

**TITLE:** Update on Student Debt in Kentucky

**DESCRIPTION:** The Finance Committee received a preview of a study completed on student debt levels after graduation from one of Kentucky's public institutions.

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### **COMMITTEE'S REVIEW**

The Finance Committee received this information update at their October 23, 2023, meeting. It will not be covered or presented in detail at the November 17 board meeting; however, staff will be available for questions.

### **SUPPORTING INFORMATION**

Earlier this year, CPE staff conducted a study on graduate debt levels and how Kentucky's efforts around tuition caps, improving financial literacy, and increasing grant aid have impacted those levels. The study investigated debt trends over the past five academic years among graduates of Kentucky's public institutions. (Debt at graduation was defined as the total debt a student has taken on through the end of the academic year in which they earned their highest credential on record.)

The findings show that average debt levels for postsecondary graduates in Kentucky are declining. Moderating debt load of Kentucky's college students has been a key focus of campuses across the state, as well as CPE and state leaders. Specifically,

- Average debt for all graduates (including those graduating with and without debt) dropped 26.4% between 2017-18 and 2021-22.
- At four-year public universities, average graduate debt declined by 11.7% and 4.3% among only graduates with debt. The proportion of graduates with debt declined from 63.7% to 58.8%.
- At KCTCS, average graduate debt declined over the past 5 years by 33.7% and 8.4% among only graduates with debt. The proportion of graduates with debt declined from 48.8% to 35.2%.

CPE staff will present the draft findings of this report, which is set to release in the spring of 2024.