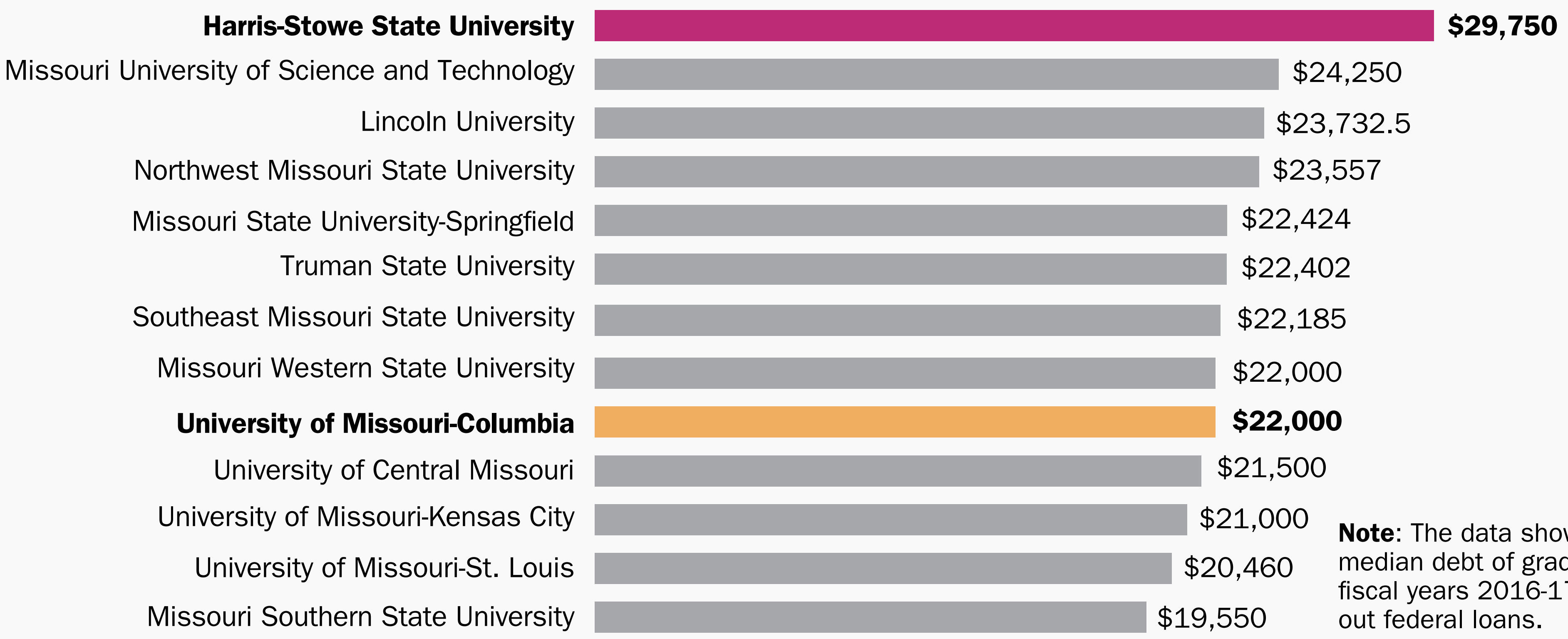
The burden of educational debt

Higher education can open many doors. But for many students, it also causes financial burdens. In 2017, more than half of Missouri college students graduated with loan debt. While having a college degree may provide students with a better future, it can also cause financial pressure.

PENG CHEN/Missourian

Median federal loan debt highest at historically black university

In fiscal years 2016 and 2017, students at Harris-Stowe State University graduated with the highest median debt of the 13 four-year public universities in Missouri: $29,750, or 35 percent more than that of MU graduates. The median debt for MU graduates, $22,000, ranks MU at No. 9.

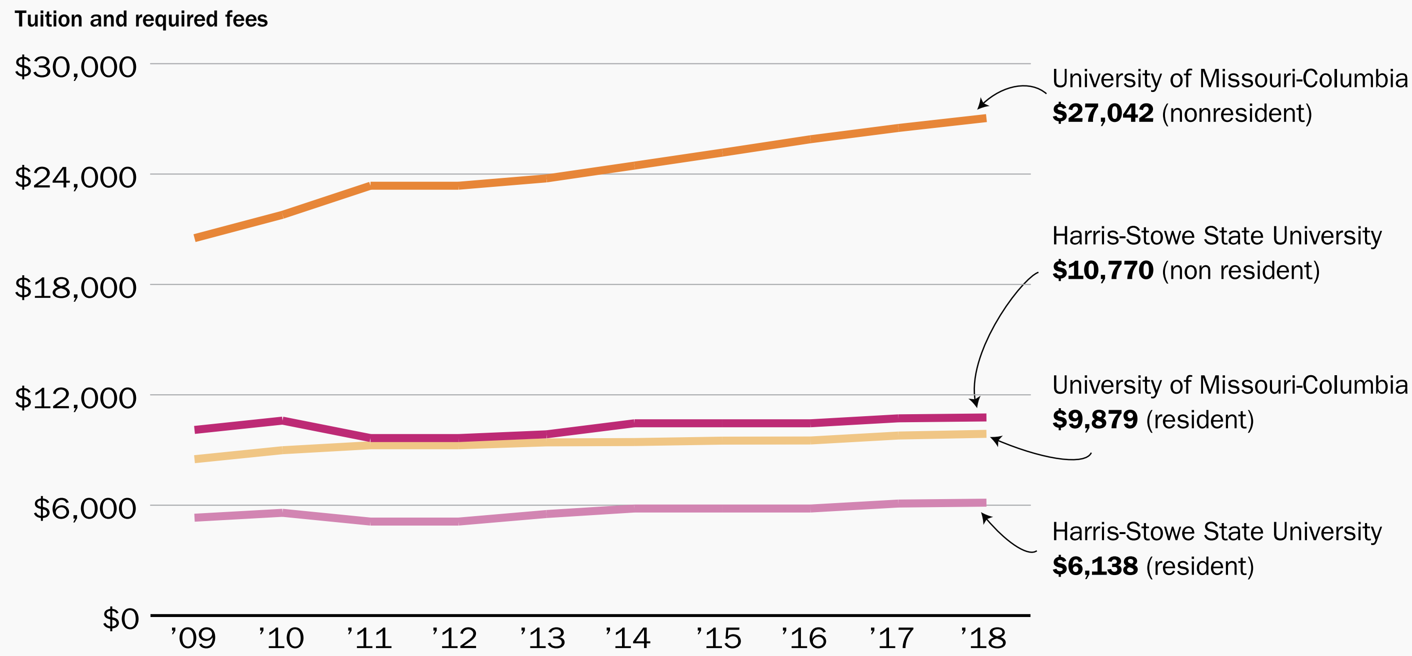


Note: The data show the median debt of graduates from fiscal years 2016-17 who took out federal loans.

Some students who pay the least end up with the highest debt

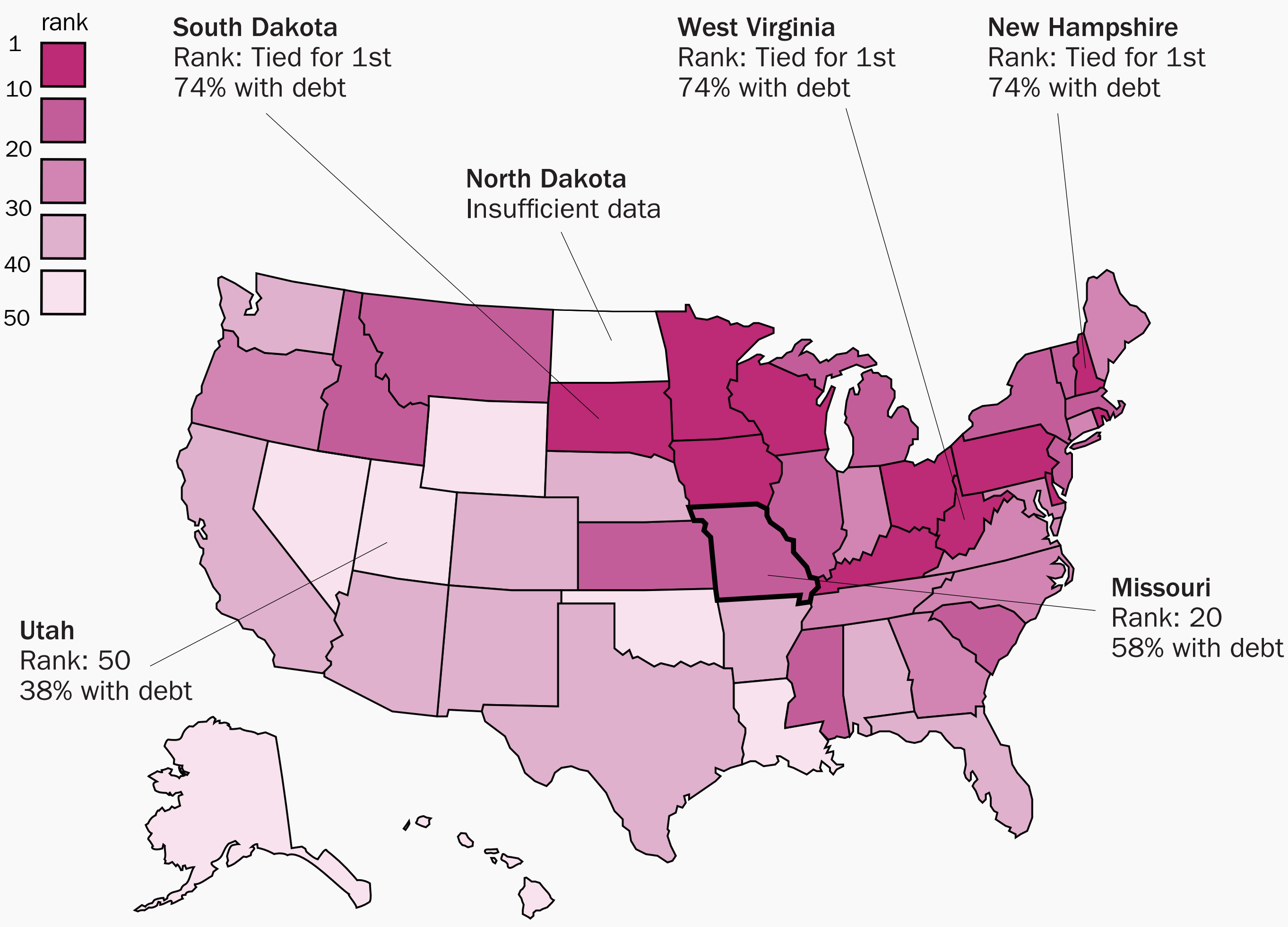
While students of Harris-Stowe State University graduate with the highest median debt, the tuition and required fees for nonresidents at the school has increased by only **7 percent** in the past 10 years, which is the lowest percent change among the 13 public four-year universities. The percent change of nonresidents' tuition at MU during the same time period is **32 percent**.

The tuition for residents at Harris-Stowe State University has increased by more than **15 percent** in last 10 years, which is the second-lowest among the 13 schools. The percentage change of MU during the same time period is close to **17 percent**.



58% of college students in Missouri graduated with debt

In the U.S., about 2 in 3 college students graduated with loan debt in 2017. Those who study in the Northeast have a higher percentage of students graduating with debt than in other regions. While three states tie for first, Utah ranks last — only 38 percent of students going to school there graduate with debt.



Tips for managing debt after graduation

- **Know the loans**
  Be aware of when loan payments begin and how to select a repayment plan. Keep track of the lenders, balance and repayment status.
- **Budgeting**
  Determine monthly income from all sources, including any help from parents. Factor your loan payments into your fixed expenses and subtract them from your total income to see how much disposable income you will have.
- **Keep living a 'college lifestyle'**
  Continue to live with roommates to lower the rent and expenses. Cook at home whenever possible instead of going out to eat. Buy flexible, good-quality outfits for work instead of spending money on casual clothes.
- **Pick the right repayment option**
  Spend time to fully understand the trade-offs between different options. Standard monthly repayment may be high, but you can pay off debt quickly. Income-driven repayment options will lower monthly payments, but the interest rate will be high.

Sources: COLLEGE SCORECARD, INSTITUTE FOR COLLEGE ACCESS & SUCCESS, THE SIMPLE DOLLAR, DEBT.ORG, MISSOURI DEPARTMENT OF HIGHER EDUCATION