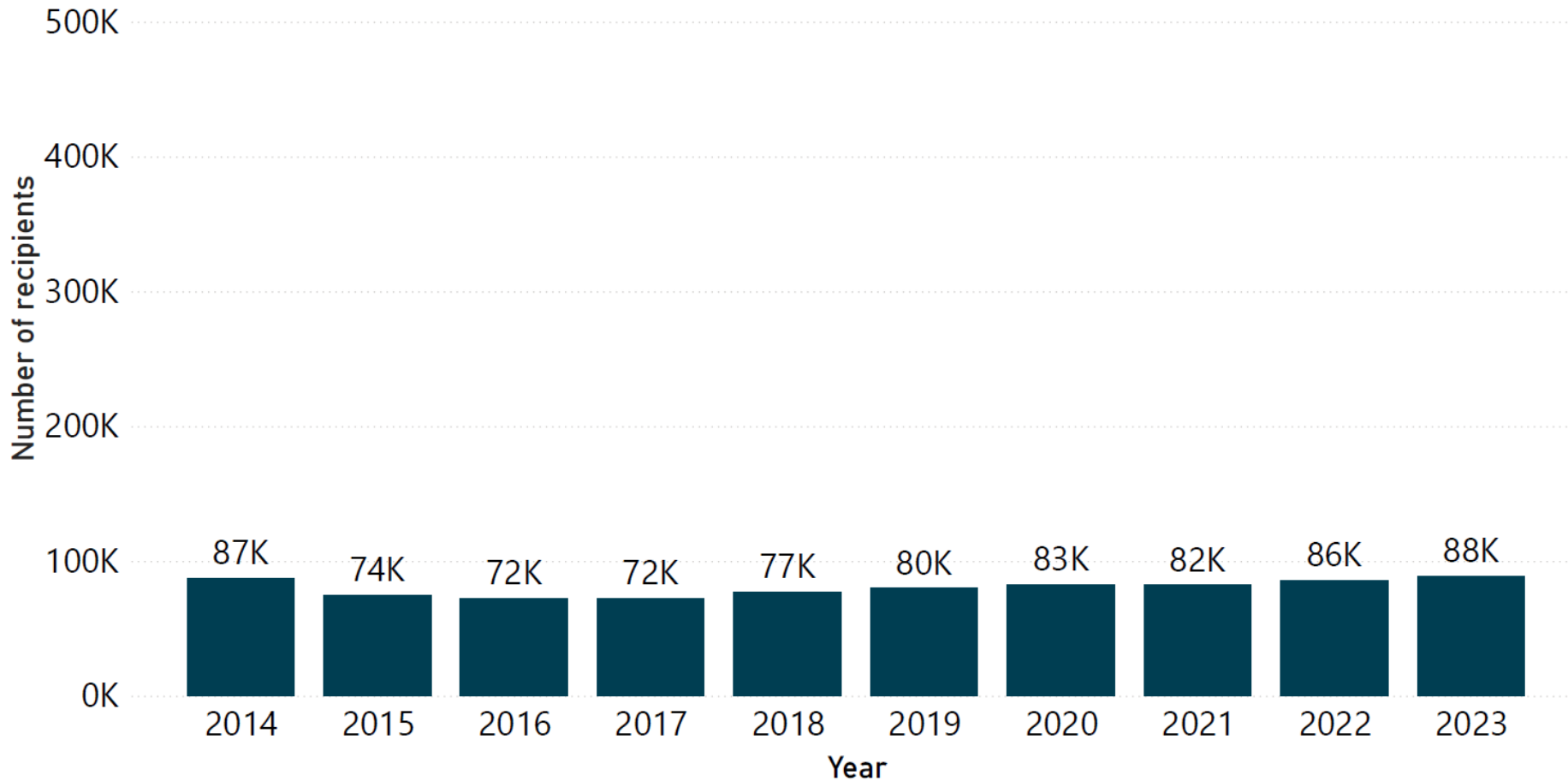


Pell is also largest in terms of the number of recipients



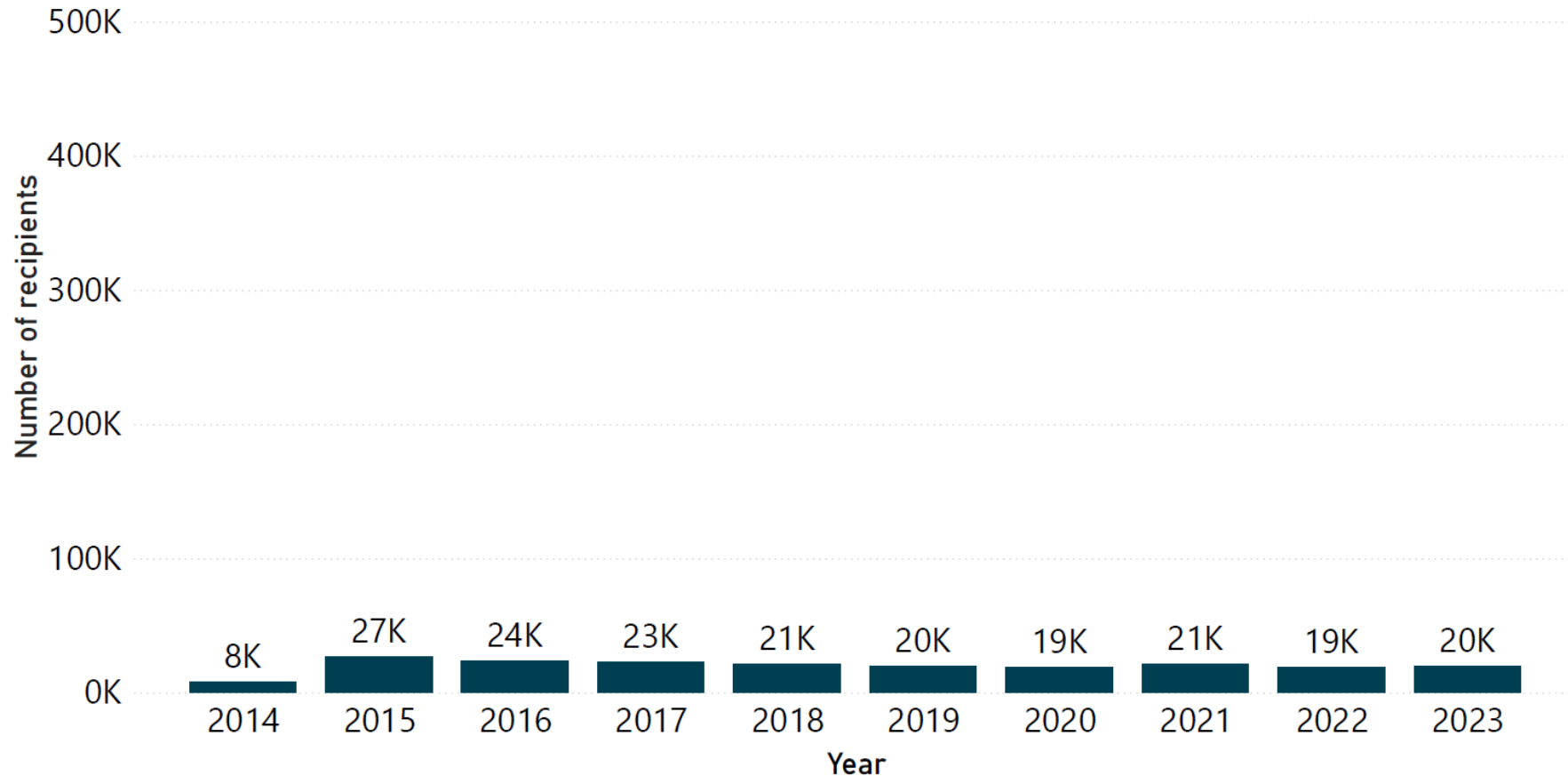
The number of TEXAS grant recipients increased by about 19% since 2015

Number of TEXAS Grant Recipients, 2014-2023



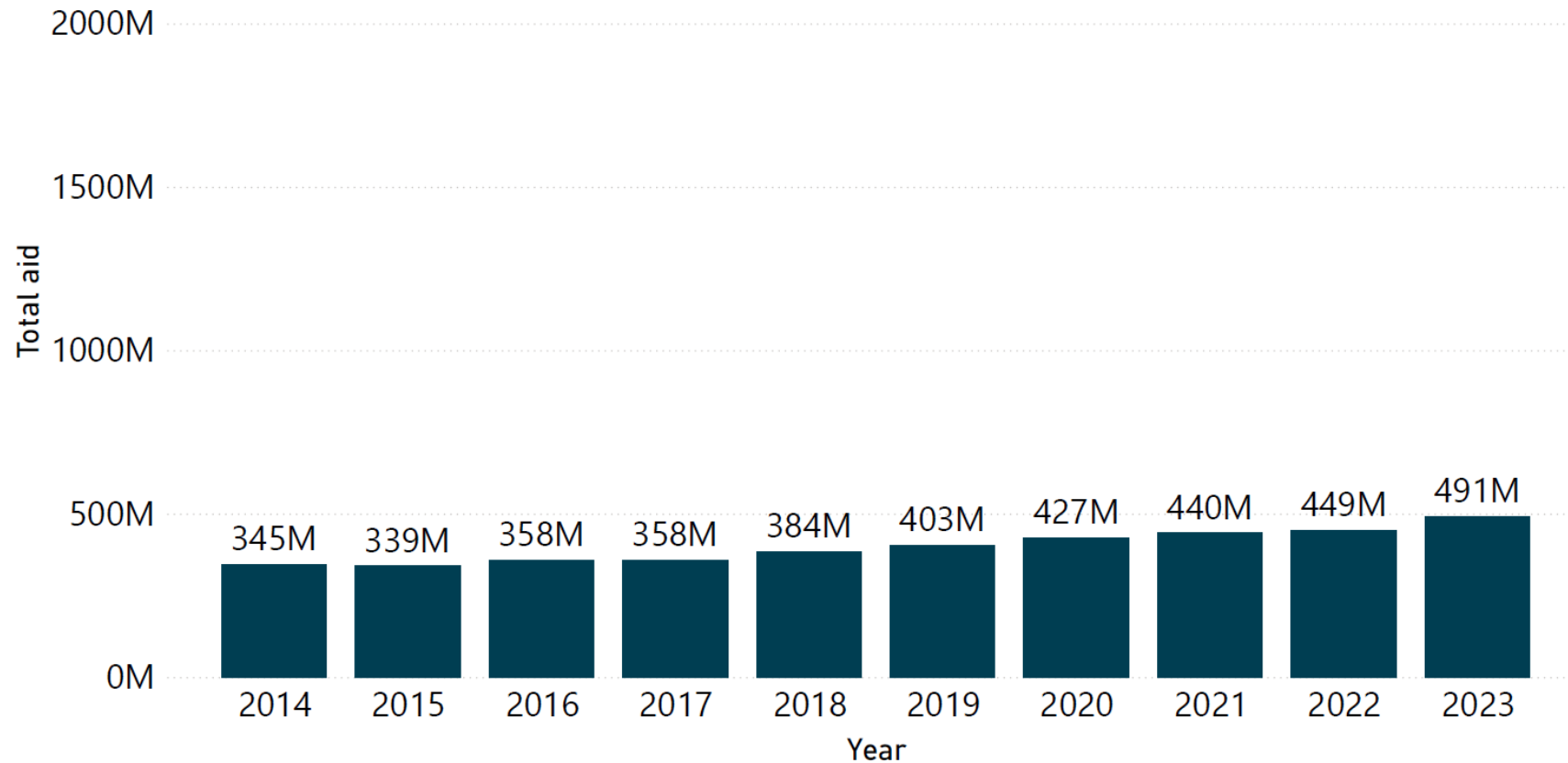
TEOG aid for community college students reached fewer recipients

Number of TEOG Grant Recipients, 2014-2023



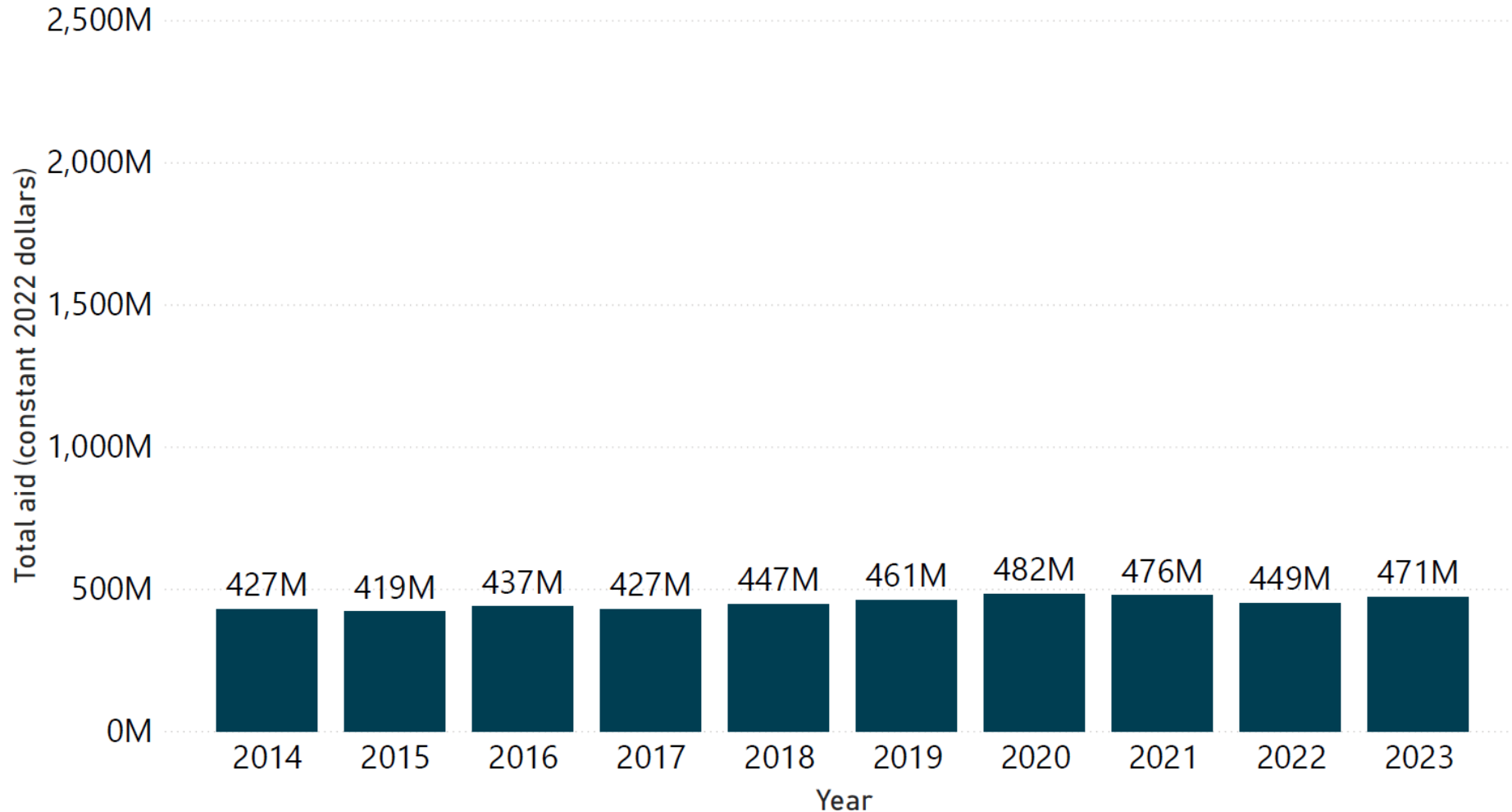
TEXAS grants increased by about 45 percent in current dollars since 2015

Student TEXAS Grant Aid, 2014-2023



TEXAS grants increased about 12 percent in constant dollars since 2015

Student TEXAS Grant Aid in Constant 2022 Dollars, 2014-2023



New student aid programs in 2024

- Texas Transfer Grant
- Texas Leadership Scholars
- Nursing student aid

Trends in student debt

Groups most likely to have debt repayment problems

- Private university students and graduate students in majors that do not lead to high-paying jobs
- Low-income students who accumulated debt but did not earn a credential

SB1019 student debt reports

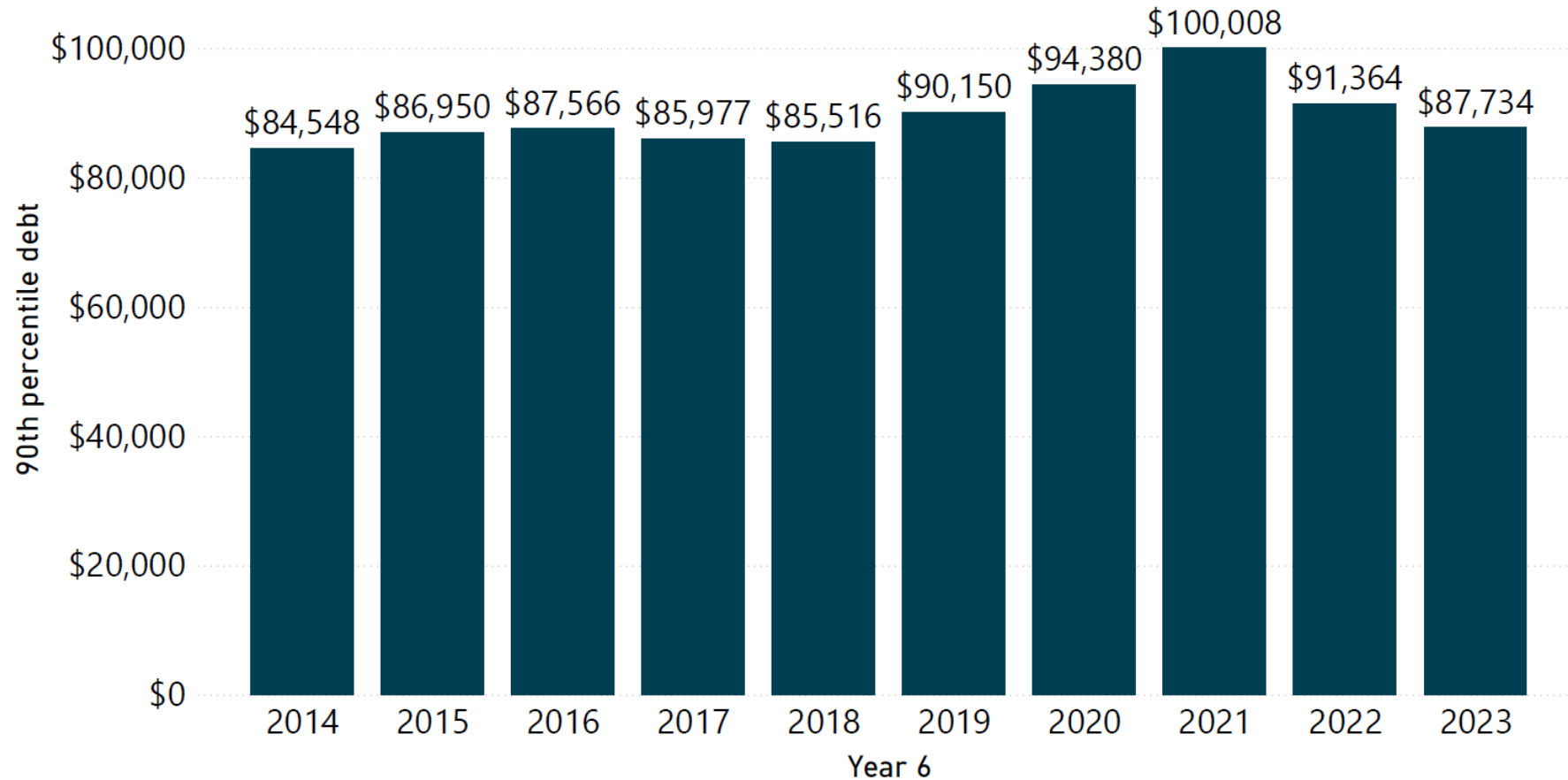
- 2021: Annual Financial Aid report provides breakdown of loan data disaggregated by race/ethnicity, sex, degree type, enrollment status, and graduation status
- Examination of six-year cohort of first-time entering students (those who graduated)

Student debt data and limitations

- Includes student loans reported by institutions to the Financial Aid Data (FAD) system. Does not include other forms of debt accumulated while in school.
- Does not track change in debt after students leave Texas higher education, including interest costs or balance repayment.
- Does not include debt of career college students.

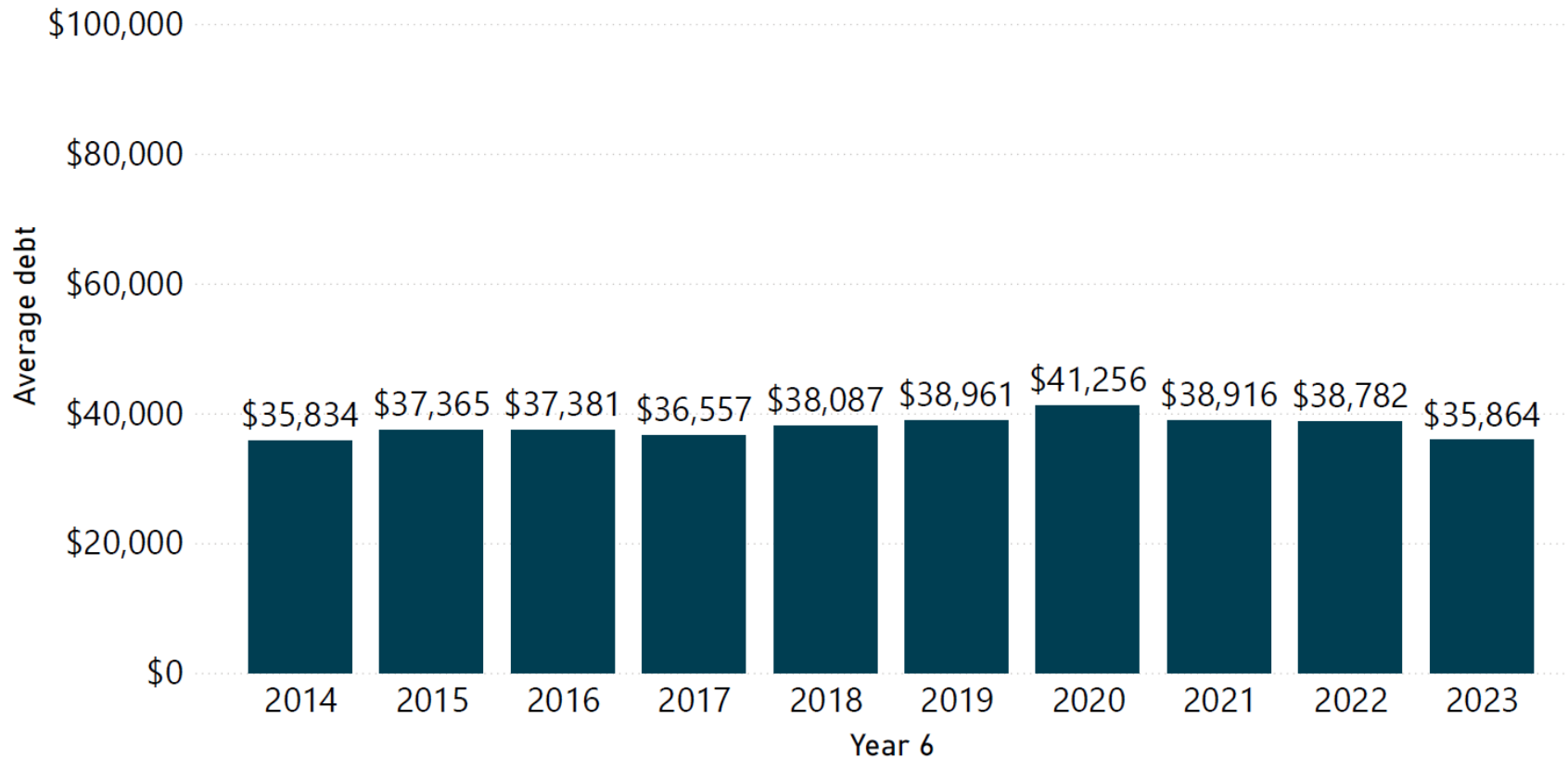
Some students do carry a lot of debt

90th Percentile Debt for Students with a Master's Degree
Six Years after Enrolling in a Private Institution



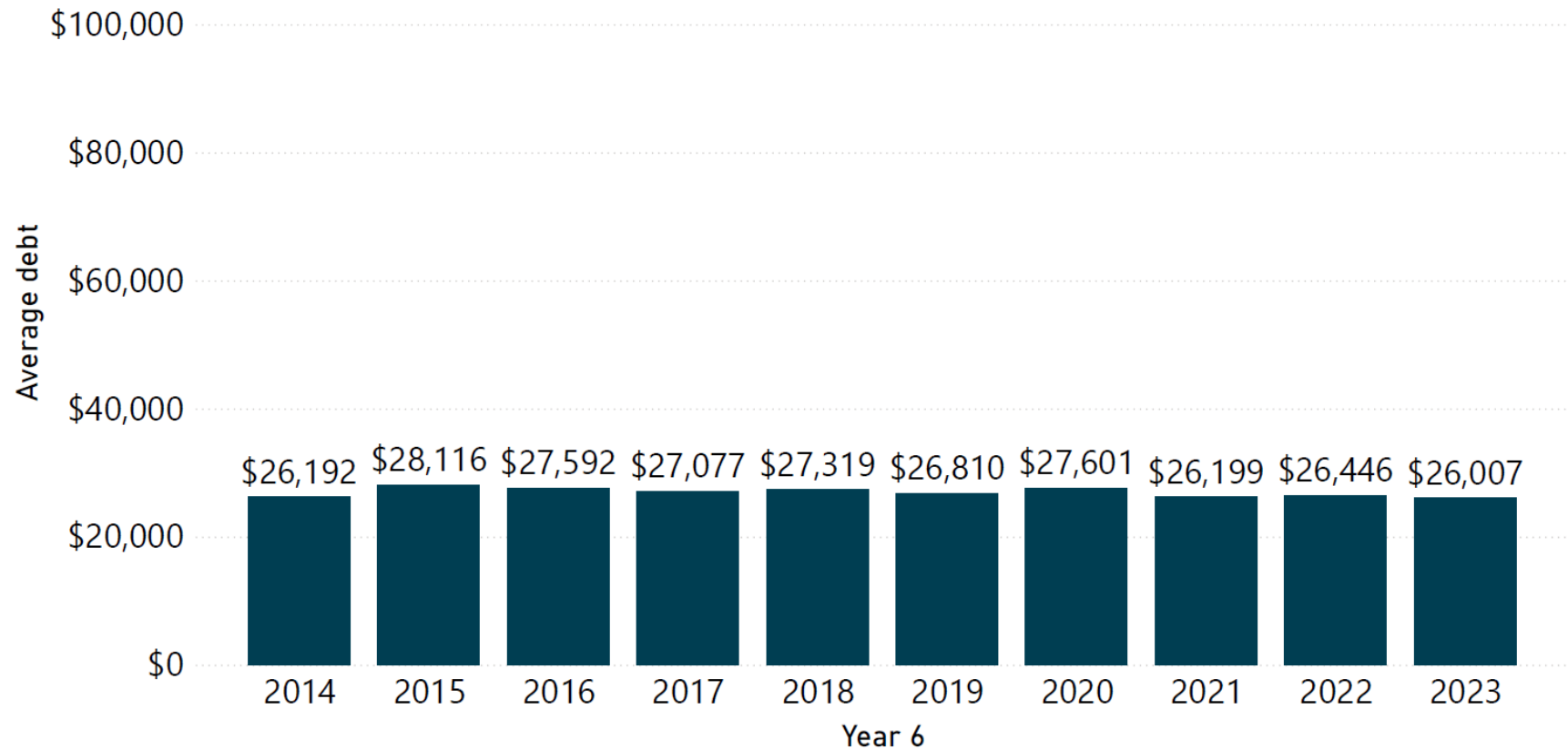
Average debt of private university bachelor's degree recipients is lower

Average Debt for Students with a Bachelor's Degree
Six Years after Enrolling in a Private Institution



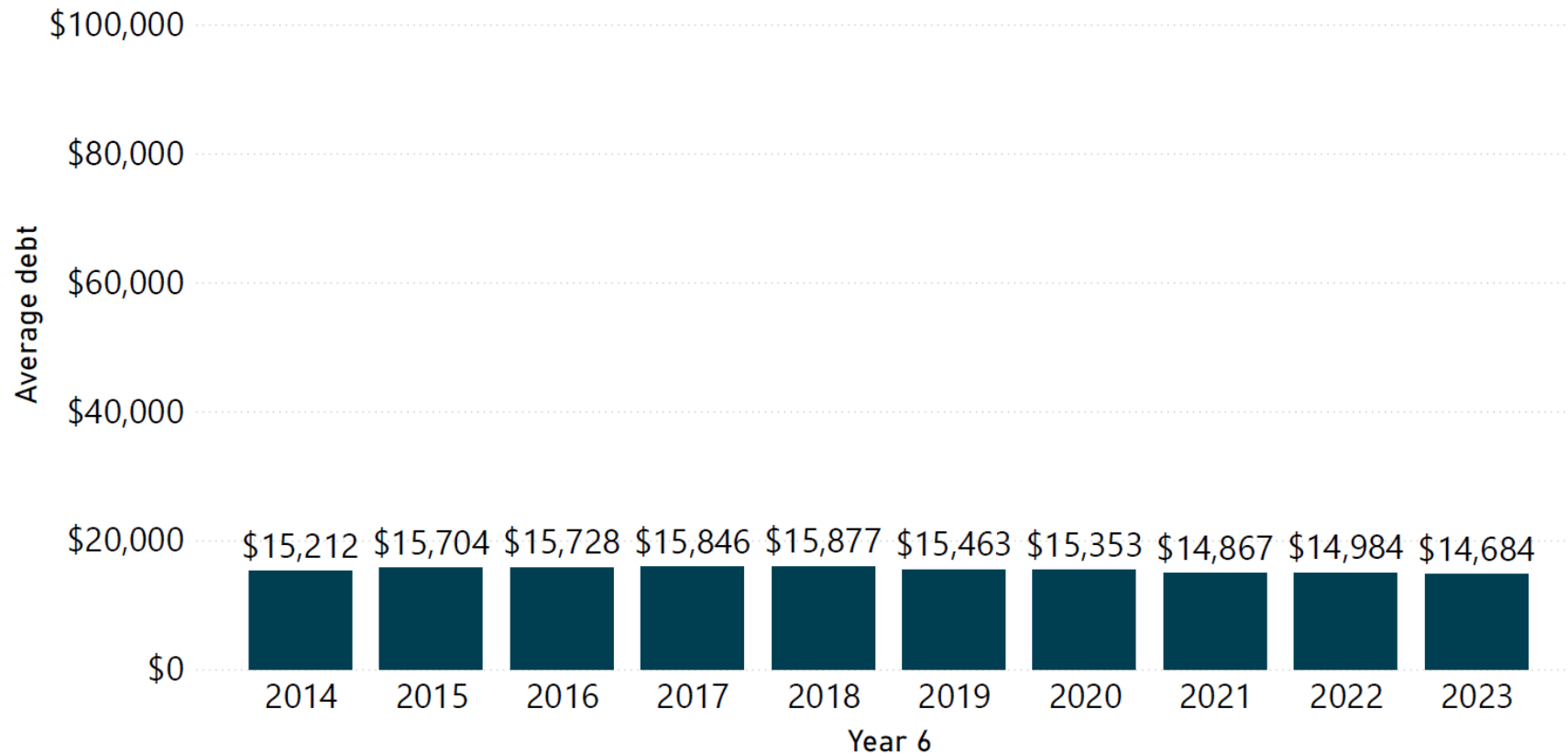
...as is average debt of public university bachelor's recipients

Average Debt for Students with a Bachelor's Degree
Six Years after Enrolling in a 4-Year Public Institution



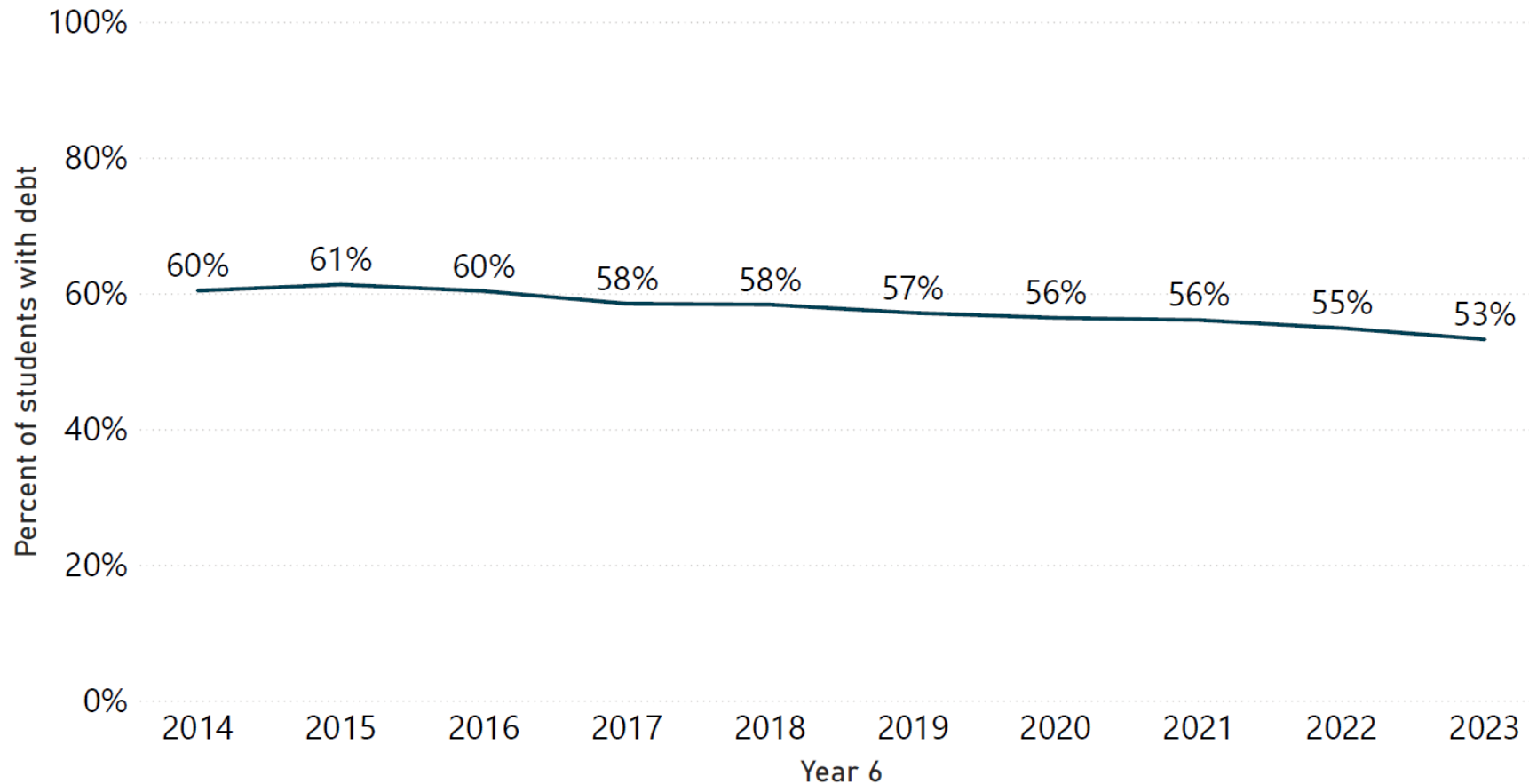
...and average debt of community college associate degree recipients

Average Debt for Students with an Associate Degree
Six Years after Enrolling in a 2-Year Public Institution



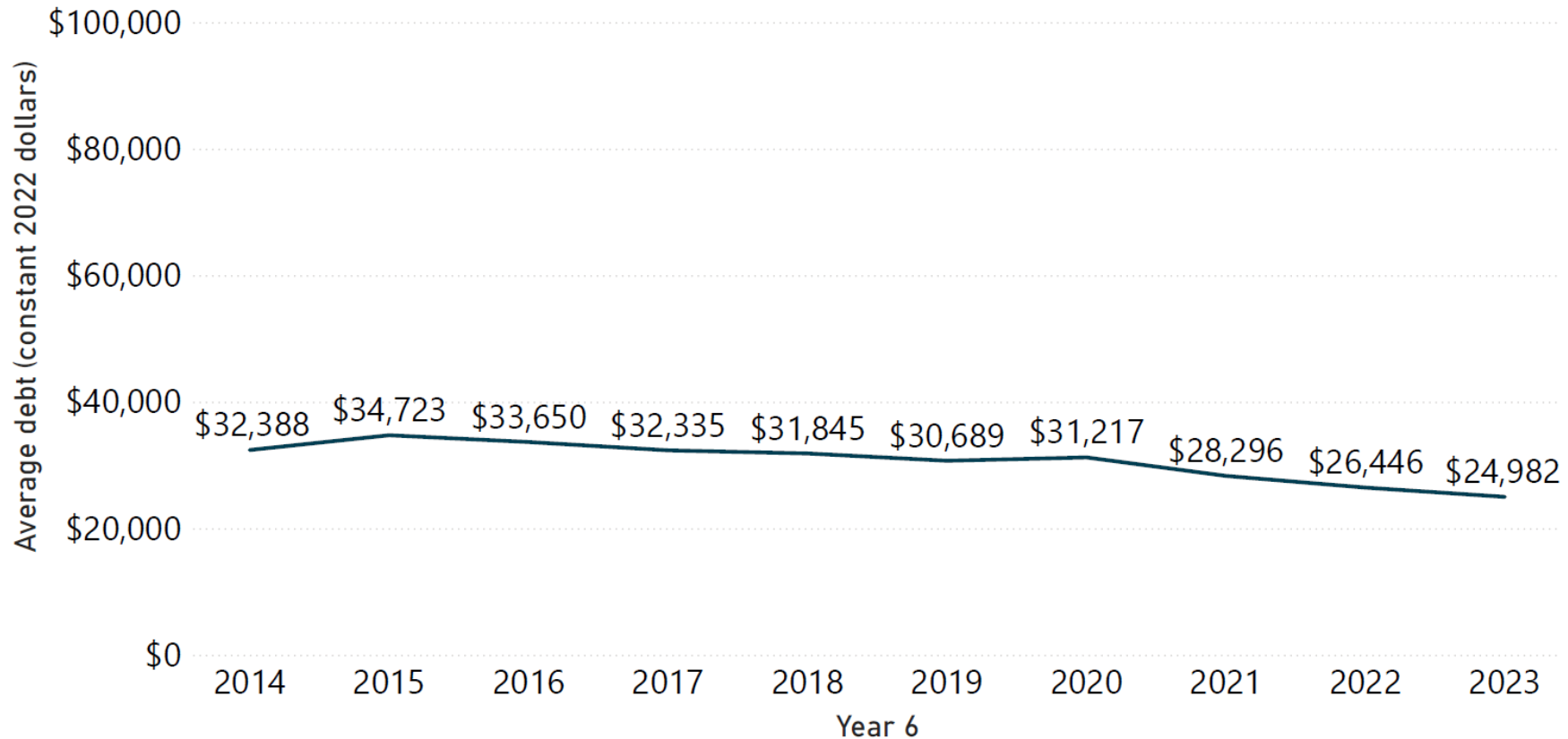
The percent of bachelor's graduates with debt after six years has declined

Percent with Debt for Students with a Bachelor's Degree
Six Years after Enrolling in a 4-Year Public Institution



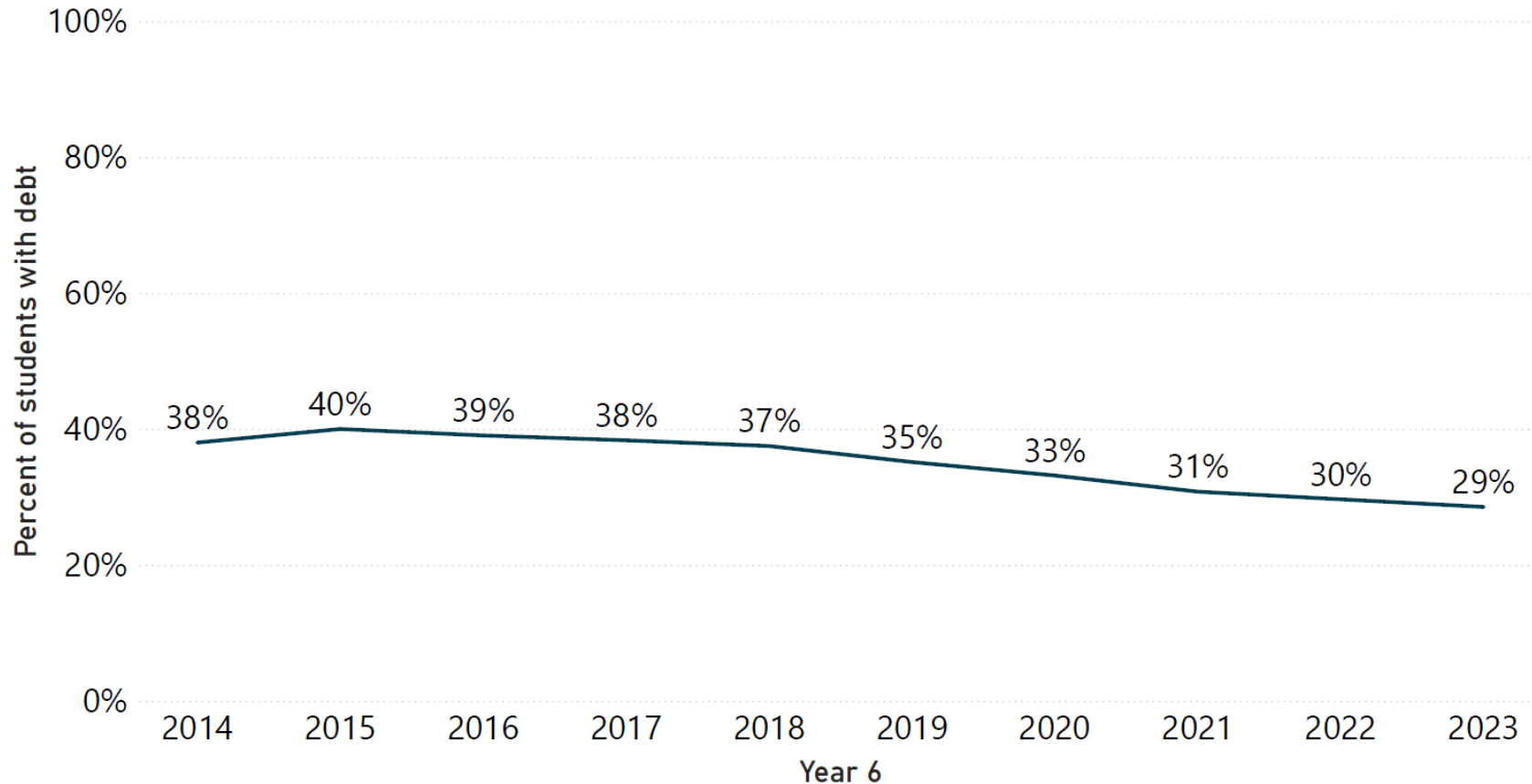
...as has average debt in constant dollars for those graduates with debt

Average Debt in Constant 2022 Dollars for Students with a Bachelor's Degree
Six Years after Enrolling in a 4-Year Public Institution



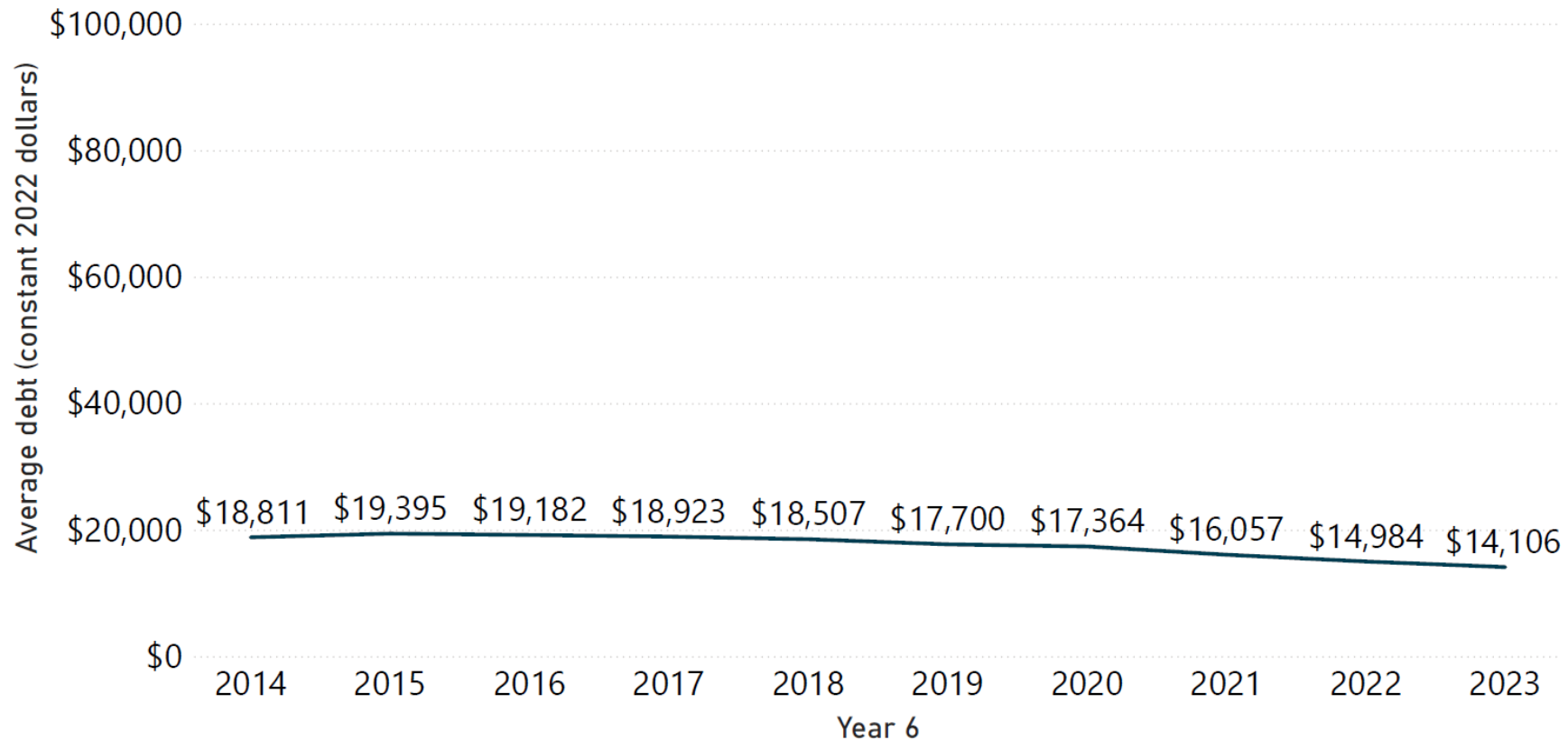
The percent of associate degree recipients with debt has also declined

Percent with Debt for Students with an Associate Degree
Six Years after Enrolling in a 2-Year Public Institution



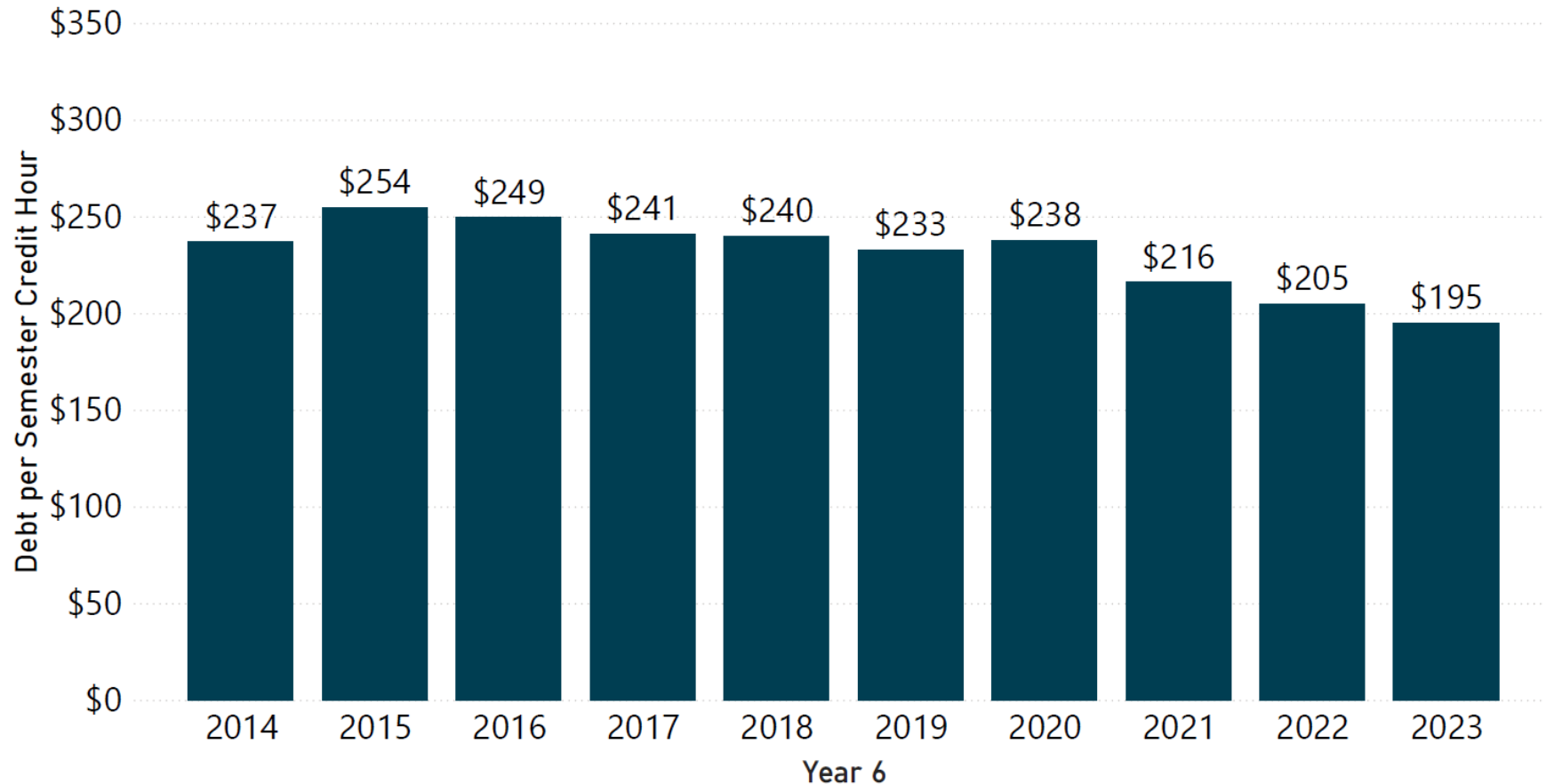
...as has average debt in constant dollars for associate degree recipients

Average Debt in Constant 2022 Dollars for Students with an Associate Degree
Six Years after Enrolling in a 2-Year Public Institution



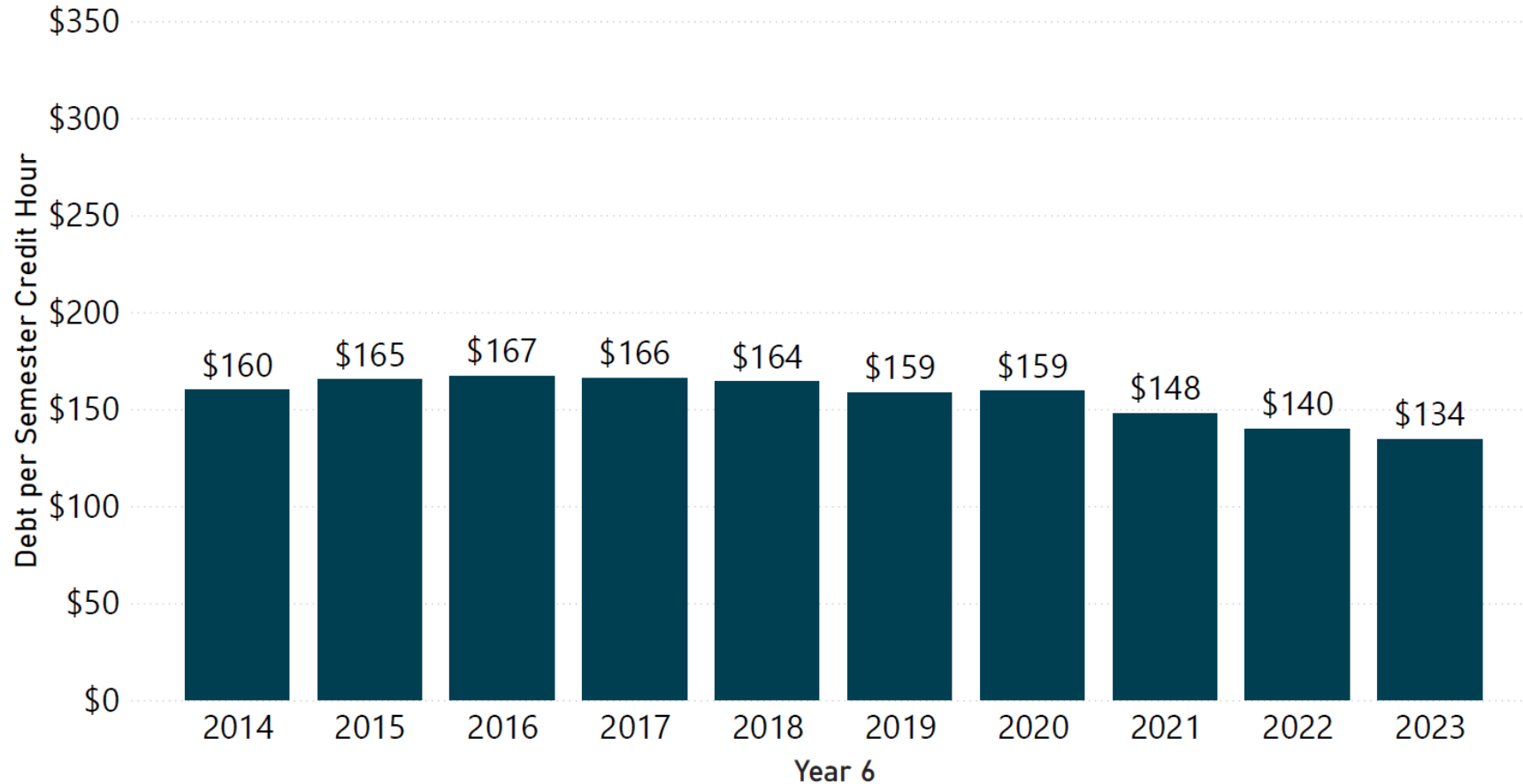
For bachelor's recipients, decrease in SCH to graduation is only part of the explanation for the decrease in debt

Constant-Dollar Debt Per Semester Credit Hour
Bachelor's Degree Earners from 4-Year Public Institutions



The same goes for the decrease in debt of associate degree recipients.

Constant-Dollar Debt Per Semester Credit Hour
Associate Degree Earners from 2-Year Public Institutions



Key Takeaways

- Vast majority of aid comes in the form of grants
- Institutions are the largest source for non -loan financial aid
- Pell grants far exceed all other state and federal grants in dollars and number of recipients
- TEXAS grant is continuing to reach more and more students each year

Key Takeaways

- For bachelor's graduates, average debt is lower at public institutions than private institutions
- The percentage of students graduating with debt is declining across bachelor's and associate levels
- Semester credit hours accrued is decreasing and may be partly responsible for decreasing debt levels

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