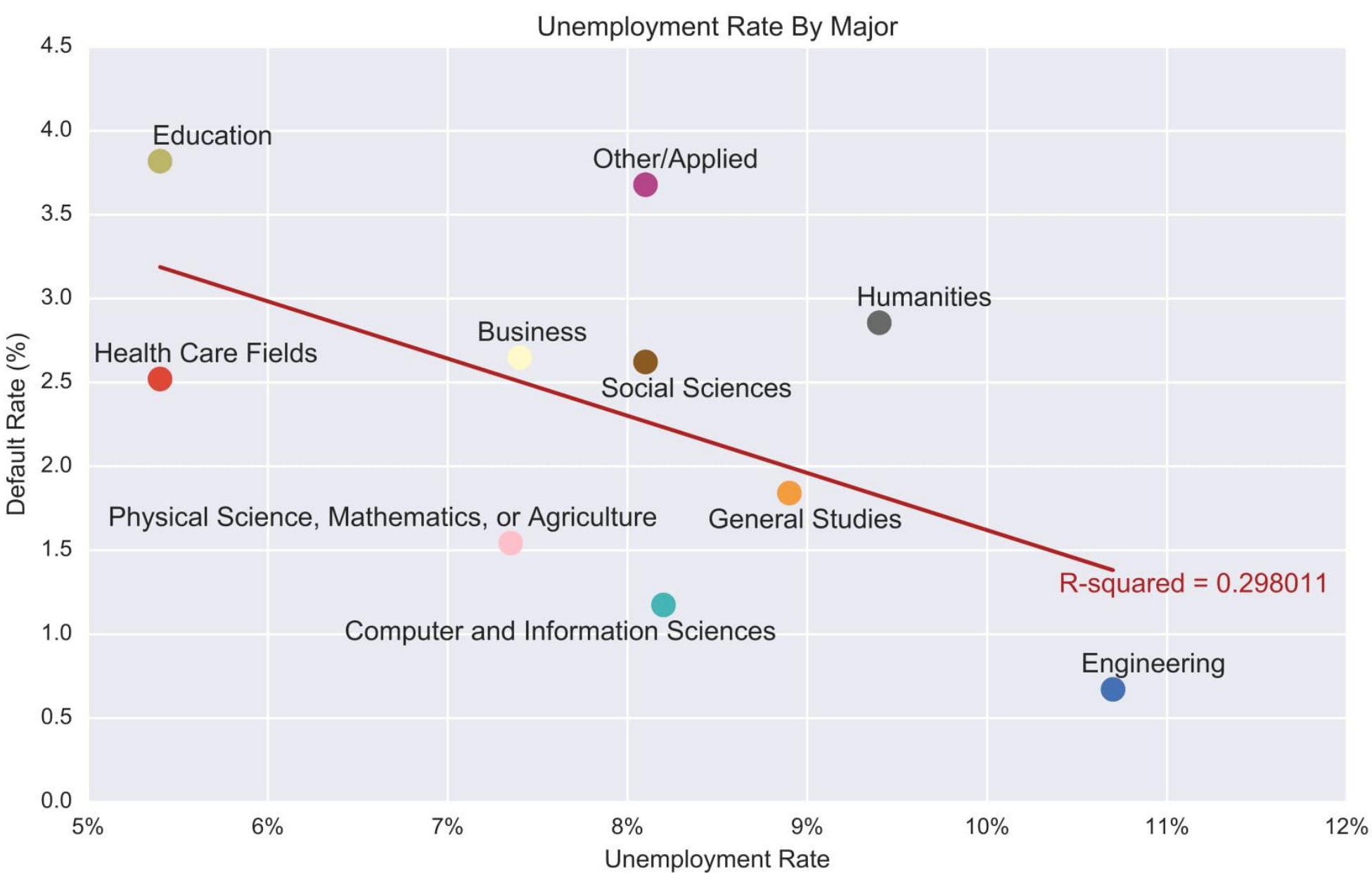
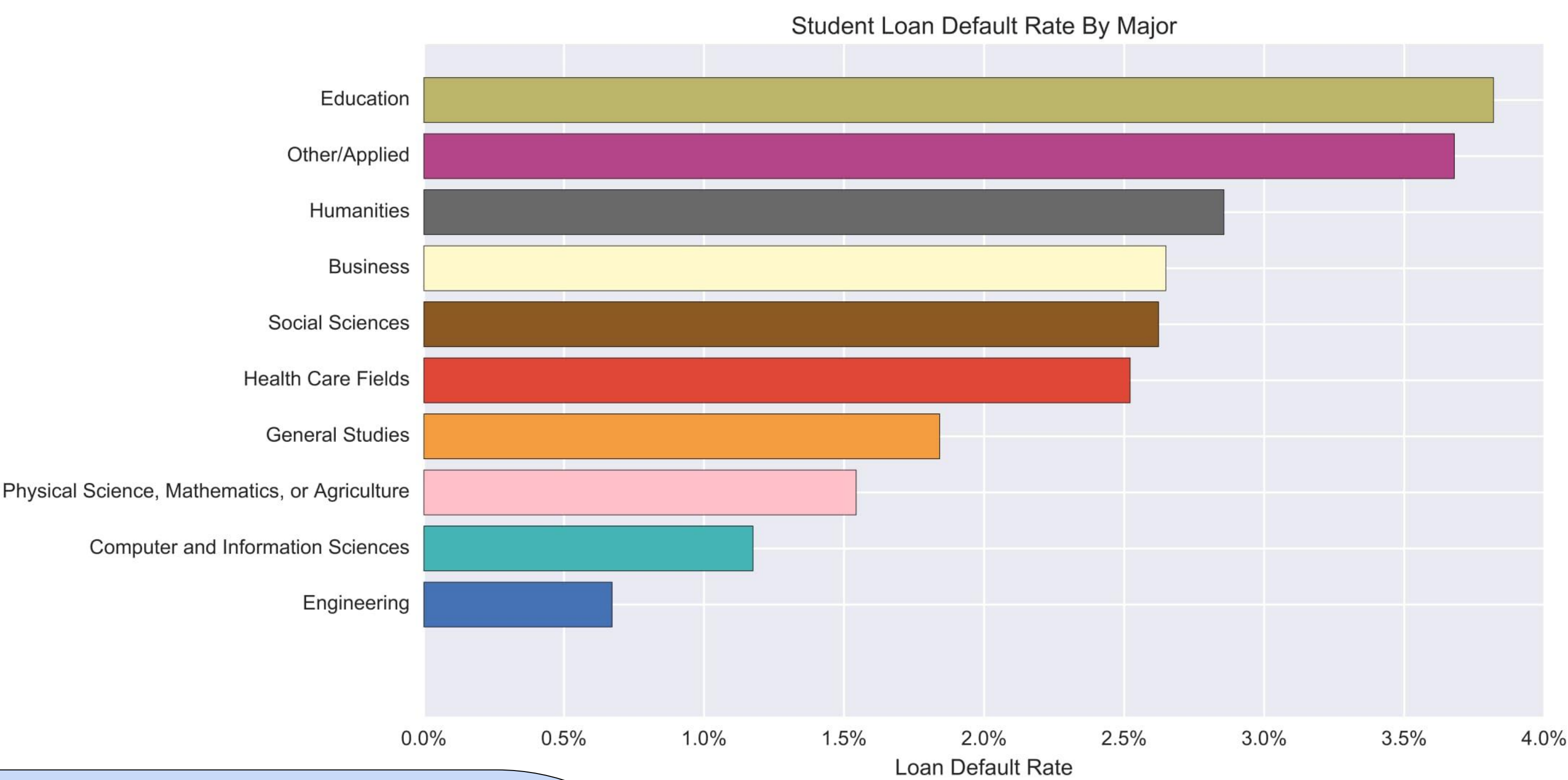
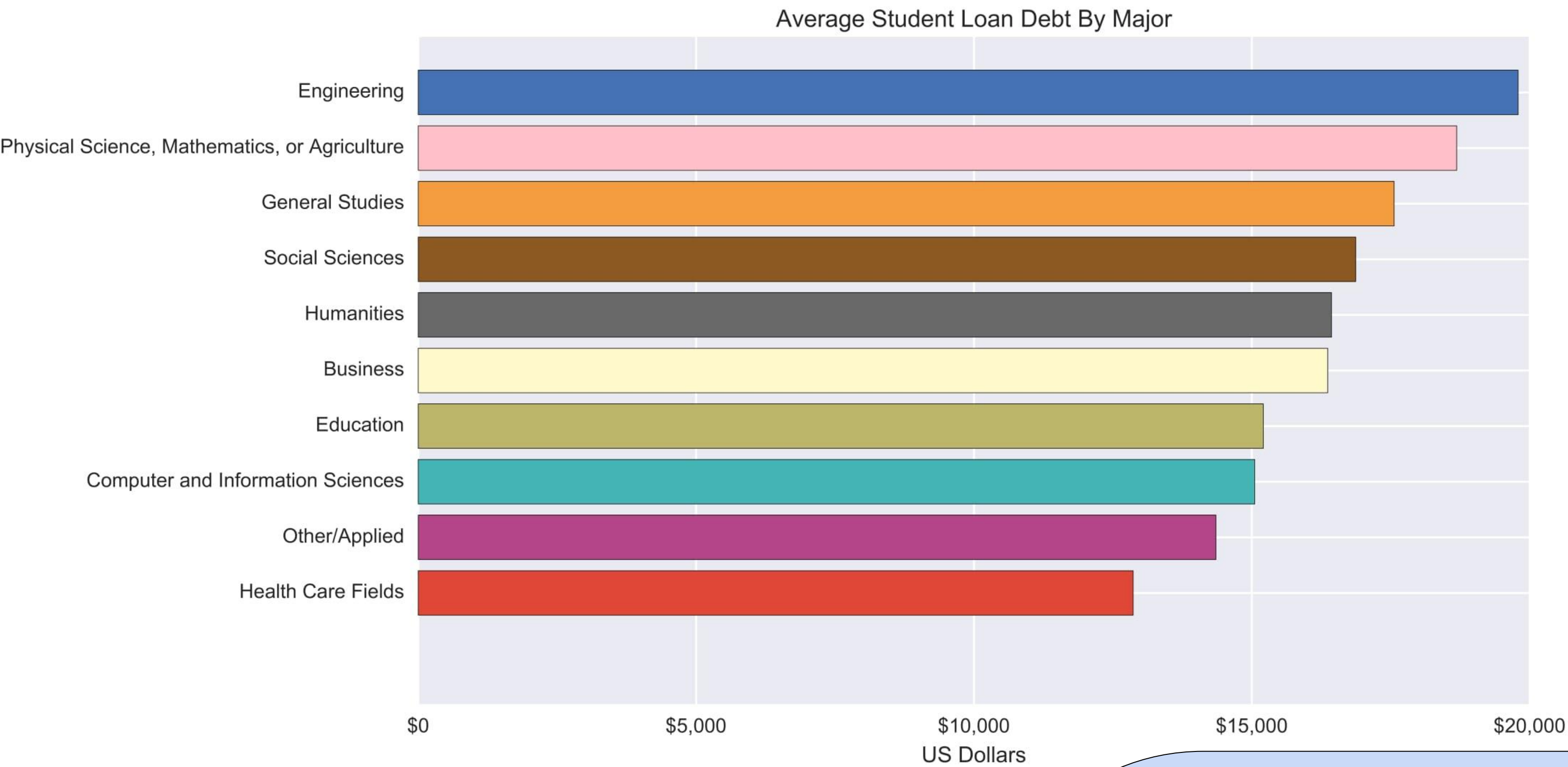


# Who Defaults on their Student Loan Debt?

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[1] HERSHBEIN, BRAD, and MELISSA KEARNEY. *MAJOR DECISIONS: WHAT GRADUATES EARN OVER THEIR LIFETIMES*. Rep. N.p.: Hamilton Project, 2014. Print.  
[2] U.S. Department of Education, National Center for Education Statistics, 2008/12 Baccalaureate and Beyond Longitudinal Study (B&B:08/12)."



Although most college majors take on the same amount of debt, the average difference being \$2,172, average loan default rates based on major span a 3.1% range. Two main groups appear: majors with a default rate of under 2.5% and those majors with a default rate of more than 2.5%.

Of the six majors with a default fault higher than 2.5%, three of them have the first, second, and third highest average GPAs and five are in the top six in employment rate. In addition, of the majors with seven of the highest wage increases after a graduate degree is obtained, five have default rates above 2.5%.

This characterizes a group of defaulters that are intelligent and employable in fields that are starved of expertise. Despite this fairable outlook, those entering these fields default more often than their peers. A possible reason: low initial pay. four of the bottom six majors sorted by starting salary have default rates greater than 2.5%.

As pointed out in a Hamilton Project study [1], the amount of student loans isn't a problem for graduates, the problem is having students pay back their loans at the beginning of their careers when their income is lowest compared to what they expect to make later in their careers. This disproportionately hurts some majors more than others.

