



GEORGETOWN UNIVERSITY
 McCourt School of Public Policy
 Center for Retirement Initiatives

FAST FACT SHEET # 15

How Is Rising Student Loan Debt Affecting Older Americans?

- ✓ At the end of 2018, American aggregate household debt stood at a record high of \$13.54 trillion.
 Federal Reserve Bank of New York Center for Microeconomic Data, [Data Bank: Data Underlying Report](#), February 2019, p. 3 data.
- ✓ After decreasing at the start of the Great Recession, overall debt levels were over \$2 trillion higher by the end of 2018 than at the end of 2013, and 6.8% higher than the previous peak in the third quarter of 2008.
 Federal Reserve Bank of New York Center for Microeconomic Data, [Data Bank: Data Underlying Report](#), February 2019, p. 3 data.
- ✓ This consumer debt primarily comprises mortgage debt, which at \$9.12 trillion at the end of 2018 is approaching the all-time high of \$9.29 trillion in the third quarter of 2008. Student loan debt is now the second-largest component of household debt.
 Federal Reserve Bank of New York Center for Microeconomic Data, [Data Bank: Data Underlying Report](#), February 2019, p. 3 data.
- ✓ Student loan debt has risen by 505% since the first quarter of 2003, from \$241 billion to \$1.46 trillion.
 Federal Reserve Bank of New York Center for Microeconomic Data, [Data Bank: Data Underlying Report](#), February 2019, p. 3 data.
- ✓ About 93% of private undergraduate student loans for the 2018–2019 academic year included a co-signer, a vast majority of whom are parents or close relatives, up from 74% in 2008–2009.
 Consumer Reports, [5 Things to Do Before Co-Signing a Student Loan](#), April 19, 2019.
- ✓ The annual amount for parent borrowers has more than tripled over the last 25 years, from an average of \$5,200 per year in 1990 (inflation adjusted) to \$16,100 in 2014.
 Brookings, [Parents are borrowing more and more to send their kids to college- and many are struggling to repay](#), November 2018.
- ✓ Americans over 60 have found themselves increasingly burdened with student debt, now totaling \$94 billion.
 Federal Reserve Bank of New York Center for Microeconomic Data, [Data Bank: Data Underlying Report](#), February 2019, p. 21 data.
- ✓ The number of consumers over 60 with student loan debt quadrupled between 2005 and 2015, from 700,000 to 2.8 million. This is concerning because borrowers are more likely to be in default as they age — in 2015, 37% of federal student loan borrowers 65 and over were in default, compared to 29% for those 50 to 64 and 17% for those 49 and under.
 Consumer Financial Protection Bureau, [Snapshot of older consumers and student loan debt](#), January 2017, p. 4 & p. 11.
- ✓ The average amount of student debt owed by consumers 60+ has roughly doubled, from \$12,100 to \$23,500.
 Consumer Financial Protection Bureau, [Snapshot of older consumers and student loan debt](#), January 2017, p. 6.
- ✓ Student loan debt is jeopardizing retirement security at all ages, including older Americans. Approximately \$171 million in defaulted student loan debt was collected through Social Security offsets in 2015, with around 114,000 borrowers age 50 and older having benefits offset to repay defaulted federal student loans in 2015.
 U.S. Government Accountability Office, [Social Security Offsets: Improvements to Program Design Could Better Assist Older Student Loan Borrowers with Obtaining Permitted Relief](#), December 2016, p. 2.