Forever in your Debt
Who Has Student Loans and Who’s Worried?

Caroline Ratcliffe and Signe-Mary McKernan
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Federal Reserve Bank of St. Louis
Generation Debt: The Promise, Perils, and Future of Student Loans
Older Generations Accumulate, Younger Generations Stagnate

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

Generation Y/X

20–28
+5%

29–37
-21%

38–46
+26%

Baby Boomers/Silent Generation

56–64
+120%

47–55
+76%

65–73
+79%

74 or older
+149%

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

- **Student Loans**: up $10,381 since 1989
- **Car Loans**: up $302 since 1989
- **Credit Card Debt**: up $1,215 since 1989
- **Other Debt**: down $2,078 since 1989

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

- **Education**
  - ≤ High school: 9%
  - Some college: 25%
  - College degree: 30%
  - Postgraduate degree: 28%

- **Income**
  - < $25k: 20%
  - $25k–$50k: 21%
  - $50k–$100k: 20%
  - $100k or more: 18%

Percent with Student Loans
Student Loans More Likely Held by Young and Minorities

<table>
<thead>
<tr>
<th>Age</th>
<th>Percent with Student Loans</th>
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<tbody>
<tr>
<td>20–29</td>
<td>40</td>
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<tr>
<td>30–39</td>
<td>30</td>
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<td>40–49</td>
<td>19</td>
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<td>50–59</td>
<td>12</td>
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<td>60+</td>
<td>4</td>
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<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percent with Student Loans</th>
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<tbody>
<tr>
<td>African American</td>
<td>34</td>
</tr>
<tr>
<td>Hispanic</td>
<td>28</td>
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<tr>
<td>White</td>
<td>16</td>
</tr>
<tr>
<td>Asian</td>
<td>19</td>
</tr>
</tbody>
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Student Loans More Likely Held by People with Children; No Difference by Gender

Percent with Student Loans

- Kids: None (16%), One or more (25%)
- Gender: Male (20%), Female (20%)
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

**Income**
- <$25k: 86***
- $25k–$50k: 72***
- $50k–$100k: 29***
- $100k or more: 0

**Employment**
- Full-time: 30***
- Part-time: 28***
- Self-employed: 31***
- Disabled/sick: 21***
- Unemployed: 7
- Not in labor force: 0

Percent difference from base group
Repayment Worry also Turns on Education, Children, and Gender

- **Education**
  - ≤High school: 7%
  - Some college: 14***
  - College degree: 0%
  - Postgraduate degree: 13**

- **Kids**
  - None: 0%
  - Two: 18***

- **Gender**
  - Male: 0%
  - Female: 8***

Percent difference from base group
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
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