

STATS IN BRIEF

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Reaching the Limit

Undergraduates Who Borrow the Maximum Amount in Federal Direct Loans: 2011–12

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Statistics in Brief publications present descriptive data in tabular formats to provide useful information to a broad audience, including members of the general public. They address simple and topical issues and questions. They do not investigate more complex hypotheses, account for inter-relationships among variables, or support causal inferences. We encourage readers who are interested in more complex questions and in-depth analysis to explore other NCES resources, including publications, online data tools, and public- and restricted-use datasets. See nces.ed.gov and references noted in the body of this document for more information.

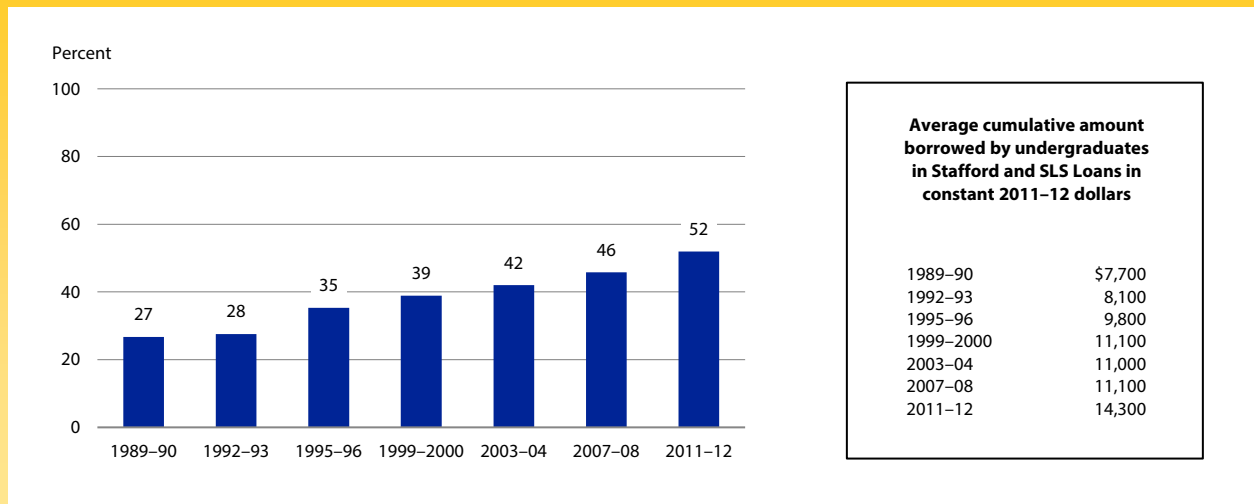
As college costs continue to rise, students and their families increasingly rely on federal loans to help pay for college expenses. In 2011–12, over half of all undergraduates (52 percent) had borrowed money from the federal government to fund their education, compared with just over one-quarter (27 percent) in 1989–90, some 2 decades earlier (figure 1). Not only were students more likely to take out loans, they also borrowed larger amounts, even after adjusting for inflation. For example, the average cumulative amount borrowed by undergraduate recipients of Stafford Loans (the primary federal loan program) was \$14,300 in 2011–12, compared with just over half that sum, \$7,700 in 2012 dollars, in 1989–90. Student debt has been increasing so rapidly over the past 2 decades that, in 2012, national student debt levels surpassed \$1 trillion (Chopra 2012), making student debt a widely cited national economic issue.¹ During this period, undergraduate enrollment also increased, especially following the recession of 2008–09. Between 2007–08 and 2011–12, not only did the numbers of all undergraduate and first-time borrowers increase, but also students in

¹ For example, see Tourayalai (2014).

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FIGURE 1.

CUMULATIVE STAFFORD LOAN BORROWING OVER TIME
Percentage of undergraduates who had ever borrowed Stafford Loans and Supplemental Loans for Students (SLS): Selected years 1989–90 to 2011–12



NOTE: Estimates include all undergraduates who enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. All dollar estimates prior to 2011–12 have been adjusted to 2012 dollars using an academic year Consumer Price Index. Estimates for 2003–04 and 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>.
 SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12).

for-profit and public 2-year institutions became higher proportions of borrowers (Baum and Payea 2015; Horn and Paslov 2104b; Looney and Yannelis 2015; Snyder and Dillow 2014).

Although most student borrowers take out loans from the federal government, students may also borrow from private banks. Private loans generally have higher fees and interest rates than federal loans do and also have fewer protections for borrowers who run into repayment difficulties (Consumer Financial Protection Bureau [CFPB] 2012). Therefore, many individuals struggle when it is time for private student loans to be repaid (CFPB 2014).

The federal government imposes loan limits for each federal loan program in order to mitigate financial risk and more efficiently use government resources (Congressional Budget Office [CBO] 2012). Researchers have conflicting views on how these loan limits affect students. Some argue that current loan limits are too low and lead students to borrow elsewhere or to seek employment that interferes with their academic progress (Avery and Turner 2012; Glater 2011; Heller 2003; King 2002; Scott-Clayton 2012). Others argue that the limits should be reduced because students are incurring too much debt (Burd 2003; Burdman 2012; McKinney, Roberts, and Shefman

2013), while still others suggest that the limits have little effect on attendance (Johnson 2013; Keane 2002). Concerns have also been raised that increasing loan limits, and increasing federal aid in general, lead to higher college prices (Bennett 1987; Cellini and Goldin 2014; McCluskey 2012; Singell and Stone 2007; Turner 2014), although this is disputed by other scholars in the field (Archibald and Feldman 2010; Baum, McPherson, and Steele 2008; Dynarski and Scott-Clayton 2013; Long 2006). When the U.S. Government Accountability Office (GAO) examined this question, it determined that existing data were inconclusive (GAO 2014).

While students' borrowing decisions differ with student characteristics and the institutions they attend (Cadena and Keys 2013; Dynarski 2002), evidence from recent studies also indicates that the complexity of the federal financial aid system may lead students to make less than optimal choices (Dynarski and Scott-Clayton 2006; Marx and Turner 2015).

Given the increase in student borrowing, in both the numbers of borrowers and loan amounts, and the debate surrounding the effects of loan limits on students, it is important to understand the extent to which borrowing at the federal maximum loan amount has changed over time and how that change varies among student groups. Additionally, given the particular concern that loan limits lead to private loan use, it is important to understand what fraction of students borrow at the maximum amount allowed through federal loans before turning

to private loan sources. These are the key issues addressed in this Statistics in Brief.

MEASURES OF MAXIMUM BORROWING

The federal government offers various undergraduate loan programs, including Stafford, Perkins, and Parent PLUS Loans, but the largest program by far is the Stafford Loan program, the primary focus of this report.² In 2011–12, some \$90 billion were disbursed through the Stafford Loan program, which constituted over 80 percent of all federal loans and virtually all (99 percent) undergraduate student loans in that year (Baum and Payea 2015).

The federal government offers two types of undergraduate Stafford Loans: Subsidized and Unsubsidized. Subsidized Stafford Loans begin accruing interest from the time the student exits postsecondary education and are

available only to students with demonstrated financial need. Unsubsidized Loans begin accruing interest from the time they are disbursed, thus accruing interest while the student is enrolled, and are not awarded based on financial need. Annual Stafford Loan limits are set separately for Subsidized Loans and for combined Subsidized and Unsubsidized Loans. These limits, also known as the *program maximums*, vary according to students' class level and dependency status.³ Undergraduates in their third or higher year and graduate students are allowed to borrow more than other undergraduates in their first 2 years. Likewise, undergraduates who are independent of their parents' financial support can borrow more than dependent students can (GAO 2014).

The proportion of undergraduates who borrowed the program maximums for Subsidized Stafford Loans varied from 41 percent to 51 percent in the survey years

² There are two types of federal loans that students can use to fund their undergraduate education, Stafford Loans and Perkins Loans (Parent PLUS Loans are federal loans parents can take in their own name to help fund their children's education). In 2011, over 50 Stafford Loans were estimated to be administered for every one Perkins Loan, making the Stafford Loan program by far the largest student loan program (U.S. Department of Education. Funding Status of the Federal Direct Loan Program [<http://www2.ed.gov/programs/wdffdl/funding.html>] and Funding Status of the Federal Perkins Loan Program [<http://www2.ed.gov/programs/fpl/funding.html>]). Previously, Stafford Loans were offered through either the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan Program. After July 2010, the FFEL program was abolished. This report uses the term "Stafford" to refer to either the older FFEL loans or Direct Loans. Stafford Loans can be either Subsidized or Unsubsidized.

³ Although cumulative limits also apply to Stafford Loans, this publication discusses only annual limits.

between 1989–90 and 2011–12 (figure 2).⁴ In the survey year after each increase in loan limits, the percentage of undergraduates who borrowed the program maximum amount declined. In other years, as tuition and expenses increased, the proportion who borrowed the maximum increased. For example, in 1992–93, one-half (51 percent) of undergraduates borrowed the program maximum. After loan limits were increased in 1993, about 41 percent of undergraduates borrowed the maximum in 1995–96. Similarly, in 2003–04, one-half (51 percent) of undergraduates

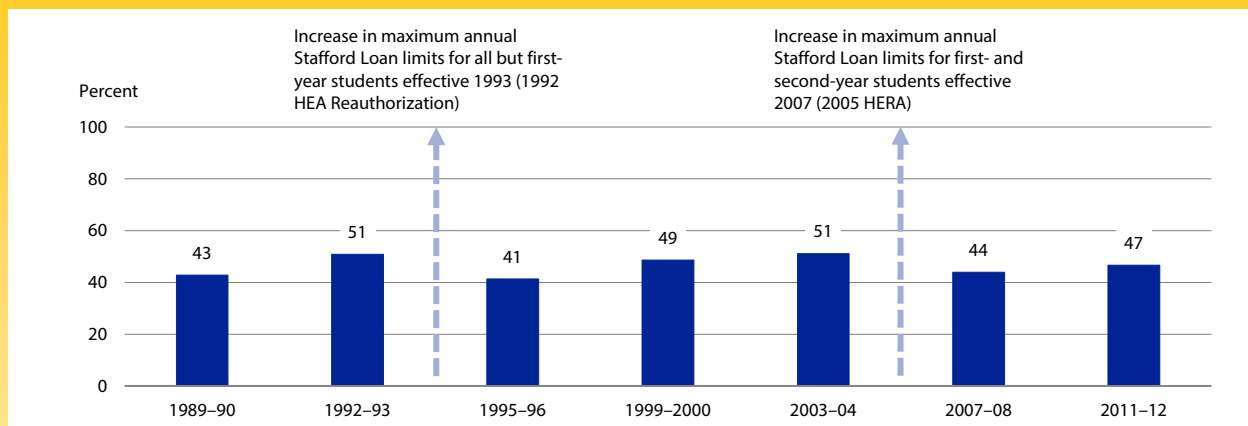
again borrowed the program maximum, but after the 2007 loan limit increase, 44 percent borrowed the program maximum in 2007–08. In 2011–12, the percentage of undergraduates borrowing the program maximum rose to 47 percent. Previous research has commonly used the published program maximums to determine the fraction of students borrowing the maximum amount possible (Clinedinst, Cunningham, and Merisotis 2003; Rube 2003; Wegmann, Cunningham, and Merisotis 2003). The program maximums are

based solely on a student’s class level and dependency status, however, and other relevant factors also restrict the amounts individual students may borrow. Differences between the *program* and *individual* maximums occur when students have lower financial need⁵ (for Subsidized Stafford Loans only); lower institutional costs;⁶ or other restrictions based on program length, program type, and whether a borrower’s parents were rejected for a PLUS Loan. Using the program maximum yields a lower fraction of students who borrow at

FIGURE 2.

BORROWING AT THE PROGRAM MAXIMUM

Of undergraduates with Subsidized Stafford Loans, percentage who borrowed the program maximum amount and indications of statutory changes in subsidized loan limits: Selected years 1989–90 to 2011–12



NOTE: HEA is the Higher Education Act and HERA is the Higher Education Reconciliation Act. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. Undergraduates who borrowed at the program maximum took out the maximum loan amount allowed based upon their class level and dependency status. Estimates include only undergraduates who took out a Subsidized Stafford Loan. Estimates also restricted to students who attended one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded, as were students whose class level was not determined. Class level is needed to establish students’ program maximum. Estimates for 2003–04 and 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12).

⁴ Class level, for purposes of loan eligibility, is based on the year the student is enrolled in school, with first-year students eligible for the lowest limits. Independent students were age 24 or over and students under 24 who were married, had dependents, were veterans or on active duty, were orphans or wards of the courts, were homeless or at risk of homelessness, or were determined to be independent by a financial aid officer using professional judgment. Other undergraduates under age 24 were considered to be dependent.

⁵ A borrower’s Subsidized Stafford Loan amount, in combination with other grant aid received, cannot exceed his or her financial need, which is the estimated cost of attendance less the expected family contribution (EFC).

⁶ A borrower’s combined Stafford Loan amount cannot exceed his or her cost of attendance.

the maximum because some students' individual maximums are lower than the program maximum.

To provide a more accurate picture of how many students borrow the maximum amount allowed in annual Stafford Loans, the measure used in this analysis is the individual maximum, which takes into account these further restrictions. Undergraduates who attended more than one institution were excluded from this measure because information on their total financial need and cost of attendance is not available through the National Postsecondary Student Aid Study (NPSAS).⁷

This Statistics in Brief builds on Wei and Skomsvold (2011), adding more recent data from the 2011–12 NPSAS and comparing estimates of the amount undergraduates borrowed in 2007–08 and 2011–12. This analysis includes all undergraduates of any age who were enrolled in at least one course that met the requirements of an undergraduate certificate or degree program. Students had to attend institutions that were eligible to participate in federal financial aid programs under Title IV of the Higher Education Act. Such institutions include 4-year, 2-year, and less-than-2-year institutions controlled by public, private nonprofit, or for-profit entities.

All comparisons of estimates were tested for statistical significance using the Student's *t* statistic, and, unless otherwise noted, all differences cited are statistically significant at the $p < .05$ level.⁸

⁷ Students who attended more than one institution made up 8 percent of undergraduates in 2011–12.

LEGISLATIVE CHANGES TO THE LOAN LIMITS

Three laws address the *program* loan limits in the Stafford Loan program during the period discussed in this report, July 1989 to July 2012. The first was the Higher Education Act (HEA) Amendments of 1992, which increased annual Stafford limits for all but first-year students, effective in 1993. The second was the Higher Education Reconciliation Act (HERA) of 2005, which increased annual Stafford limits for first- and second-year students, effective in 2007. The third was the Ensuring Continued Access to Student Loans Act of 2008, which raised undergraduates' annual limits for Stafford Subsidized and Unsubsidized Loans combined, but not for Subsidized Loans only, and became effective in 2008.

STAFFORD PROGRAM MAXIMUM LIMITS

Annual loan limits for undergraduate Stafford Loans by class level and dependency status: 1987–88 to 2012–13

Class level	Stafford Loan type		
	Subsidized	Subsidized and Unsubsidized Combined	
	All undergraduate students	Dependent students	Independent students
1987–88 to 1992–93			
First-year	\$2,625	\$2,625	\$6,625
Second-year	2,625	2,625	6,625
Third-, fourth-, fifth-year	4,000	4,000	8,000
1993–94 to 2006–07			
First-year	2,625	2,625	6,625
Second-year	3,500	3,500	7,500
Third-, fourth-, fifth-year	5,500	5,500	10,500
2007–08 to 2008–09			
First-year	3,500	3,500	7,500
Second-year	4,500	4,500	8,500
Third-, fourth-, fifth-year	5,500	5,500	10,500
2009–10 to 2012–13			
First-year	3,500	5,500	9,500
Second-year	4,500	6,500	10,500
Third-, fourth-, fifth-year	5,500	7,500	12,500

SOURCE: U.S. Department of Education, *The Guide to Federal Student Aid*, annual.

⁸ No adjustments for multiple comparisons were made. The standard errors for the estimates can be found at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2016408>. The margin of error for the percentages in this report range from +/- .24 to +/- 3.49 percentage points.

STUDY QUESTIONS

1 How did the percentage of undergraduates with Stafford Loans who borrowed the *individual* maximum amount allowed in 2011–12 compare with that in 2007–08, and how did this percentage vary by dependency status and type of institution attended?

2 In 2011–12, how did undergraduates who borrowed the *individual* maximum amount in Stafford Loans differ from undergraduates who did not borrow the maximum and from those who did not borrow at all, in terms of dependency status, income level, institution type, and attendance status?

3 Did students borrow the individual maximum in Stafford Loans before using other sources of financing for their undergraduate education, including private loans, Parent PLUS Loans, or outside employment?

KEY FINDINGS

- The analysis found a 4-percentage point decrease between 2007–08 and 2011–12 in the percentage of undergraduates with Subsidized Stafford Loans who borrowed the individual maximum amount allowed (68 percent vs. 64 percent) (table 1). In addition, among all Stafford Loan borrowers, the percentage who borrowed the individual maximum amount allowed in combined Subsidized and Unsubsidized Stafford Loans decreased by 6 percentage points, from 61 percent to 55 percent. These declines were accompanied by increases in the number and percentage of undergraduates who took out any Stafford Loan (table 2).
 - In particular, when all undergraduates are considered, a small but statistically significant increase in maximum borrowing was found (21 percent to 23 percent).
 - In 2011–12, although dependent students made up 50 percent of all undergraduates, they made up a larger percentage of students who borrowed at the maximum (53 percent) and a smaller percentage of students who did not borrow at the maximum (46 percent) (table 4). Additionally, among dependent students, 24 percent of those who borrowed at the maximum were from the highest income group, compared with 19 percent of their counterparts who borrowed less than the maximum. Finally, students at public 2-year colleges were overrepresented among nonborrowers and underrepresented among students who borrowed the maximum loan amount possible.
- Not all 2011–12 students who borrowed from other sources had maximized their federal Stafford Loan borrowing: 11 percent of Stafford Loan borrowers who borrowed less than their individual combined maximum loan amount took out private loans (figure 3). Additionally, among dependent students who took out less than their individual combined maximum loan amount in Stafford Loans, 18 percent had parents who took out Parent PLUS Loans (figure 4).

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How did the percentage of undergraduates with Stafford Loans who borrowed the *individual* maximum amount allowed in 2011–12 compare with that in 2007–08, and how did this percentage vary by dependency status and type of institution attended?

The percentages of Stafford Loan borrowers who took out the individual maximum for Subsidized Stafford Loans and for combined Subsidized and Unsubsidized Loans, the two types of annual loan limits, were lower in 2011–12 than in 2007–08 (table 1). Specifically, 68 percent of undergraduates with Subsidized Stafford Loans borrowed the Subsidized Loan maximum in 2007–08, and 64 percent did so in 2011–12. The percentage of Stafford Loan recipients who borrowed the combined maximum allowed was 61 percent in 2007–08 and 55 percent in 2011–12. Due to increases in the numbers of undergraduates and of borrowers, however, the number of borrowers who took out the individual maximums (both Subsidized and combined Subsidized and Unsubsidized) was larger in 2011–12 than in 2007–08.

TABLE 1.

BORROWING AT THE INDIVIDUAL MAXIMUM Number of undergraduates who borrowed the individual maximum amount and percentage of Stafford Loan borrowers who borrowed the individual maximum, by type of Stafford Loan limit: 2007–08 and 2011–12

	2007–08	2011–12
Subsidized Stafford Loans		
Number who borrowed at individual maximum	3,664,900	4,676,700
Percentage who borrowed at individual maximum	67.8	63.8
Subsidized and Unsubsidized Stafford Loans combined		
Number who borrowed at individual maximum	3,797,800	4,508,700
Percentage who borrowed at individual maximum	60.6	55.0

NOTE: Estimates include only undergraduates who took out at least one Stafford Loan, and Stafford Loans are available only to students who are enrolled at least half time and are not international students. Estimates also restricted to students who attended one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded, as were students whose class level was not determined. Class level is needed to establish students' individual maximum. "Subsidized Stafford Loans" estimates include all those who took out a Subsidized Stafford Loan (regardless of whether they also took out Unsubsidized Loans). "Subsidized and Unsubsidized Stafford Loans combined" estimates include all who took out any Stafford Loan. Estimates for 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>. SOURCE: U.S. Department of Education, National Center for Education Statistics, 2007–08 and 2011–12 National Postsecondary Student Aid Studies (NPSAS:08 and NPSAS:12).

Moreover, the small but statistically significant decline in the percentage of Stafford Loan recipients who borrowed the maximum amount occurred at the same time that the total rate of Stafford Loan borrowing among all undergraduates increased (table 2). When all undergraduates (including nonborrowers) are taken into account, the percentage of undergraduates who had borrowed the individual maximum for Subsidized and Unsubsidized Loans combined in 2011–12 was 2 percentage points higher than in 2007–08 (23 percent vs. 21 percent). The number of undergraduates who borrowed the individual combined maximum increased as well, from approximately 3.8 million students to 4.5 million.

Examination of borrowing by dependency status revealed that 25 percent of all dependent undergraduates borrowed the maximum in 2007–08 and 24 percent did so in 2011–12. In contrast, among independent undergraduates, the proportion who took out the maximum Stafford Loan amount was higher in 2011–12 than in 2007–08 (21 percent vs. 18 percent). In both years, the percentage of Stafford Loan recipients who borrowed the maximum was higher for dependent than for independent borrowers.

TABLE 2.

STAFFORD LOAN STATUS Number and percentage distribution of undergraduates by whether they borrowed their individual maximum in combined Stafford Loans and dependency status: 2007–08 and 2011–12

	2007–08	2011–12
All undergraduates		
Number		
Borrowed at individual maximum	3,797,800	4,508,700
Borrowed less than individual maximum	2,611,900	3,692,200
Did not borrow	11,845,100	11,781,100
Percentage distribution		
Borrowed at individual maximum	21.4	22.6
Borrowed less than individual maximum	13.9	18.5
Did not borrow	64.7	59.0
Dependent undergraduates		
Number		
Borrowed at individual maximum	2,346,800	2,368,200
Borrowed less than individual maximum	1,140,700	1,700,500
Did not borrow	6,289,700	5,823,300
Percentage distribution		
Borrowed at individual maximum	24.7	23.9
Borrowed less than individual maximum	11.6	17.2
Did not borrow	63.7	58.9
Independent undergraduates		
Number		
Borrowed at individual maximum	1,450,900	2,140,600
Borrowed less than individual maximum	1,471,200	1,991,600
Did not borrow	5,555,400	5,957,800
Percentage distribution		
Borrowed at individual maximum	17.9	21.2
Borrowed less than individual maximum	16.4	19.7
Did not borrow	65.7	59.0

NOTE: Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. Estimates restricted to students who attended one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded, as were students whose class level was not determined. Class level is needed to establish students' individual maximum. Estimates for 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2007–08 and 2011–12 National Postsecondary Student Aid Studies (NPSAS:08 and NPSAS:12).

2 In 2011–12, how did undergraduates who borrowed the *individual* maximum amount in Stafford Loans differ from undergraduates who did not borrow the maximum and from those who did not borrow at all, in terms of dependency status, income level, institution type, and attendance status?

Whether students borrowed the maximum loan amount available also varied by the type of institution they attended. In both years, a higher percentage of Stafford borrowers in private nonprofit 4-year institutions borrowed the maximum amount than did those attending other types of institutions. For example, in 2011–12, some 65 percent of borrowers at private nonprofit 4-year institutions borrowed the maximum amount, compared with 56 percent at for-profit institutions, 55 percent at public 4-year institutions, and 43 percent at public 2-year colleges (table 3).

The percentage of undergraduates who borrowed the maximum amount was lower in 2011–12 than in 2007–08 for borrowers both at public 4-year (55 percent vs. 61 percent) and at for-profit institutions (56 percent vs. 63 percent). The decline in maximum borrowing among students at for-profit institutions corresponded to a drop in the average price of attendance at these institutions, but the average price of attendance at public 4-year colleges increased (Horn and

TABLE 3.

MAXIMUM BORROWING BY TYPE OF INSTITUTION
Of undergraduates with Stafford Loans, number and percentage who borrowed the individual maximum in combined Stafford Loans, by type of institution attended: 2007–08 and 2011–12

	2007–08	2011–12
Public 4-year		
Number who borrowed at individual maximum	1,501,500	1,692,100
Percentage who borrowed at individual maximum	61.2	54.7
Private nonprofit 4-year		
Number who borrowed at individual maximum	939,700	1,015,500
Percentage who borrowed at individual maximum	67.5	64.8
Public 2-year		
Number who borrowed at individual maximum	357,400	625,300
Percentage who borrowed at individual maximum	43.3	43.3
For-profit		
Number who borrowed at individual maximum	975,500	1,148,900
Percentage who borrowed at individual maximum	63.1	56.3

NOTE: Estimates include only undergraduates who took out at least one Stafford Loan, and Stafford Loans are available only to students who are enrolled at least half time and are not international students. Estimates also restricted to students who attended one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded, as were students whose class level was not determined. Class level is needed to establish students' individual maximum. Estimates for 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2007–08 and 2011–12 National Postsecondary Student Aid Studies (NPSAS:08 and NPSAS:12).

Paslov 2014a). Dependency status differed between undergraduates who borrowed the individual maximum amount and those who did not. In 2011–12, dependent students made

up a larger proportion of those who borrowed the maximum (53 percent) than they did among students who either borrowed less than the maximum (46 percent) or who did not

borrow at all (49 percent) (table 4). Furthermore, among dependent students, a larger percentage of those who borrowed at the maximum were from the highest income group (24 percent) than

were their counterparts who borrowed less than the maximum (19 percent). This income difference was not observed among independent students: 17 percent of maximum borrowers were

from the highest income group, as were 19 percent of those who borrowed under the maximum, a difference that is not statistically significant.

TABLE 4.

STUDENT CHARACTERISTICS
Percentage distribution of undergraduates' demographic and enrollment characteristics, by Stafford Loan borrowing status: 2011–12

Characteristic	Total undergraduates	Stafford Loan borrowing status		
		No Stafford Loans	Borrowed less than the <i>individual</i> maximum in combined Stafford Loans	Borrowed the <i>individual</i> maximum in combined Stafford Loans
Total	100.0	100.0	100.0	100.0
Dependency status				
Dependent	49.5	49.4	46.1	52.5
Independent	50.5	50.6	53.9	47.5
Income by dependency status				
Dependent income				
Lowest 25 percent	24.8	24.7	25.7	24.6
Lower middle 25 percent	25.2	23.3	30.5	26.3
Upper middle 25 percent	24.7	24.4	25.3	25.2
Highest 25 percent	25.2	27.7	18.6	23.8
Independent income				
Lowest 25 percent	24.8	23.0	26.6	28.1
Lower middle 25 percent	25.5	22.8	29.3	29.6
Upper middle 25 percent	25.2	25.3	25.3	24.9
Highest 25 percent	24.5	28.9	18.8	17.4
Type of institution¹				
Public 4-year	32.1	28.1	38.2	37.8
Private nonprofit 4-year	13.1	8.7	15.0	22.7
Public 2-year	40.5	56.4	22.4	14.0
For-profit ²	14.3	6.8	24.4	25.6
Attendance status				
Full-time, full-year	38.9	29.4	52.4	52.7
Part-time or part-year	61.1	70.6	47.6	47.3

¹ Students attending public less-than-2-year and private nonprofit less-than-4-year institutions are included in the total but are not shown separately.

² For-profit institutions include less-than-2-year, 2-year, and 4-year institutions.

NOTE: Estimates include all undergraduates (those who borrowed and those who did not) enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, except those whose class level was not determined. Borrowing limits could not be determined for these unclassified students. Stafford Loans are available only to students who are enrolled at least half time and are not international students. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

The types of institutions attended also varied with students' borrowing behavior. In particular, the proportion of undergraduates enrolled in private nonprofit 4-year institutions and in public 2-year institutions differed across the three borrowing groups, but in different directions. A larger proportion of undergraduates who borrowed the maximum were enrolled in private nonprofit 4-year institutions (23 percent) than among those who borrowed under the maximum (15 percent) and among those who did not borrow at all (9 percent). Conversely, a smaller proportion of students who borrowed at the maximum were enrolled in public

2-year colleges (14 percent) than among those who borrowed under the maximum (22 percent) and among those who did not borrow (56 percent). The proportion of students enrolled in public 4-year institutions, on the other hand, was 38 percent for both maximum and less-than-maximum borrowers, compared with 28 percent of those who did not borrow. In addition, about one-quarter of undergraduates who borrowed the maximum (26 percent) or less-than-maximum (24 percent) attended for-profit institutions, compared with 7 percent of nonborrowers.

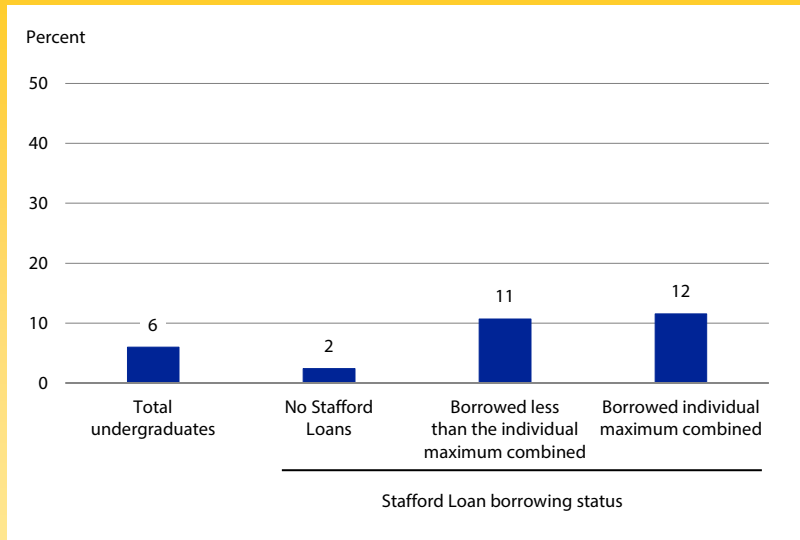
Finally, the analysis revealed that attendance status did not differ between students who borrowed the maximum and those who did not: 53 percent and 52 percent, respectively, of maximum and less-than-maximum borrowers attended full time, and 47 percent and 48 percent, respectively, of maximum and less-than-maximum borrowers attended part time. Propensity to borrow varied with attendance status, however, as 71 percent of nonborrowers attended part time, compared with 48 percent of those who borrowed less than the maximum and 47 percent of those who borrowed the individual maximum.

3 Did students borrow the individual maximum in Stafford Loans before using other sources of financing for their undergraduate education, including private loans, Parent PLUS Loans, or outside employment?

In 2011–12, not all students had maximized their Stafford borrowing before turning to such other sources of financing as private loans or Parent PLUS Loans. Among undergraduates who did not take out Stafford Loans, 2 percent had borrowed from private sources (figure 3). In contrast, 11 percent of undergraduates who had not borrowed the individual maximum amount allowed in Stafford Loans had taken out a private loan, as did 12 percent of students who had borrowed the maximum.

FIGURE 3.

MAXIMUM BORROWING AND PRIVATE LOAN BORROWING
Percentage of undergraduates who took out private loans, among all undergraduates and by borrowing status: 2011–12



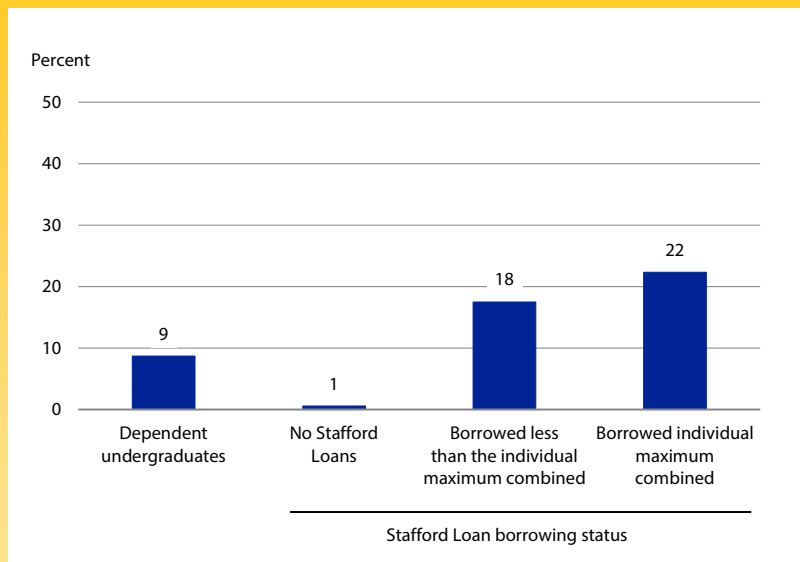
NOTE: Estimates include all undergraduates (those who borrowed and those who did not) enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, except those whose class level was not determined. Borrowing limits could not be determined for these unclassified students. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

Not only did some students turn to private loans before borrowing the maximum amount allowed in Stafford Loans, but also some students' parents took out Parent PLUS Loans before the Stafford maximum was reached. Among dependent Stafford borrowers who had taken out *less* than the maximum amount allowed, 18 percent had parents who took out PLUS Loans on their behalf. In comparison, 22 percent of their counterparts who borrowed the Stafford maximum loan amount had parents who turned to PLUS Loans (figure 4).⁹

FIGURE 4.

MAXIMUM BORROWING AND PARENT PLUS BORROWING
Percentage of dependent undergraduates whose parents took out PLUS Loans, by borrowing status: 2011–12



NOTE: Parent PLUS Loans are available only to the parents of dependent students. Independent students were age 24 or over and students under 24 who were married, had dependents, were veterans or on active duty, were orphans or wards of the courts, were homeless or at risk of homelessness, or were determined to be independent by a financial aid officer using professional judgment. Other undergraduates under age 24 were considered to be dependent. Estimates include dependent undergraduates (those who borrowed and those who did not) enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, except those whose class level was not determined. Borrowing limits could not be determined for these unclassified students. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students.

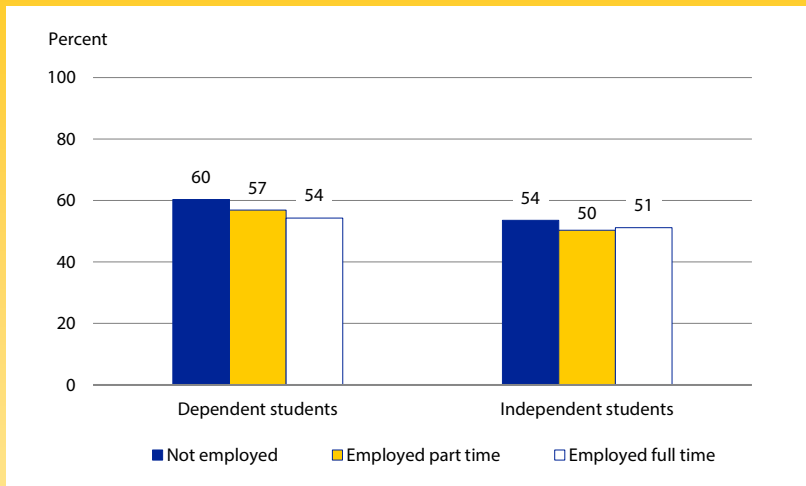
SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

⁹ Parent PLUS Loans are available only to the parents of dependent students.

Finally, among borrowers, proportionally more students who did not work during school terms than students who did work while enrolled borrowed their individual Stafford Loan maximum amount. Among dependent Stafford borrowers who did not work while enrolled, 60 percent borrowed the maximum, a higher percentage than those who worked part time or full time (57 percent and 54 percent, respectively) (figure 5). Similarly, among independent Stafford borrowers who did not work, 54 percent borrowed the maximum, proportionally more than those who worked part time (50 percent).

FIGURE 5.

WORKING AND BORROWING
Of undergraduates with Stafford Loans, percentage who borrowed the individual combined maximum amounts, by dependency status and employment status while enrolled: 2011–12



NOTE: Independent students were age 24 or over and students under 24 who were married, had dependents, were veterans or on active duty, were orphans or wards of the courts, were homeless or at risk of homelessness, or were determined to be independent by a financial aid officer using professional judgment. Other undergraduates under age 24 were considered to be dependent. Estimates include undergraduates enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, who took out at least one Stafford loan. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. Estimates exclude undergraduates whose class level was not determined because the borrowing limits could not be determined for these students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

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<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2016408>

More detailed information on 2007–08 and 2011–12 U.S. undergraduates can be found in Web Tables produced by NCES using the NPSAS:08 and NPSAS:12 data. Included in these tables are estimates of students' demographic, enrollment, and employment characteristics. Web Tables documenting how students pay for their undergraduate education are also available.

Web Tables—Student Financing of Undergraduate Education: 2011–12 (NCES 2015-173).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2015173>

Web Tables—Trends in Student Financing of Undergraduate Education: Selected Years 1995–96 to 2011–12 (NCES 2014-013).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014013rev>

Web Tables—Student Financing of Undergraduate Education: 2007–08 (NCES 2010-162).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010162>

Web Tables—Trends in Undergraduate Stafford Loan Borrowing: 1989–90 to 2007–08 (NCES 2010-183).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010183>

Readers may also be interested in the following NCES products related to topics covered in this Statistics in Brief:

Out-of-Pocket Net Price for College (NCES 2014-902).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014902>

Degrees of Debt: Student Loan Repayment of Bachelor's Degree Recipients 1 Year After Graduating: 1994, 2001, and 2009 (NCES 2014-011).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014011>

Federal Student Loan Debt Burden of Noncompleters (NCES 2013-155).
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2013155>

TECHNICAL NOTES

The estimates provided in this Statistics in Brief are based on data collected through the 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12). NPSAS covers broad topics concerning student enrollment in postsecondary education and how students and their families finance their education. In 1990, 1993, 1996, and 2000, students provided data through surveys administered over the telephone or in person; and in 2004, 2008, and 2012,

students provided data through instruments administered over the Internet or by telephone. In addition to student responses, data were collected from the institutions where sampled students enrolled and from other relevant databases, including U.S. Department of Education records on student loan and grant programs and student financial aid applications.

NPSAS:12 is the eighth administration of NPSAS, which has been conducted every 3 to 4 years since the 1986–87 academic year. The NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, and NPSAS:08

target population included students enrolled in postsecondary institutions in the United States at any time between July 1 and June 30 of the survey year.¹⁰ In NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12, the population was also limited to students enrolled in Title IV institutions.¹¹ Exhibit 1 provides the sizes of the undergraduate and graduate components of the target population.

Exhibit 1 also lists the institution sampling frames for NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, and NPSAS:08, which were constructed from contemporary Institutional Characteristics,

EXHIBIT 1. Target populations, number of participating institutions, and unweighted number of study members: NPSAS:90 to NPSAS:12

NPSAS year	Sampling frame	Target undergraduate population (in millions)	Participating Institutions	Number of undergraduate study members
NPSAS:90	1987–88 IPEDS	16.3	1,100	46,800
NPSAS:93	1990–91 IPEDS	18.5	1,100	52,700
NPSAS:96 ¹	1993–94 IPEDS	16.7	800	41,500
NPSAS:2000	1998–99 IPEDS ²	16.6	1,000	49,900
NPSAS:04	2000–01 IPEDS	19.1	1,400	79,900
NPSAS:08	2004–05 IPEDS	20.9	1,700	113,500
NPSAS:12	2008–09 IPEDS	23.0	1,500	95,000

¹ NPSAS:96 was the last survey to include institutions that were not eligible for Title IV funds.

² Supplemented by the 1996–97 Integrated Postsecondary Education Data System (IPEDS) Completions file because NPSAS:2000 served as a base year for the Baccalaureate and Beyond Longitudinal Study.

SOURCE: Cominole, M.B., Siegel, P.H., Dudley, K., Roe, D., and Gilligan, T. (2006). *2004 National Postsecondary Student Aid Study (NPSAS:04) Full-Scale Methodology Report* (NCES 2006-180). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC. Riccobono, J.A., Cominole, M.B., Siegel, P.H., Gabel, T.J., Link, M.W., and Berkner L.K. (2001). *National Postsecondary Student Aid Study, 1999–2000 (NPSAS:2000) Methodology Report* (NCES 2002-152). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Cominole, M.B., Riccobono, J.A., Siegel, P.H., and Caves, L. (2010). *2007–08 National Postsecondary Student Aid Study (NPSAS:08) Full-scale Methodology Report* (NCES 2011-188). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC. Riccobono, J.A., Whitmore, R.W., Gabel, T.J., Traccarella, M.A., Pratt, D.J., and Berkner, L.K. (1997). *National Postsecondary Student Aid Study, 1995–96 (NPSAS:96) Methodology Report* (NCES 98-073). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Shepard, J. (1992). *Methodology Report for the 1990 National Postsecondary Student Aid Study* (NCES 92-080). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Loft, J.D., Riccobono, J.A., Whitmore, R.W., Fitzgerald, R.A., and Berkner, L.K. (1995). *Methodology Report for the National Postsecondary Student Aid Study, 1992–93* (NCES 95-211). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Wine, J., Bryan, M., and Siegel, P. (2014). *2011–12 National Postsecondary Student Aid Study (NPSAS:12) Data File Documentation* (NCES 2014-182). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC. Shepard, J. (1992). *Methodology Report for the 1990 National Postsecondary Student Aid Study* (NCES 92-080). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Loft, J.D., Riccobono, J.A., Whitmore, R.W., Fitzgerald, R.A., and Berkner, L.K. (1995). *Methodology Report for the National Postsecondary Student Aid Study, 1992–93* (NCES 95-211). National Center for Education Statistics, U.S. Department of Education. Washington, DC.

¹⁰ The target population of students was limited to those enrolled in an academic program, at least one course for credit that could be applied toward an academic degree, or an occupational or vocational program requiring at least 3 months or 300 clock hours of instruction to receive a degree,

certificate, or other formal award. The target population excluded students who were also enrolled in high school or a high school completion (e.g., GED preparation) program. NPSAS:12 did not include institutions from Puerto Rico.

¹¹ “Title IV institutions” refers to institutions eligible to participate in federal financial aid programs under Title IV of the Higher Education Act.

Fall Enrollment, and Completions files of the Integrated Postsecondary Education Data System (IPEDS). The sampling design consisted of first selecting eligible institutions and then selecting students from these institutions. Institutions were selected with probabilities proportional to a composite measure of size based on expected enrollment during the survey year. Students were selected using stratified sampling to ensure an adequate number of respondents in key subgroups (such as first-time students or graduating seniors), which varied across the studies. Exhibit 1 includes the approximate number of institutions participating in each of the survey years. In NPSAS:12, eligible sampled students were defined as “study respondents” if a subset of key data elements was available from any data source. Sample members also must have had valid data for at least one key variable from at least one data source other than the U.S. Department of Education’s Central Processing System. Similar definitions of study respondents were developed for each of the earlier NPSAS administrations. See the methodology reports listed at the end of this section for detailed descriptions of these definitions. The approximate number of undergraduate and graduate students who were study respondents in each survey year is also reported in exhibit 1.

Exhibit 2 provides a summary of weighted response rates across NPSAS administrations. There are several types of participation/coverage rates in NPSAS. Overall student-level record completion rates, that is, the percentage of NPSAS-eligible sample members

EXHIBIT 2. Weighted response rates for NPSAS surveys: NPSAS:90 to NPSAS:12

Component	Institution list participation rate	Student response rate	Overall ¹
NPSAS:90			
Student survey (analysis file ²)	86	84	72
Student survey (student interview)	86	76	65
NPSAS:93			
Student survey (analysis file ²)	88	75	66
Student survey (student interview)	88	67	59
NPSAS:96			
Student survey (analysis file ²)	91	93	88
Student survey (student interview)	91	76	70
NPSAS:2000			
Student survey (analysis file ²)	91	97	89
Student survey (student interview)	91	72	66
NPSAS:04			
Student survey (analysis file ²)	80	91	72
Student survey (student interview)	80	71	56
NPSAS:08			
Student survey (analysis file ²)	90	96	86
Student survey (student interview)	90	71	64
NPSAS:12			
Student survey (analysis file ²)	87	91	81
Student survey (student interview)	87	73	64

¹ Institution list participation rate times student response rate.
² NPSAS analysis file contains analytic variables derived from all NPSAS data sources (including institutional records and external data sources) as well as selected direct student interview variables.
NOTE: The student interview response rates for NPSAS:96 and NPSAS:2000 are for telephone interviews only. The response rates for student interviews in NPSAS:04 and NPSAS:08 include all interview modes (self-administered web-based, telephone, and in-person interviews).
SOURCE: Riccobono, J.A., Whitmore, R.W., Gabel, T.J., Traccarella, M.A., Pratt, D.J., and Berkner, L.K. (1997). *National Postsecondary Student Aid Study, 1995–96 (NPSAS:96) Methodology Report* (NCES 98-073). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Thurgood, L., Walter, E., Carter, G., Henn, S., Huang, G., Nooter, D., Smith, W., Cash, R.W., and Salvucci, S. (2003). *NCES Handbook of Survey Methods* (NCES 2003-603). National Center for Education Statistics, U.S. Department of Education. Washington, DC. Burns, S., Wang, X., and Henning, A. (Eds.). (2011). *NCES Handbook of Survey Methods* (NCES 2011-609). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC. Wine, J., Bryan, M., and Siegel, P. (2014). *2011–12 National Postsecondary Student Aid Study (NPSAS:12) Data File Documentation* (NCES 2014-182). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC.

for whom a completed student record was obtained, are reported in exhibit 2 as “Student survey (analysis file).” This table also contains weighted response rates to the student interview, which include respondents who completed

either a full or partial “Student survey (student interview).” Estimates were weighted to adjust for the unequal probability of selection into the sample and for nonresponse.

Key variables used in this Statistics in Brief include Subsidized Stafford Loan individual maximum (ESUBMX2) and Subsidized and Unsubsidized Loans combined individual maximum (ETOTMX2). These composite variables are derived from multiple sources of data including IPEDS, the Free Application for Federal Student Aid (FAFSA), the National Student Loan Data System, institution records, and the student interview.

Two broad categories of error occur in estimates generated from surveys: sampling and nonsampling errors. Sampling errors occur when observations are based on samples rather than on entire populations. The standard error of a sample statistic is a measure of the variation due to sampling and indicates the precision of the statistic. The complex sampling design used in NPSAS must be taken into account when calculating variance estimates such as standard errors. NCES's online PowerStats, which generated the estimates in this publication, uses the balanced repeated replication and Jackknife II methods to adjust variance estimation for the complex sample design.

Nonsampling errors can be attributed to several sources: incomplete information about all respondents (e.g., some students or institutions refused to participate or students participated but answered only certain items); differences among respondents in question interpretation; inability or unwillingness to give correct information; mistakes in

VARIABLES USED

The variables used in this Statistics in Brief are listed below. Visit the NCES DataLab website <http://nces.ed.gov/datalab> to view detailed information on question wording for variables coming directly from an interview, how variables were constructed, and sources of variables. After selecting "Postsecondary Education" in the "Go To" box on the right, click on "Codebooks" and use the drop-down menus to select a codebook organized by subject or by variable name for the dataset and year desired. The program files that generated the statistics presented in this Statistics in Brief can be found at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2016408>

Label	Name
Attendance status	ATTNSTAT
Class level (for loans)	UGLVL2
Comparable to 1987 NPSAS (used to remove Puerto Rico from estimates)	COMPTO87 ¹
Cumulative Stafford Subsidized and Unsubsidized Loans for undergraduates	STFCUM1 ²
Dependency and marital status	DEPEND
Full-time or part-time job while enrolled in school (excluding work-study)	JOBENR
Income percentile dependent students	PCTDEP
Income percentile independent students	PCTINDEP
NPSAS institutional sector	AIDSECT
Number of institutions attended	STUDMULT
PLUS Loans to parents	PLUSAMT
Private (alternative) loans	PRIVLOAN
Stafford Subsidized and Unsubsidized Loans	STAFFAMT
Stafford Subsidized and Unsubsidized Loans combined individual maximum	ETOTMX2
Stafford Subsidized and Unsubsidized Loans combined maximum	STAFCT2
Stafford Subsidized Loans	STAFSUB
Stafford Subsidized Loan individual maximum	ESUBMX2
Stafford Subsidized Loan maximum	STAFCT1

¹ In 1990 and 1993, this variable was SAMPSTAT.

² Prior-year variable names based on year: STCUM92A, STCUM89A, STCUM95A, etc.

recording or coding data; and other errors of collecting, processing, and imputing missing data.

For more information on NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12 methodology, see the following reports:

- *Methodology Report for the 1990 National Postsecondary Student Aid Study* (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=92080>)
- *Methodology Report for the 1993 National Postsecondary Student Aid Study* (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=95211>)

- *National Postsecondary Student Aid Study, 1995–96 (NPSAS:96) Methodology Report*
(<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=98073>)
- *National Postsecondary Student Aid Study 1999–2000 (NPSAS:2000) Methodology Report*
(<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002152>)
- *2004 National Postsecondary Student Aid Study (NPSAS:04) Full-scale Methodology Report*
(<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2006180>)
- *2007–08 National Postsecondary Student Aid Study (NPSAS:08): Student Financial Aid Estimates for 2007–08: First Look*
(<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2009166>)
- *2011–12 National Postsecondary Student Aid Study (NPSAS:12) Data File Documentation*
(<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014182>)

Response Rates

NCES Statistical Standard 4-4-1 states that “Any survey stage of data collection with a unit or item response rate less than 85 percent must be evaluated for the potential magnitude of nonresponse bias before the data or any analysis using the data may be released” (U.S. Department of

Education 2012). This means that nonresponse bias analysis could be required at any of three levels: institutions, study members, or items. In NPSAS:08, the institutional and student-level respondent response rates were 90 percent and 96 percent, respectively. In NPSAS:12, the institutional and student-level respondent response rates were 87 percent and 91 percent, respectively. Therefore, nonresponse bias analysis was not required at those levels.

The student interview response rate, however, was 71 percent in NPSAS:08 and 73 percent in NPSAS:12. Due to this low interview response rate for NPSAS:12, an additional nonresponse bias analysis was conducted in which interview respondents and interview nonrespondents were compared. This analysis determined that the nonresponse weighting adjustment eliminated some, but not all, significant bias in the student interview. Because study members, not interview respondents, are the unit of analysis in NPSAS:12, only a study member weight was created. As a result, nonresponse bias analyses after weight adjustments could not be computed. More information about remaining nonresponse bias after the nonresponse weight adjustment and the poststratification adjustment is available in the data file documentation for NPSAS:12 (Wine, Bryan, and

Siegel 2013). No such analysis has been conducted for NPSAS:08 to date.

The 73-percent NPSAS:12 interview response rate necessitates nonresponse bias analysis for variables based in whole or in part on student interviews. In this Statistics in Brief, six variables required nonresponse bias analysis: ESUBMX2 (20 percent), ETOTMX2 (15 percent), JOBENR (76 percent), PCTDEP (68 percent), PCTINDEP (60 percent), and PRIVLOAN (77 percent). For each of these variables, nonresponse bias analyses were conducted to determine whether respondents and nonrespondents differed on the following characteristics: institution sector, region, and total enrollment; student type, sampled as a first-time beginner, and age group; whether the student had FAFSA data, was a federal aid recipient, was a state aid recipient, was an institution aid recipient, was a Pell Grant recipient, or borrowed a Direct Loan; and the amount, if any, of a student’s Pell Grant or Direct Loan. Differences between respondents and nonrespondents on these variables were tested for statistical significance at the 5-percent level.

The low response rates for ESUBMX2 (20 percent) and ETOTMX2 (15 percent) warrant further explanation. These two variables are constructed from several other variables (some of which are also constructed), most notably, BUDGETAJ, which has a 40-percent response rate. NCES Statistical Standard 1-3-5 states

that “In the case of constructed variables, the numerator [of the response rate] includes cases that have available data for the full set of items required to construct the variable, and the denominator includes all respondents eligible to respond to all items in the constructed variable.” Therefore, variables such as ESUBMX2 and ETOTMX2, which are based on multiple component variables, have low response rates because these rates are the products of all the component response rates.

Nonresponse bias analyses of the variables in this Statistics in Brief with response rates less than 85 percent indicated that respondents differed from nonrespondents on 63 percent to 78 percent of the characteristics analyzed, indicating that there may be bias in these estimates. Any bias due to nonresponse, however, is based upon responses prior to stochastic imputation in which missing data were replaced with valid data from the records of donor cases that matched the recipients on selected demographic, enrollment, institution, and financial aid related variables (Krotki, Black, and Creel 2005). The potential for bias in these estimates may be reduced by imputation.

Because imputation procedures are designed specifically to identify donors with similar characteristics to

those with missing data, the imputation is assumed to reduce bias. While the level of item-level bias before imputation is measurable, the same measurement cannot be made after imputation. Although the magnitude of any change in item-level bias cannot be determined, the item estimates before and after imputation were compared to determine whether the imputation changed the biased estimate as an indication of a possible reduction in bias.

For continuous variables, the difference between the mean before imputation and the mean after imputation was estimated. For categorical variables, the estimated difference was computed for each of the categories as the percentage of students in that category before imputation minus the percentage of students in that category after imputation. These estimated differences were tested for statistical significance at the 5-percent level. A significant difference in the item means after imputation implies a reduction in bias due to imputation. A nonsignificant difference suggests that imputation may not have reduced bias, that the sample size was too small to detect a significant difference, or that there was little bias to be reduced. Statistical tests of the differences between the means

before and after imputation for these seven variables were significant, indicating that the non-response bias was reduced through imputation.

For more detailed information on non-response bias analysis and an overview of the survey methodology, see the *2011–12 National Postsecondary Student Aid Study (NPSAS:12) Data File Documentation* (NCES 2014-182) (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2014182>).

Statistical Procedures

Comparisons of means and proportions were tested using Student’s *t* statistic. Differences between estimates were tested against the probability of a Type I error¹² or significance level. The statistical significance of each comparison was determined by calculating the Student’s *t* value for the difference between each pair of means or proportions and comparing the *t* value with published tables of significance levels for two-tailed hypothesis testing. Student’s *t* values were computed to test differences between independent estimates using the following formula:

$$t = \frac{E_1 - E_2}{\sqrt{se_1^2 + se_2^2}}$$

where E_1 and E_2 are the estimates to be compared, and se_1 and se_2 are their corresponding standard errors.

¹² A Type I error occurs when one concludes that a difference observed in a sample reflects a true difference in the population from which the sample was drawn, when no such difference is present.

There are hazards in reporting statistical tests for each comparison. First, comparisons based on large t statistics may appear to merit special attention. This can be misleading because the magnitude of the t statistic is related not only to the observed differences in means or percentages but also to the number of respondents in the specific categories used for comparison. Hence, a small difference compared across a large number of respondents would

produce a large (and thus possibly statistically significant) t statistic.

A second hazard in reporting statistical tests is the possibility that one can report a “false positive” or Type I error. Statistical tests are designed to limit the risk of this type of error using a value denoted by alpha. The alpha level of .05 was selected for findings in this Statistics in Brief and ensures that a difference of a certain magnitude or

larger would be produced when there was no actual difference between the quantities in the underlying population no more than 1 time out of 20.¹³ When analysts test hypotheses that show alpha values at the .05 level or smaller, they reject the null hypothesis that there is no difference between the two quantities. Failing to reject a null hypothesis (i.e., detect a difference), however, does not imply the values are the same or equivalent.

¹³ No adjustments were made for multiple comparisons.

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APPENDIX A. DATA TABLES

Table A-1. Estimates for figure 1: CUMULATIVE STAFFORD LOAN BORROWING OVER TIME
Percentage of undergraduates who had ever borrowed Stafford Loans and Supplemental Loans for Students (SLS): Selected years 1989–90 to 2011–12

Year	Percentage of undergraduates who had ever borrowed	Average cumulative amount borrowed by undergraduates in Stafford and SLS Loans in constant 2011–12 dollars
1989–90	26.7	\$7,700
1992–93	27.6	8,100
1995–96	35.3	9,800
1999–2000	38.9	11,100
2003–04	42.0	11,000
2007–08	45.8	11,100
2011–12	51.9	14,300

NOTE: Estimates include all undergraduates who enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. All dollar estimates prior to 2011–12 have been adjusted to 2012 dollars using an academic year Consumer Price Index. Estimates for 2003–04 and 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12).

Table A-2. Estimates for figure 2: BORROWING AT THE PROGRAM MAXIMUM
Of undergraduates with Subsidized Stafford Loans, percentage who borrowed the program maximum amount and indications of statutory changes in subsidized loan limits: Selected years 1989–90 to 2011–12

Year	Percentage who borrowed the program maximum amount
1989–90	42.8
1992–93	50.8
1995–96	41.3
1999–2000	48.6
2003–04	51.1
2007–08	43.9
2011–12	46.7

NOTE: HEA is the Higher Education Act and HERA is the Higher Education Reconciliation Act. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. Undergraduates who borrowed at the program maximum took out the maximum loan amount allowed based upon their class level and dependency status. Estimates include only undergraduates who took out a Subsidized Stafford Loan. Estimates also restricted to students who attended one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, during the academic year specified. Students who enrolled in multiple institutions were excluded, as were students whose class level was not determined. Class level is needed to establish students' program maximum. Estimates for 2003–04 and 2007–08 have been reweighted and may not match those published earlier. For more information about NPSAS reweighting over time, visit <http://nces.ed.gov/surveys/npsas/datainfo.asp>.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12).

Table A-3. Estimates for figure 3: MAXIMUM BORROWING AND PRIVATE LOAN BORROWING
Percentage of undergraduates who took out private loans, among all undergraduates and by borrowing status: 2011–12

	Total undergraduates	Stafford Loan borrowing status		
		No Stafford Loans	Borrowed less than the individual maximum combined	Borrowed individual maximum combined
Percentage of undergraduates who took out private loans	6.0	2.4	10.7	11.5

NOTE: Estimates include all undergraduates (those who borrowed and those who did not) enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, except those whose class level was not determined. Borrowing limits could not be determined for these unclassified students. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

Table A-4. Estimates for figure 4: MAXIMUM BORROWING AND PARENT PLUS BORROWING
Percentage of dependent undergraduates whose parents took out PLUS Loans, by borrowing status: 2011–12

	Dependent undergraduates	Stafford Loan borrowing status		
		No Stafford Loans	Borrowed less than the individual maximum combined	Borrowed individual maximum combined
Percentage of dependent undergraduates whose parents took out PLUS Loans	8.7	0.6	17.5	22.3

NOTE: Parent PLUS Loans are available only to the parents of dependent students. Independent students were age 24 or over and students under 24 who were married, had dependents, were veterans or on active duty, were orphans or wards of the courts, were homeless or at risk of homelessness, or were determined to be independent by a financial aid officer using professional judgment. Other undergraduates under age 24 were considered to be dependent. Estimates include dependent undergraduates (those who borrowed and those who did not) enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, except those whose class level was not determined. Borrowing limits could not be determined for these unclassified students. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

Table A-5. Estimates for figure 5: WORKING AND BORROWING
Of undergraduates with Stafford Loans, percentage who borrowed the *individual* combined maximum amounts, by dependency status and employment status while enrolled: 2011–12

Dependency status	Not employed	Employed part time	Employed full time
Dependent students	60.4	56.9	54.3
Independent students	53.6	50.3	51.2

NOTE: Independent students were age 24 or over and students under 24 who were married, had dependents, were veterans or on active duty, were orphans or wards of the courts, were homeless or at risk of homelessness, or were determined to be independent by a financial aid officer using professional judgment. Other undergraduates under age 24 were considered to be dependent. Estimates include undergraduates enrolled in one Title IV eligible postsecondary institution in the 50 states and the District of Columbia, but not Puerto Rico, who took out at least one Stafford loan. Stafford Loan borrowing is limited to students who are enrolled at least half time and are not international students. Estimates exclude undergraduates whose class level was not determined because the borrowing limits could not be determined for these students.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

APPENDIX B. STANDARD ERROR TABLES

Table B-1. Standard errors for table A-1 and figure 1: CUMULATIVE STAFFORD LOAN BORROWING OVER TIME
Percentage of undergraduates who had ever borrowed Stafford Loans and Supplemental Loans for Students (SLS): Selected years 1989–90 to 2011–12

Year	Percentage of undergraduates who had ever borrowed	Average cumulative amount borrowed by undergraduates in Stafford and SLS Loans in constant 2011–12 dollars
1989–90	0.44	\$80
1992–93	0.44	80
1995–96	0.43	110
1999–2000	0.27	90
2003–04	0.41	90
2007–08	0.19	70
2011–12	0.33	100

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12).

Table B-2. Standard errors for table A-2 and figure 2: BORROWING AT THE PROGRAM MAXIMUM
Of undergraduates with Subsidized Stafford Loans, percentage who borrowed the program maximum amount and indications of statutory changes in subsidized loan limits: Selected years 1989–90 to 2011–12

Year	Percentage who borrowed the program maximum amount
1989–90	1.11
1992–93	0.76
1995–96	0.92
1999–2000	0.73
2003–04	0.58
2007–08	0.39
2011–12	0.34

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, 1999–2000, 2003–04, 2007–08, and 2011–12 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, NPSAS:2000, NPSAS:04, NPSAS:08, and NPSAS:12).

Table B-3. Standard errors for table 1: BORROWING AT THE INDIVIDUAL MAXIMUM
Number of undergraduates who borrowed the individual maximum amount and percentage of Stafford Loan borrowers who borrowed the individual maximum, by type of Stafford Loan limit: 2007–08 and 2011–12

	2007–08	2011–12
Subsidized Stafford Loans		
Number who borrowed at individual maximum	22,720	27,120
Percentage who borrowed at individual maximum	0.42	0.58
Subsidized and Unsubsidized Stafford Loans combined		
Number who borrowed at individual maximum	18,230	21,190
Percentage who borrowed at individual maximum	0.51	0.47

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2007–08 and 2011–12 National Postsecondary Student Aid Studies (NPSAS:08 and NPSAS:12).

Table B-4. Standard errors for table 2: STAFFORD LOAN STATUS
Number and percentage distribution of undergraduates by whether they borrowed their individual maximum in combined Stafford Loans and dependency status: 2007–08 and 2011–12

	2007–08	2011–12
All undergraduates		
Number		
Borrowed at individual maximum	8,360	9,020
Borrowed less than individual maximum	5,220	7,750
Did not borrow	29,610	16,490
Percentage distribution		
Borrowed at individual maximum	0.20	0.20
Borrowed less than individual maximum	0.19	0.21
Did not borrow	0.15	0.14
Dependent undergraduates		
Number		
Borrowed at individual maximum	8,210	6,390
Borrowed less than individual maximum	2,050	4,420
Did not borrow	21,390	18,630
Percentage distribution		
Borrowed at individual maximum	0.30	0.27
Borrowed less than individual maximum	0.20	0.26
Did not borrow	0.29	0.32
Independent undergraduates		
Number		
Borrowed at individual maximum	4,640	7,710
Borrowed less than individual maximum	6,470	6,170
Did not borrow	21,670	19,070
Percentage distribution		
Borrowed at individual maximum	0.32	0.36
Borrowed less than individual maximum	0.37	0.31
Did not borrow	0.32	0.32

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2007–08 and 2011–12 National Postsecondary Student Aid Studies (NPSAS:08 and NPSAS:12).

**Table B-5. Standard errors for table 3: MAXIMUM BORROWING BY TYPE OF INSTITUTION
Of undergraduates with Stafford Loans, number and percentage who borrowed the individual maximum in
combined Stafford Loans, by type of institution attended: 2007–08 and 2011–12**

	2007–08	2011–12
Public 4-year		
Number who borrowed at individual maximum	15,920	10,490
Percentage who borrowed at individual maximum	0.66	0.62
Private nonprofit 4-year		
Number who borrowed at individual maximum	12,310	9,550
Percentage who borrowed at individual maximum	1.31	0.94
Public 2-year		
Number who borrowed at individual maximum	4,470	9,260
Percentage who borrowed at individual maximum	1.19	1.48
For-profit		
Number who borrowed at individual maximum	17,360	7,930
Percentage who borrowed at individual maximum	1.61	0.69

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2007–08 and 2011–12 National Postsecondary Student Aid Studies (NPSAS:08 and NPSAS:12).

**Table B-6. Standard errors for table A-3 and figure 3: MAXIMUM BORROWING AND PRIVATE LOAN BORROWING
Percentage of undergraduates who took out private loans, among all undergraduates and by borrowing status:
2011–12**

	Total undergraduates	Stafford Loan borrowing status		
		No Stafford Loans	Borrowed less than the individual maximum combined	Borrowed individual maximum combined
Percentage of undergraduates who took out private loans	0.12	0.13	0.35	0.34

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

**Table B-7. Standard errors for table A-4 and figure 4: MAXIMUM BORROWING AND PARENT PLUS BORROWING
Percentage of dependent undergraduates whose parents took out PLUS Loans, by borrowing status: 2011–12**

	Dependent undergraduates	Stafford Loan borrowing status		
		No Stafford Loans	Borrowed less than the individual maximum combined	Borrowed individual maximum combined
Percentage of dependent under- graduates whose parents took out PLUS Loans	0.23	0.07	0.72	0.67

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

Table B-8. Standard errors for table A-5 and figure 5: WORKING AND BORROWING
Of undergraduates with Stafford Loans, percentage who borrowed the *individual* combined maximum amounts,
by dependency status and employment status while enrolled: 2011–12

Dependency status	Not employed	Employed part time	Employed full time
Dependent students	0.78	0.79	1.89
Independent students	1.02	1.09	0.94

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

Table B-9. Standard errors for table 4: STUDENT CHARACTERISTICS
Percentage distribution of undergraduates' demographic and enrollment characteristics, by Stafford Loan
borrowing status: 2011–12

Characteristic	Total undergraduates	Stafford Loan borrowing status		
		No Stafford Loans	Borrowed less than the <i>individual</i> maximum in combined Stafford Loans	Borrowed the <i>individual</i> maximum in combined Stafford Loans
Total	†	†	†	†
Dependency status				
Dependent	0.32	0.45	0.59	0.58
Independent	0.32	0.45	0.59	0.58
Income by dependency status				
Dependent income				
Lowest 25 percent	0.32	0.48	0.71	0.57
Lower middle 25 percent	0.33	0.49	0.76	0.62
Upper middle 25 percent	0.31	0.47	0.66	0.57
Highest 25 percent	0.32	0.49	0.71	0.63
Independent income				
Lowest 25 percent	0.38	0.54	0.71	0.72
Lower middle 25 percent	0.39	0.59	0.67	0.83
Upper middle 25 percent	0.36	0.5	0.78	0.69
Highest 25 percent	0.47	0.77	0.58	0.69
Type of institution				
Public 4-year	0.14	0.21	0.45	0.35
Private nonprofit 4-year	0.1	0.12	0.41	0.35
Public 2-year	0.2	0.25	0.47	0.48
For-profit	0.08	0.12	0.36	0.27
Attendance status				
Full-time, full-year	0.37	0.45	0.66	1.04
Part-time or part-year	0.37	0.45	0.66	1.04

† Not applicable.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

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