

Literature Summaries

This Spring 2020 review is a summary of literature on Black student debt within the past 5 years (listed from newest to oldest). This list is not intended to be an exhaustive list of literature on the topic of Black student debt.

Black Students Hold Too Much Debt, and the Way Out Includes More and Better Career Counseling - Krystal Williams (2020)

<https://hechingerreport.org/opinion-a-holistic-approach-and-career-guidance-are-needed-to-address-the-black-student-debt-crisis/>

This Op-Ed outlines solutions to the Black student debt problem. The author notes that Black students hold more student debt than any other racial or ethnic group. A more holistic approach may help Black students overcome student debt challenges. The author advocates for initiatives such as increased institutional support, K-12 education reform, and increased transparency on employment as ways to curb the Black student debt crisis.

HBCU Students Learn Financial Literacy at Leadership Institute - Sara Weissman (2019)

<https://diverseeducation.com/article/157816/>

This article highlights a program, the Leadership Institute, that offers students at HBCUs an opportunity to advance professionally while connecting them with companies looking to diversify their employees. The article highlights aspects of program such as offering advice to students on saving money, paying back student loans, and establishing credit as well as networking with company executives and other participants.

Don't Blame For-Profit Colleges for Debt Among Black Students - Jason Delisle (2019)

<https://www.nationalreview.com/2019/10/for-profit-colleges-not-to-blame-for-black-student-debt/>

This article provides a counter argument towards previous reports that have placed the blame on predatory for-profit institutions for the student debt gap. Delisle argues that data do not show that for-profit college enrollment is a meaningful factor in explaining relatively high debt among Black students. He finds the effect of for-profit enrollment on Black student debt is unexpectedly small because many Black students attend private non-profit colleges where debt levels are comparable to those of students attending for-profits.

Student Debt: An Overlooked Barrier to Increasing Teacher Diversity - Center for American Progress (CAP) (2019)

<https://www.americanprogress.org/issues/educationpostsecondary/reports/2019/07/09/471850/student-debt-overlooked-barrier-increasing-teacher-diversity/>

This report highlights how one barrier in particular—the unequal student loan debt that educators of color face—may contribute to the lack of diversity in the teaching profession. For teachers of color, they risk entering a profession that requires significant education but does not compensate well compared with other professions. This is called a pay penalty, meaning teachers do not receive a salary comparable to those of workers in other professions that require the same level of education. The pay penalty presents a particular barrier for teacher candidates of color because they are more likely to have student loan debt upon graduating.

A case study of undergraduate debt, repayment plans, and postbaccalaureate decision-making among Black students at HBCUs-Dominique Baker (2019)

<https://ir.library.louisville.edu/jsfa/vol48/iss2/1/>

This study focused on six recent graduates of an HBCU who took on student loan debt during their undergraduate career. Through two interviews, Baker finds that the relationship between undergraduate debt and postbaccalaureate decision-making is partially explained by the themes of “timing and structure of information, family as a source of knowledge, comfort with the amount borrowed, and the realities of postbaccalaureate decision-making.”

Casualties of College Debt - What Data Show and Experts Say About Who Defaults and Why - The Institute of College Access and Success (TICAS) (2019)

https://ticas.org/wp-content/uploads/legacy-files/pub_files/casualties_of_college_debt_0.pdf

In this policy report focusing on student loan default, TICAS provides both quantitative and qualitative data on why students default at higher rates than others. They find that certain groups of students are particularly likely to struggle with student debt. Low-income students, Black students, and students earning four-year degrees at for-profit colleges are more likely to borrow and to borrow more than their peers. They are also more likely to default—as many as 70 percent of Black borrowers may eventually default.

Women’s Student Debt Crisis in the United States-American Association of University Women (AAUW) (2019)

<https://www.aauw.org/research/deeper-in-debt/>

This AAUW report focuses on women and debt. Women hold nearly two-thirds of the outstanding student debt in the United States — almost \$929 billion as of early 2019. AAUW finds that Black women have the highest student loan debt of any racial or ethnic group. Women of color are most likely to experience financial difficulties: 34 percent of all women and 57 percent of black women who were repaying student loans reported that they had been unable to meet essential expenses within the past year.

Population Trends and Educational Attainment - The American Council on Education (2019)

<https://www.equityinhighered.org/indicators/u-s-population-trends-and-educational-attainment/>

A study by The American Council on Education (ACE) found that about 30 percent of all 2015–16 bachelor’s degree recipients graduated without debt, but only 14 percent of African-American graduates graduated without debt. Additionally, only 19 percent of African-American master’s degree recipients completed their degrees without borrowing, with 16 percent borrowing \$75,000 or more. By contrast, 43 percent of white master’s degree recipients avoided borrowing altogether, and only 7 percent borrowed \$75,000 or more for graduate school. This study was part of a larger report on race and ethnicity in higher education.

The Looming Student Loan Default Crisis is Worse than We Thought (2018)

<https://www.brookings.edu/wp-content/uploads/2018/01/scott-clayton-report.pdf>

This report analyzes new data on student debt and repayment, released by the U.S. Department of Education in October 2017. The new data allow for the most comprehensive assessment to date of student debt and default from the moment students first enter college, to when they are repaying loans up to 20 years later. The new data underscore that default rates depend more on student and institutional factors than on average levels of debt. For example, only 4 percent of white graduates who never attended a for-profit defaulted within 12 years of entry, compared to 67 percent of Black students who withdrew who had never attended a for-profit college. Debt and default among Black college students is at crisis levels, and even a bachelor’s degree is no guarantee of security: Black BA graduates default at five times the rate of white BA graduates (21 versus 4 percent), and are more likely to default than white students who withdraw from school.

Black-White Disparity in Student Loan Debt More Than Triples After Graduation - Judith Scott Clayton and Jing Li (2016)

<https://www.brookings.edu/research/black-white-disparity-in-student-loan-debt-more-than-triples-after-graduation/>

Using the Department of Education’s Baccalaureate and Beyond (B&B), the researchers find that four years after graduation, Black graduates have nearly \$25,000 more student loan debt than white graduates: \$52,726 on average, compared to \$28,006 for the typical white graduate. One explanation for this is that for-profit institutions disproportionately enroll Black students and students from low incomes. The findings also raise questions about how these racial debt disparities will further change as time goes on.