

Where will a \$1.00 of Taken Student Loans Go?

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Almost every day, one can find articles written on student loans. Let us deepen the analyses and check what portion of \$1.00 taken by the students will be used for? AAEA has pulled a ten-year data, and based on this data set, the Association has broken down the loans and checked how they were spent. Fortunately, the regulator has calculated the share and made them available to use without further need to recalculate each component. The components are (1). Instruction share; (2). Student service share and (3). Administrative share. The Association has checked that the sum of these components is 100 percent.

We take the information and apply it to each US colleges. Cost component one and two have direct relationship with student education activities while component category (3) includes the portion of spending on academic support, institutional support, and operations and maintenance ascribed to the education function. In other words, component number 3 does not have direct relationship with the student class room activities. As shown in the Table 1 below, these unrelated expenses make up the largest portion. On average and for the whole colleges in the US, the overhead cost is about 40%. What does it mean is that for every \$1.00 that the students borrow about \$0.40 will go to pay the overhead cost?

Let us work together and make every effort possible to lower the cost of education simply because we are the one that can make this country a better place for everyone, every single family, and future generations~~we are the United State of America.

Table 1 - Student Loans and Administrative Expenses By State			
State	Average Overhead (%)	Average Students Loans in the Period under Studied	Average Taken Student Loans to Pay the Administrative Cost
Alaska	40.13%	\$7,159.00	\$2,872.91
Alabama	39.17%	\$4,325.03	\$1,694.11
Arkansas	39.12%	\$3,605.00	\$1,410.28
Arizona	42.31%	\$4,861.70	\$2,056.99
California	40.75%	\$4,944.08	\$2,014.71
Colorado	38.17%	\$4,897.38	\$1,869.33
Connecticut	41.02%	\$4,332.96	\$1,777.38
District of Columbia	41.19%	\$5,983.89	\$2,464.76
Delaware	34.59%	\$4,243.82	\$1,467.94
Florida	42.71%	\$5,077.10	\$2,168.43
Georgia	41.84%	\$4,366.32	\$1,826.87
Hawaii	33.43%	\$3,729.78	\$1,246.87
Iowa	37.40%	\$5,156.94	\$1,928.70
Idaho	37.92%	\$4,177.04	\$1,583.93
Illinois	41.41%	\$4,402.89	\$1,823.24
Indiana	40.45%	\$5,157.74	\$2,086.31
Kansas	39.40%	\$4,023.58	\$1,585.29
Kentucky	43.46%	\$4,470.78	\$1,943.00
Louisiana	40.43%	\$4,317.81	\$1,745.69
Massachusetts	41.81%	\$4,910.13	\$2,052.93
Maryland	41.60%	\$4,238.89	\$1,763.38
Maine	40.03%	\$4,808.33	\$1,924.77
Michigan	41.31%	\$4,211.99	\$1,739.97
Minnesota	40.38%	\$5,218.62	\$2,107.28
Missouri	39.13%	\$4,509.88	\$1,764.72
Mississippi	36.80%	\$3,435.06	\$1,264.10
Montana	34.42%	\$3,813.23	\$1,312.51
North Carolina	40.70%	\$3,993.75	\$1,625.46
North Dakota	40.40%	\$4,631.65	\$1,871.19
Nebraska	39.03%	\$4,974.82	\$1,941.67
New Hampshire	45.65%	\$5,636.69	\$2,573.15
New Jersey	40.22%	\$4,252.50	\$1,710.36
New Mexico	37.15%	\$3,624.35	\$1,346.45
Nevada	43.72%	\$5,563.37	\$2,432.31
New York	41.98%	\$4,501.86	\$1,889.88
Ohio	39.92%	\$4,792.32	\$1,913.09
Oklahoma	37.65%	\$3,837.91	\$1,444.97
Oregon	39.84%	\$4,553.43	\$1,814.09
Pennsylvania	40.09%	\$5,158.91	\$2,068.21
Rhode Island	40.16%	\$5,006.52	\$2,010.62
South Carolina	41.01%	\$4,267.99	\$1,750.30
South Dakota	35.92%	\$4,413.03	\$1,585.16
Tennessee	40.68%	\$4,547.63	\$1,849.98
Texas	41.65%	\$4,576.27	\$1,906.02
Utah	42.05%	\$4,678.55	\$1,967.33
Virginia	40.06%	\$4,988.64	\$1,998.45
Vermont	44.39%	\$5,451.45	\$2,419.90
Washington	38.19%	\$4,576.66	\$1,747.83
Wisconsin	35.50%	\$4,325.01	\$1,535.38
West Virginia	38.65%	\$4,271.53	\$1,650.95
Wyoming	39.33%	\$2,970.74	\$1,168.39
US	39.89%	\$4,587.74	\$1,837.60

Source: NCES/PEDS

ⁱ Founder and Co-founder, Association of American Education Analytics (www.aaea.us). Please do not distribute without a written consent from the Association.