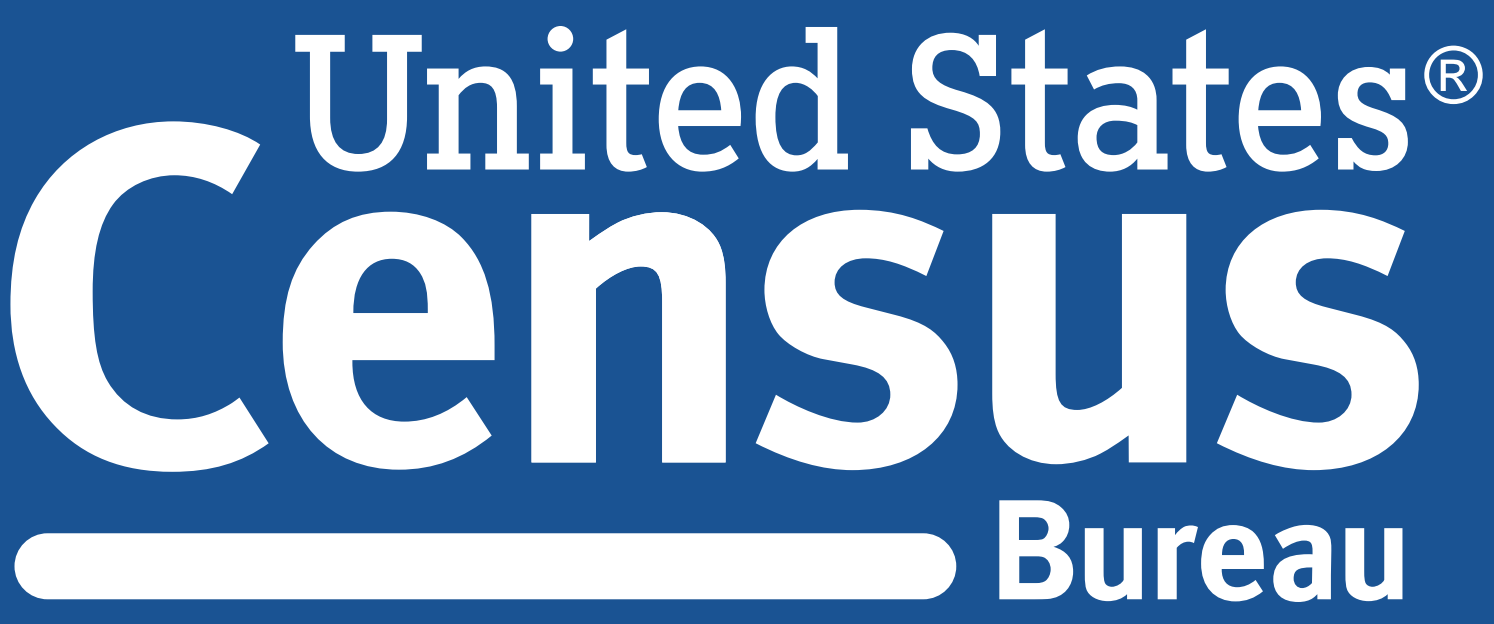


Student Debt and Its Co-Occurrence with Other Types of Debt

Neil Bennett & Michael D. King
Social, Economic, and Housing Statistics Division | U.S. Census Bureau

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Background

Student loans are one of the largest contributors to household debt. According to the Department of Education, the total amount of federal student loan debt owed in 2020 was over **\$1.5 trillion**.

The relationships between student debt and college experiences, the transition to adulthood, wealth accumulation, and health are well documented. Additional research has documented variation in these relationships, particularly by race and ethnicity.

However, little is known about the relationships between student debt and other types of household debt.

Research Questions

- What is the interplay between student debt and other types of household debts that have the potential to either build equity or further burden borrowers?
- How do these relationships vary by several sociodemographic characteristics?

Types of Debt

Equity-generating debts consist of debts that could be resources such as mortgages, business loans, or vehicle loans. Student debt holders, who often have higher debt-to-income ratios, may have less access to these types of loans or may be offered loans with less favorable terms.

Non-equity-generating debts consist of debts that could be pure liabilities including credit card and medical debt. Student debt holders may have a more difficult time paying off non-equity generating debts, especially since they often arise from circumstances beyond an individual’s control.

Data and Methods

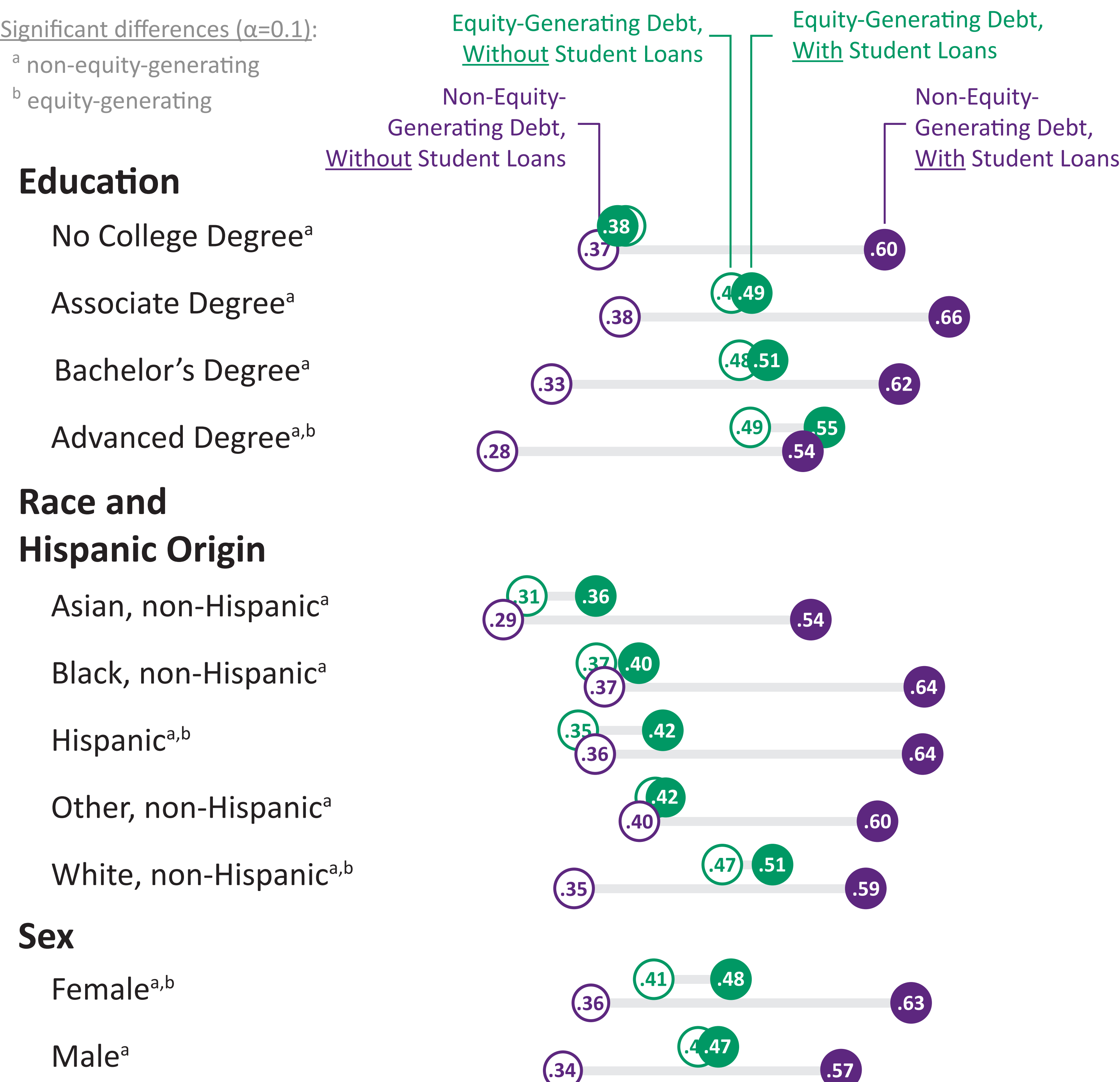
- Survey of Income and Program Participation (SIPP)
- Wave 1 responses pooled (2014, 2018, 2019, and 2020 SIPP) and calendar year weights adjusted for pooled samples
 - Analysis restricted to ages 18+ who have a HS diploma or GED in the non-institutionalized, civilian population

Model-based predictions of equity-generating and non-equity-generating debt holding and amounts. Models adjust for student debt, sociodemographic characteristics, and earnings.

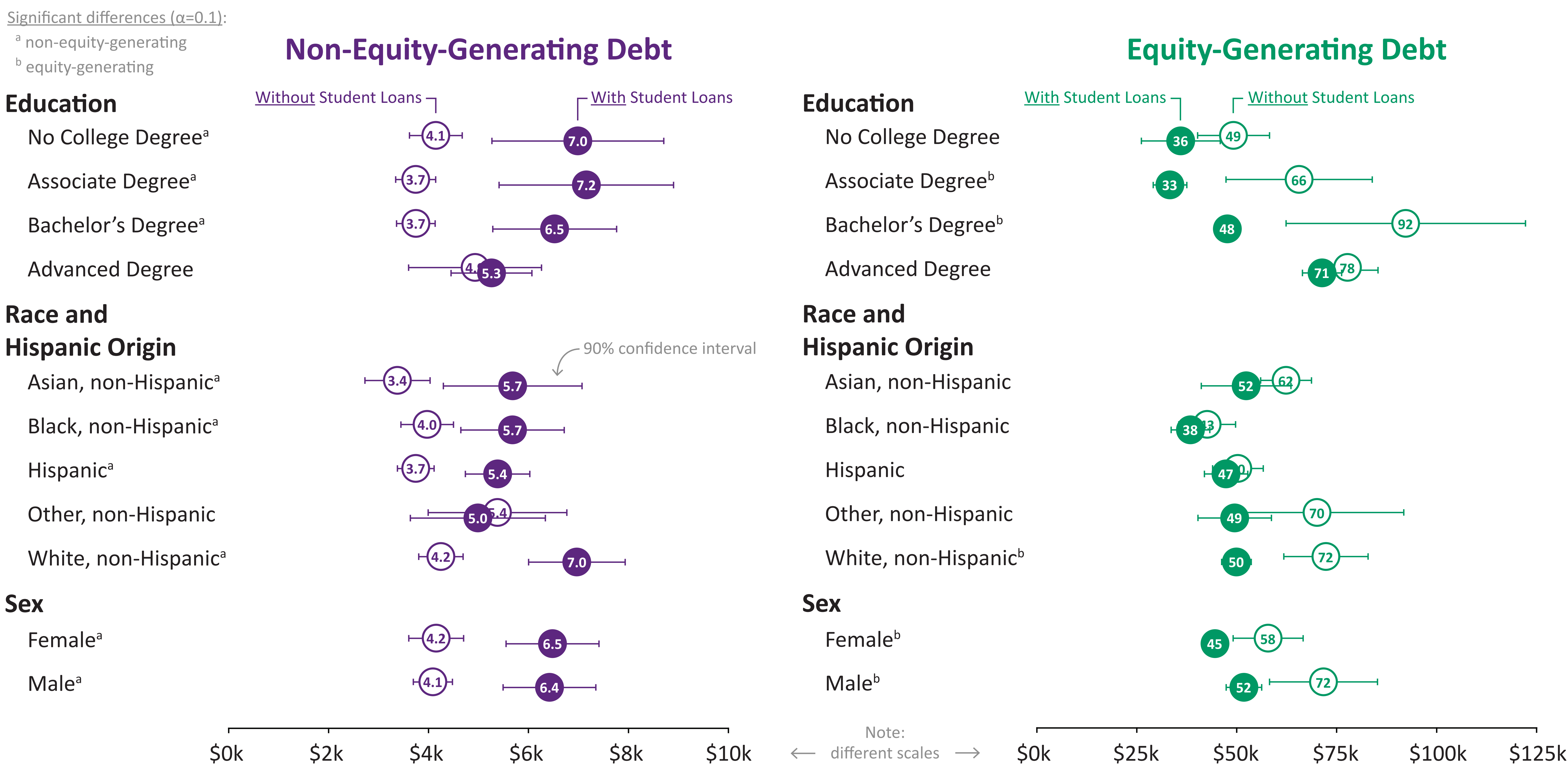
Descriptive Rates and Amounts

	Proportion with Non-Student Debt		Mean Amount of Non-Student Debt*	
	Without Student Debt	With Student Debt	Without Student Debt	With Student Debt
* Conditional on any non-student debt				
Education				
No College Degree	56%	65%	\$62.5k	\$39.4k
Associate Degree	66%	79%	\$82.9k	\$49.3k
Bachelor’s Degree	66%	78%	\$126.5k	\$64.9k
Advanced Degree	66%	84%	\$120.9k	\$102.2k
Race and Hispanic Origin				
Asian, non-Hispanic	53%	65%	\$113.9k	\$83.0k
Black, non-Hispanic	54%	73%	\$46.4k	\$47.8k
Hispanic	54%	72%	\$62.4k	\$56.9k
Other, non-Hispanic	59%	72%	\$75.5k	\$55.8k
White, non-Hispanic	63%	77%	\$96.1k	\$69.0k
Sex				
Female	60%	76%	\$77.3k	\$59.1k
Male	60%	73%	\$98.9k	\$71.2k

Predicted Probabilities of Debt



Predicted Amounts of Debt by Type, Student Loan Status, and Group



Key Findings

- Across all groups, those with student loan debt are more likely than those without to have other types of household debt.
- Non-equity-generating debt is more likely to be held by those with student loans than those without student loans. This is true for all groups examined.
- The differences in the likelihood of having equity-generating debt between those with and without student loans range from 0.01 to 0.07, while the differences in the likelihood of having non-equity-generating debt range from 0.20 to 0.29.
- Non-Hispanic White adults are more likely to hold equity-generating debt than all but one group, regardless of student loans.
- Student loan holders are more likely to have higher quantities of non-equity-generating debts for most groups examined. Some of the largest differences are among those with less education.
- Compared to those without student debt, those with student debt are more likely to have smaller quantities of equity-generating debts, though fewer of these differences are statistically significant. This could reflect student debt holders having equity-generating debts that are smaller in nature (e.g., a car loan but no mortgage) or equity-generating debts smaller in amount (e.g., a smaller mortgage), relative to those without student loans.

Notes

This work is released to inform interested parties of ongoing research and to encourage discussion of work in progress. The U.S. Census Bureau reviewed this data product for unauthorized disclosure of confidential information and approved the disclosure avoidance practices applied to this release. CBDRB-FY22-POP001-0080.

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