

What Type of College Gives Student Loan Borrowers the Biggest Bang for Their Buck?

This *Credible Insights* piece examines the top universities in each commonly discussed category: Ivy League, public universities, national private universities, and liberal arts colleges.¹ We examined the data to determine **what type of college gives its graduates the biggest bang for their buck.**²

Who comes out on top?

Based on the top five schools in each category as ranked by U.S News & World Report³, **Ivy League graduates benefit the most when it comes to student debt, and top national private universities have the edge when it comes to both early career and mid-career median salaries.**

Contrary to the commonly held belief that public institutions result in the least amount of student loan debt for their graduates, our analysis found that **public university graduates, including UC Berkeley and UCLA, held the highest amount of student loan debt.** Furthermore, they also had lower projected mid-career salaries compared to Ivy League and national private university peers, with liberal arts graduates only slightly behind. Graduates from the top liberal arts schools have a lower average debt upon graduation, but both lower early career and mid-career median salaries.

Key Insights

- The national average college graduate had almost double the student debt than that of the top universities (\$35,000 vs \$14,654)
- The average public university graduate has the highest student loan debt (\$17,594) of the top universities studied
- Graduates from the top national universities have the highest projected early and mid-career salary



¹ **Ivy League:** Princeton University, Harvard University, Yale University, Columbia University, University of Pennsylvania. **Public Universities:** UC – Berkeley, UCLA, University of Virginia, University of Michigan - Ann Arbor, University of North Carolina - Chapel Hill. **Liberal Arts Colleges:** Williams College, Amherst College, Swarthmore College, Bowdoin College (tie), Middlebury College (tie), Pomona College (tie), Wellesley (tie). **National private universities:** Stanford University, University of Chicago, MIT, Duke University, California Institute of Technology.

² Based on: [U.S. News & World Report's Best Colleges Rankings](#) (ranking), [Payscale's College Salary Report](#) (salary), and [College Board](#) (debt).

³ U.S. News & World Report (<http://colleges.usnews.rankingsandreviews.com/best-colleges?int=994d08>)

Skyrocketing student debt, but not at the top universities

In an Oct. 27 report, The Institute for College Access & Success ([TICAS](#)) found that between 2004 and 2014, student debt rose at a staggering 56% while inflation only rose 25% during that same period of time.⁴

Remarkably, graduates of top universities in each category had significantly lower debt (\$14,654) than the 2015 national average (\$35,000).⁵ **This means that the national average college graduate had almost double the student debt of the average college graduate from the top Ivy Leagues, public universities, national private universities, and liberal arts colleges.**

The importance of endowments

More elite schools have bigger endowments that can help lower, middle, and even upper income students with financial support. Many of these schools have successful alumni who are proud of their attendance and give back generously, with the average student receiving financial aid on those campuses estimated to be paying about a quarter of the public sticker price.⁶

But don't think it's an easy ride. These elite schools are very difficult to get into. The acceptance rates at Princeton and Harvard for the class of 2019 were a mere 6.99% and 5.30%, respectively.⁷

What should prospective students be thinking about?

An overarching conclusion from our study is that **college applicants should consider how their future student debt and projected salary may compare across their college options**, and also consider their ability to receive school aid from private institutions when deciding where to apply. Many students often see the more expensive price tag and are immediately deterred, without taking into account **the influence that attending the college may have on their future projected earning power.**

Importantly, the study supports that **private education is likely to pay off in both the short and long term** – with the public Institutions analyzed having the highest debt as well as the lowest projected mid-career salaries. It should be remembered though, that a borrower's college major is an added layer that plays a significant role in determining salary.

Attending college can be a big financial decision, and **applicants should assess what makes the most sense for them overall**, as understanding that college choice can have a significant influence on their futures.

Interested in learning more – sign up to the Credible Newsletter on the [Credible Blog](#).

⁴ The Institute for College Access & Success (TICAS), October 2015 (http://ticas.org/sites/default/files/pub_files/classof2014.pdf)

⁵ The Wall Street Journal - Congratulations, Class of 2015. You're the Most Indebted Ever (For Now) (<http://blogs.wsj.com/economics/2015/05/08/congratulations-class-of-2015-youre-the-most-indebted-ever-for-now/>)

⁶ Ivy League College Students Avoid Student Debt Burden (http://www.huffingtonpost.com/2013/09/10/ivy-league-student-debt_n_3897459.html)

⁷ Business Insider - Ivy League admission letters just went out (<http://www.businessinsider.com/ivy-league-acceptance-class-of-2019-2015-3>)