Student Loan Debt: Region and Industry

Student loan debt is a pressing issue facing many American workers, particularly younger workers. However, not all workers are faced with this issue. A college degree is not necessary for some jobs, especially in certain regions of the country, and some workers end up in industries that provide sufficient salaries to reasonably pay down student loan debt; others have family members willing to help pay down such debt.

This *Fast Fact* examines how student loan debt varies by the industry of the worker and region in which the worker resides. This builds on prior Employee Benefit Research Institute (EBRI) research on student loan debt and urban/rural finances to determine the prevalence of student loan debt, the average and median outstanding student loan balances of those having it, and the percentage of total debt attributable to student loan debt of American workers by the industry in which they are employed and the region and metropolitan area (urban/rural) in which they reside.¹

**Data**

The 2020 Survey of Income and Program Participation (SIPP) from the U.S. Census Bureau is used for the estimates of student loan debt of all American workers ages 21 or older. The survey has a plethora of data on demographics, wealth, income, labor force participation, and employer characteristics. This allows for the comparison of the assets and debt held by Americans from different geographic areas and industries.²

**Metropolitan Area and Region**

The Survey of Income and Program Participation (SIPP) asks if the individuals live in a metropolitan (urban) area or nonmetropolitan (rural) area. However, due to privacy concerns, certain individuals’ geographic areas are reported as unidentified. A metropolitan area, as defined by the U.S. Census Bureau, is a county- or equivalent-based area that has at least one urbanized area with a population of 50,000 or more, plus adjacent territory that has a high degree of social and economic integration, as measured by commuting ties.³


³ In SIPP, metropolitan status is only determined for individuals who live in states where (1) both the metropolitan and nonmetropolitan populations are 250,000 or more or (2) the state’s population is entirely metropolitan. Individuals in states not fitting into either of these categories are classified as unidentified. Otherwise, the individuals are classified as living in a metropolitan (urban) area or a nonmetropolitan (rural) area. See [https://www2.census.gov/geo/pdfs/reference/GARM/Ch13GARM.pdf](https://www2.census.gov/geo/pdfs/reference/GARM/Ch13GARM.pdf) for further information on the U.S. Census Bureau’s definition of metropolitan areas, and see [https://www2.census.gov/programs-surveys/sipp/tech-documentation/methodology/2020_SIPP_Users_Guide_OCT21.pdf](https://www2.census.gov/programs-surveys/sipp/tech-documentation/methodology/2020_SIPP_Users_Guide_OCT21.pdf) for the metropolitan (urban), nonmetropolitan (rural), and unidentified area definitions in SIPP.
Nearly one-fifth (16.7 percent) of workers ages 21 or older have student loan debt. This is fairly consistent across metropolitan area and region, with those living in nonmetropolitan (rural) areas and the West region having lower likelihoods of having this debt (Figure 1). In contrast, workers living in the Northeast and Midwest have a higher prevalence of student loan debt.

![Figure 1: Percentage of Workers Ages 21 or Older Who Have Student Loan Debt, by Metropolitan Area and Region](image)


Of the workers holding this debt, the median and average amount held are virtually identical across all areas, except for those living in nonmetropolitan (rural) areas, who have somewhat lower debt levels (Figure 2). Those living in all other areas have a median debt level of $20,000 and average debt levels of $36,000 to $38,000.

Of workers’ total debt, 7.3 percent is from student loan debt (Figure 3). Workers living in the Northeast and Midwest have higher relative student loan debt, reaching nearly 10 percent. Again, those living in nonmetropolitan areas and the West have lower levels of student loan debt relative to their total debt.

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4 SIPP uses the term “education debt.”
Figure 2
Median and Average Student Loan Debt of Workers Ages 21 or Older With Student Loan Debt, by Metropolitan Area and Region


Figure 3
Percentage of Total Debt that Student Loan Debt Represents of Workers Ages 21 or Older, by Metropolitan Area and Region

Industry

Unlike by region, the differences in student loan debt prevalence among workers by industry are substantial (Figure 4). One-quarter (24.5 percent) of educational and health services workers have student loan debt, compared with just 3.8 percent of agriculture, forestry, fishing, and hunting workers. Workers in public administration and information also have a high prevalence of student loan debt, whereas workers in mining and construction have low levels.

![Figure 4: Percentage of Workers Ages 21 or Older Who Have Student Loan Debt, by Industry](image)

Similar to the prevalence, workers in public administration and information have the highest median outstanding student loan balances at $25,000 and $24,000, respectively (Figure 5). In contrast, the median outstanding balances for agriculture, forestry, fishing, and hunting workers and construction workers are $6,000 and $15,000, respectively. Educational and health services and professional and business services workers have the highest average outstanding balances besides public administration workers.

Not surprisingly, workers in industries with relatively higher prevalence and average outstanding balances also have a higher share of their total debt consisting of student loan debt (Figure 6). For educational and health services workers, 13.7 percent of their debt is from student loan debt, and 9.8 percent of information workers’ debt is from this debt. Agriculture, forestry, fishing, and hunting; mining; and construction workers each have less than 3 percent of their debt from student loans.
Figure 5
Median and Average Student Loan Debt of Workers Ages 21 or Older With Student Loan Debt, by Industry

Figure 6
Percentage of Total Debt that Student Loan Debt Represents of Workers Ages 21 or Older, by Industry

Conclusion

While student loan debt receives a great deal of attention, it is important to understand who is most burdened by it. The variations in student loan debt prevalence and the amount of debt outstanding are relatively modest by region, but they are quite significant by industry. For example, educational and health services workers are most likely to have student loan debt, and, on average, the debt held relative to income is high compared with, for example, professional and business services workers. Educational and health services workers with student loan debt have an average annual income of $64,584, while professional and business services workers’ average income is $84,180.5

For employers in the industries with high student loan debt prevalence, particularly those with nearly one-quarter of their work force having this debt, helping their workers with this debt can be an important tool to improve their employees’ wellbeing. This type of benefit could also be important for attraction and retention either alone or in combination with overall budgeting programs. Those industries without a high prevalence of student loan debt may want to focus their benefits on other financial issues. Regardless of the industry, student loan debt has an impact across all geographic regions, particularly in the Northeast and Midwest, and its effects on young workers’ financial prospects should be understood.

About EBRI: The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org or connect with us on Twitter or LinkedIn.

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5 These are annualized estimates from SIPP of the monthly personal incomes of those workers with student loan debt in those industries.