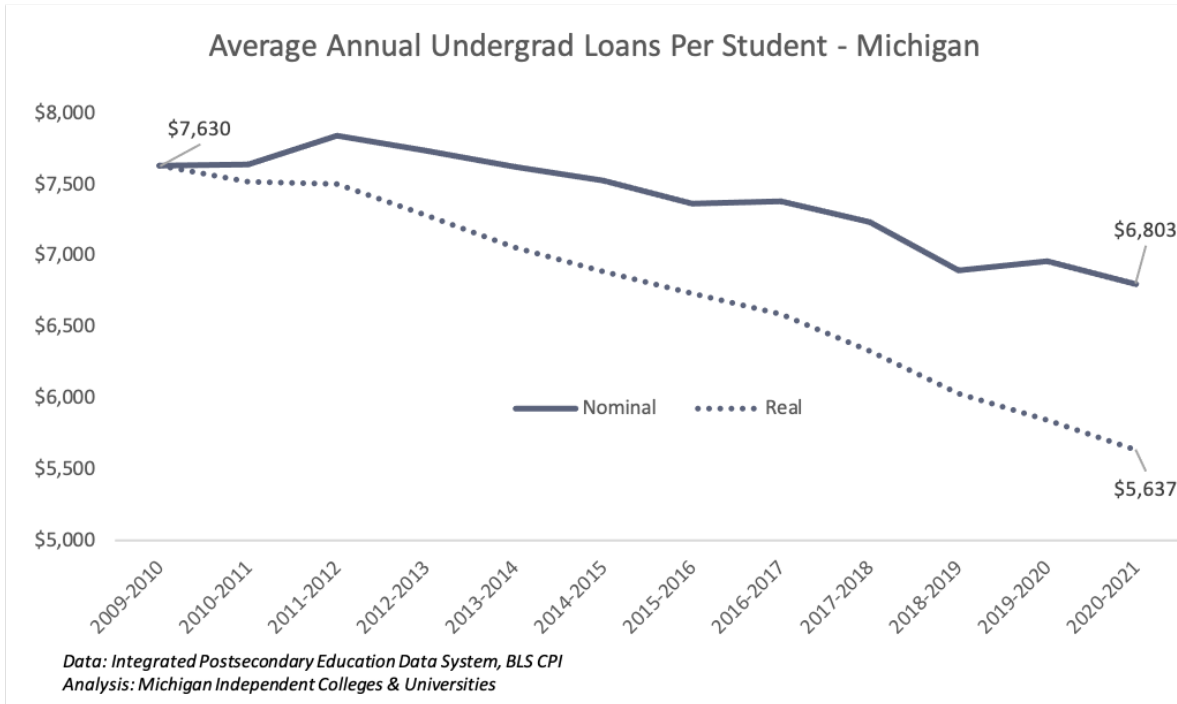


## Average student loans borrowed by MI undergrads continues to decline

The average amount of student aid borrowed by undergraduate students in Michigan has been declining for a decade in both nominal and real terms.



Federal student loans are one way that students pay for college. Many students who fill out a FAFSA are offered a federal student loan to help cover their costs. Fewer students are taking loans to pay for college. On average, about 65% of undergrads seeking a bachelor's degree in MI took loans in 2009. This is compared to only 56% of undergrads who took loans in 2021.

Not only has the share of students taking debt declined, but the amount of debt borrowed by each student has been declining in both nominal and real terms. In 2009, the average student who used federal loans for college borrowed \$7,630. In 2021, the average was down to \$6,803. Nearly \$1,000 less.

In real terms, the amount borrowed has declined even more. The \$6,803 borrowed by the average student in 2021 is only worth \$5,637 in real terms (2009 dollars). A full \$2,000 less in buying power compared to what was borrowed in 2009.

Students are not required to take the full federal loan offered and can opt to borrow less. It seems Michigan students are doing just this. While overall student debt continues to be an important consideration, MI students seems to be adjusting their borrowing behavior and taking on less debt.

If you have any questions or would like further information, don't hesitate to reach out.

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