

Student Loan Debt: Who Has It and How Much?

By Craig Copeland, Ph.D., Employee Benefit Research Institute

AT A GLANCE

A pressing issue for those seeking a college education is the high cost, which commonly results in American families amassing student loan debt. The Employee Benefit Research Institute (EBRI) is exploring the far-reaching financial implications of student loan debt for families who have it.

This *Issue Brief* examines the incidence of student loan debt among American families, including trends going back to 1992, based on data from the Federal Reserve's Survey of Consumer Finances (SCF). It also looks at the amount of outstanding student loan debt and required payments across many demographic characteristics. Lastly, the amount of other assets held, particularly defined contribution plan assets, is compared between those with and without student loans.

Key findings are:

- The percentage of American families with student loan debt increased from 10.5 percent in 1992 to 21.4 percent in 2019 — a leveling off of the steep increase through 2016, where the percentage peaked at 22.3 percent.
- The distribution of the families who have student loan debt across key characteristics vs. those who don't varied widely:
 - **Those with student loan debt were younger:** In 2019, 66.7 percent of the families having student loan debt had heads younger than age 45, and 40.5 percent were families with heads younger than age 35. In contrast, just 29.6 percent of those without debt had heads younger than age 45.
 - **Those with student loan debt had more education:** Of families with this debt, 83.7 percent had heads with at least some college education in 2019, compared with 59.7 percent of those without student loan debt.
 - **Those with student loan debt had higher incomes:** Over 55 percent (57.5 percent) of families with student loan debt had incomes in the top 50 percent of all families in 2019, compared with 47.1 percent for those without student loans.
- While the families with the youngest heads had the highest percentage with student loan debt, families with older heads had larger increases in the percentage with student loan debt. The percentage of families with heads under age 35 who had student loan debt increased 70 percent since 1992 (24.4 percent in 1992 to 41.4 percent in 2019). By comparison, the percentage of families with heads ages 45–54 who had student loan debt grew 309 percent, and the percentage of families with heads ages 55–64 who had student loan debt grew 321 percent.
- Further, families with a Black/African American head were 50 percent more likely than families with white, non-Hispanic heads to hold student loan debt (20.0 percent and 30.2 percent, respectively).
- The median outstanding student loan balance increased from \$5,704 in 1992 to \$22,000 in 2019 (a 286 percent increase). The average student loan balance had a similar increase from 1992 to 2019 (\$12,498 to \$40,550 — a 224 percent growth).

- Families with heads younger than age 35 with at least a college degree appeared to be particularly struggling with student loan debt. This group had higher required monthly loan payments with a median at \$300 and a median percentage of family income of 4.9 percent.

A particularly troubling finding is that those who obtained student loans but did not finish their college degree had a lower likelihood of defined contribution (DC) plan ownership, and when they did have a DC plan balance, it was smaller than for those who did finish college with a student loan. In short, these families end up with the costs but not the benefits of attending college.

Nevertheless, student loan debt can be considered an investment that helps individuals obtain a better job with higher earnings that cannot be reached without a college degree. Thus, in aggregate, student loan debt is overwhelmingly held by families with incomes in the top half, with a net worth in the top half, or who have heads with a college degree or higher. Consequently, those holding student loan debt either have a higher ability or have a higher potential ability to pay for expenses than American families having lower incomes or net worths or having heads with lower educational attainment.

Craig Copeland is a Senior Research Associate at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from the Institute’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

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Student Loan Debt: Who Has It and How Much?

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Introduction

One of the most pressing issues for American families is the high cost of a college education. The average cost of tuition and fees for attending a public four-year college has grown, in inflation-adjusted terms, 162 percent from 1992 to 2019.¹ Consequently, given this sharply increasing cost, more American families have taken on student loan debt. The existence of student loan debt can have far-reaching financial implications for families who have it. This debt has the potential to limit the ability of younger generations to save for certain goals, including retirement. In addition, it weakens the financial position of families with older individuals as they near or enter retirement.

Of course, it is important to take into account the fact that family heads with a college degree typically have greater earning potential than those without a college degree. Consequently, comparisons of earnings between those with and without student loan debt should be considered as well as earnings by educational attainment.

This *Issue Brief* examines the incidence of student loan debt among American families in 2019, including trends going back to 1992. It also considers the amount of outstanding student loan debt and required payments across many demographic characteristics. Lastly, the amount of other assets held, in particular defined contribution plan assets, are compared between those with and without student loans.

The data for this study come from the Federal Reserve's Survey of Consumer Finances.² This dataset is the most complete data on the wealth of American families with comprehensive breakdowns of all assets and debts that could potentially be held.

Incidence

The percentage of American families with student loan debt more than doubled from 10.5 percent in 1992 to 22.3 percent in 2016 before a slight falloff in 2019 to 21.4 percent (Figure 1). The percentage with this debt was much higher for families with younger heads. For families with heads ages less than 35, 41.4 percent had student loan debt in 2019, compared with 12.2 percent for families with heads ages 55–64.

While the youngest families had the highest percentage with debt, families with older heads had larger increases in the percentage of those with student loan debt. The percentage of families with heads less than age 35 with student loan debt increased 70 percent since 1992 (24.4 percent in 1992 to 41.4 percent in 2019). By comparison, the percentage of families with heads ages 45–54 grew 309 percent, and the percentage of families with heads ages 55–64 grew 321 percent. In fact, families with heads ages 65 or older were the only age group of families who experienced an increase in the incidence of student loan debt in 2019 from 2016, but the incidence for this age group remained very small at 3.2 percent in 2019.

The families with the lowest incomes were the least likely to have student loans (14.4 percent). Otherwise, there was a relatively smaller variation in the likelihood of having student loan debt for higher-income (2nd quartile and higher) families (21.5 percent to 25.8 percent). In contrast, by families' net worth, there were significant differences in the probabilities of having student loan debt. The families in the lowest net worth category were six times as likely to have student loan debt as those in the highest net worth category.

Families with heads having some college education but not a bachelor's degree were significantly more likely to have student loan debt than those with heads who did not attend college: 11.8 percent of families whose head held a high school diploma held student loan debt, compared with 25.8 percent of those with heads who attended college but did not receive a bachelor's degree. In contrast, there was a much smaller difference among families having heads with various levels of college education. While 25.8 percent of families having heads with only some college education held

student loan debt, 31.1 percent of families with heads having a college degree did so, and 26.2 percent of families with heads having an advanced degree did so.

Figure 1
Percentage of Families With Student Loan Debt, by
Various Demographic Categories, 1992, 2001, 2010, 2013, 2016, and 2019

	1992	2001	2010	2013	2016	2019
Total	10.5%	11.6%	19.1%	19.9%	22.3%	21.4%
Family Income Quartile						
Lowest	10.4	7.7	15.6	16.9	17.4	14.4
Second	9.1	12.6	15.0	16.9	22.4	21.5
Third	13.1	13.4	20.2	22.9	25.8	25.8
Highest	9.5	12.6	23.0	21.6	23.4	24.0
Age of Family Head						
Less than 35	24.4	26.0	40.0	41.4	44.8	41.4
35–44	11.7	11.9	26.2	28.7	34.3	33.7
45–54	5.7	10.7	17.5	18.4	23.7	23.3
55–64	2.9	5.2	9.3	12.0	12.9	12.2
65 or older	1.2	0.4	2.7	2.1	2.4	3.2
Education of Family Head						
Below high school diploma	2.2	2.8	5.4	4.4	5.9	5.5
High school diploma	7.4	8.2	12.8	12.5	15.0	11.8
Some college	12.3	14.5	25.9	24.7	29.0	25.8
College degree	18.1	17.5	26.6	28.7	28.6	31.1
Advanced degree	17.0	16.8	23.0	26.4	28.3	26.2
Race						
White, non-Hispanic	10.6	11.0	18.9	18.4	20.2	20.0
Black/African American	12.6	14.9	24.1	31.2	30.7	30.2
Hispanic	8.3	11.6	14.3	14.1	19.3	14.3
Other	7.4	11.3	18.2	20.8	26.1	24.3
Work Status of Family Head						
Someone else	13.9	15.4	24.9	26.7	30.6	29.5
Self-employed	10.0	9.3	17.0	17.4	19.2	17.6
Retired	2.9	1.2	4.3	4.6	5.3	4.6
Other nonwork	11.0	17.2	28.1	28.7	29.8	27.5
Net Worth Percentile						
Bottom 25%	19.8	16.6	27.8	29.4	39.5	36.0
25–49.9%	10.5	11.1	17.7	17.2	22.0	22.5
50–74.9%	6.7	9.4	12.1	13.3	18.4	16.9
75–89.9%	5.6	6.2	8.4	9.8	10.9	13.1
Top 10%	3.9	2.4	4.1	4.0	6.5	5.7

Source: Employee Benefit Research Institute estimates of the 1992, 2001, 2010, 2013, 2016, and 2019 Survey of Consumer Finances.

Families with a Black/African American head were 50 percent more likely than families with white, non-Hispanic heads to have student loan debt (20 percent and 30.2 percent, respectively). In contrast, families with Hispanic heads were the least likely to have student loan debt, at 14.3 percent. This relative positioning has persisted since 1992, but the relative percentages have not, as the percentage of families with Black/African American heads has grown relative to that of families with white, non-Hispanic heads.

Showing the distribution of families having student loan debt by the above characteristics highlights the large variations across the demographic characteristics (Figure 2):

- **Those with student loan debt were younger:** In 2019, 66.7 percent of the families having student loan debt had heads younger than age 45, and 40.5 percent were from families with heads younger than age 35. In contrast, just 29.6 percent of those without debt had heads younger than age 45.
- **Those with student loan debt had more education:** Of families with this debt, 83.7 percent had heads with at least some college, compared with 59.7 percent of those without student loan debt.
- **Families with student loan debt were more likely to have Black/African American heads but less likely to have Hispanic heads:** Of families with this debt, 20.1 percent had heads who were Black/African American, compared with 12.6 percent of those without student loan debt. In contrast, only 6.4 percent of the families with student loan debt had Hispanic heads, compared with 10.4 of the families without this debt.
- **Those with student loan debt had higher incomes:** 57.5 percent of families with student loan debt had incomes in the top 50 percent of all incomes, compared with 47.1 percent of those without student loans. However, 68.4 percent of the families with student loans had a net worth in the lower half, compared with 45.0 percent of those without student loan debt.

Therefore, the families with student loan debt were more likely to have higher incomes, heads with more educational attainment, and heads who are younger. The concentration of families with student loan debt in the lower net worth categories appeared to be at least partially a result of these families having younger heads.

The shifts in the distribution of families with student loans across age and educational attainment since 1992 are notable. In 1992, 85.0 percent of those with student loans had a family head younger than age 45, including 59.7 percent who had a head younger than age 35. In 2019, this decreased to 66.7 percent and 40.5 percent, respectively. Likewise, the percentage of families with student loans who had a head with only some college increased from 20.8 percent in 1992 to 34.3 percent in 2019. In other words, more families with student loan debt will have less time to pay it off before their heads reach retirement age. Furthermore, fewer of those with student loans are going to receive the benefits (increased earnings) of a full college education from assuming this debt.

With the relatively high share of families whose heads were older having student loan debt, the debt would be expected to be from financing the education of children. However, this is not the case. In 2019, only 12.2 percent of families with student loans were using them to finance the education of a child, and another 3.2 percent were financing the education of a child and a parent. This leaves the vast majority — 84.6 percent — financing the education of the family head and/or that person's spouse (Figure 3).

The likelihood of the family using the loan for the education of a child increased with the family's income and net worth and the age of the family head. Specifically, nearly 100 percent of the families with a head younger than age 35 used their student loans to finance the education of the head and/or the spouse of the family. This number decreased to 49.3 percent of families with heads ages 55–64. While just 3.5 percent of families in the lowest income quartile were financing the education of a child, 22.5 percent in the highest income quartile were doing so.³

Figure 2
Distribution of Families With and Without Student
Loan Debt, by Various Demographic Categories, 1992, 2016, and 2019

	With Student Loan Debt			Without Student Loan Debt		
	1992	2016	2019	1992	2016	2019
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Family Income Quartile						
Lowest	23.2	19.3	17.3	23.5	26.3	27.9
Second	22.2	25.1	25.3	26.1	24.9	25.0
Third	31.7	29.3	29.6	24.6	24.2	23.1
Highest	23.0	26.3	27.9	25.8	24.6	24.1
Age of Family Head						
Less than 35	59.7	40.7	40.5	21.8	14.4	15.6
35–44	25.3	26.0	26.2	22.4	14.2	14.0
45–54	8.9	19.5	18.7	17.2	18.0	16.7
55–64	3.7	11.1	10.7	14.5	21.5	21.0
65 or older	2.4	2.7	4.0	24.2	31.8	32.7
Education of Family Head						
Below high school diploma	4.3	3.3	2.7	22.2	15.4	12.9
High school diploma	21.0	17.5	13.6	31.1	28.4	27.5
Some college	20.8	35.6	34.3	17.4	25.0	26.9
College degree	36.7	26.9	30.7	19.5	19.2	18.5
Advanced degree	17.1	16.7	18.7	9.8	12.1	14.3
Race						
White, non-Hispanic	75.7	58.8	60.6	75.2	66.4	66.1
Black/African American	15.2	20.1	20.1	12.4	13.0	12.6
Hispanic	5.9	8.8	6.4	7.7	10.6	10.4
Other	3.2	12.3	12.9	4.7	10.0	10.9
Work Status of Family Head						
Someone else	72.7	77.3	79.9	52.7	50.2	52.0
Self-employed	10.5	9.2	8.9	11.0	11.1	11.4
Retired	6.9	6.6	5.8	26.9	34.1	32.4
Other nonwork	9.9	6.9	5.4	9.4	4.7	3.9
Net Worth Percentile						
Bottom 25%	47.4	44.3	42.1	22.5	19.5	20.3
25–49.9%	24.9	24.7	26.3	24.9	25.1	24.7
50–74.9%	16.1	20.7	19.8	26.1	26.3	26.4
75–89.9%	8.0	7.4	9.2	15.8	17.2	16.6
Top 10%	3.8	2.9	2.7	10.7	12.0	12.0

Source: Employee Benefit Research Institute estimates of the 1992, 2016, and 2019 Survey of Consumer Finances.

Figure 3
Distribution of Whose Education the Student Loan Financed,
by Various Demographic Categories, 2019

	Adult	Child	Both
Total	84.6%	12.2%	3.2%
Family Income Quartile			
Lowest	95.3	3.5	1.2
Second	88.1	8.6	3.3
Third	85.7	10.6	3.7
Highest	73.8	22.5	3.7
Age of Family Head			
Less than 35	99.6	0.0	0.4
35–44	93.8	2.6	3.6
45–54	66.0	27.4	6.6
55–64	49.3	43.8	7.0
65 or older	54.7	43.2	2.2
Education of Family Head			
Below high school diploma	64.8	30.9	4.3
High school diploma	79.3	18.5	2.2
Some college	85.7	10.6	3.7
College degree	85.9	11.2	3.0
Advanced degree	87.4	9.5	3.1
Race			
White, non-Hispanic	83.3	13.7	3.0
Black/African American	87.2	7.7	5.2
Hispanic	85.5	12.9	1.6
Other	86.4	11.8	1.8
Net Worth Percentile			
Bottom 25%	93.2	4.1	2.7
25–49.9%	88.0	8.8	3.2
50–74.9%	76.1	21.9	2.0
75–89.9%	65.5	29.3	5.2
Top 10%	44.5	43.6	11.9

Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Aggregate Value of Student Loans

The SCF shows that \$1,114.7 billion was held in student loan debt in 2019, with \$812.0 billion being held by families required to make payments (not in deferred status) (Figure 4). Families with incomes in the upper half held 64.6 percent of this debt in 2019. Furthermore, 68.1 percent of this debt was held by families with a head who had a college degree or higher. Sixty percent of it was held by families with heads who were white, with only 22.2 percent and 4.9 percent held by families with Black/African American and Hispanic heads, respectively. However, 74.9 percent of the debt was held by those with net worths in the lower half, primarily because these families often have younger heads and have debt.

Notably, however, in aggregate, student loan debt is overwhelmingly (87.7 percent of the value of the debt) held by families with incomes in the top half, with net worth in the top half, or who have heads with a college degree or higher.

Restricting it to just the families with incomes or net worth in the top half, 67.9 percent of student loan debt was held by these families. In other words, most of those holding student loan debt do tend to have a higher ability or a higher potential ability to pay for these expenses.

Figure 4
Distribution of the Student Loan Values, by Payment Status and
Various Family Head Demographic Categories, 2019

	All Loans		Loans With a Required Payment	
	Total	Percentage	Total	Percentage
	(billions)		(billions)	
Total	\$1,114.7	100.0%	\$812.0	100.0%
Family Income Quartile				
Lowest	125.1	11.2	42.4	5.2
Second	269.3	24.2	177.0	21.8
Third	342.6	30.7	265.6	32.7
Highest	377.7	33.9	327.0	40.3
Age of Family Head				
Less than 35	460.5	41.3	359.7	44.3
35–44	301.7	27.1	240.5	29.6
45–54	203.7	18.3	115.3	14.2
55–64	110.8	9.9	78.6	9.7
65 or older	38.0	3.4	17.9	2.2
Education of Family Head				
Below high school diploma	13.6	1.2	8.5	1.0
High school diploma	89.3	8.0	57.3	7.1
Some college	253.0	22.7	159.7	19.7
College degree	338.5	30.4	243.8	30.0
Advanced degree	420.2	37.7	342.7	42.2
Race				
White, non-Hispanic	669.7	60.1	519.7	64.0
Black/African American	247.5	22.2	168.8	20.8
Hispanic	54.5	4.9	29.2	3.6
Other	143.0	12.8	94.3	11.6
Net Worth Percentile				
Bottom 25%	629.7	56.5	438.1	54.0
25–49.9%	205.4	18.4	155.0	19.1
50–74.9%	173.2	15.5	139.4	17.2
75–89.9%	81.5	7.3	59.8	7.4
Top 10%	24.9	2.2	19.7	2.4
Groups				
Net worth top 50%, income top 50%, or college degree or higher	977.7	87.7	743.6	91.6
Net worth top 50% or income top 50%	756.8	67.9	616.3	75.9

Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Loan Balances

The median outstanding student loan balance increased from \$5,704 in 1992 to \$22,000 in 2019 (a 286 percent increase) (Figure 5).⁴ However, the median was substantially different and increased unevenly across various demographic characteristics. In particular, the higher the educational attainment of the family head, the higher the median student loan balance was. For families whose head had a high school diploma only, the median student loan balance was \$14,000 in 2019. In comparison, among families whose head had an advanced degree, the median balance was \$61,000. Other families with higher median balances included those with the lowest net worths (\$32,000) and families with Black/African American heads (\$30,000). In contrast, families with the lowest incomes or heads who were retired had lower median loan balances.

There were differences not only in the median balances by the educational level of the family head but also in the growth of the median balances from 1992–2019. Specifically, families with a family head with an advanced degree not only had the highest median balance in 2019 but also had the highest growth in the median balance from 1992 at 715 percent (\$7,486 compared with \$61,000). Furthermore, the lower the educational attainment of the family head, the slower the growth of the median balance between 1992 and 2019.

Other cohorts with higher growth rates in the median balance since 1992 included families with the lowest net worths (412 percent), Black/African American heads (480 percent), and heads with a college degree (340 percent). Those families with the smallest growth rates were families with heads ages 55 or older or with net worths in the top 10 percent.

The groups with the highest percentage increases in their average balances from 1992 to 2019 were groups who have not typically been associated with having student loans. Families with heads who did not have a high school diploma or were ages 45–54 had particularly high percentage increases in their average balances. The average balance for families with heads without a high school diploma increased from \$4,475 in 1992 to \$18,156 in 2019, as the 90th percentile of student loan balances for these families experienced a 550 percent increase (\$6,773 to \$44,000) (Figure 6). The increase in the 90th percentile of student loan balances from 1992 to 2019 for families with heads ages 45–54 was 542 percent (\$14,795 to \$95,000), resulting in the largest increase in the average balances at 367 percent (\$8,482 to \$39,604).⁵ Families with minority heads saw significantly higher percentage increases in their average student loan debt held from 1992 to 2019 than did families with white, non-Hispanic heads — 461 percent for families with Black/African American heads and 334 percent for families with “other” heads vs. 190 percent for families with white, non-Hispanic heads.

While other groups did not have increases as high as these families, the average student loan balances across almost all groups more than doubled from 1992 to 2019. Only those families with incomes in the second quartile didn’t double their average balances over the period.

In general, growth in *average* student loan balances was driven by the large growth in balances among those with the highest debt. Namely, the 90th percentile of student loan balances increased 301 percent from 1992 to 2019 (\$24,955 to \$100,000).

Figure 5
Distribution of Student Loan Balances for Families Having Student Loans,
by Various Demographic Categories, 1992, 2001, 2010, 2016, and 2019

	1992			2001			2010			2016			2019		
	25th	Median	75th	25th	Median	75th	25th	Median	75th	25th	Median	75th	25th	Median	75th
	Percentile		Percentile	Percentile		Percentile	Percentile		Percentile	Percentile		Percentile	Percentile		Percentile
Total	\$2,674	\$5,704	\$12,477	\$4,321	\$11,524	\$24,488	\$7,054	\$15,283	\$34,092	\$8,828	\$20,208	\$44,139	\$8,500	\$22,000	\$50,000
Family Income Quartile															
Low est	2,674	4,991	8,912	2,881	8,355	17,285	6,231	10,698	23,512	6,382	14,890	31,908	6,000	17,000	33,000
Second	3,208	6,239	14,260	3,745	11,524	24,488	4,937	10,580	23,512	7,445	21,272	42,544	8,500	24,000	51,000
Third	2,674	5,882	12,833	4,609	11,091	20,166	7,054	16,458	34,092	10,636	20,208	44,139	8,000	21,900	50,300
Highest	2,852	6,595	14,973	6,482	14,404	29,529	8,699	21,160	41,146	10,636	26,590	62,752	10,000	26,000	68,000
Age of Family Head															
Less than 35	3,030	5,704	12,477	4,609	11,811	24,488	6,818	15,283	34,092	8,509	19,677	42,544	10,000	22,000	48,900
35–44	2,674	5,169	11,586	4,321	12,964	28,809	6,818	16,458	35,268	10,636	21,378	47,862	8,000	21,000	55,000
45–54	2,674	6,595	8,912	3,025	8,643	21,607	7,054	14,107	32,916	9,572	21,272	47,330	10,000	25,000	46,000
55–64	4,456	13,012	24,776	5,041	11,524	36,011	7,171	18,457	29,978	8,509	19,145	48,926	7,100	24,000	50,000
65 or older	3,743	10,873	17,825	1,440	2,448	2,737	7,054	14,107	21,160	4,148	12,763	37,226	4,000	14,000	55,000
Education of Family Head															
Below high school diploma	1,782	4,456	5,347	720	3,889	10,083	4,467	7,994	14,107	5,318	10,636	26,590	6,600	12,000	30,000
High school diploma	2,674	4,634	9,091	2,881	8,355	15,124	3,527	9,404	18,810	5,850	12,763	27,122	7,000	14,000	34,000
Some college	2,317	4,813	11,408	3,601	7,778	16,709	7,054	14,107	29,249	7,445	16,273	32,972	6,800	15,700	34,100
College degree	3,565	6,595	14,795	5,041	12,964	25,928	8,229	18,810	38,795	10,636	23,399	49,989	12,000	29,000	51,000
Advanced degree	3,387	7,486	27,628	11,524	30,970	59,779	15,283	32,916	91,696	19,145	47,862	93,597	20,000	61,000	110,000
Race															
White, non-Hispanic	2,674	6,239	13,368	4,753	11,811	25,928	7,054	15,518	35,268	8,934	20,315	45,309	9,000	23,000	49,300
Black/African American	2,852	5,169	10,694	2,881	7,202	17,285	7,054	15,283	35,268	9,679	21,272	44,671	9,500	30,000	61,000
Hispanic	3,208	6,239	12,477	2,593	7,202	18,726	5,878	12,931	24,805	8,509	19,145	42,544	8,000	17,600	32,000
Other	1,337	3,030	9,982	8,643	12,964	40,333	7,289	12,931	31,741	7,232	20,208	42,650	8,000	19,000	44,500
Work Status of Family Head															
Someone else	2,852	5,882	12,833	4,321	11,091	23,047	7,054	17,398	35,268	9,147	21,272	45,735	9,500	23,000	50,000
Retired	2,692	6,595	14,795	2,881	11,524	34,571	5,172	10,580	21,160	5,318	14,890	31,908	5,000	22,000	40,000
Net Worth Percentile															
Bottom 25%	4,011	6,239	13,012	4,264	10,083	24,488	7,054	16,458	36,443	10,636	26,590	58,498	12,000	32,000	69,000
25–49.9%	1,960	4,991	10,694	4,321	11,524	21,607	6,583	12,931	25,981	7,445	17,018	31,908	7,000	17,000	38,000
50–74.9%	1,960	4,634	13,903	3,601	11,379	20,166	7,288	15,283	34,092	7,977	15,954	32,972	7,800	20,000	40,000
75–89.9%	2,674	4,456	10,873	3,889	11,524	48,976	6,113	16,223	27,039	6,382	15,954	42,544	5,600	14,500	40,000
Top 10%	5,525	10,178	19,964	9,507	20,166	259,282	11,756	19,985	44,672	10,636	27,654	47,862	10,000	20,000	40,000

Source: Employee Benefit Research Institute estimates of the 1992, 2001, 2010, 2016, and 2019 Survey of Consumer Finances.

Note: All income and asset values are in 2019 dollars.

Figure 6
Average and 90th Percentile of Student Loan Balances for Families Having Student Loans,
by Various Demographic Categories, 1992, 2001, 2010, 2016, and 2019

	1992		2001		2010		2016		2019	
	Average	90th Percentile	Average	90th Percentile	Average	90th Percentile	Average	90th Percentile	Average	90th Percentile
Total	\$12,498	\$24,955	\$19,895	\$44,654	\$30,407	\$70,536	\$36,474	\$85,088	\$40,550	\$100,000
Family Income Quartile										
Low est	7,842	16,595	16,469	42,493	25,037	63,482	26,121	60,625	26,342	61,000
Second	19,614	27,807	18,107	42,781	20,239	44,672	34,882	84,024	38,775	92,000
Third	10,889	22,103	16,106	43,214	32,506	72,887	36,613	85,088	42,173	99,000
Highest	12,541	32,085	27,778	64,821	35,618	83,467	45,440	106,360	49,235	129,500
Age of Family Head										
Less than 35	11,716	24,955	17,549	43,214	30,589	70,536	34,986	77,643	41,409	99,000
35–44	15,256	23,172	29,673	108,034	31,492	85,819	36,952	87,215	41,941	106,000
45–54	8,482	14,795	14,419	38,892	28,664	64,658	39,356	91,470	39,604	95,000
55–64	16,049	44,562	21,835	57,618	34,021	58,780	35,820	88,279	37,596	90,000
65 or older	12,318	24,955	2,924	7,778	20,032	36,326	36,217	106,360	35,019	90,000
Education of Family Head										
Below high school diploma	4,475	6,773	6,319	17,717	10,800	22,336	20,075	45,735	18,156	44,000
High school diploma	7,118	14,260	12,182	34,571	15,074	35,268	24,061	65,943	23,971	50,000
Some college	7,644	16,221	12,195	25,928	23,373	50,551	26,735	57,434	26,819	60,900
College degree	11,131	24,776	18,716	43,214	30,259	72,887	38,984	87,215	40,059	92,000
Advanced degree	29,942	48,127	47,674	120,998	71,067	179,866	69,532	155,286	81,950	178,000
Race										
White, non-Hispanic	13,875	25,846	20,942	47,535	29,393	70,536	36,078	85,088	40,171	100,000
Black/African American	8,003	23,172	16,150	41,773	32,860	70,536	37,538	89,342	44,882	95,000
Hispanic	8,166	17,290	12,698	27,369	21,593	50,551	33,664	78,706	30,893	92,000
Other	9,316	48,127	30,050	114,084	40,060	105,804	38,641	95,724	40,397	89,000
Work Status of Family Head										
Someone else	13,124	24,955	18,979	43,214	30,155	70,536	37,423	87,215	40,613	95,000
Retired	8,936	24,955	18,261	41,773	23,534	39,970	29,895	79,770	31,610	76,000
Net Worth Percentile										
Bottom 25%	15,698	26,737	18,943	43,214	34,406	85,819	45,661	110,614	54,476	135,000
25–49.9%	8,580	18,894	16,650	41,773	22,005	50,551	26,441	65,943	28,371	70,000
50–74.9%	9,772	24,776	16,533	41,773	28,249	58,780	29,091	74,877	31,870	83,100
75–89.9%	8,918	21,746	29,652	65,973	21,359	39,970	33,859	74,452	32,277	86,000
Top 10%	17,344	44,562	83,127	259,282	31,228	47,024	40,840	80,834	34,051	102,000

Source: Employee Benefit Research Institute estimates of the 1992, 2001, 2010, 2016, and 2019 Survey of Consumer Finances.

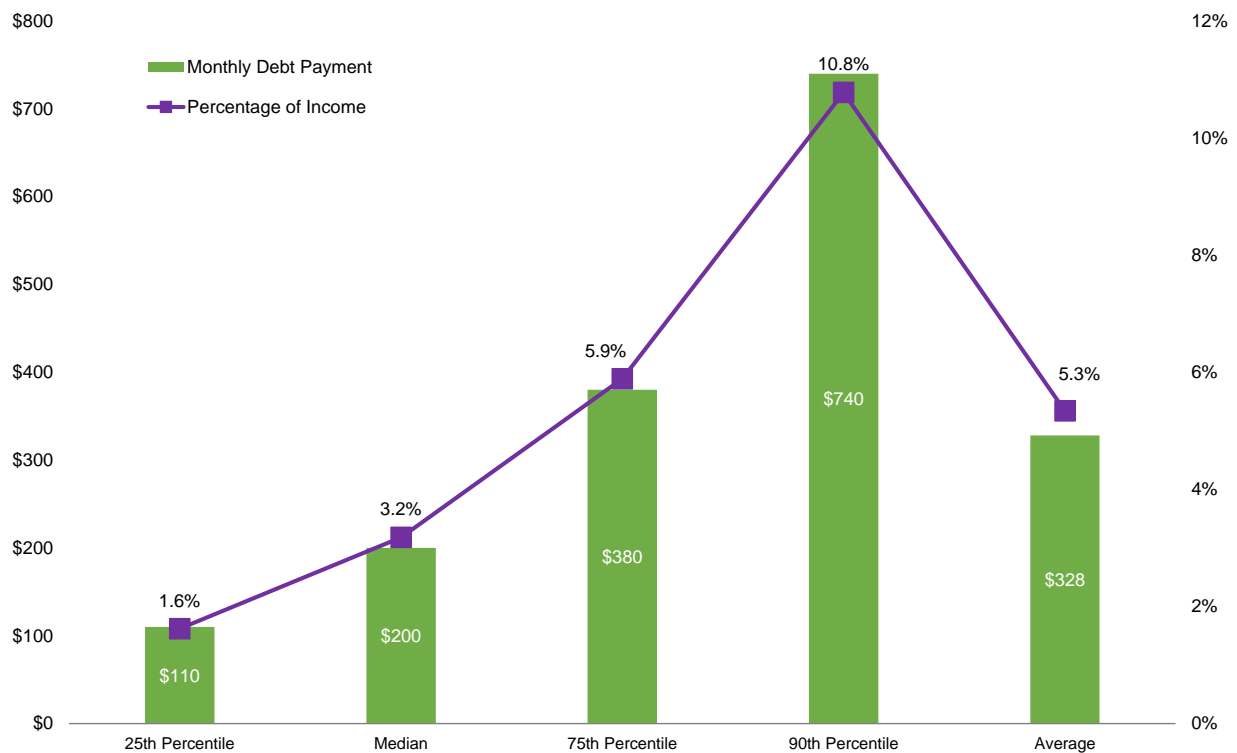
Note: All income and asset values are in 2019 dollars.

Loan Payments

The median required monthly student loan debt payment for families was \$200 in 2019.⁶ This represented 3.2 percent of these families' incomes at the median (Figure 7). However, these loan payments varied significantly, with the 25th percentile of the loan payments being \$110 and the 75th percentile being \$380, while the 90th percentile reached \$740. The average payment was \$328. The percentage of income these loan payments represented also had a large range, from 1.6 percent at the 25th percentile to 5.9 percent at the 75th percentile and 10.8 percent at the 90th percentile. The average share of income these payments represented was 5.3 percent.

Monthly payments were the highest in terms of the percentage of family income for those with the lowest incomes (6.4 percent of income at the median), those with advanced degrees (4.7 percent), those with the lowest net worths (4.5 percent), and those stating their work status as retired (4.1 percent) (Figure 8).

Figure 7
**Required Monthly Student Loan Debt
 Payments vs. Family Income, 2019**



Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

One of the demographic characteristics that showed significant differences in the required payment was education level. For families with heads not having a college degree, the median payment ranged from \$120 to \$170. The median payment increased to \$240 for families with a head having only a college degree and to \$380 for families with heads who had an advanced degree. The percentage of income these payments represented ranged from 2.0 percent to 3.2 percent for families with heads not having an advanced degree but jumped to 4.7 percent for families with a head having an advanced degree.

Family income was also a strong factor in the amount of the required loan payment. Families with higher incomes had higher median student loan payments. However, the percentage of income these payments represented decreased with family income. Families with the lowest incomes had a median percentage of income required to pay student loan balances of 6.4 percent, compared with 2.3 percent for families with the highest incomes. The median percentage of income that the loan payment represented followed the same pattern with increasing family net worth.

One group of families with a particularly high incidence of having student loans were those with heads younger than age 35 and having at least a college degree. This group also had higher required monthly loan payments with a median at \$300 and a median percentage of family income of 4.9 percent (Figure 9). The required monthly loan payment reached \$500 at the 75th percentile of loan payments and \$1,220 at the 90th percentile. The average loan payment was \$456. The average percentage of family income these loan payments represented was 7.1 percent, with the 75th percentile at 8.2 percent and the 90th percentile at 15.8 percent.

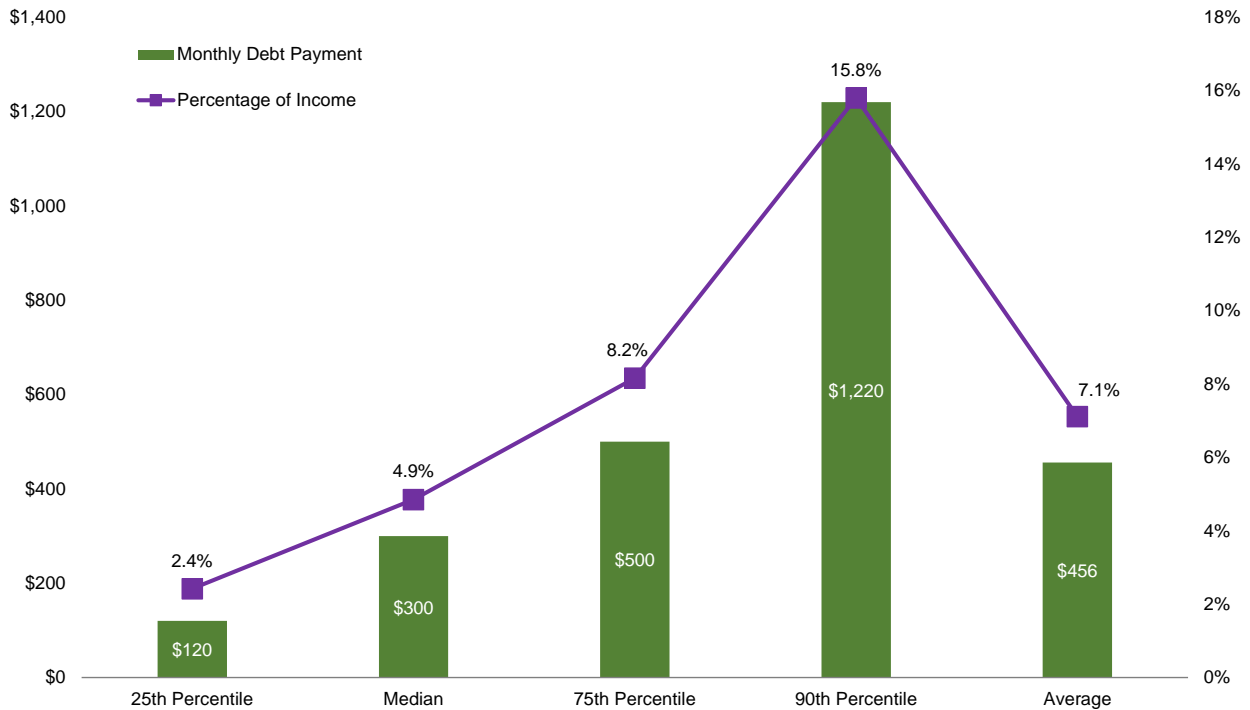
Another evaluation of these families showed the relative impact of their student loan payments by comparing the percentage of families who had required loan payments that represented more than specific thresholds of family income (Figure 10). Two-thirds (65.8 percent) of the families with heads younger than age 35, at least a college degree, and a required loan payment had payments that represented more than 3 percent of their family income. This is compared with 52.5 percent of *all* families with a required loan payment at that rate. The share of families requiring

more than 10 percent of their family income going to student loan debt payments was nearly twice as much for families with a head younger than 35 and at least a college degree compared with the full population studied.

Figure 8
Reported Required Median Monthly Student Loan Debt Payments and Median Percentage of Family Income the Payments Represent, by Various Categories, 2019

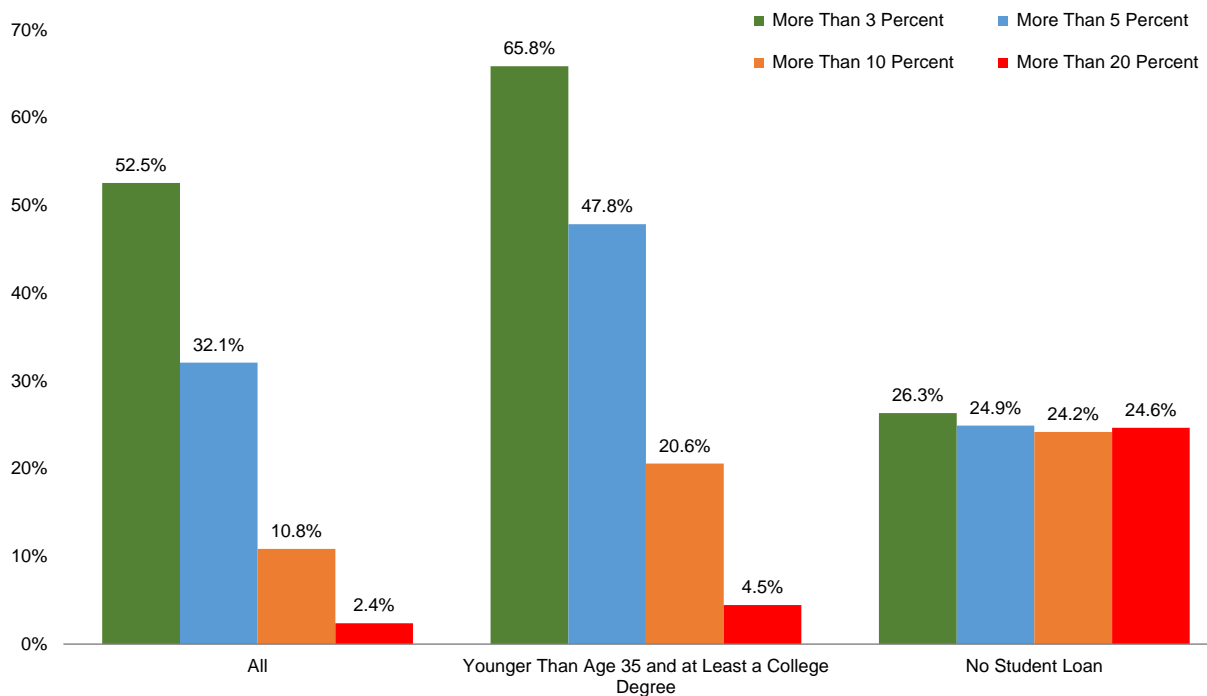
	Median Monthly Payment	Percentage of Family Income
Total	\$200	3.2%
Family Income Quartile		
Lowest	100	6.4
Second	150	3.9
Third	220	3.3
Highest	330	2.3
Age of Family Head		
Less than 35	200	3.9
35–44	220	2.9
45–54	220	3.0
55–64	190	2.8
65 or older	170	3.7
Education of Family Head		
Below high school diploma	150	2.7
High school diploma	120	2.0
Some college	170	3.1
College degree	240	3.2
Advanced degree	380	4.7
Race		
White, non-Hispanic	230	3.3
Black/African American	180	3.2
Hispanic	170	2.8
Other	160	3.1
Work Status of Family Head		
Someone else	210	3.2
Retired	152	4.1
Net Worth Percentile		
Bottom 25%	190	4.5
25–49.9%	200	3.3
50–74.9%	250	2.8
75–89.9%	230	1.9
Top 10%	300	1.2
Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.		

Figure 9
Required Monthly Student Loan Debt Payments vs. Family Income for Families With Heads Ages Younger Than 35 and Having a College Degree or Higher, 2019



Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Figure 10
Families With Student Loan Debt Payments Above Various Income Thresholds, by Age and Education, 2019



Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Comparison of Assets and Debt

Not surprisingly, families with student loans had lower median assets and higher median debt than families without student loans (Figure 11). Families with student loans had median assets of \$183,150 compared with \$240,950 for those without a student loan. The median debt was \$98,040 vs. \$12,000. However, the pattern of lower assets did not hold across all demographic groups, while the pattern of higher debt did. Indeed, regardless of the assets, those with student loans had higher median debt than those without student loans. In all cases, the median debt of those with student loans ranged from almost twice the debt of those without student loans to 10 or even 20 times the debt of those without student loans.

	Median Assets		Median Debt	
	With Student Loan	No Student Loan	With Student Loan	No Student Loan
Total	\$183,150	\$240,950	\$98,040	\$12,000
Family Income Quartile				
Lowest	11,012	20,765	23,100	0
Second	48,750	152,200	56,000	8,750
Third	209,500	336,000	117,000	42,260
Highest	479,400	1,080,920	260,550	154,400
Age of Family Head				
Less than 35	51,440	34,400	55,000	2,600
35–44	243,630	235,300	144,500	58,000
45–54	263,600	308,020	132,300	51,500
55–64	352,360	289,000	115,000	16,300
65 or older	375,550	321,400	58,000	4,000
Education of Family Head				
Below high school diploma	146,000	34,000	57,000	540
High school diploma	156,800	128,740	87,000	8,000
Some college	84,505	207,000	42,000	14,100
College degree	206,950	493,901	111,500	39,000
Advanced degree	368,250	966,800	221,500	87,400
Race				
White, non-Hispanic	235,290	327,710	115,300	18,700
Black/African American	76,900	44,200	63,300	1,300
Hispanic	148,900	61,600	110,280	6,100
Other	121,480	213,300	59,470	11,200
Work Status of Family Head				
Someone else	174,980	218,300	102,770	25,100
Retired	60,840	238,790	40,030	960
Net Worth Percentile				
Bottom 25%	20,420	6,300	50,030	200
25–49.9%	181,400	80,800	112,100	9,400
50–74.9%	399,110	312,700	176,000	43,500
75–89.9%	838,800	804,000	198,000	50,540
Top 10%	2,811,800	2,864,750	340,000	70,000

Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

For example, the median assets were higher for student-loan-debt-holding families with heads younger than age 45 or heads with only a high school diploma or less. However, their median debt was also higher.⁷ In some cases — such as for those with less than a college degree — debt was several times higher for those with a student loan vs. those without one.

Yet, for those families with a head who obtained a college degree, the assets accumulated were higher than for the families who had a head who did not obtain a college degree. Therefore, obtaining a student loan and getting the college degree can pay off over the family's entire lifetime.

Ownership of Specific Assets

Two of the potentially most important assets for demonstrating financial stability and preparation for retirement are a house and a defined contribution (DC) plan through employment. Consequently, an examination of families who had student loan debt to determine if they had these assets helps demonstrate their current overall financial condition. For all families with student loan debt in 2019, 55.8 percent owned their home compared with 67.4 percent of families without student loans (Figure 12). However, while 49.6 percent of families with student loan debt had a positive balance in a DC plan, just 28.0 percent of families without student loans had a positive balance.

There are certain factors that at least partially explain these differences. Because home ownership is lower among families with younger heads and these families are more likely to have student loan debt, the families with student loan debt overall are less likely to own a home. At the same time, families with student loan debt have higher incomes, have heads with higher educational attainment, and are less likely to be retired, so they are more likely to have access to a DC plan. Therefore, they are more likely to have a positive DC balance.

These factors make it crucial to look at the ownership of these assets by the characteristics of the families or by a combination of the characteristics. First, across each income group, families without student loans were more likely to own a home, but they were less likely to have a positive DC plan balance. Furthermore, families with student loans in each net worth percentile category were more likely to have a positive DC balance, but only those families in the lowest two quartiles were more likely to own a home.

In addition, across each age and educational attainment category, families with student loans were more likely to have a positive DC balance than those families without a student loan. However, homeownership was more common among families without a student loan across each education level (except for families with heads with less than a high school diploma) and for families with heads ages 45 or older.

While families with student loans were more likely to have a DC balance across each income, age, and education level category, these families had lower median DC balances relative to those families without a student loan. In other words, families headed by individuals with no student loan debt appeared to be less likely to participate in a DC plan, but when they did, they accrued much higher balances across most cohorts.

Examining families with the same characteristics can provide additional important information on the impact of having student loans on home ownership and DC balances. The remainder of this section looks at families by the educational level and age of the family head.

When age and educational attainment are held constant — in this case, looking at families with the youngest heads (less than age 35) who had a college degree or higher — the families with student loans were slightly *more likely* to own a home (42.4 percent vs. 41.5 percent). Meanwhile, families in this cohort *without* a student loan were more likely to have a positive DC balance (Figure 13). Consistent with the broader findings, families in this cohort without student loans had much higher DC plan balances. The median balance was \$31,000 and the average balance was \$46,768 for the families without a student loan, compared with \$15,000 and \$25,581, respectively, for the families with a student loan. In other words, at the median and the average, those without student loans had roughly twice as much in their DC plan as those with student loans.

Figure 12
Percentage of Families Who Own a Home or Have a Positive Defined Contribution (DC) Balance, and the Median DC Balance, by Student Loan Incidence of the Family and Various Categories, 2019

	Homeownership		Positive DC Balance		Median DC Balance	
	With Student Loan	No Student Loan	With Student Loan	No Student Loan	With Student Loan	No Student Loan
Total	55.8%	67.4%	49.6%	28.0%	\$21,000	\$55,000
Family Income Quartile						
Lowest	23.7	42.3	8.4	3.9	1,000	5,000
Second	41.0	63.4	40.2	21.1	6,300	13,000
Third	61.5	76.7	63.4	34.8	16,000	46,000
Highest	83.1	91.6	68.9	56.4	66,000	140,000
Age of Family Head						
Less than 35	39.4	34.0	45.3	33.4	9,000	12,000
35–44	62.8	60.6	51.3	41.7	27,000	60,000
45–54	68.0	70.2	59.5	43.1	50,000	85,000
55–64	73.6	74.2	50.9	35.1	75,000	90,000
65 or older	72.4	80.3	31.3	7.2	39,000	80,000
Education of Family Head						
Below high school diploma	61.0	50.4	46.9	9.0	9,000	20,000
High school diploma	59.2	61.2	50.1	24.4	19,000	28,000
Some college	47.4	65.1	38.7	26.0	14,000	39,600
College degree	55.6	76.9	57.1	40.0	24,800	70,000
Advanced degree	68.4	86.5	57.0	40.2	36,000	149,000
Race						
White, non-Hispanic	61.9	76.6	53.0	30.1	24,000	64,000
Black/African American	45.5	44.8	42.8	19.7	22,000	36,000
Hispanic	48.1	47.5	40.4	17.7	12,000	33,000
Other	47.0	56.5	48.5	34.6	4,500	46,000
Work Status of Family Head						
Someone else	55.4	63.9	56.6	52.9	20,000	50,000
Retired	53.9	73.1	10.3	2.6	23,000	110,000
Net Worth Percentile						
Bottom 25%	23.2	6.2	33.5	6.8	5,300	3,000
25–49.9%	70.4	60.9	54.8	27.3	16,000	15,000
50–74.9%	85.6	90.6	63.8	31.9	50,000	53,600
75–89.9%	87.9	94.0	70.3	35.9	180,000	143,000
Top 10%	94.9	96.1	75.5	45.5	300,000	418,000

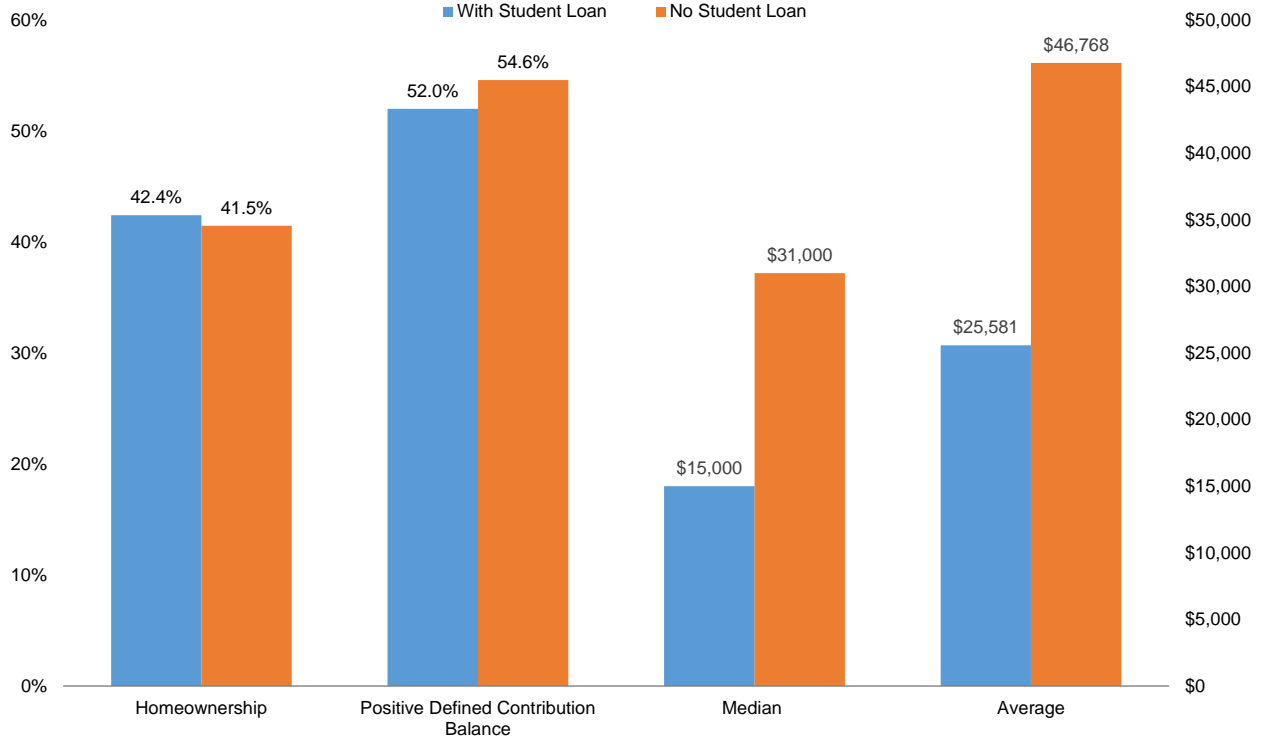
Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Looking at families with heads in this same age cohort who had gone to college and not obtained a degree, home ownership for those with and without student loans was very close to being equal (30.9 percent and 31.7 percent, respectively). However, consistent with the population as a whole examined in Figure 12, the families with a student loan were more likely to have a positive DC plan balance than those without a student loan — 32.2 percent vs. 29.0 percent (Figure 14). Again, consistent with the population as a whole, the DC balances for families without a student loan were higher, where the median balance was \$6,900 compared with \$4,400 for families with a student loan. The average balances were \$17,834 and \$12,867, respectively.^{8,9}

Now moving up to the ages where some of the student loans were starting to finance the education of children instead of just that of the adult(s) in the family, the results of ownership held. Among families with heads ages 45–54 who had a college degree or higher, the probability of owning a home was higher for those without a student loan, but the probability of having a positive DC balance was lower (Figure 15). Specifically, 65.0 percent of those with a student

loan had a DC plan, as opposed to 61.0 percent for those without a student loan. However, these families with a student loan had significantly lower DC plan balances. The medians were \$50,000 for those with a student loan and \$150,000 for those without a student loan (3.0 times larger), while the averages were \$214,450 and \$301,563 (1.4 times larger), respectively.

Figure 13
Families With Heads Younger Than Age 35 With a College Degree or Higher Who Own a Home or Have a Positive Defined Contribution Balance, and Median and Average Defined Contribution Balances, 2019



Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

For families with heads ages 45–54 with only some college (no bachelor’s degree), the differences in DC plan ownership were larger. While home ownership was essentially equal between the families with and without a student loan, the likelihood of having a positive DC balance was significantly larger than for those with a student loan — 59.4 percent vs. 41.5 percent (Figure 16). Again, families without student loans had higher median and average DC balances. The median DC balance for those with a student loan was \$30,000, whereas the median balance for those without a student loan was \$67,000 (2.2 times higher).

Older families — those with heads ages 55–64 — are more likely to be faced with the decision to help finance their children’s college educations. This could involve a student loan, which means a choice between paying the student loan and saving for retirement. Yet, when looking at families with heads of these ages, those with a student loan for a child were more likely to have a positive DC balance at 47.2 percent compared with 35.1 percent of the families without a student loan (Figure 17). Still, the families with a student loan, regardless of the source, had a lower average DC balance than the families without a student loan. The exception to this was the median DC balance being the highest for the families with a student loan for a child.

Figure 14
Percentage of Families With Heads Younger Than Age 35 and With Some College Who Own a Home or Have a Positive Defined Contribution Balance, and Median and Average Defined Contribution Balances, 2019

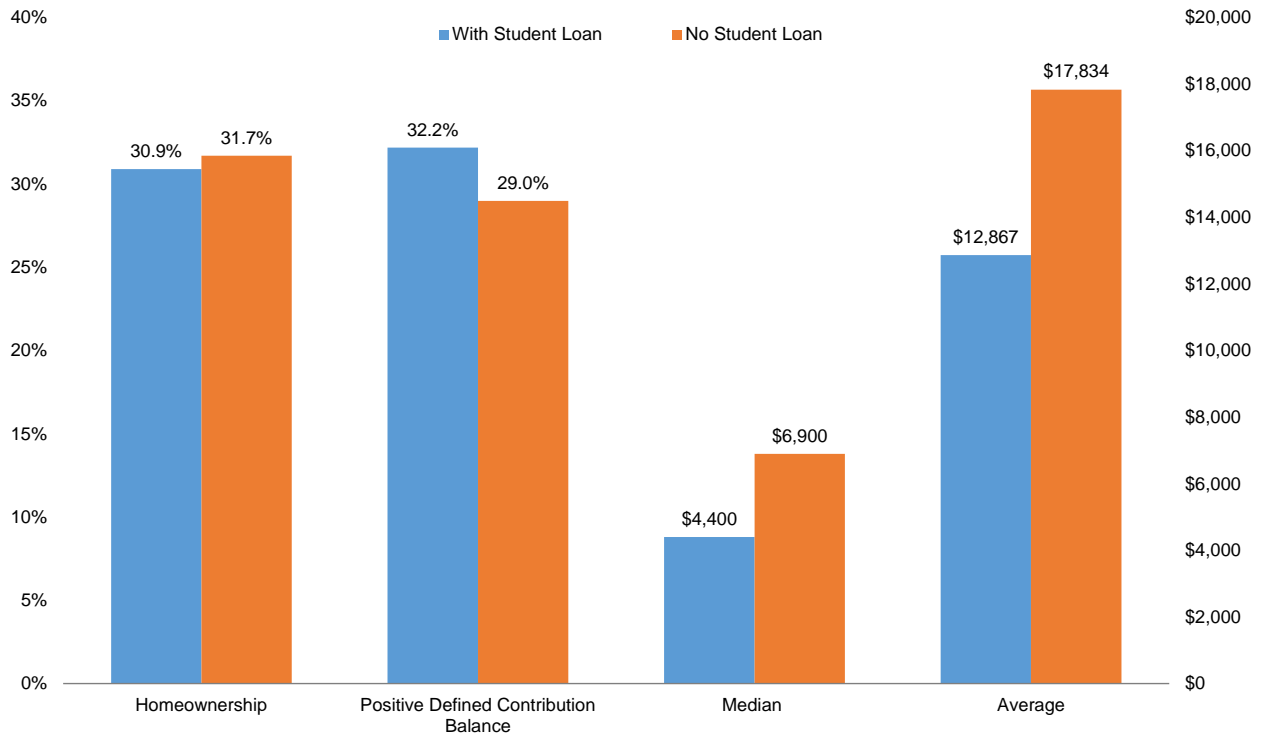


Figure 15
Percentage of Families With Heads Ages 45–54 With a College Degree or Higher Who Own a Home or Have a Positive Defined Contribution Balance, and Median and Average Defined Contribution Balances, 2019

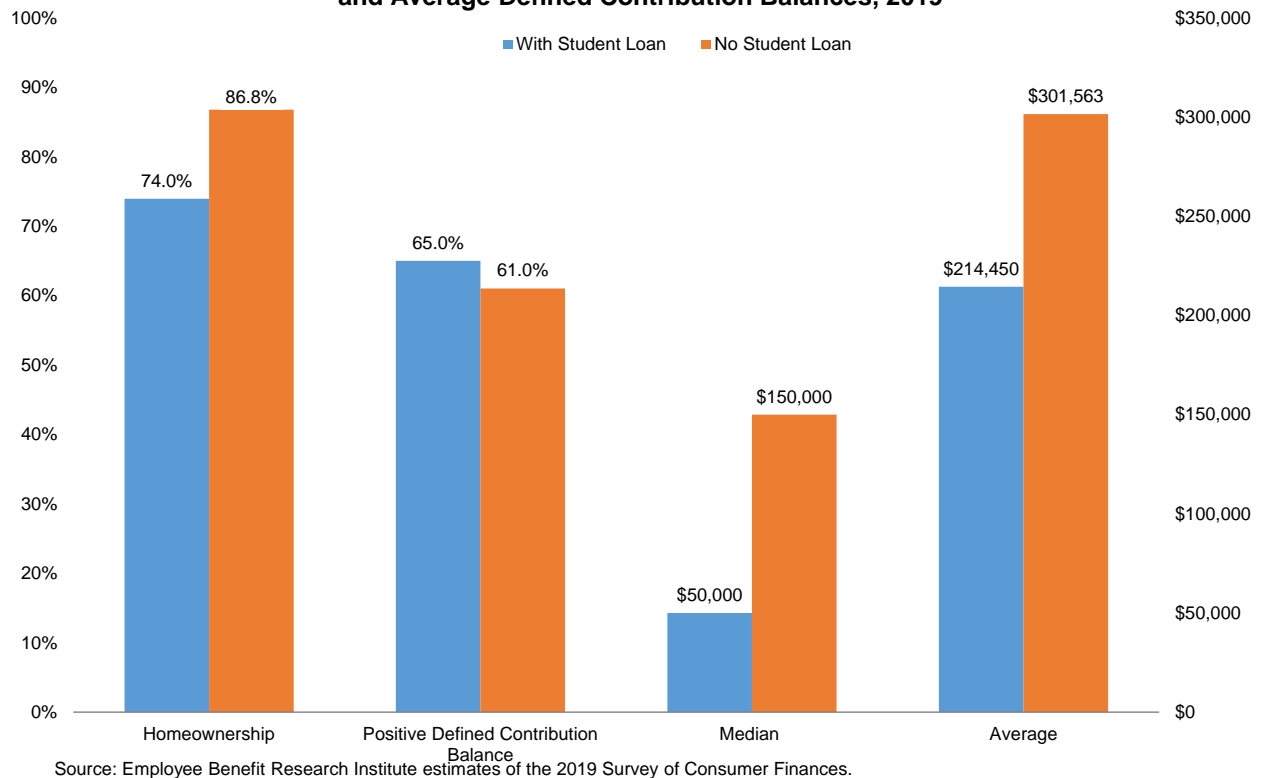
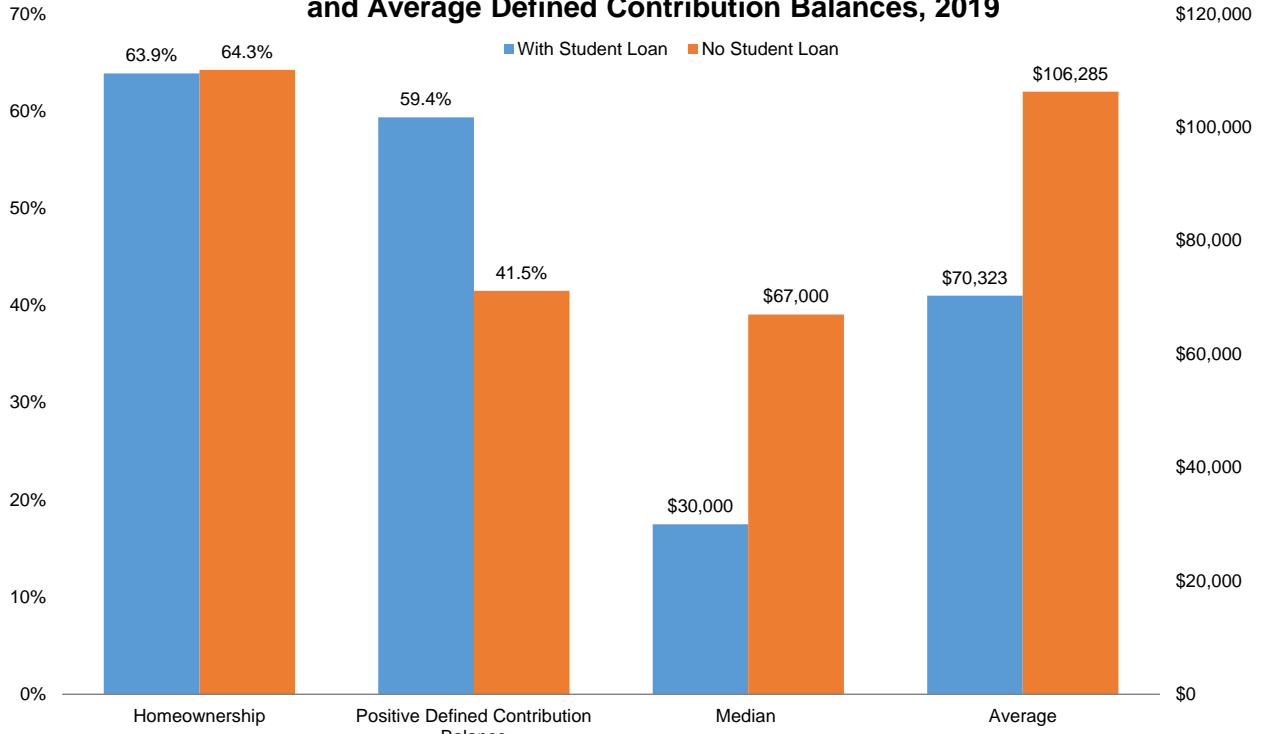


Figure 16
Families With Heads Ages 45–54 With Some College Who Own a Home or Have a Positive Defined Contribution Balance, and Median and Average Defined Contribution Balances, 2019



Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Figure 17
Families With Heads Ages 55–64 With a Positive Defined Contribution Balance, and Median and Average Defined Contribution Balances, 2019



Source: Employee Benefit Research Institute estimates of the 2019 Survey of Consumer Finances.

Conclusion

For workers just starting out as well as for workers nearing retirement who help fund their children's college education, student loans are a pressing financial issue. Nearly half of families with the youngest heads (less than age 35) and a quarter to a third of the families with heads ages 35–54 are facing this financial hurdle. Along with the high incidence of student loans, the amount of the loans has been rising, reaching six figures in some cases, particularly for those with an advanced degree.

This debt has implications for overall financial security and specifically for retirement preparedness. Overall, those with student loans are more likely to have DC plans, but they have lower balances in these plans. The higher likelihood of participating in a DC plan is driven by the higher incomes that result from obtaining a college degree. However, the presence of student loans leads to lower amounts being accumulated in these plans.

Furthermore, a particularly troubling finding is that those who obtain student loans but do not finish their college degree have a lower likelihood of DC plan ownership, and when they do have a DC plan balance, it is smaller than for those who do finish college with a student loan. In short, these families end up with the costs but not the benefits of attending college.

However, for the older cohorts, another issue arises in that having student loans leads to significantly lower median DC plan balances. Consequently, just as these families should be shoring up their finances for their retirement that is rapidly approaching, they find themselves poorly positioned to do so.

Policy Implications

From a policy perspective, it is important to recognize that two-thirds of student loan debt is held by families with incomes or net worths in the top half of these respective categories. Thus, a universal student loan forgiveness program, which has been discussed in some policy circles, would be of greater benefit to those with higher incomes. A targeted forgiveness program could focus the help on those most in need.¹⁰ Furthermore, lowering the cost up front may be more effective in helping individuals from families with lower resources to be able to afford college, instead of having these individuals face significant debt when they graduate (or don't graduate), which may scare them away from a college education altogether.¹¹

In the meantime, the federal government has addressed this student loan debt issue during the COVID-19 pandemic by putting federal student loans (not private) into forbearance (payments are not required) with a zero-interest rate until January 31, 2021. President Biden is extending this forbearance through Sept 30, 2021. While this provides immediate relief, it does not solve the issue, as the loans will still need to be paid back when the forbearance period ends.

Another action taken by the federal government as part of the CARES Act is allowing employers to pay student loan debt for employees (if the debt is for the employee's education) tax free, just as they can under tuition reimbursement programs (same maximum amount of \$5,250 per year). Previously, employers who had a student loan debt repayment program had to include any debt payments as taxable income to the employee.

Employers' Role

However, given the current economic climate, adding student loan debt benefits may be challenging for employers. In fact, the [EBRI Financial Wellbeing Employer Survey](#) found that many employers have an interest in providing such a benefit but have not added it. This appears to be due to the cost of adding this benefit and the focus of employees' desires of addressing more immediate financial concerns.¹² Employers have other benefits surrounding student loan debt besides payment subsidies, such as offering consolidation services and help with refinancing the loans.¹³

One potential employee benefit encompassing both student loan debt and retirement plans is employer matching contributions to a 401(k) plan when an employee makes a student loan debt payment. Under this approach, employees who can't make a 401(k)-plan contribution due to having to pay back their student loans can still benefit from the 401(k) plan. One company was able to receive a private letter ruling from the Internal Revenue Service (IRS) approving

this approach. Legislation was introduced in 2020 to make this possible universally, but this provision was *not* included in any of the legislation passed in 2020. Consequently, widespread use of such an arrangement is muted until clarification of this type of benefit's legal status is made or legislation specific to this arrangement is passed.

Pros and Cons for Student Loan Debt

Nevertheless, student loan debt can be considered an investment that helps individuals obtain a better job with higher earnings that could not be reached without the college degree. However, it must be acknowledged that the presence of student loan debt acts as a hindrance for younger workers, keeping them from starting their retirement accumulations. For those who don't finish the degree, it can place them in a worse situation — more debt without a better job. Lastly, the choice of paying for a child's education can have long-term consequences if the family is forgoing retirement savings to pay for the education, despite feeling that their children are getting a leg up.

One major caveat of this research is that only student loan incidence and DC balances in the year of the survey are known. It is possible that the families who pay off their student loans could catch up later through additional contributions, particularly if much better employment is obtained as a result of the investment. However, it is also likely that these families with student loans will never catch up, especially if the college degree is not obtained or the student loan is taken when the family is nearing retirement, not starting out. Further research on the longitudinal nature of the impact of student loans is needed.

Endnotes

¹ See The College Board, "Trends in Higher Education," for the costs of attending college: <https://research.collegeboard.org/xlsx/trends-college-pricing-excel-data-2020.xlsx> Table CP-2. Values are in 2020 dollars, but the trend from 1992 to 2019 was chosen to match the years of the data used in this study.

² See Bhutta, Neil et al., "Changes in U.S. Family Finances from 2016 to 2019: Evidence from the Survey of Consumer Finances." *Federal Reserve Bulletin*. vol. 106, no. 5 (September 2020): 1–42, <https://www.federalreserve.gov/publications/files/scf20.pdf> (last reviewed January 2021) for more information on the Survey of Consumer Finances.

³ Families are categorized by the educational attainment of the family head, which is not necessarily the highest attainment of education in the family. There are many cases where the head has a high school diploma only, but the spouse has some college or a college degree.

⁴ All dollar figures are in 2019 dollars. Therefore, this is a real increase in this amount of 286 percent.

⁵ This is likely driven by parents helping their children finance their education among those having the highest educational expenses.

⁶ This is unchanged from 2016, when \$200 was also the median required payment.

⁷ Each of the net worth categories had higher median assets for those with student loans than those without student loans except for those in the top 10 percent. However, families in each net worth category with student loans had higher median debt. The net worth results imply that those with student loans are able to accumulate more assets due to having higher incomes, but there is a cost to accumulating these assets in higher debt.

⁸ The median *family* income for families with heads ages younger than 35 and having some college only was \$43,778 for those with student loans and \$38,687 for those without student loans. For families with heads the same ages but having a college degree, the median family income was \$62,104 for those with student loans and \$65,158 for those without student loans. However, for the families with heads ages younger than 35 and having some college only who also had a positive DC balance, the median family income was significantly higher. The median family income was \$63,122 for those with student loans and \$58,031 for those without student loans. In addition, for families with heads these ages having a college degree

and a positive DC balance, the median income was also significantly higher — \$79,412 for those with student loans and \$90,611 for those without student loans.

⁹ These results are mostly consistent with work done by Rutledge, Sanzenbacher, and Vitagliano (RSV), who used a different data source. However, there are significant differences in these datasets, which can explain any differences. They used an individual-level dataset, compared with the family-level dataset used in this study. They also only looked at people age 30 based on their student loan incidence at age 25, whereas in this study, all families were examined, including those retired with their assets and debt at the same year as the family head's age. Since the RSV study used an individual dataset, the education level is that of the person, but the family head's educational level may not be the highest education level attained within the family.

Therefore, the only potentially direct comparisons that can be made between the studies are for those families with heads younger than age 35 in this study. The results for college graduates of these ages in 2019 appear to be similar to the RSV study, where there were no differences in DC plan participation between those with and without student loans (this study shows a slightly higher likelihood of participating for those families without a student loan) and these graduates with student loans had lower DC balances than those without student loans (matching this study). For a comparison group, this study focused on families with heads who attended college but did not graduate, so this is somewhat different than the nongraduate group used in the RSV study, because in the EBRI study the family head's education may not match up to the person who has the loan. Regardless, the participation in DC plans for this group with student loans was found to be higher in this study, whereas the RSV study found it to be higher but statistically insignificant. One exception between the studies is that RSV found no effect of student loan incidence on asset accumulation for noncollege graduates, as opposed to this study finding that families with a head who attended college but did not graduate and had a student loan had lower DC asset accumulation than those without a student loan. This could be due to the age differences of the family heads relative to the individuals in the RSV dataset, the timing of debt holding compared with the age of the individual in the RSV study, and the potentially nonmatching of the educational status of the family head with that of the individual who assumed the student loan debt in the EBRI study. For further details, see Rutledge, Matthew S., Geoffrey T. Sanzenbacher, and Francis M. Vitagliano. 2018. "Do Young Adults with Student Debt Save Less for Retirement?" *Issue in Brief* 18-3. Chestnut Hill, MA: Center for Retirement Research at Boston College: crr.bc.edu/wp-content/uploads/2018/06/IB_18-13.pdf

¹⁰ For a further discussion on the distributional effects of student loan debt forgiveness and an idea for a targeted response, see Catherine, Sylvain, and Constantine Yannelis, "The Distributional Effects of Student Loan Forgiveness." NBER Working Paper, December 2020, <https://www.nber.org/papers/w28175>

¹¹ A statistical comparison to note is that the median student loan debt held by families is \$22,000, compared with the average amount of \$40,550. The median is the value of the family debt amount that is in the middle of all families having student loan debt and unaffected by extreme values, while the average includes the extremely high values in its calculation. The average student loan debt of families with a head with an advanced degree — typically law, medical, and business school graduates — is twice that of the families with heads with a college degree only. Therefore, what a typical family with a head who holds only a bachelor's degree has in debt is closer to the median than that of the average student loan debt.

¹² See Copeland, Craig, "2020 EBRI Financial Wellbeing Employer Survey: COVID-19 Driving Benefit Offerings and Potentially Forcing Tough Budget Decisions," *EBRI Issue Brief* (Employee Benefit Research Institute, October 22, 2020) for further information about the survey and its results.

¹³ See Lucas, Lori, "How Employers are Tackling Student Loan Debt: Evidence from the EBRI Employer Financial Wellbeing Survey," *EBRI Issue Brief* (Employee Benefit Research Institute, April 18, 2019) and Copeland, Craig, Neil Lloyd, and Alex Smith, "Student Loan Debt Trends and Employer Programs to Help," *EBRI Issue Brief* (Employee Benefit Research Institute, December 6, 2018) for a discussion of employer programs addressing their employees' student loan debt.

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