



White House Initiative on Educational Excellence for African Americans

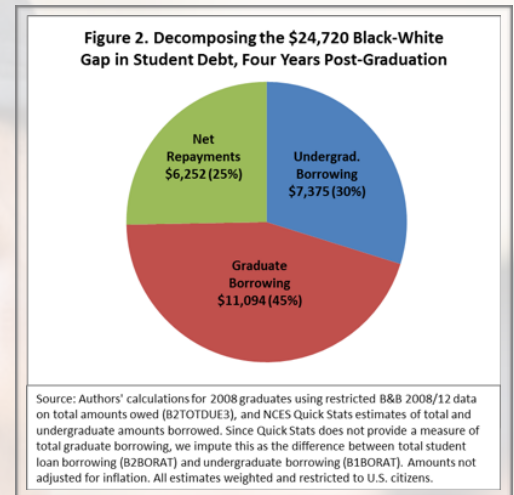
Fact Sheet:

Black College Graduates and the Student Debt Gap

Student loan debt is a growing problem in the United States. A Brookings Institution paper by Judith Scott-Clayton and Jing Li highlighted the following data about the student loan debt gap between Black and White college graduates:

Four Years After Graduating with a Bachelor's Degree

- Black college graduates have nearly \$25,000 more student loan debt: an average of \$52,726 in student debt, compared to \$28,006 for the typical White bachelor's graduate.
- The aforementioned gap is more than three times the previously documented Black-White gap in undergraduate borrowing (\approx \$7,400).
- On average, Black graduates owe 6 percent more than they have borrowed, while White graduates owe 10 percent less than they have borrowed.



Student Loan Repayment Patterns Differ

On average, Black graduates pay off their undergraduate debt at a slower rate than White graduates. A weak job market in which Black-White employment and wage gaps have widened accounts for some of the disparity.

- Nearly half (48 percent) of all Black graduates owe more on their federal undergraduate loans four years after graduating with bachelor's degrees, compared to just 17 percent of White graduates.
- About 25 percent of the total \$25,000 student loan debt gap is caused by differences in repayment patterns.

Graduate Borrowing is a Significant Contributor to the Debt Gap

- Graduate borrowing accounts for 45 percent of the total Black-White debt gap.
- Proportionally, more Black students are now enrolling in graduate school than White students.
- Black college graduates are almost twice as likely (40 percent) as White graduates (22 percent) to accumulate graduate school debt.

To learn more about the White House Initiative on Educational Excellence for African Americans visit www.ed.gov/AfAmEducation. Follow us on Twitter @AfAmEducation. Like us on Facebook @OfficialAfAmEducation. Share a picture with us on Instagram @OfficialAfAmEd.

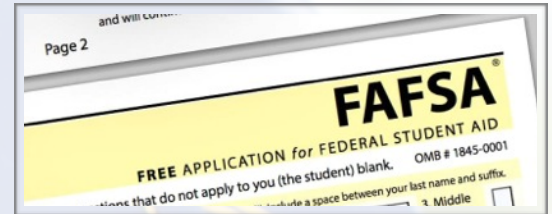
Fact Sheet: Black College Graduates and the Student Debt Gap

Tips for Managing Student Loan Debt

Below are four tips for managing repayment, along with several resources from [Federal Student Aid](#) (FSA) to provide additional information about the process.

1) Know Your Loans

Before you can know which payment plan to choose and which benefits are available to you, access your records to review what [type\(s\)](#) of loans you have, your balance, interest rates, and repayment conditions. Complete Federal Student Aid's required [exit counseling](#) to access your loan information and create a monthly budget to plan how much you will have available to put towards repayment.



You can also visit the [National Student Loan Data System](#) (NSLDS) at any time to find a complete listing of all your federal student loans, including balance and interest rates, and information for your [loan servicer](#), who handles all billing regarding your loans. You will need an FSA ID to access your information.

If you borrowed from a non-federal or private lender, such as a bank, credit union, state student loan agency or a college or university, those loans will not be listed on the NSLDS. You can access the information on your non-federal loans through a copy of your credit report. Federal Student Aid offers the [Consumer Financial Protections Bureau](#) as a resource for assistance with non-federal loans.

2) Choose a Repayment Plan

Federal Student Aid offers several [tools](#) and resources to help you determine which [repayment plan](#) will work best for you, such as the [Repayment Estimator](#), which allows you to compare what your monthly payment would be under each plan. [Income-driven repayment](#) (IDR) plans are an option for borrowers who are struggling to manage debt or recent graduates facing financial pressures as they transition. IDR plans adjust with borrowers' incomes, significantly lowering monthly payments and allowing individuals to spread out their payments over time. As an example, Pay As You Earn plans cap monthly payments at 10 percent of a borrower's income, provide the option of paying sooner, and qualify for loan forgiveness after 20 years.

Contact your loan servicer to choose or change your repayment plan. To find your servicer's contact information, log in to [My Federal Student Aid](#). For non-federal loans, check with your lender to see what types of repayment options are available.

3) See if You Qualify for Benefits

Familiarize yourself with the repayment terms of your loans to see if you qualify for savings on interest, options to pay more than your required monthly payment, or [loan forgiveness, cancellation, or discharge](#). For example, through enrolling in automatic debit, you may receive a 0.25% interest rate reduction on Direct Loans. [Public service](#) workers on an income-driven plan qualify for the Public Service Loan Forgiveness Program, which forgives any remaining federal Direct Loan debt after working full-time and making monthly payments for 10 years. There is a similar forgiveness program available to [teachers](#).

To learn more about the White House Initiative on Educational Excellence for African Americans visit www.ed.gov/AfAmEducation. Follow us on Twitter @AfAmEducation. Like us on Facebook @OfficialAfAmEducation. Share a picture with us on Instagram @OfficialAfAmEd.

Fact Sheet: Black College Graduates and the Student Debt Gap

4) Keep in Contact with Your Loan Servicer

Your loan servicer is available to walk you through your options and provide you with any help you may need throughout the process. Reach out to them if you want to change your payment plan or consolidate your loans. If you find yourself in a position of financial difficulty, they may grant you forbearance, postponing or lowering your monthly payments for a certain length of time. Be sure to contact them if you change your name, address, or phone number so they are able to reach you whenever they need to. Utilize this *free* assistance, and beware of offers for [paid](#) assistance from private companies.

Additional Resources and Tools to Support Students and Families

There are several federal resources that can be used to support the cost of college:

- The Federal Student Aid website (www.studentaid.gov) provides information on college costs, budgeting, and different loan repayment options.
- The Free Application for Federal Student Aid (FAFSA) is the form all students interested in receiving federal grants, loans, and work-study funds must complete (www.fafsa.gov).
- Federal Work-Study jobs help students earn money to pay for college (<https://studentaid.ed.gov/sa/types/work-study>).
- Tools like College Scorecard (<https://collegescorecard.ed.gov/>) and College Navigator (<https://nces.ed.gov/collegenavigator/>) can help students and families compare options for undergraduate education.
- The Public Service Loan Forgiveness (PSLF) Program forgives the remaining balance on Direct Loans after 120 qualifying monthly payments are made under a qualifying repayment plan while the borrower works full-time for a qualifying employer. Learn more about the program at www.studentaid.gov.



To learn more about the White House Initiative on Educational Excellence for African Americans visit www.ed.gov/AfAmEducation. Follow us on Twitter @AfAmEducation. Like us on Facebook @OfficialAfAmEducation. Share a picture with us on Instagram @OfficialAfAmEd.