TAKING ACTION: HIGHER EDUCATION AND STUDENT DEBT

The Domestic Policy Council
&
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Taking Action: Higher Education and Student Debt

"Higher education should not be a luxury. It is a necessity, an economic imperative that every family in America should be able to afford."

-President Barack Obama, August 22, 2013

I. Executive Summary

A postsecondary education is the single most important investment that Americans can make in their futures. Higher education results in higher earnings and a lower risk of unemployment, but for too many low- and middle-income families this essential rung on the ladder to opportunity and advancement is slipping out of reach. Over the past three decades, the average tuition at a public four-year college has more than tripled, while a typical family's income has barely budged. More students than ever are relying on loans to pay for college. Today, 71 percent of those earning a bachelor's degree graduate with debt, which averages $29,400. While most students are able to repay their loans, many feel burdened by debt, especially as they seek to start a family, buy a home, launch a business, or save for retirement.

The President and his administration have a long track record of taking steps to make college more affordable and accessible for families. And as part of his year of action to expand opportunity for all Americans, the President is committed to building on these efforts by using his pen and his phone to make student debt more affordable and more manageable to repay.

In response to growing accounts highlighting the challenges many American families face in managing their student loans, the President has called on the U.S. Senate to pass legislation to allow an estimated *25 million* student loan borrowers refinance outstanding student loans at lower interest rates. The table in Section V of this report provides the number of these borrowers in each state. A typical participating borrower would save *$2,000* over the life of his or her loan. Additionally, some economists are beginning to raise concerns over the possible macroeconomic impacts of rising student debt, including the growing number of defaults and missed payments.

Earlier this week, President Obama used the power of his pen to help millions more borrowers afford their loan payments. He signed a Presidential Memorandum directing the Secretary of Education to allow nearly *5 million* additional borrowers to cap their student loan payments at 10 percent of their income. The table in Section VI provides the number of these borrowers in each state. For example, a teacher earning about $39,000, with student loan debt of $26,500, would be able to reduce her payments by over $1,500 a year, compared to the standard repayment plan.

The Administration is also taking new steps to strengthen financial incentives for federal student loan contractors managed by the Department of Education to help borrowers repay their loans on-time, by lowering payments for servicers when loans enter delinquency or default, and increasing the value of borrowers' customer satisfaction when allocating loan volume. These changes will improve the way that servicers are compensated to better ensure high-quality servicing for student loan borrowers.

Since taking office, President Obama has made it a top priority to invest in college affordability, by increasing the maximum Pell Grant award for working and middle class families by more than $1000, creating the American Opportunity Tax Credit, enacting effective student loan reforms eliminating bank subsidies, and making college more affordable. Last summer he also announced ambitious reforms to combat rising college costs and improve value for students and their families.

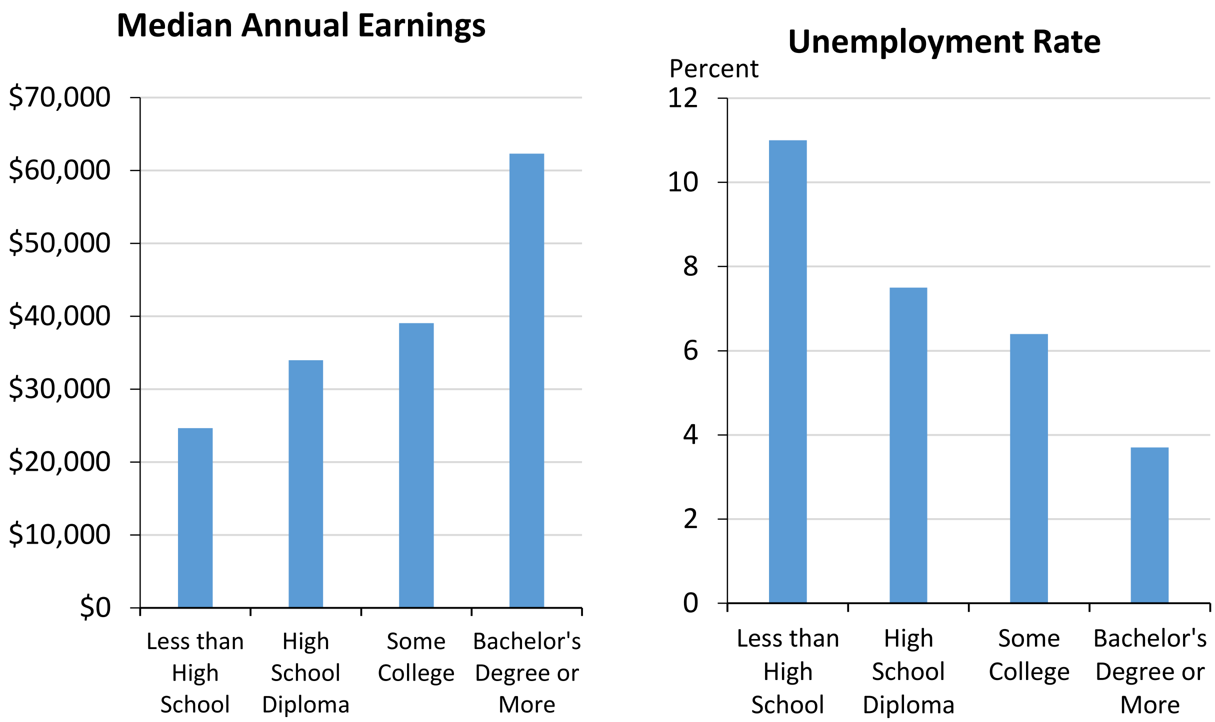
This report provides more detail on the changing landscape of higher education and student debt, including new information on how borrowers are affected in each state, and describes the actions the Administration has undertaken to make college affordable. For more information on the Administration's executive actions on student debt, visit: http://www.whitehouse.gov/making-college-affordable.

II. Student Loan Debt: The Changing Higher Education Landscape

A College Degree Is an Excellent Investment

College continues to be an excellent investment for most students. The median annual earnings among recipients of a Bachelor's degree or higher (age 25 and over) with full-time work was $62,300 in 2013, or $28,300 more than their counterparts with only a high school diploma (BLS 2014). College graduates also faced lower rates of unemployment than those with only a high school diploma, at 4 percent versus 8 percent (Figure 1). Adults with some college or a two-year degree were also better off, but the benefits were smaller: those employed full-time earned on average $39,000 annually, $5,200 more than their counterparts with only a high school diploma.

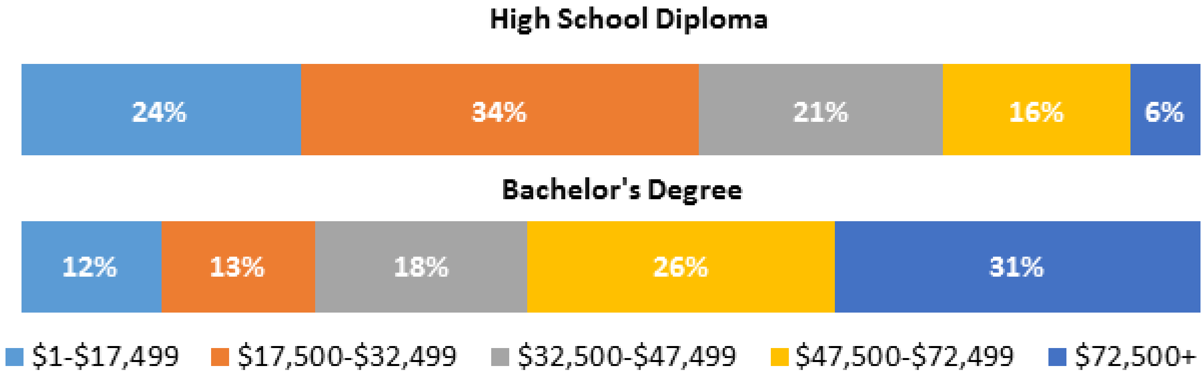
Figure 1. Earnings and Unemployment By Education Level, 2013.



Source: Current Population Survey, 2014.

While average returns on a college education are significant, a college education is not a guarantee of a high-paying job. Although workers with a bachelor's degree are far more likely to have greater earnings, a fraction have earnings levels more common among those with only a high school diploma (Figure 2). For example, 12 percent of workers age 35 to 44 with a bachelor's degree had earnings under $17,500, compared to 24 percent of workers with only a high school diploma. This minority of college graduates may have faced poor economic conditions, inability to find employment in one's area of study, or personal issues such as illness.

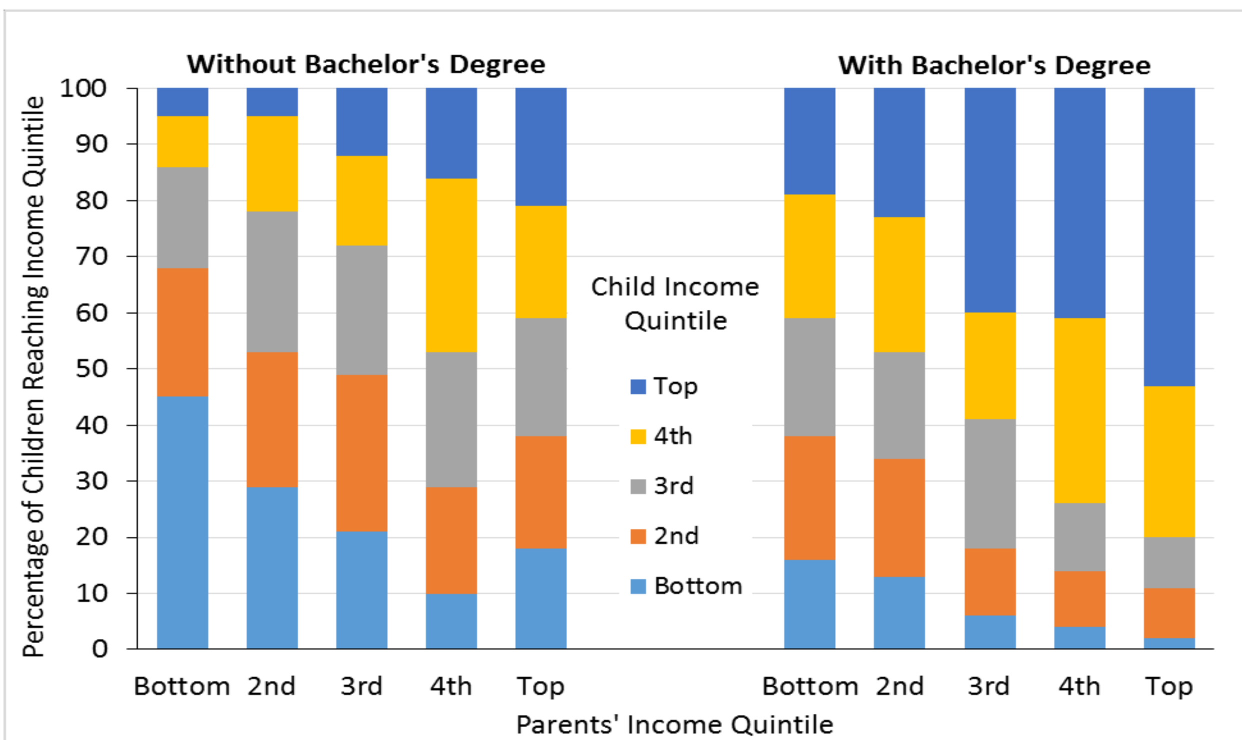
Figure 2. Earnings Distribution of Workers Ages 35 to 44 in 2011



Note: Percentages may not sum to 100 because of rounding.
Source: U.S. Census Bureau, 2014. Current Population Survey data releases.

Some studies also report other benefits associated with higher levels of education attainment beyond earnings. According to data from the College Board, college-educated adults are more likely than others to receive health insurance and pension benefits from their employers, and in general a college education leads to healthier lifestyles, reducing health care costs. Adults with higher levels of education tend to be more active citizens than others. Finally, data from both the College Board and the Brookings Institution indicate that a college education increases the chances that an adult will move up the socioeconomic ladder (Figure 3).

Figure 3. Economic Mobility by Income and Education Level

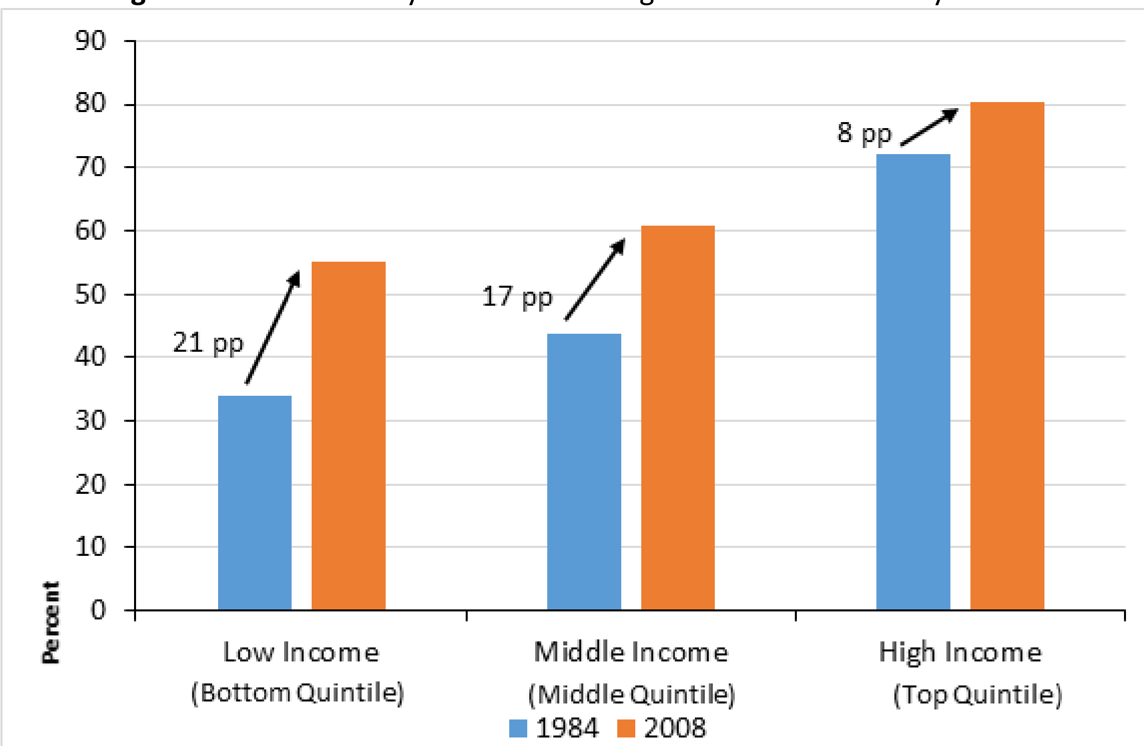


Source: Haskins et al, 2008.

Increased College Enrollment and Rising Student Loan Debt

As the value of a college degree grows, enrollment rates have also increased. Nearly two-thirds of high-school graduates enrolled in college in 2013, a six percent increase from 1995 (BLS 2014). Growth in enrollment was particularly rapid in years with poor labor market conditions due to the Great Recession. Although students from low-income families are less likely to enroll in college overall, they account for most of the increase in enrollment from 1984-2008, narrowing the college attendance gap (Figure 4). More than half of high-school graduates from families with the lowest 20 percent of income enrolled in college in 2008, a 21 percentage point increase from 1984 (College Board 2014a). This trend is providing greater opportunities for young Americans from all backgrounds, but some of that growth in enrollment—coupled with rising college costs—has fueled a greater uptake of students taking out education loans in order to finance their college education.

Figure 4. Postsecondary Enrollment of High School Graduates by Income

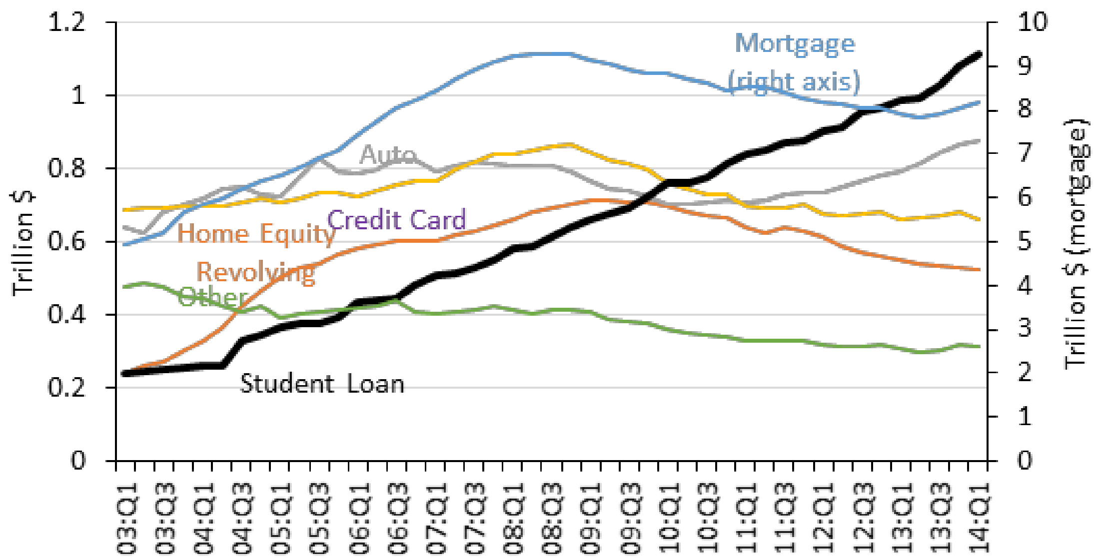


Source: National Center for Education Statistics, 2010.

The growth in enrollment has contributed to a rapid rise in the student loan debt balance, which stood at $1.1 trillion in early 2014 compared to $250 billion in 2003 (Figure 5). In fact, student loan debt is second only to mortgages among all categories of household debt. Rising tuition and fees have also driven some of this trend, with an 87 percent increase at public four-year colleges from 1999-2000 to 2012-2013 (College Board 2014b).

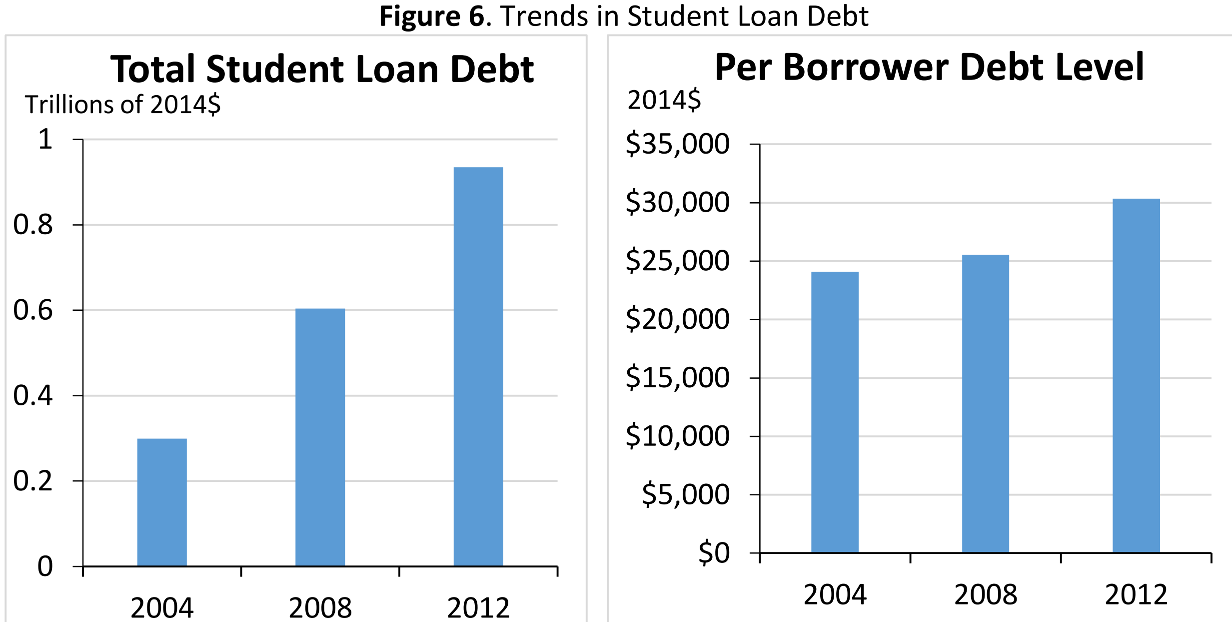
However, some of these increases in the price of college have been offset by grants, tax benefits, and other discounts, and debt per college graduate has increased at a much more modest rate than total outstanding student debt (Figure 6). Goldman Sachs Research (2014) estimates that more than half of the increase in total amount of student loan debt since 1995 is due to increased enrollment and a greater share of students financing their education through loans. The trend towards more financing is driven in part by the increasing enrollment of students from low-income families.

Figure 5. Outstanding Debt By Type



Source: Federal Reserve Bank of New York, 2014.

Figure 6. Trends in Student Loan Debt



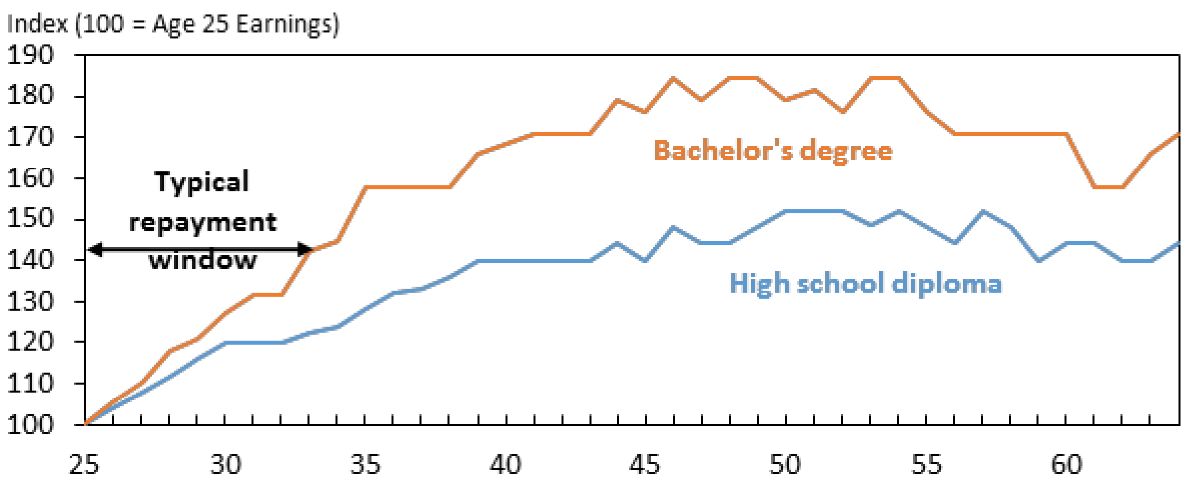
Note: Average debt level per borrower includes those receiving a bachelor's degree.
Source: Federal Reserve Bank of New York and NPSAS.

Future changes in college costs are unlikely to lessen the debt burden. Recent trends have been compounded at many public institutions of higher education as they face declines in state appropriations, a historically large part of public higher education financing. In almost all states — including those that are now making modest increases in their higher education budgets — higher education funding remains well below pre-recession levels. Compared with the 2007-08 school year, when the recession hit, and adjusted for inflation, thirty-seven states have cut funding per student by more than 20 percent, nine states have cut funding per student by more than one-third, and per-student spending in Arizona, Louisiana, and South Carolina is down by more than 40 percent since the start of the recession. (Source: Center for Budget and Policy Priorities, 2014)

The Affordability of Student Loan Debt

The high returns to a college education make student loan payments affordable for most borrowers. Some borrowers, however, clearly struggle to make payments and this may be particularly concerning for students just starting their careers when earnings may be relatively low or when they are still looking for work. College graduates experience the greatest earnings benefits later in their careers (Figure 7). For example, bachelor's degree recipients experience a 27 percent earnings increase from age 25 to age 30, compared to a 20 percent increase for high school graduates. This difference is much larger at age 45, a 76 percent increase for bachelor's degree recipients compared to a 40 percent increase for high school graduates. The typical repayment period of a student loan occurs during the earliest years despite the fact that the benefits accrue later. Coupled with the general uncertainty in labor market outcomes for individuals at any education level, paying back student debt relatively soon after college can be a challenge.

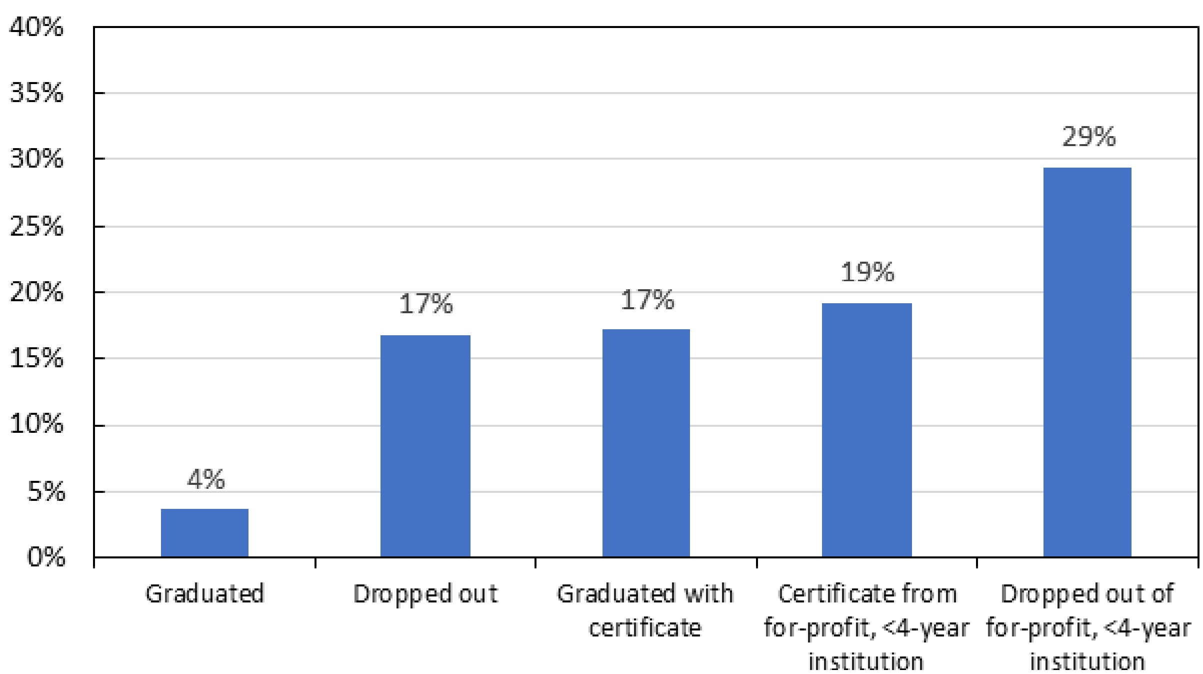
Figure 7. Median Earnings by Age and Education



Source: American Community Survey (2012) and CEA calculations
Note: Reported earnings are for full-time, full-year workers.

College remains an excellent investment overall. However, taking on the debt needed to complete a degree can create challenges for some students, especially for borrowers who start school but do not end up completing a degree or credential. Ten percent of borrowers entering repayment in 2012 defaulted on a loan within two years, up from 5 percent of 2003 graduates (Department of Education 2014). Borrowers who drop out of college are more likely to default than those who do not, 17 percent versus 4 percent (Figure 8), highlighting the importance of completing a degree or program. According to data from the Department of Education, large number of defaults are actually small balance loans – with approximately 1.7 million defaulted borrowers owing $4,000 or less on their loans, many of whom may not have completed their education. These individuals are unlikely to reap the full benefits of the educational program, and some may have left their programs due to another barrier to higher earnings, such as an illness or family emergency. Earnings after graduation also vary across majors (Carnevale et al 2011), and major choice has also been linked to default rate (Steiner and Teszler 2003), although choosing a major with high average earnings does not guarantee favorable outcomes for all students. Furthermore, prospective students may not have reliable information about earnings potential when selecting a major or a program (Long 2010), and economic conditions specific to a given field of study may change before a student enters the labor market.

Figure 8. Percentage of Borrowers Who Defaulted on Their Loans, By College Outcome



Source: Beginning Postsecondary Students, 2004/2009

For borrowers who do default on their loans the consequences can be severe including a damaged credit rating, tax refund offset, or garnished wages. Credit ratings are a key determinant of one's ability to purchase or rent a home, open a bank account, or finance a vehicle—all important ingredients for launching a career successfully. Moreover, these blemishes on credit reports are occurring during a time when employers are increasingly relying on credit scores in the hiring process, meaning that missing payments or defaulting on student loans can impact a student's ability to pay the loans back.

Student debt burdens may have adverse effects beyond default. High monthly payments on student loans may hamper students' ability to pay other debts or cause other financial hardship. Those with more student loan debt had a higher incidence of default on credit card loans during the Great Recession (Ionescu and Ionescu 2014), and greater student loan debt deters student borrowers from enrolling in some types of graduate programs (Zhang 2013). Furthermore, the fear of large amounts of debt may discourage prospective students from investing in higher education despite its potential benefits.

III. Taking Action on College Affordability and Addressing the Student Loan Debt Challenge

Investing in Student Financial Aid

Recognizing the critical importance of a college education to our nation's economic prosperity over the past several years, the Obama Administration has worked towards the goal that all Americans have the opportunity to pursue a college education, keeping college affordable and making sure student debt is manageable for American families. Key investments in student financial aid and education tax benefits, including through increased investments such as raising the maximum Pell Grant award by nearly $1,000 and creating the $2,500 American Opportunity Tax Credit (AOTC), have contributed to stabilizing costs for many students and families and helping to expand college opportunity. The number of Pell grant recipients increased from 6.2 million students in 2008 to 8.9 million students in 2013, and 11.5 million families are expected to now benefit from the AOTC. The Administration also worked with Congress to keep interest rates sustainably low on federal student loans that benefited almost 10 million borrowers last year.

Increasing Transparency to Help Students and Families Make Investments

The Administration has created new tools and resources like the College Scorecard that provides information to help students and families search for and select a college utilizing key indicators of affordability and value; and the Financial Aid Shopping Sheet to help families make sound college financing decisions by easily comparing financial aid awards from different colleges before deciding where to enroll. More than 2,066 institutions representing 8.6 million college students have now voluntarily adopted the Financial Aid Shopping Sheet to help provide comparable information to families.

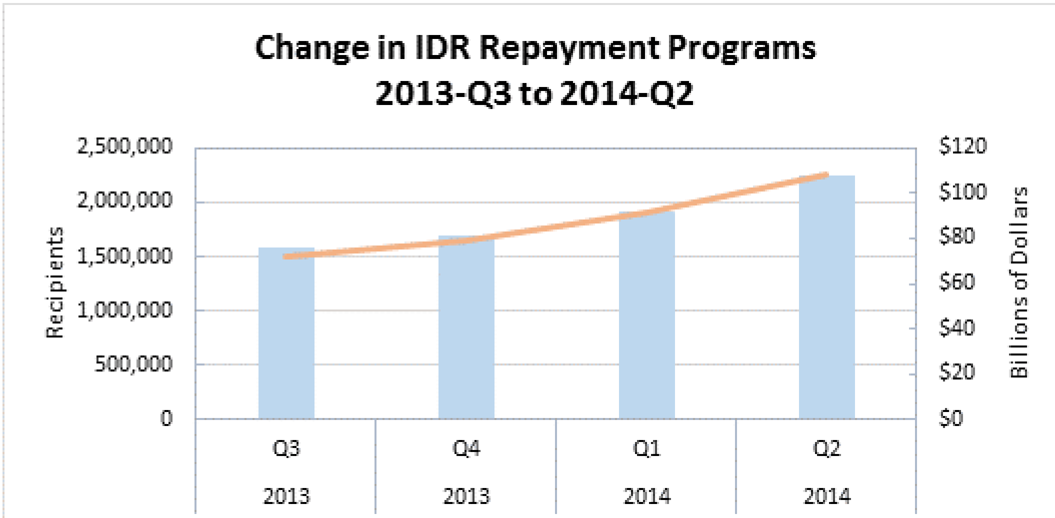
Creating Better Options for Borrowers: The President's Pay As You Earn Plan

The Administration has also taken many steps to tackle student debt directly. Due to legislation signed in 2010 and regulations adopted in 2012, the Administration created flexible repayment options for federal student loan borrowers by providing them the opportunity to cap their federal student loan payments at 10 percent of their income, allowing millions of current and future borrowers to more easily manage their debt obligation. These income-driven repayment plans, like the President's Pay As You Earn plan, can be effective tools to help individuals manage their debt and avoid the consequences of defaulting on a Federal student loan, especially for borrowers whose college investment has yet to deliver its full benefit. While not all federal student loan borrowers are currently able to cap their loan payments at 10 percent of their income, most students taking out loans today would benefit from the Administration's actions since 2009 to expand access to these plans.

Promoting Greater Awareness of Repayment Options for Borrowers

The Administration has also promoted greater awareness about the repayment options available to borrowers, and while far too many struggling borrowers are still unaware of the options available to them to help responsibly manage their debt, recent outreach efforts by the Department of Education, and the Department of Treasury's work in partnership with private sector tax preparers, have contributed to greater numbers of student borrowers enrolling in income-driven plans. As illustrated by Figure 9, the utilization of income-driven plans has increased more than 40 percent since starting these awareness campaigns last year.

Figure 9. Participation in Income Driven Repayment (IDR) Programs, by Number of Recipients and Loan Dollars



Source: U.S. Department of Education, Office of Federal Student Aid. Federal Direct Loans only.
Note: Income Driven Repayment Plans include the following plans: the Income-Based Repayment, Income-Contingent Repayment, and Pay As You Earn.

In addition to expanding options for borrowers and generating greater awareness of income-driven repayment plans, the Administration has continued to improve customer service for federal student loan borrowers. Borrowers can more easily access the student financial aid information they need and manage their debt during student loan repayment due to the creation of performance-based student loan contracts, streamlined application processes, and new and upgraded tools and resources.

Providing Better Tools and Resources for Federal Student Loan Borrowers

Since 2012, the Administration has created a streamlined online application process for income-driven repayment plans that allows student loan borrowers with federally held loans to import their IRS tax return income data directly into the application. And through Treasury's new Financial Empowerment Innovation Fund, the Administration will award a number of contracts this year to support research, demonstrations, and evaluations of innovative financial services and products, such as cutting edge tools that help students and families navigate financial decision-making around post-secondary education, financial aid, and repaying student loans. The Administration also launched integrated online and mobile resources for current and former students to use in learning about Federal student aid, including better interactive calculators that allow student loan borrowers to compare various options to cap monthly payments based on income; created a new Financial Awareness Counseling Tool (FACT) with customized loan information to help students make better higher education financial decisions, including understanding their loan debt and its impact on their everyday lives; and strengthened required student loan exit counseling to enable borrowers to choose a repayment plan that meets their needs before leaving school and during a time at which they are reminded of their repayment obligations.

Making College More Affordable

As a part of the President's plan to make college more affordable that was announced last August, the Administration is also working to develop a new system of college ratings to be published for the 2015-16 academic year. The new ratings system will show which colleges provide the best value, incentivizing all colleges to improve their value and serve students from disadvantaged backgrounds. The Administration has also taken steps to promote innovation and competition in higher education by launching a new $75 million First in the World innovation fund aimed at seeding and evaluating promising practices that can offer breakthroughs on cost, quality, and better outcomes for students, and funding $450 million in Department of Labor grants to community colleges to promote accelerated degree paths and credentials that would drive more high-quality and affordable options for adult workers and students. The Administration also invited new proposals from colleges to identify possible regulatory waivers to create "experimental sites" that promote high-quality, low-cost innovations in higher education, making it easier for students to get financial aid based on how much they learn, rather than the amount of time they spend in class.

In June 2013, President Obama also signed an executive order creating the President's Advisory Council on Financial Capability for Young Americans (PACFCYA) to encourage building the financial capability of young people at an early stage in schools, families, communities, the workplace, and through use of technology. PACFCYA formed a working group focused on higher education that will work closely with university leaders and higher education experts and recommend ways to take action to improve higher education decision making and outcomes.

New Actions to Make Student Loans More Affordable

Each of the above actions further strengthened support available to help students and families better manage their debt, but there is still more to do. That is why the President announced additional executive actions to help support federal student loan borrowers, especially vulnerable borrowers and those that may be at risk of future default on their loan obligations.

Capping Student Loan Payments at 10 Percent of Income for More Students

The President will direct the Secretary of Education to ensure that student loans remain affordable for all who borrowed federal direct loans as students by allowing them cap their payments at 10 percent of their monthly incomes. No existing repayment options will be affected, and the new repayment proposal will also aim to include new features to target the plan to struggling borrowers. The Department will begin the process to amend its regulations this fall with a goal of making the new plan available to borrowers by December 2015.

This executive action is expected to help up to 5 million borrowers who may be struggling with student loans today. For students who need to borrow to finance college, PAYE provides an important assurance that student loan debt will remain manageable. Because the PAYE plan is based in part on a borrower's income after leaving school, it shares with students the risk of taking on debt to invest in higher education.

Many student loan borrowers are working and trying to responsibly make their monthly payments, but are nonetheless struggling with burdensome debt. For example, a 2009 graduate earning about $39,000 a year as a fourth year teacher, with student loan debt of $26,500, would have his or her initial monthly payments reduced by $126 under the President's Pay As You Earn plan compared with monthly payments under the standard repayment plan and would see a reduction in annual loan payments of over $1,500.

Doing All We Can to Help Students Repay their Loans

The President will also direct the Secretaries of Education and the Treasury to work together to do all they can to help borrowers manage their student loan debts. Specifically, the Departments will:

1) **Strengthen Incentives for Loan Contractors to Serve Students Well**. The Department of Education administers the federal student loan program through performance-based contracts with private companies awarded through a competitive process. Rather than specifying every step of the servicing process, as was done in the guaranteed loan program that ended in 2010, these contracts provide companies with incentives to find new and innovative ways to best serve students and taxpayers and to ensure that borrowers are repaying their loans. The Department announced that it will renegotiate its contracts with federal loan servicers to strengthen financial incentives to help borrowers repay their loans on time, lower payments for servicers when loans enter delinquency or default, and increase the value of borrowers' customer satisfaction when allocating new loan volume. These changes will improve the way that servicers are compensated to better ensure high-quality servicing for student loan borrowers.

2) **Ensure Active-Duty Military Get the Relief They Are Entitled to.** The Servicemember Civil Relief Act requires all lenders to cap interest rates on student loans – including federal student loans -- at 6 percent for eligible servicemembers. The Department of Education already directs its loan servicers to match their student borrower portfolios against the Department of Defense's database to identify eligible active-duty servicemembers. Now, the Department of Education will reduce those interest rates automatically for those eligible without the need for additional paperwork. It will also provide additional guidance to Federal Family Education Loan program servicers to provide for a similar streamlined process.

3) **Work with the Private Sector to Promote Awareness of Repayment Options.** The Secretary of the Treasury and the Secretary of Education will work with Intuit, Inc. and H&R Block, two of the U.S.'s largest tax preparation firms, to communicate information about federal student loan repayment options with millions of borrowers during the tax filing process — a time when people are thinking about their finances. The Administration is continuing its partnership with Intuit through its TurboTax product, which serves

around 28 million tax filers. The Administration will also form a new partnership with H&R Block, serving approximately 15 million tax filers through its 11,000 retail locations and 7 million more through its digital tax products. Partnerships like these will give us the opportunity to provide information about federal student loan repayment, building upon our work during the most recent tax season by exploring different messages and the timing of information to best help borrowers in evaluating their federal loan repayment options.

In addition, the Administration will work with Intuit to explore ways to communicate with federal student loan borrowers through Intuit's free personal financial management product, Mint.com. Mint is used by 15 million people for financial management and advice, and partnering with Mint provides the opportunity to communicate with these users about income-driven repayment options. Mint includes the capability to provide personalized information about federal loan repayment options, based upon the information that a user has already provided to Mint.

4) **<u>Use Innovative Communication Strategies to Help Vulnerable Borrowers.</u>** Too many borrowers are still unaware of the flexible repayment options currently available to them, especially when they run into difficulties in managing their payments. The Department of Education is redoubling its efforts to identify borrowers who may be struggling to repay and provide them with timely information about options to help them avoid or get out of default. Last year, the Department's efforts led to more than 124,000 borrowers enrolling in an income-driven repayment plan like Income-Based Repayment or the Pay As You Earn plan. Moving forward, the Department of Education will test new ways to reach 2.5 million borrowers with the greatest risk of encountering payment difficulty, such as borrowers who have left college without completing their education, missed their first loan payment, or defaulted on low balance loans, and get them back on track with their loan payments. The Department will also evaluate these strategies to identify which can be used on a larger scale and which are the most effective.

5) **<u>Promote Stronger Collaborations to Improve Information for Students and Families.</u>** All student borrowers are required to receive loan counseling when they first borrow federal student loans and when they leave school, but little is known about the effectiveness of these programs. Working with student debt researchers and student advocates, the Department of Education and the Department of Treasury will also develop and launch a pilot project to test the effectiveness of loan counseling resources, including the Department of Education's Financial Awareness Counseling Tool. The lessons learned will be considered for future actions by the Department and shared with outside partners like the National Association of Student Financial Aid Administrators to improve loan counseling activities at colleges and universities throughout the country. Another way to reach student borrowers is by working with professional associations to provide customized information about repayment options. Today, the Administration is announcing its commitment to work with the American Federation of Teachers, National Education Association, American Association of Colleges of Nursing, American Association

of Nurse Practitioners, American Nurses Association, American Association of Physician Assistants, Business Forward, City Year, National Association of Social Workers, Physician Assistants Education Association, SEIU and the YMCA of the USA to provide comprehensive information about repayment options and federal student aid resources that are available to their members. Moving forward, the Administration will continue to engage organizations, institutions of higher education, and others to ensure that all borrowers have access to the resources and information they need to responsibly manage the repayment of their student loans.

Reducing Indebtedness and Promoting College Affordability by Helping Students and Families Access Education Tax Benefits

In addition to helping borrowers manage their student loan debt, the Department of Education and the Department of Treasury will also work together to educate students, families, financial aid administrators, and tax preparers to ensure that all students and families understand what education tax benefits they are eligible for and receive the benefits for which they qualify. In 2009, the President created the American Opportunity Tax Credit (AOTC), which provides up to $2,500 to help pay for each year of college. But the process of claiming education tax credits like the AOTC can be complex for many students, including for the 9 million students who receive Pell Grants, and hundreds of millions of dollars of education credits go unclaimed each year. To help address this complexity, the Department of Treasury will release a fact sheet clarifying how Pell Grant recipients may claim the AOTC.

IV. Snapshot: Current State-By-State Student Debt

State	Total Number of Federal Student Loan Borrowers	Total Outstanding Federal Student Loan Debt *(in thousands)*
Alabama	575,000	$15,155,514
Alaska	66,000	$1,474,105
Arizona	896,000	$21,364,364
Arkansas	357,000	$8,281,905
California	4,036,000	$103,422,087
Colorado	761,000	$19,583,486
Connecticut	508,000	$11,724,735
Delaware	129,000	$2,912,181
District of Columbia	131,000	$4,997,770
Florida	2,334,000	$61,761,711
Georgia	1,352,000	$39,325,631
Hawaii	129,000	$3,073,287
Idaho	217,000	$4,916,154
Illinois	1,795,000	$47,195,889
Indiana	985,000	$23,484,927
Iowa	522,000	$12,278,244
Kansas	453,000	$10,811,977
Kentucky	588,000	$13,417,245
Louisiana	618,000	$15,525,291
Maine	202,000	$4,387,506
Maryland	776,000	$21,710,281
Massachusetts	980,000	$24,214,544
Michigan	1,529,000	$39,329,986
Minnesota	879,000	$20,319,614
Mississippi	412,000	$10,460,363
Missouri	909,000	$23,265,146
Montana	139,000	$3,065,639
Nebraska	285,000	$6,630,636
Nevada	262,000	$6,218,418
New Hampshire	209,000	$4,763,495
New Jersey	1,172,000	$28,452,337
New Mexico	240,000	$5,552,558
New York	2,825,000	$73,198,472
North Carolina	1,056,000	$26,622,674
North Dakota	110,000	$2,395,522
Ohio	1,993,000	$47,831,064

State	Total Number of Federal Student Loan Borrowers	Total Outstanding Federal Student Loan Debt (in thousands)
Oklahoma	509,000	$11,824,237
Oregon	561,000	$14,715,958
Pennsylvania	2,065,000	$50,476,342
Puerto Rico	332,000	$5,986,832
Rhode Island	160,000	$3,477,388
South Carolina	604,000	$16,236,614
South Dakota	135,000	$3,021,525
Tennessee	793,000	$20,258,649
Texas	3,075,000	$71,225,914
Utah	303,000	$6,544,036
Vermont	99,000	$2,504,799
Virginia	1,002,000	$26,648,975
Washington	771,000	$18,275,602
West Virginia	242,000	$5,686,231
Wisconsin	812,000	$18,215,798
Wyoming	59,000	$1,216,884
Other*	93,000	$2,782,869

Source: U.S. Department of Education, 2014.

V. Snapshot: Federal Student Loan Borrowers Estimated to Benefit from Loan Refinancing By State (Senate Bill 2432)

State	Number of Borrowers	State	Number of Borrowers
Alabama	343,000	**Montana**	81,000
Alaska	42,000	**Nebraska**	172,000
Arizona	484,000	**Nevada**	154,000
Arkansas	209,000	**New Hampshire**	129,000
California	2,328,000	**New Jersey**	742,000
Colorado	462,000	**New Mexico**	134,000
Connecticut	309,000	**New York**	1,581,000
Delaware	69,000	**North Carolina**	678,000
D.C.	62,000	**North Dakota**	63,000
Florida	1,375,000	**Ohio**	1,182,000
Georgia	871,000	**Oklahoma**	269,000
Hawaii	78,000	**Oregon**	334,000
Idaho	134,000	**Pennsylvania**	1,223,000
Illinois	1,095,000	**Puerto Rico**	150,000
Indiana	611,000	**Rhode Island**	88,000
Iowa	311,000	**South Carolina**	390,000
Kansas	262,000	**South Dakota**	81,000
Kentucky	359,000	**Tennessee**	483,000
Louisiana	330,000	**Texas**	1,828,000
Maine	122,000	**Utah**	190,000
Maryland	481,000	**Vermont**	58,000
Massachusetts	581,000	**Virginia**	629,000
Michigan	963,000	**Washington**	451,000
Minnesota	561,000	**West Virginia**	135,000
Mississippi	246,000	**Wisconsin**	515,000
Missouri	523,000	**Wyoming**	32,000
Other*	46,000	**Total**	25,029,000

Source: U.S. Department of Education Estimates, June 2014.

Notes: Other* includes U.S. territories other than Puerto Rico and foreign countries where the eligible citizen resided, or where the eligible institution is located. State by state estimates are based on where the borrower resided when he or she last received a loan or, in a small number of cases, where the borrower last attended college.

VI. Snapshot: The President's New Pay As You Earn Proposal

Additional Borrowers Estimated to Benefit from the President's Pay As You Earn Proposal			
State	**Additional Borrowers**	**State**	**Additional Borrowers**
Alabama	69,731	**Montana**	18,857
Alaska	7,758	**Nebraska**	35,292
Arizona	94,976	**Nevada**	28,859
Arkansas	42,764	**New Hampshire**	22,189
California	423,536	**New Jersey**	94,458
Colorado	110,098	**New Mexico**	27,608
Connecticut	41,833	**New York**	318,874
Delaware	10,838	**North Carolina**	145,606
District of Columbia	25,692	**North Dakota**	10,999
Florida	318,526	**Ohio**	256,126
Georgia	183,001	**Oklahoma**	52,704
Hawaii	13,243	**Oregon**	88,700
Idaho	34,062	**Pennsylvania**	193,590
Illinois	212,418	**Puerto Rico**	15,909
Indiana	114,151	**Rhode Island**	14,336
Iowa	57,473	**South Carolina**	80,764
Kansas	47,144	**South Dakota**	16,601
Kentucky	77,593	**Tennessee**	103,736
Louisiana	56,376	**Texas**	318,476
Maine	25,174	**Utah**	35,892
Maryland	84,817	**Vermont**	12,966
Massachusetts	102,531	**Virginia**	124,650
Michigan	192,891	**Washington**	101,045
Minnesota	111,667	**West Virginia**	29,757
Mississippi	43,530	**Wisconsin**	100,763
Missouri	110,264	**Wyoming**	6,081

Source: U.S. Department of Education Estimates, 2014.

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