Educational Attainment, Student Loans and Debt

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Debt Load Increasing…

Source: Wells Fargo Economics Group, Federal Reserve Bank of New York

Source: College Board
Partially as Response to Economy

- From 2007 to 2011 OUS enrollment increased 22%
- Oregon community college enrollment jumped nearly 37%

Oregon University System Enrollment

Source: Oregon University System
Figure 3
Public FTE Enrollment and Educational Appropriations per FTE, U.S., Fiscal 1987-2012

Note: Net tuition revenue used for capital debt service are included in the above figures. Constant 2012 dollars adjusted by SHEEO Higher Education Cost Adjustment.

Source: State Higher Education Executive Officers
And Partly Due to Prices

Inflation, Y/Y

Source: U.S. Bureau of Labor Statistics
So Why Do We Do It?

Oregon Unemployment Rates
ACS, 2009-11

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>16%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>14%</td>
</tr>
<tr>
<td>Some college</td>
<td>12%</td>
</tr>
<tr>
<td>Bachelor's or higher</td>
<td>10%</td>
</tr>
</tbody>
</table>

Oregon Median Earnings
ACS, 2009-11

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Median Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>$20,000</td>
</tr>
<tr>
<td>High school graduate</td>
<td>$30,000</td>
</tr>
<tr>
<td>Some college</td>
<td>$40,000</td>
</tr>
<tr>
<td>Bachelor's or higher</td>
<td>$50,000</td>
</tr>
<tr>
<td>Graduate or profession</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

Source: American Community Survey
But Labor Market Still Tough For New Graduates

U.S. Unemployment Rates
NSA, 12 MMA

Higher Default Rates in Tough Economy

- Job opportunities and occupations do play a role
  - Finishing school also important, dropouts fair worse in the labor market

- Expectations are some of the community colleges’ rate is cyclical

Source: U.S. Department of Education, Federal Student Aid Office
Higher Default and Unemployment

Federal Student Loan Default Rate by Community College
FFEL, Direct Loan, 2010 2 Yr Cohort

Unemployment Rate, 2010

Sample Based 2010 Cohort Default Rate

Source: U.S. Department of Education, Federal Student Aid Office and Oregon Employment Department
So Why Do We Do It?

Oregon Unemployment Rates
ACS, 2009-11

- Less than high school: 16%
- High school graduate: 14%
- Some college: 12%
- Bachelor's or higher: 8%

Oregon Median Earnings
ACS, 2009-11

- Less than high school: $30,000
- High school graduate: $40,000
- Some college: $50,000
- Bachelor's: $60,000
- Graduate or profession: $70,000

Source: American Community Survey