

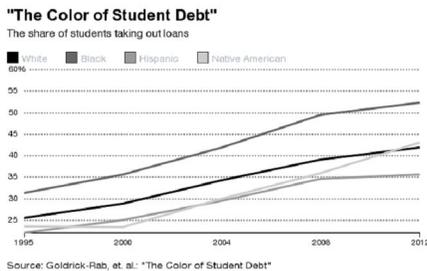
It's Hardest for Black Students to Get the Financial Benefits of College

Natalie Kitroeff
Natalie Kitro
September 2, 2014 — 4:03 PM EDT

Black students rely more on student loans to pay for college than do other racial groups and they're less likely to pay off the debt, according to a study [released today](#). The research was presented at a conference on higher education and minorities in Washington, D.C., hosted by the University of California, Los Angeles, Civil Rights Project.

"Student debt today has a color," said Sara Goldrick-Rab, a professor at the University of Wisconsin, Madison and the study's lead author, at the conference. Most of the people who borrow for their education are white, Goldrick-Rab said, but a larger share of black students are in debt than any other racial group.

"The majority of African American students in this country in college would not be there without access to student loans," said Goldrick-Rab.



Close all those tabs. Open this email.
Get Bloomberg's daily newsletter.

Enter your email

More than 52 percent of black students had student loans in 2012, compared with about 42 percent of whites and about a third of Hispanics and Asians, according to the study, which analyzed data from the National Postsecondary Student Aid Study. The share of black students with student loans has grown faster in the last two decades than any ethnic group other than Native Americans, the data showed.

Black and white students borrow about the same amount, but the debt weighs more heavily on black families, according to the study. Researchers said that's because the student loan tab "represents a much larger fraction of black students' current family income and their future earnings."

The average student loan bill for both groups is about \$8,000. But that's half the \$16,000 average wealth of black families and only 7

percent of the average \$124,000 wealth of white families, according to figures cited in the study.

“Black students face a catch-22,” the study said. Because they tend to have lower wealth and income than whites do, they need aid to afford college and face larger hurdles to paying it off.

Studies have shown that black borrowers are in more debt for longer than their peers are. An analysis this year by the National Bureau of Economic Research found that **black students owe 22 percent more in loans** and are less likely to be repaying that debt 10 years out of college.

Part of the problem is that black families have less of a financial cushion than whites do, Goldrick-Rab says. “The family recourses to prevent a child or young adult from defaulting are simply not present, even among middle-class black families,” she says.

But another pressing issue is that after they leave college, blacks fare worse in the labor market, says Goldrick-Rab. Black men and women are paid less than whites at every level of education, **according to data from the Bureau of Labor Statistics**. The upshot?

“It’s much harder for African Americans to get a good return on their degrees,” says Goldrick-Rab.

