U.S. Family Balance Sheets and Students Loans

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*These are my own views, and not necessarily the views of the Federal Reserve Bank of St. Louis, Federal Reserve System, or the Board of Governors.
How Age/Birth Year, Education, and Race/Ethnicity is Associated with Wealth
(Emmons and Noeth, 2015)

Median Real Net Worth in 2013 ($)

- All families: $81,456
- Less than 40: $14,220
- 40-61: $106,094
- 62 or older: $209,590
- Less than HS: $17,278
- HS or GED: $50,594
- Assoc/Bach degree: $154,266
- Grad/Prof degree: $444,862
- Black: $11,184
- Hispanic: $13,900
- Asian: $91,440
- White: $134,008
Education and Wealth
(Emmons and Noeth, 2015)

![Bar chart showing change in median net worth from 1989 to 2013]

<table>
<thead>
<tr>
<th></th>
<th>4-year college &lt;br&gt;grads</th>
<th>Non-college &lt;br&gt;grads</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>All families</td>
<td>273,586</td>
<td>43,625</td>
<td>6.3</td>
</tr>
<tr>
<td>White</td>
<td>359,928</td>
<td>80,692</td>
<td>4.5</td>
</tr>
<tr>
<td>Asian</td>
<td>250,637</td>
<td>25,632</td>
<td>9.8</td>
</tr>
<tr>
<td>Hispanic</td>
<td>49,606</td>
<td>12,160</td>
<td>4.1</td>
</tr>
<tr>
<td>Black</td>
<td>32,780</td>
<td>9,006</td>
<td>3.6</td>
</tr>
</tbody>
</table>
Race, Education, and Wealth
(Emmons and Noeth, 2015)

Change in Median Real Net Worth Between 1992 and 2013

- White: 86.4%
- Asian: 89.6%
- Hispanic: 30.8%
- Black: -55.6%

4-year college grads
Non-college grads

Median Wealth of College(-only) Degree Holders by Race or Ethnicity

Percent
-60 -40 -20 0 20 40 60 80 100

White non-Hispanic
Asian or Other
Black/African-American
Hispanic
Non-mortgage Balances

Total Student Loan Balances By Age
Impact of Student Loans on Net Worth

Negative impact of student loans on—
- Marriage
- First home purchase
- Wages
- Consumption

Student loans appear to *displace* the acquisition of other wealth-building assets.

### Young Student Debtors Lag Behind in Wealth Accumulation

**Median net worth of young households**

<table>
<thead>
<tr>
<th>College Educated</th>
<th>Has Student Debt</th>
<th>$8,700</th>
<th>7 TIMES GREATER THAN THOSE WITH STUDENT DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Student Debt</td>
<td>$64,700</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Not College Educated</th>
<th>Has Student Debt</th>
<th>$1,200</th>
<th>9 TIMES GREATER THAN THOSE WITH STUDENT DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Student Debt</td>
<td>$10,900</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Young households are households with heads younger than 40. Households are characterized based on the educational attainment of the household head. “College educated” refers to those with a bachelor’s degree or more. Student debtor households have outstanding student loan balances or student loans in deferment. Net worth is the value of the household assets minus household debts.

Source: Pew Research Center tabulations of the 2010 Survey of Consumer Finances

PEW RESEARCH CENTER
Early Investments Matter

Probability of Reaching Top Quintile from Bottom Quintile

Raj Chetty et al., Equality of Opportunity Project, Harvard

Corr. with baseline $r_{25} = 0.91$ (unweighted), 0.92 (pop-weighted)
Early Investments Matter, con’t