



Forever in your Debt

Who Has Student Loans and Who's Worried?



Caroline Ratcliffe and Signe-Mary McKernan

November 18, 2013

Federal Reserve Bank of St. Louis

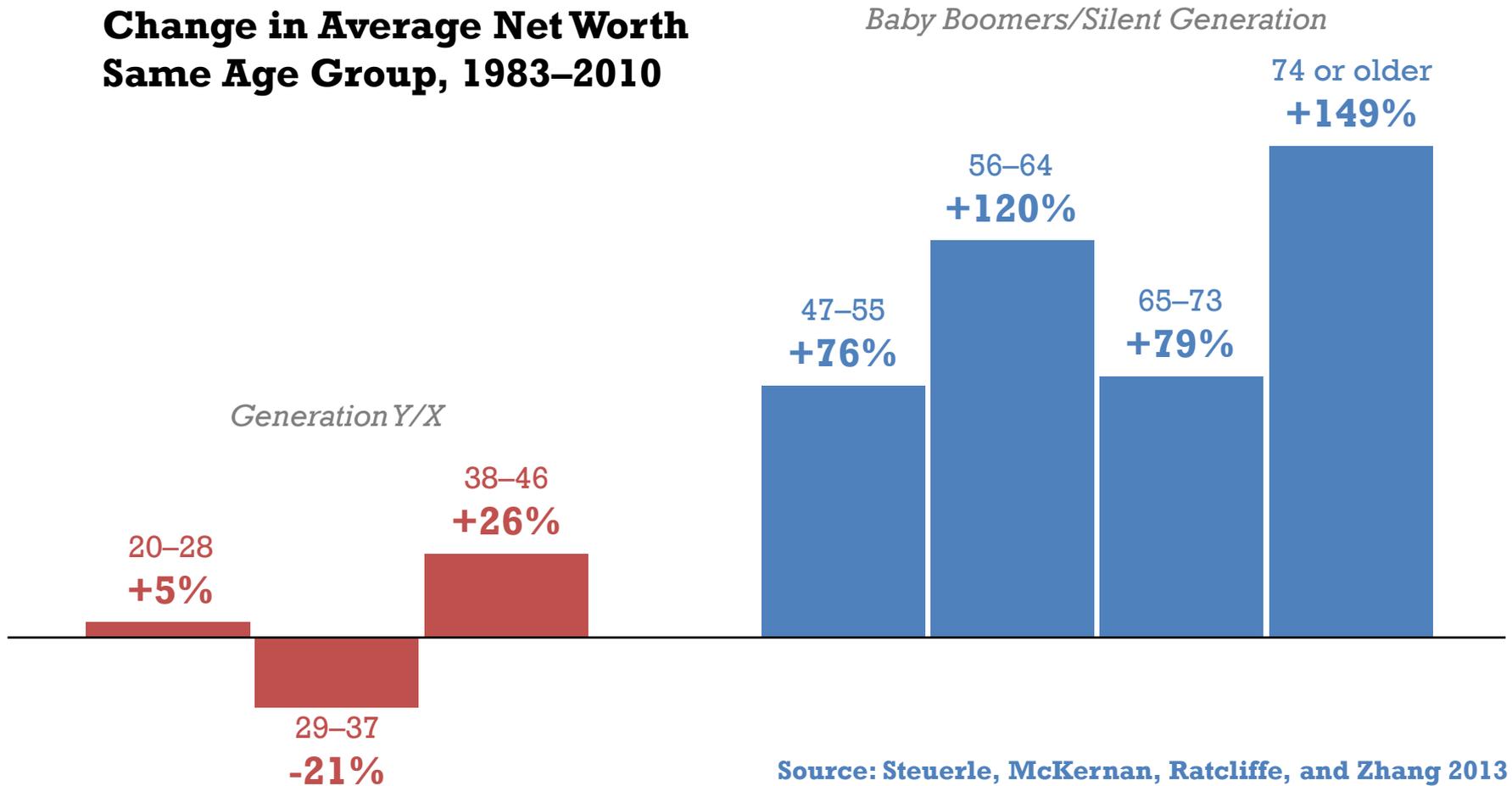
Generation Debt: The Promise, Perils, and Future of Student Loans



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Older Generations Accumulate, Younger Generations Stagnate

**Change in Average Net Worth
Same Age Group, 1983–2010**

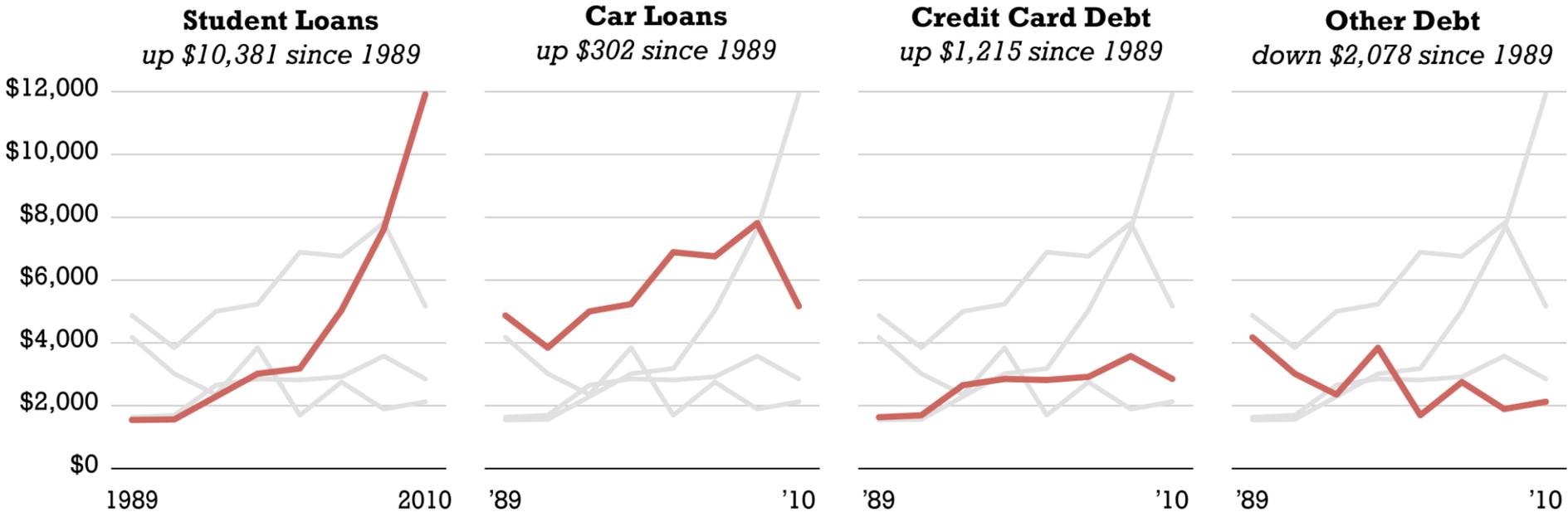


Source: Steuerle, McKernan, Ratcliffe, and Zhang 2013
(Survey of Consumer Finances)

Sharp Rise in Student Loan Debt

Average Family Debt of 29- to 37-Year-Olds, Excluding Mortgage Debt

2010 dollars



Source: Survey of Consumer Finances

Who Has Debt and Who is Worried?

Data and Sample

- **National Financial Capability Survey**
- **U.S. adults age 20 and older in 2012**
- **Student loan questions**
 - **Do you currently have any student loans?**
 - **Are you concerned that you might be unable to pay off your student loans?**
- **Demographic and economic characteristics**
 - **Age, educational attainment, race/ethnicity, gender, number of dependent children, income**

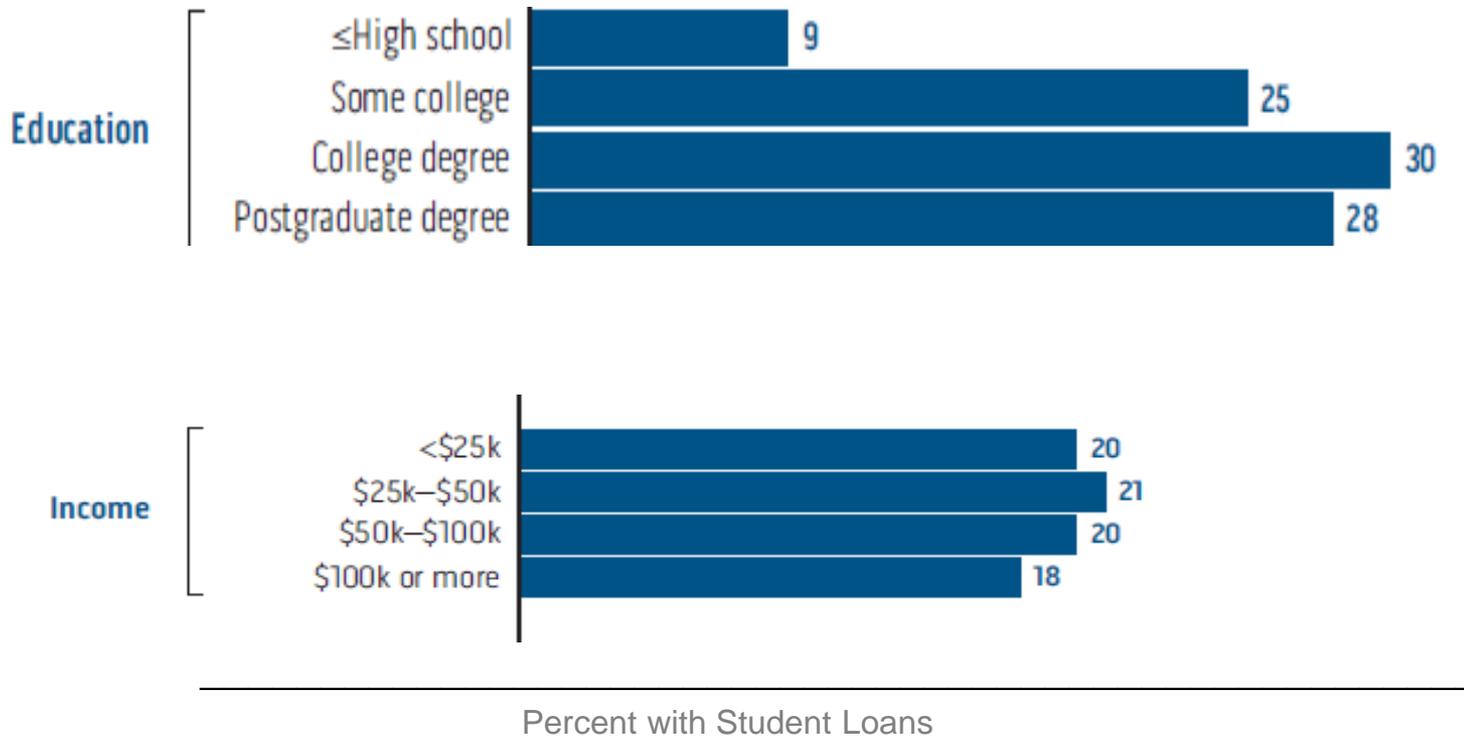


Who Has Student Loan Debt?

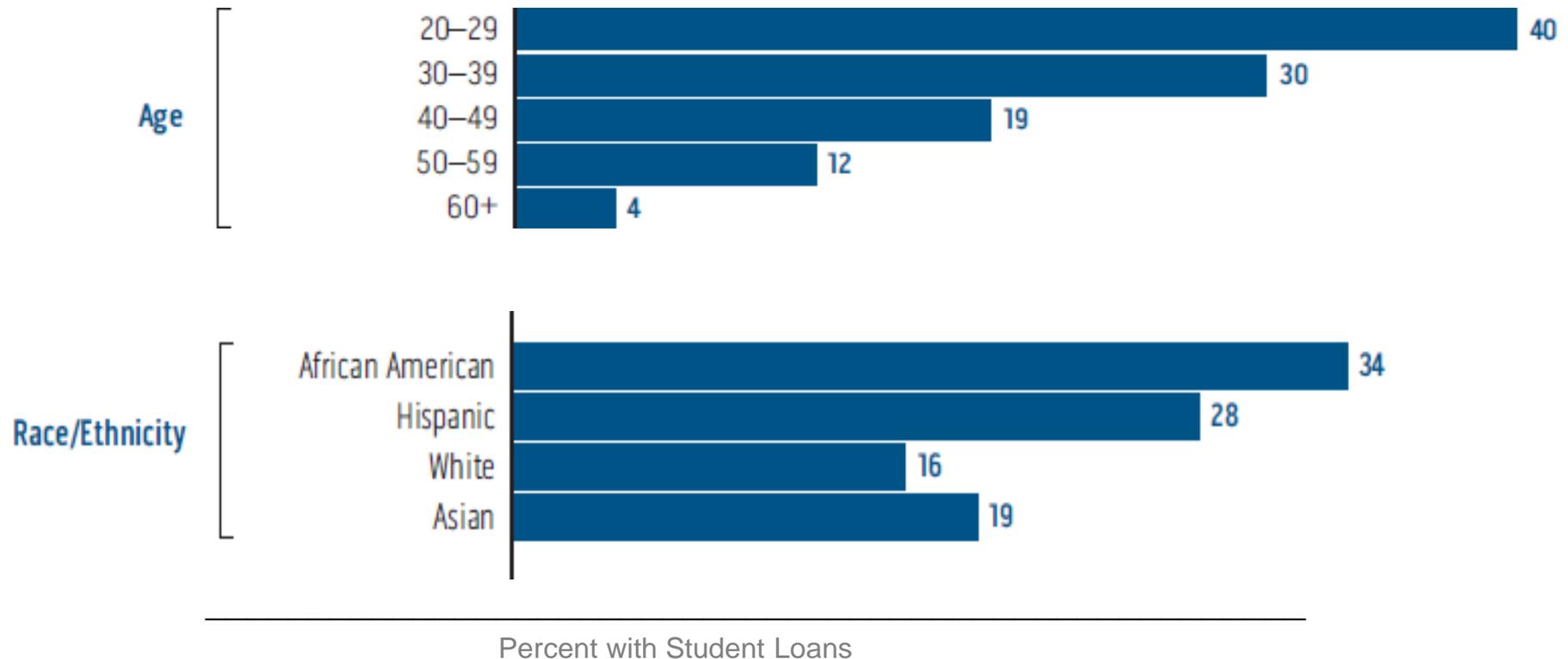
One out of five Americans age 20 or older



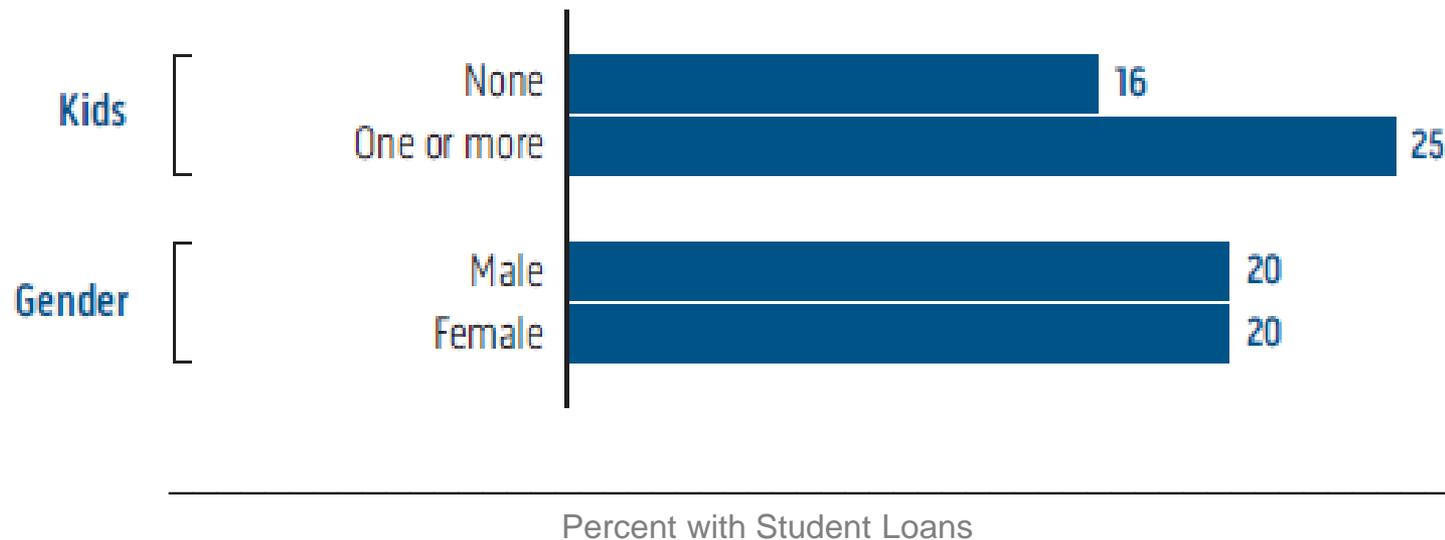
Student Loans Held Across Education and Income Spectrum



Student Loans More Likely Held by Young and Minorities



Student Loans More Likely Held by People with Children; No Difference by Gender



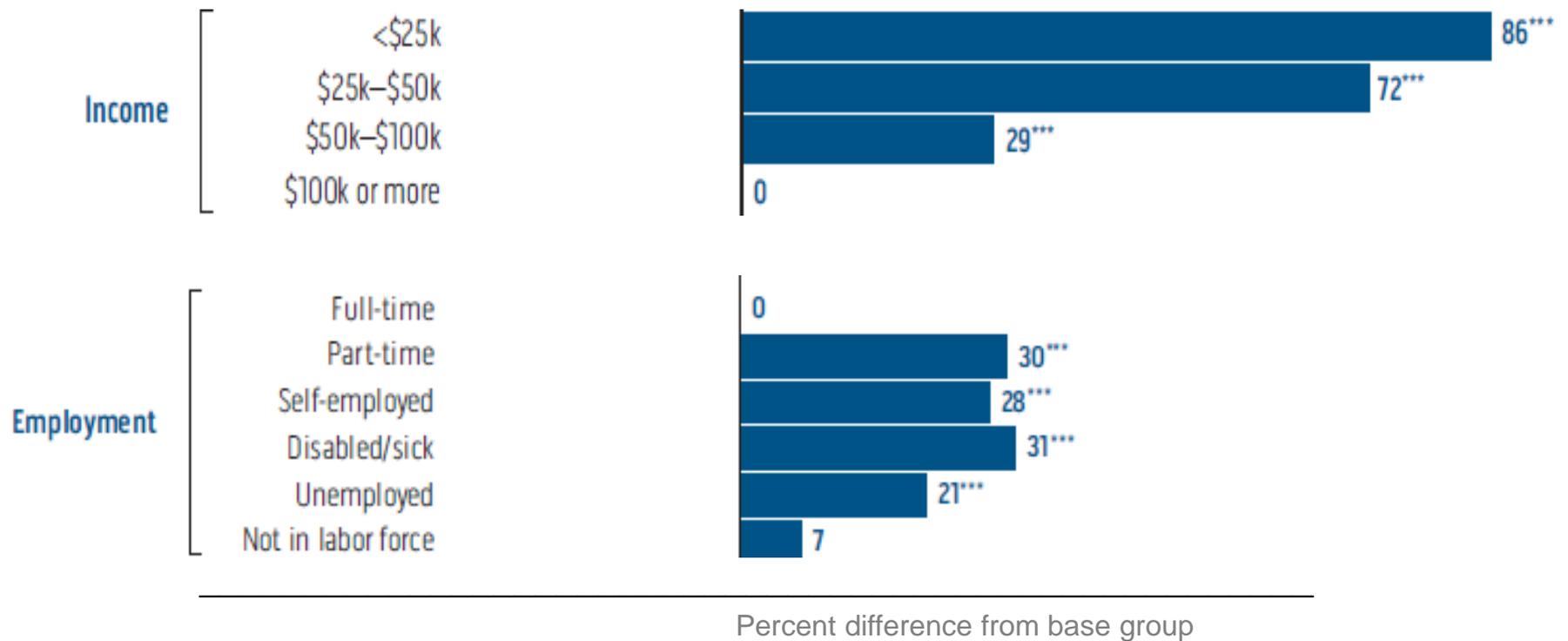


Who's Worried About Student Loan Repayment?

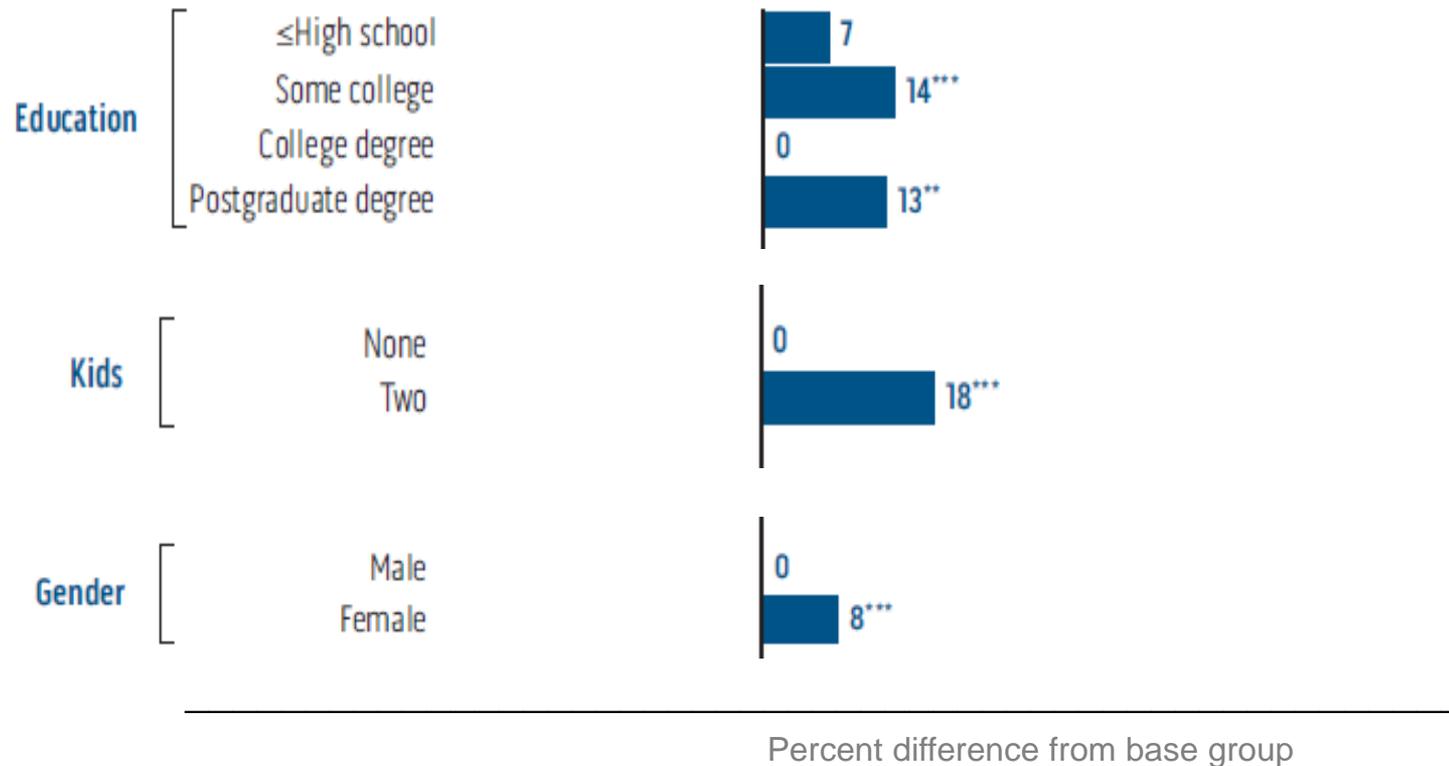
Over half of adults (57 %) with a student loan



Repayment Worry Lower for Higher Income and Full-Time Workers



Repayment Worry also Turns on Education, Children, and Gender



Summary

- Student loan debt is an important component on the balance sheets of many Americans
 - 20% of U.S. adults
 - 35% of U.S. adults in their 20s and 30s
- Over half of people with student loan debt are worried they may be unable to repay that debt
- Goal: Help young Americans take advantage of student loans to complete degrees but avoid burying themselves in student loan debt



Thank You

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For more information
www.urban.org/changing-wealth-americans

Urban Institute
2100 M Street, NW
Washington, DC 20037
(202) 833-7200

