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Burden Greatest on Young, Poor

A Record One-in-Five Households Now Owe Student Loan Debt

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A Record One-in-Five Households Now Owe Student Loan Debt

By Richard Fry

OVERVIEW

About one out of five (19%) of the nation's households owed student debt in 2010, more than double the share two decades earlier¹ and a significant rise from the 15% that owed such debt in 2007, just prior to the onset of the Great Recession, according to a Pew Research Center analysis of newly available government data.

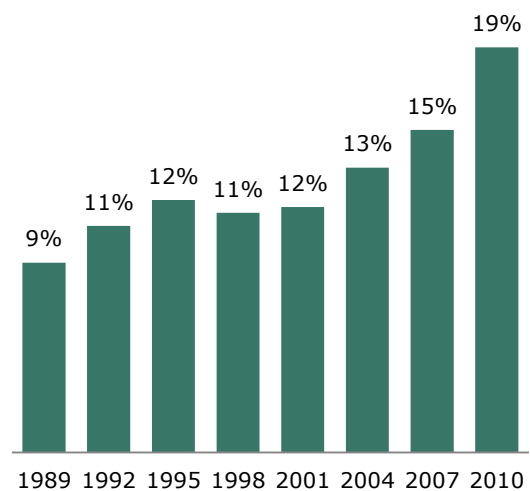
The Pew Research analysis also finds that a record 40% of all households headed by someone younger than age 35 owe such debt, by far the highest share among any age group.

It also finds that, whether computed as a share of household income or assets, the relative burden of student loan debt is greatest for households in the bottom fifth of the income spectrum, even though members of such households are less likely than those in other groups to attend college in the first place.²

Since 2007 the incidence of student debt has increased in nearly every demographic and economic category, as has the size of that debt.

Among households owing student debt, the average outstanding student loan balance increased from \$23,349 in 2007 to \$26,682 in 2010. Most debtor households had less than

Households with Outstanding Student Debt, 1989-2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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¹ Outstanding student loan debt includes education loans that are currently in deferment and loans in their scheduled repayment period.

² The National Center for Education Statistics tracked the college attendance of spring 2002 high school sophomores. By 2006, 52% of those in families with incomes below \$20,000 had attended a postsecondary institution. In contrast, 91% of graduates in families with income in excess of \$100,000 had attended a postsecondary institution (Bozick and Lauff, 2007).

\$50,000 in outstanding student debt in 2010, but the share of households owing elevated amounts has increased. In 2007, 10% of student debtors owed more than \$54,238. By 2010, 10% of student debtor households owed more than \$61,894 (all dollar figures adjusted for inflation and in 2011 dollars).

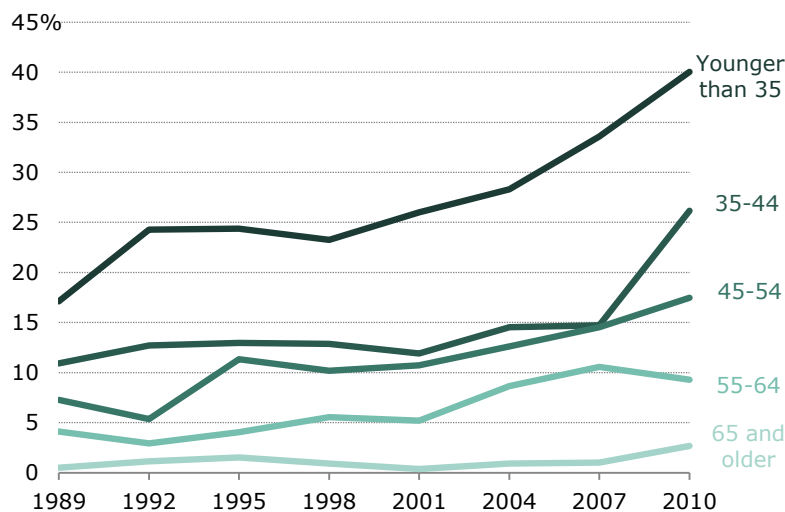
While every income group had more total student loan debt in 2010 than in 2007, the increases were greatest at the two extremes of the income distribution—households in the lowest fifth of households by annual income and in the highest fifth—than in the middle three-fifths.

In 2010 the least affluent fifth of households owed 13% of the outstanding student debt, up from 11% in 2007. Similarly the share of the outstanding student debt pie owed by the richest fifth of households rose from 28% in 2007 to 31% in 2010.

While those at the upper end of the income scale are more likely than others to owe student loan debt, when one considers the resources that households have at their disposal to meet their debts, the relative burden of student loans is much greater for those at the lower end. In 2010 outstanding student debt was nearly a quarter (24%) of the household income of the lowest fifth of households by annual income. By comparison, households in the ninth decile of household income owed only 7 cents of student debt for every dollar of household income received, and those in the tenth decile (90 percent and higher) owed just 2 cents of student debt for every dollar of household income.

Because outstanding student debt has been rising and household incomes have been falling since 2007, outstanding educational debt has risen as a share of household income for all

Households with Outstanding Student Debt, by Age of Head, 1989-2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

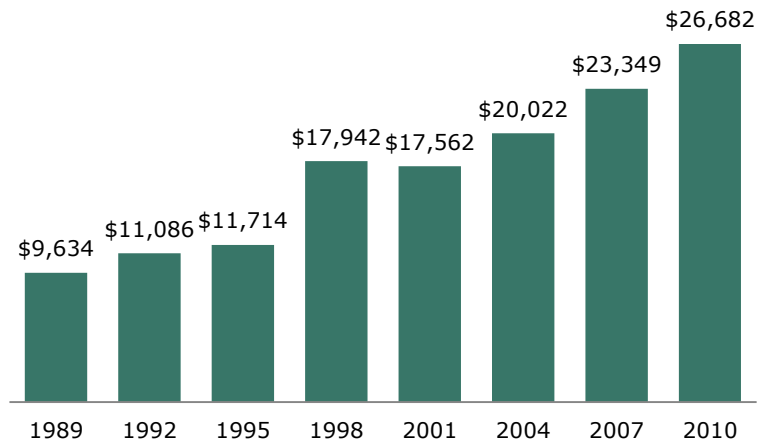
Source: Pew Research Center tabulations of Survey of Consumer Finances data
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income groups considered. The outstanding student-debt-to-income ratio nearly doubled for the richest fifth of households from 2007 to 2010, but it remains the case that in both years the ratio of student debt to income was markedly higher for the lowest fifth of households by income. Student debt represented 15 cents of every dollar of household income for the lowest fifth of households in 2007. Even with the recent run-up, educational debt represents a much smaller share of household income for the richest fifth of households in comparison to the lowest fifth of households by annual income.

Leverage ratios, or comparing the outstanding student debt to the household's assets, tell a similar story. The outstanding student debt in 2010 was 2.2% of the total value of the assets owned by the lowest fifth of households by income. The student debt was only 1.1% of the assets owned by the richest ninth decile of households and a mere 0.2% of the assets

The Average Student Debt Outstanding among Households with Student Debt, 1989-2010

In 2011 dollars



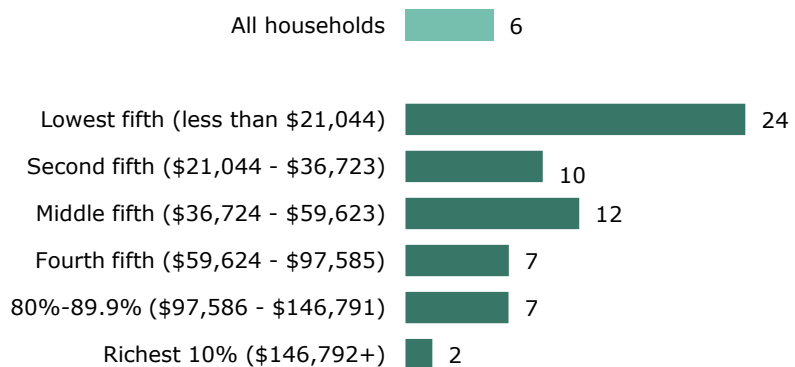
Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Outstanding Student Loan Debt Owed as Share of Household Income, by Household Income Group, 2010

%



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

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

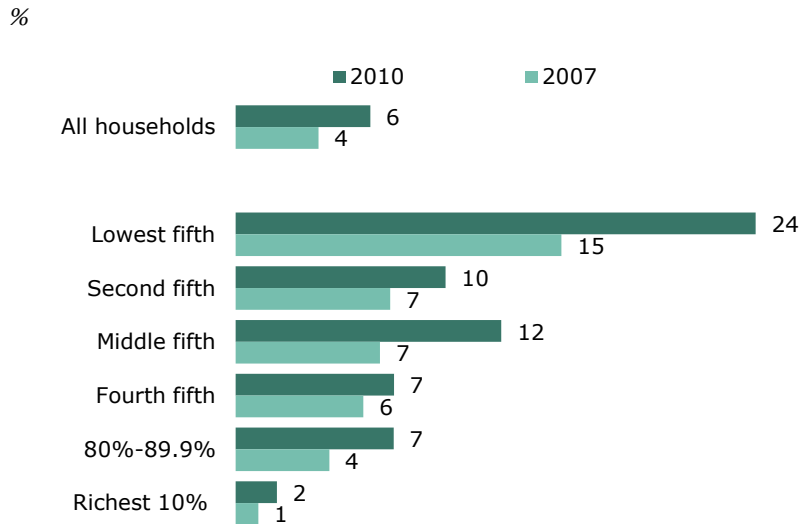
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owned by the richest tenth of households.

Rising student debt burdens can also be evaluated in light of the other debts owed by households, such as property-related debt, credit card debt and all installment debt. Student debt is a growing share, rising from 3% of outstanding total debt owed by households in 2007 to 5% of all debts in 2010. This reflects growing outstanding student debt and the fact that households have reduced their other debts. Average household indebtedness fell from \$105,297 in 2007 to \$100,720 in 2010.³

The decline in total indebtedness in spite of rising student debt burdens has not been shared by all households. The average total indebtedness of the lowest fifth of households by annual income rose from \$17,579 in 2007 to \$26,779 in 2010. Total indebtedness for households in the middle and upper fifths of the income distribution either remained unchanged or declined. The lowest income households have mounting debt obligations in addition to mounting student debt obligations, while the nation's higher income households have declining other debts in the face of mounting student debt obligations.

Outstanding Student Loan Debt Owed as Share of Household Income, 2007 and 2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data
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Mean Total Debts by Household Income Group, 2007 and 2010

In 2011 dollars

	2007	2010
All households	\$105,297	\$100,720
Household income		
Lowest fifth	\$17,579	\$26,779
Second fifth	\$33,139	\$35,600
Middle fifth	\$73,920	\$73,424
Fourth fifth	\$137,676	\$116,223
80%-89.9%	\$199,960	\$175,195
Richest 10%	\$328,287	\$327,912

Note: The mean is calculated among all households, including those without any debt.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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³ This average is calculated including households with no debt as well as those with any debt.

About the Report

This report examines outstanding student loan debt in the context of the debtor household's other debts, assets and other measures of economic ability to handle the student debt. It is based on the Survey of Consumer Finances (SCF), a triennial survey of the financial characteristics of U.S. households sponsored by the Board of Governors of the Federal Reserve with the cooperation of the U.S. Department of the Treasury. The most recent SCF is 2010. The SCF questionnaire has undergone only minor revisions since 1989, and this report analyzes SCF data from 1989 to 2010. The SCF is the nation's foremost source of data on the wealth or net worth of the nation's households and use of financial services (as well as the demographic characteristics of the households). Numerous data sources provide detailed information on college student borrowing and its relation to other components of students' financing their education (for example, the National Postsecondary Student Aid Study, or NPSAS). The value of the SCF is that it sheds light on the role of student debt among persons no longer enrolled in postsecondary education as well as the other debts, assets and wider economic context of student debtors.

"Student debt" or "college debt" in this report refers to outstanding education-related installment debt and includes loans that are currently in deferment as well as loans in their schedule repayment period.

"High school graduate" comprises those who graduated with a regular diploma or its equivalent, such as a GED, but did not obtain any college education. The educational level "some college" refers to those who do not have a four-year college degree, but have completed some college credits, including those who received associate degrees. "College graduate" refers to anyone with at least a bachelor's degree, including those with a graduate or professional degree.

"Wealth" is the difference between the value of assets owned by a household (such as home, stocks and savings accounts) and its liabilities (such as mortgages, credit card debt and loans for education). The terms "net worth" and "wealth" are used interchangeably in this report.

Dollar amounts are adjusted for inflation and reported in 2011 dollars unless otherwise noted.

See Appendix A for additional details on the SCF and definitions of net worth, household income and household economic groups.

This report was written by Richard Fry. Paul Taylor, executive vice president of the Pew Research Center and director of its Social and Demographic Trends project, assisted the writing of the overview and provided guidance on the structure of the report. Research assistant Seth Motel provided expert assistance with the preparation of charts and formatting the report. The report was number-checked by research assistant Eileen Patten and Motel. The report was copy-edited by Marcia Kramer.

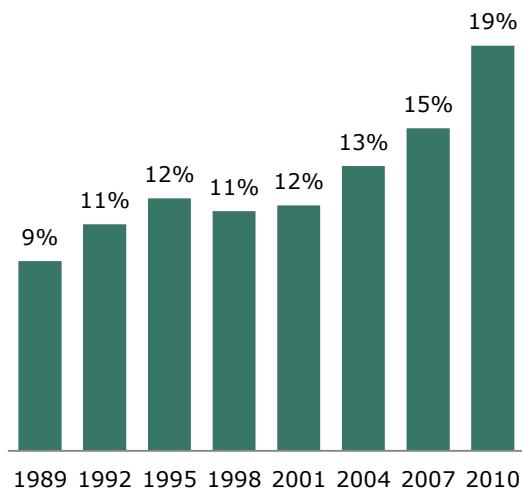
SECTION 1: THE GROWTH OF OUTSTANDING STUDENT DEBT

As the nation's aggregate outstanding student loan debt approaches \$1 trillion (Federal Reserve Bank of New York, 2012), recently released Federal Reserve data on household finances reveal a sharp rise in the proportion of households having outstanding student loans. Nationally, in 2010 nearly one-in-five households (19%) owed student loans. In 1989 less than one-in-ten households had outstanding educational loans. As recently as 2007 only 15% of households had student debt, and thus amid the widely noted meltdown in the nation's stock of wealth accompanying the Great Recession (Bricker et al., 2012), more households have student debt obligations.

The increase over 20 years in the share of households with education debt has occurred among most demographic and economic groups (see the first table in Appendix B). For example, among households by the age of the household head, more older as well as younger households had outstanding student debt in 2010 than in 1989. In regard to the rise in the propensity to have student debt since 2007, all age groups with the exception of households headed by those ages 55 to 64 experienced an increase. By 2010 40% of households headed by those younger than 35 had outstanding student debt, and 26% of households headed by those ages 35 to 44 had outstanding student loan obligations.

Among households owing student debt, the mean outstanding student loan balance was \$26,682 in 2010. This average conceals considerable variation in the amount owed. The median amount owed was \$13,410, and thus a majority of households paying student debt owe less than \$14,000. More than three-quarters of households with student debt have balances less than \$30,000. Yet, a nontrivial proportion of households paying student debt still owe at least \$50,000. Around 10% of households paying down student debt have outstanding balances in excess of \$62,000.

Households with Outstanding Student Debt, 1989-2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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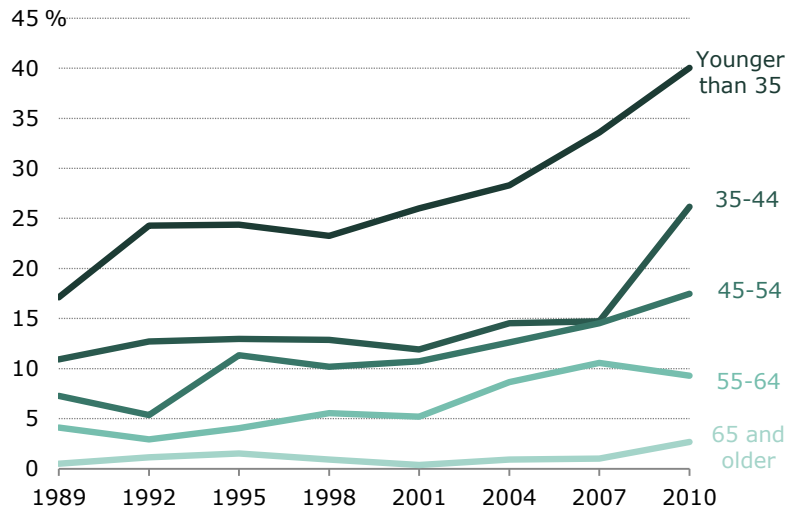
The average outstanding student loan balance among households with student debt has been rising. As previously reported by the Federal Reserve, the average amount owed rose 14%, from \$23,349 in 2007 to \$26,682 in 2010 (Bricker et al., 2012).

The increase in outstanding student debt since 2007 is being driven by several factors. First, college enrollment has increased sharply during the Great Recession and tepid recovery. In fall 2007, 18.2 million students were enrolled in college (Snyder and Dillow, 2012). By fall 2010, 21.0 million students were pursuing college, a 15% increase.

Second, the trend has been for college students to increasingly borrow to finance their education, and when they do borrow, to borrow greater amounts (Hinze-Pifer and Fry, 2010).

In 2009-10, 51.1% of full-time, first-time undergraduate students had a student loan, an increase from the 43.5% of such

Households with Outstanding Student Debt, by Age of Head, 1989-2010

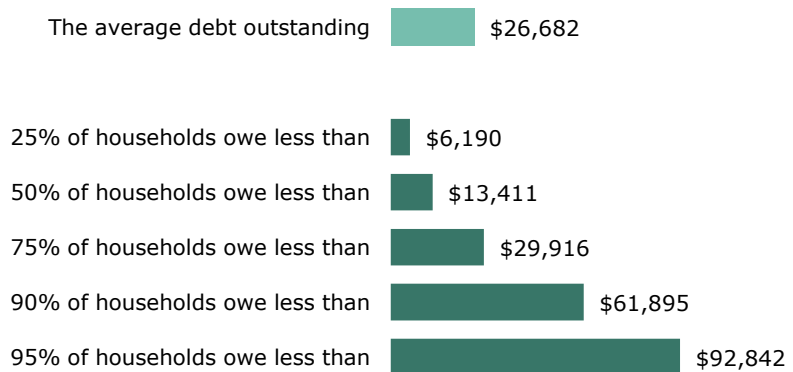


Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data
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Outstanding Student Loan Balance among Households with Student Debt, 2010

in 2011 dollars



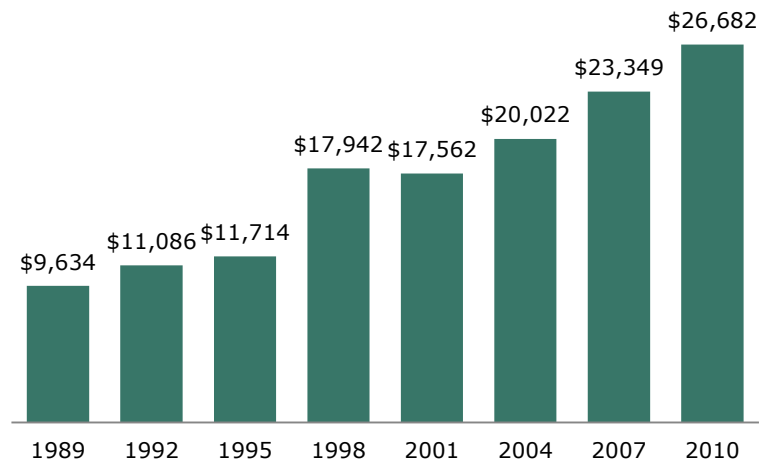
Notes: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of 2010 Survey of Consumer Finances data
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students in 2006-07 (Snyder and Dillow, 2012). As far as amounts borrowed, the average public, four-year college graduate had accumulated \$22,000 (in 2010 dollars) in debt upon receiving a bachelor's degree in 2009-10, up from \$20,500 (in 2010 dollars) in 2006-07 (College Board Advocacy and Policy Center, 2011).⁴

The Average Student Debt Outstanding among Households with Student Debt, 1989-2010

In 2011 dollars



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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⁴ The average reported is calculated only among those bachelor's degree recipients who borrowed. The average debt is lower if graduates who did not borrow at all are included. For private, nonprofit, four-year institutions, the average amount borrowed increased from \$27,300 in 2006-07 to \$28,100 in 2009-10.

SECTION 2: WHO OWES THE OUTSTANDING STUDENT DEBT?

Most of the nation's outstanding student loan debt is owed by younger households. In 2010, 70% of the total student debt was owed by households headed by those under age 45. Nearly a fifth (18%) of the outstanding debt was owed by households age 45-54.⁵

The outstanding debt is overwhelmingly owed by relatively well-educated households. In 2010 nearly 90% of the debt was owed by households whose head had completed at least some college education and almost 70% was owed by households whose head had finished college. These households are “relatively well-educated” since only 56% of the nation's households in 2010 were headed by those who had at least completed some college education.

Since the nation's outstanding student debt is largely owed by the nation's younger households as well as better-educated households, it is not clear which households would be expected to owe student debt in terms of economic affluence.

By the yardstick of current household annual income, the 2010 outstanding student debt was disproportionately owed by the nation's middle- and upper-income households. The poorest two-fifths, or 40% of households (households with an annual income of \$36,723 or less), owe only 24% of the 2010 outstanding

Share of Outstanding Student Loan Debt Owed by Characteristics of the Household, 2010

%	
Age of household head	
Younger than 35	44
35-44	26
45-54	18
55-64	10
65 and older	2
	100
Highest education of household head	
Less than HS diploma	1
HS graduate	11
Some college	19
College graduate	69
Household annual income	
Lowest fifth (less than \$21,044)	13
Second fifth (\$21,044 - \$36,723)	11
Middle fifth (\$36,724 - \$59,623)	23
Fourth fifth (\$59,624 - \$97,585)	22
80%-89.9% (\$97,586 - \$146,791)	17
Richest 10% (\$146,792+)	14
Household wealth	
Lowest fourth (less than \$8,562)	58
Second fourth (\$8,562 - \$79,739)	17
Third fourth (\$79,740 - \$311,222)	15
75%-89.9% (\$311,223 - \$982,565)	6
Wealthiest 10% (\$982,566+)	3

Notes: First entry reads households headed by those younger than 35 owe 44% of the total outstanding student loan debt. Outstanding student loan debt includes education loans that are currently in deferment and loans in scheduled repayment period. Percentages may not total 100% due to rounding.

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

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⁵ This age distribution of student debt is consistent with other estimates of the distribution of the debt. The Federal Reserve Bank of New York analyzes a nationally representative set of consumer credit reports and hence examines outstanding student loan debt on the basis of individual borrowers rather than the household. In the third quarter of 2011, two-thirds of outstanding student debt was owed by borrowers under age 40 and 28% was owed by borrowers ages 40 to 59 (Brown et al., 2012).

student debt. The next richest 40% of households (those with an annual income between \$36,724 and \$97,585) owe 45% of the outstanding student debt. The richest fifth of households (those with an income of \$97,586 or more) owed 31% of the student debt.⁶

In terms of household wealth or net worth, the nation's least wealthy households owe most of the student debt. In 2010 the least wealthy fourth of households (those whose net worth is less than \$8,562) owed 58% of the outstanding student debt.

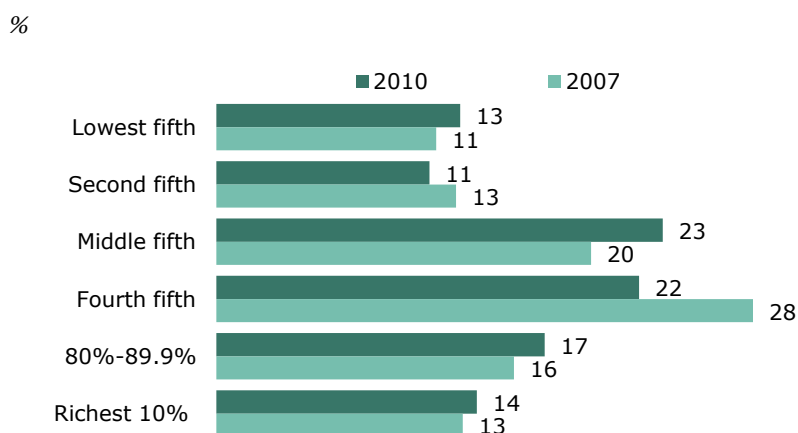
That the least wealthy owe most of the student debt reflects at least two factors: The student debt is largely owed by younger households, and for most households it takes many years to accumulate their nest eggs.

It also reflects the manner in which net worth is measured. Conventionally measured net worth equals the value of the household's assets minus liabilities. Outstanding student debt is included among the household's liabilities. But the household assets include only financial assets, properties, equity in businesses and other tangible assets (for example, jewelry and collectibles). Net worth does not include the value of human capital. Conventionally measured net worth is biased to show that student debtors have less wealth because the debt is counted but the corresponding asset (i.e., human capital) is not included as an asset.⁷

Who Owes the Mounting Student Debt?

In terms of household income, the nation's least well-off and most well-off households owe more of the outstanding student debt than in 2007. In 2007 the

Share of Outstanding Student Loan Debt Owed by Household Income Group, 2007 and 2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data
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⁶ The income categories refer to before-tax household income in the 2009 calendar year.

⁷ Unlike student debt, conventional net worth measurements are not biased to show that households with mortgages are less wealthy. The mortgage is included as a liability, and the property securing the mortgage is included as an asset.

poorest one-fifth of households owed 11% of the debt outstanding.⁸ By 2010 they owed 13% of a significantly larger aggregate student debt. At the other end of the income spectrum, the richest one-fifth also owed a greater proportion of student debt. In 2007 the richest one-fifth of households owed 28% of the outstanding debt; by 2010 this income category owed 31% of the outstanding debt. Between 2007 and 2010, the middle three-fifths of households by income owed a shrinking share of a growing student debt pie.

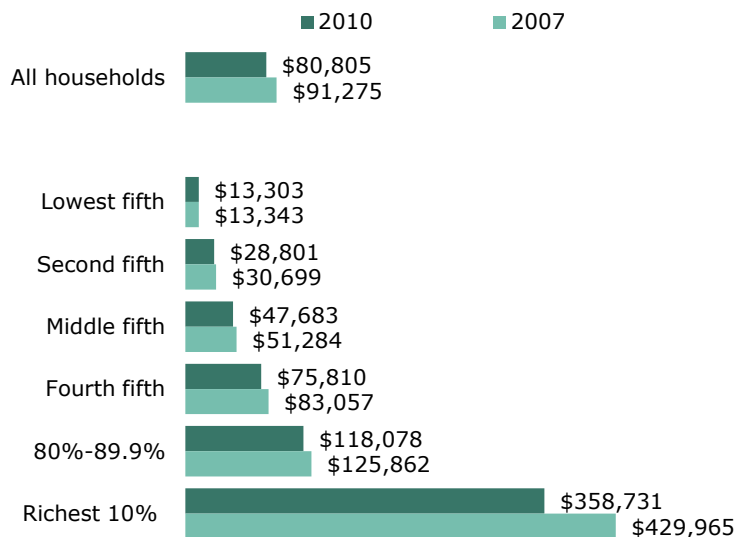
⁸ In 2007 the poorest one-fifth of households had incomes less than \$22,179, and the richest one-fifth of households had incomes in excess of \$106,147 (both in 2011 dollars).

SECTION 3: STUDENT DEBT AND THE HOUSEHOLD ABILITY TO PAY

Whether student debt is growing increasingly burdensome for household finances involves not only the size of the outstanding loan balances but also changes in the household's other debts and its ability to pay those debts. This section evaluates mounting student debt in the context of two conventional measures of the household's ability to pay: its household income and its stock of assets. The next section presents evidence on the more well-known relationship of student debt to other types of household debt.

Mean Household Annual Income by Household Income Group, 2007 and 2010

In 2011 dollars



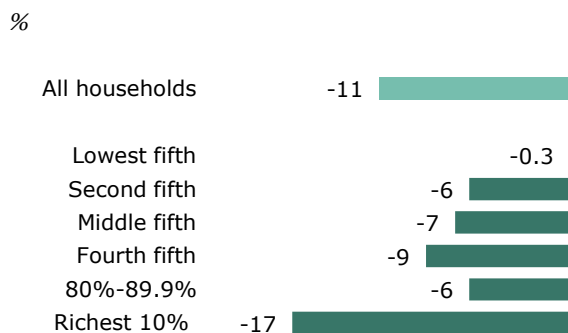
Source: Pew Research Center tabulations of Survey of Consumer Finances data
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Outstanding Student Debt to Income

Mounting student debt would be of less concern if household incomes were rising, but as measured by the SCF, annual household incomes have been falling since 2007 and the decline in household income has not been the same across richer and poorer households.

Among all households, mean annual household income fell from \$91,275 in 2007 to \$80,805 in 2010, or by 11%.

Percentage Change in Real Mean Household Income, 2007-2010



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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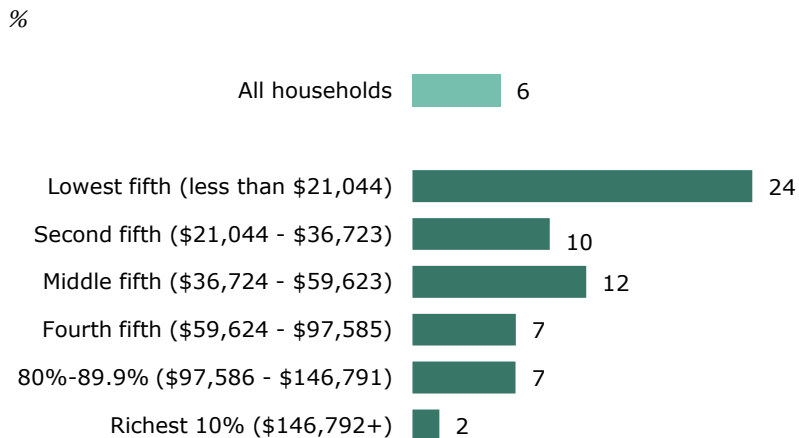
The fifth of households with the lowest incomes did not experience as much of a decline in mean household income as more affluent households. In 2010 the average annual household income of the least affluent one-fifth of households was \$13,303, only slightly lower than its 2007 mean household income level of \$13,343.

From 2007 to 2010, the mean income of the richest 10% of households declined 17%, from \$429,965 to \$358,731.

Comparing the stock of outstanding student debt to household income, in 2010 the outstanding debt was 6% of household income. Another way of putting that is that households had 6 cents of outstanding student debt for every dollar of income received.

Though the least affluent one-fifth of households owe only 13% of the outstanding student debt in 2010, they also have low household incomes. As a result, the student-debt-to-household-income ratio for the least well-off one-fifth of households was 24% in 2010, or their outstanding educational debt amounts to 24 cents for every dollar of their household income.

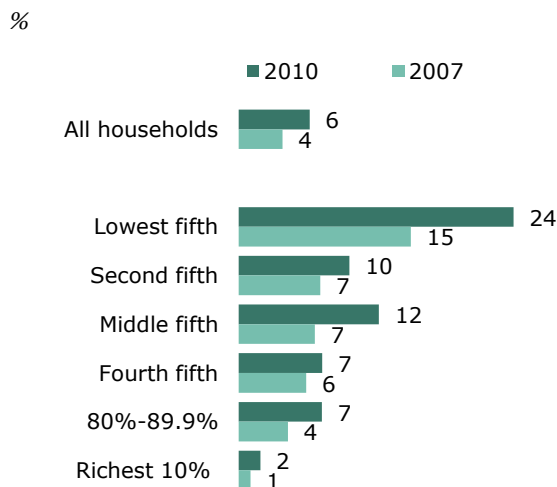
Outstanding Student Loan Debt Owed as Share of Household Income, by Household Income Group, 2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of 2010 Survey of Consumer Finances data
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Outstanding Student Loan Debt Owed as Share of Household Income, 2007 and 2010



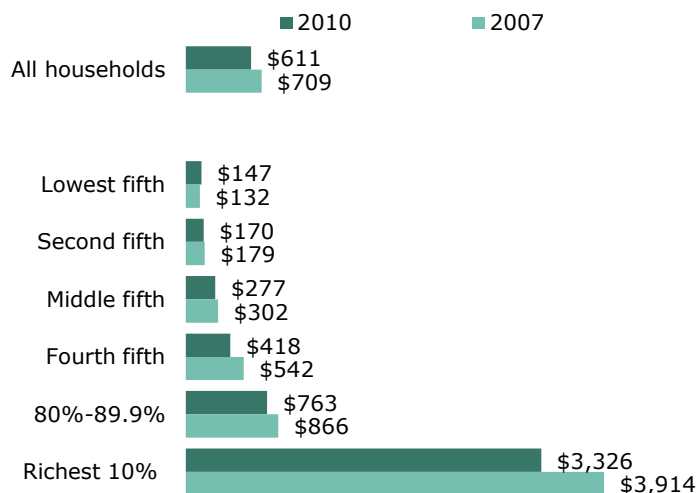
Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Alternatively, households in the ninth decile of the household income distribution (those with an annual income between \$97,586 and \$146,791) or perhaps “upper middle income” owe 17% of the outstanding student debt in 2010. But their household incomes are much larger, and as a result their 2010 student-debt-to-income ratio was 7%, or outstanding student loan balances represented only 7 cents on every dollar of household income.

Mean Value of Assets by Household Income Group, 2007 and 2010

In 2011 dollars (thousands)



Source: Pew Research Center tabulations of Survey of Consumer Finances data
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Regarding trend, with outstanding student debt rising and household incomes falling from 2007 to 2010, the student-debt-to-income ratio markedly rose from 2007 to 2010. Across all households, outstanding student debt went from 4 cents on a dollar of income in 2007 to 6 cents in 2010.

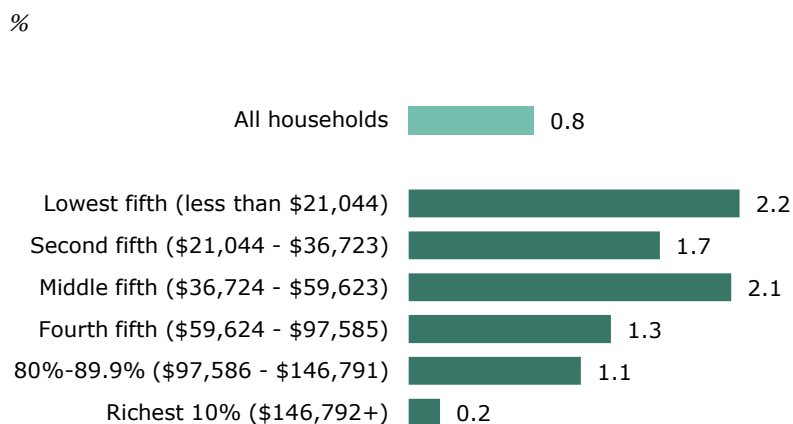
For the richest one-fifth of households, the ratio of student debt to income grew significantly. For the richest 10% of households, it doubled from 1 cent on the dollar in 2007 to 2 cents on the dollar in 2010. For households in the ninth decile, the ratio of student debt to income nearly doubled from 4 cents on the dollar in 2007 to 7 cents in 2010.

In comparison, the ratio of student debt to income for the fifth of households with the lowest income increased from 15 cents on the dollar in 2007 to 24 cents in 2010. Although their household income did not decline from 2007 to 2010, these households owe a lot more student debt in 2010 than 2007 (13% of the student debt pie in 2010, up from 11% in 2007).

Outstanding Student Debt to Assets

Patterns and trends in the ratio of outstanding student debt to household assets tell a similar story as the debt-to-income ratio. In the SCF, household assets include the value of physical property (equity in properties, equity in automobiles and furnishings and collectibles), financial assets (stocks, bonds and retirement accounts) and equity in businesses. At least in principle, assets can be liquidated to pay off debts and thus debt-to-asset ratios serve as an alternative measure of a household's ability to handle debt.

Outstanding Student Loan Debt Owed as Share of Household Assets, by Household Income Group, 2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of 2010 Survey of Consumer Finances data
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Driven by the housing bust, the value of household assets sharply declined from 2007 to 2010. The mean value of assets among all households fell from \$709,000 in 2007 to \$611,000 in 2010.

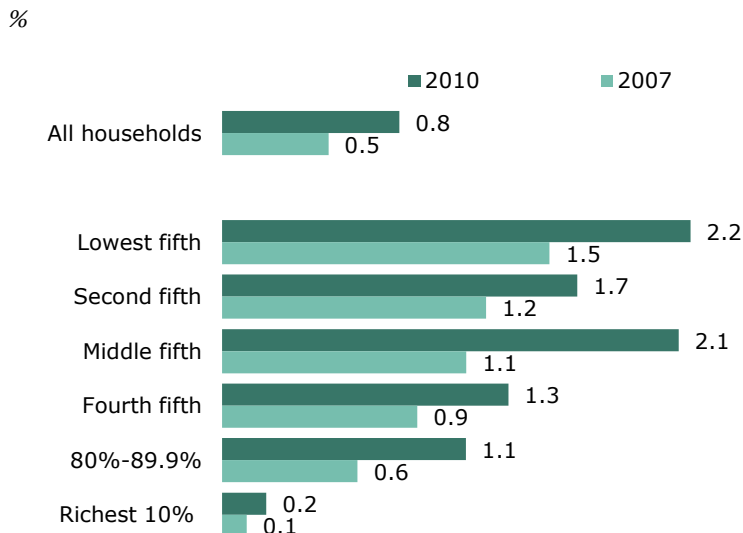
The decline in the value of assets was not uniform across households. Mean assets for households in the lowest fifth of households by income actually increased from \$132,000 in 2007 to \$147,000 in 2010. Mean assets for households with higher incomes declined from 2007 to 2010.

Households in the lowest fifth of households by income have much less outstanding student debt than do households in the highest fifth. Households in the bottom fifth owe only 13% of the student debt in 2010, while the upper fifth owes 31% of the debt. But the assets of the bottom fifth of households pale in comparison to the assets of the richest fifth of households. The ratio of student debt to assets of the bottom fifth of households (2.2%) is at least twice the size of the ratio of the richest fifth of households. The outstanding student-debt-to-asset ratio

for households in the ninth decile of household income was 1.1% in 2010, and the ratio for the richest tenth of households was only 0.2%.

Outstanding student-debt-to-asset ratios roughly doubled for the fifth of households with the highest income from 2007 to 2010, but even so, they remained significantly lower in 2010 than the ratio for households with less income.

Outstanding Student Loan Debt Owed as Share of Household Assets, by Household Income Group, 2007 and 2010



Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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SECTION 4: STUDENT DEBT AND THE DELEVERAGING OF HOUSEHOLD DEBT

Aggregate consumer debt peaked in the third quarter of 2008 at about \$12.7 trillion and declined to \$11.4 trillion as of June 30, 2012 (Federal Reserve Bank of New York, 2012).⁹ Outstanding household debt in the Survey of Consumer Finances also demonstrates that households are reducing their outstanding liabilities. Average household debt fell from \$105,000 in 2007 to \$101,000 in 2010 (Pew Research Center, 2012). Household debt levels have declined because of a reduction in debt for residential real estate. In addition, debt tied to credit cards has also declined. Outstanding student loan debt has risen since 2007, and hence student debt as measured by the SCF has risen from 3% of total household debt in 2007 to 5% in 2010.

Student debt is a rising proportion of total debt for most demographic and economic categories of households. Among households headed by those younger than 35 years of age, student debt rose from 9% of total debt in 2007 to 15% in 2010. The only households in which student debt has not been a growing proportion of total debt were households headed by seniors, households headed by those without a high school education, and households in the wealthiest quarter of households by net worth.

Historically a majority of installment debt has been for vehicle purchases. In 2010 student

Outstanding Student Loan Debt as Share of All Household Debt Owed, 2007 and 2010

	%		
	<u>2007</u>	<u>2010</u>	<u>Percentage-point change</u>
All households	3	5	2
Age of household head			
Younger than 35	9	15	5
35-44	2	5	3
45-54	2	3	1
55-64	2	2	1
65 and older	0	1	0
Highest education of household head			
Less than HS diploma	2	2	0
HS graduate	2	3	1
Some college	3	6	3
College graduate	4	6	1
Household annual income			
Lowest fifth	12	12	1
Second fifth	7	8	1
Middle fifth	5	8	3
Fourth fifth	4	5	1
80-89.9%	3	5	2
Richest 10%	1	2	1
Household wealth			
Lowest fourth	19	20	1
Second fourth	4	5	1
Third fourth	3	3	1
75%-89.9%	2	2	0
Wealthiest 10%	1	0	0

Note: Outstanding student loan debt includes education loans that are currently in deferment and loans in scheduled repayment period. Percentage-point change calculated before rounding.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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⁹ These figures on the total outstanding debt are from the Federal Reserve Bank of New York quarterly debt and credit report and are in nominal dollars.

loan debt became the largest component of outstanding installment debt, accounting for 45% of installment debt.¹⁰ In 2007 student debt was only 33% of installment debt, and in 1989 it was only 11% of installment debt. The rise since 2007 in the share of student debt in installment debt reflects rising outstanding student loan balances as well as declines in loan balances for vehicles and other consumer durables in the wake of the Great Recession (as shown on the next page).

Student loan debt has been a rising proportion of installment debt for most households. For households in the lowest fifth of the income distribution, student loan debt as a share of installment debt fell from 47% in 2007 to 41% in 2010. For the wealthiest 10% of households, student loan debt declined from 16% of installment debt in 2007 to 12% of installment debt in 2010. This is largely a reflection of the fact that the wealthiest 10% of households have less student debt outstanding than in 2007. Fewer of the wealthiest 10% of households have outstanding student loans in 2010 (5%) than in 2007 (6%), and the mean student loan balance fell as well (\$26,145 in 2010, compared with \$37,616 in 2007).

Among the lowest fifth of households by income, student debt is a declining proportion of outstanding installment debt. This is not because these households' student loan obligations have decreased. Rather, it is because these households' other installment balances increased from 2007 to 2010. Among the

Outstanding Student Loan Debt as Share of Installment Debt Owed, 2007 and 2010

	%		
	2007	2010	Percentage-point change
All households	33	45	12
Age of household head			
Younger than 35	53	66	13
35-44	24	48	24
45-54	27	36	10
55-64	21	30	9
65 and older	8	11	3
Highest education of household head			
Less than HS diploma	13	12	0
HS graduate	15	23	8
Some college	24	49	26
College graduate	47	55	8
Household annual income			
Lowest fifth	47	41	-6
Second fifth	31	45	13
Middle fifth	32	54	22
Fourth fifth	33	43	10
80%-89.9%	37	51	14
Richest 10%	25	37	13
Household wealth			
Lowest fourth	48	66	18
Second fourth	30	41	11
Third fourth	30	34	4
75%-89.9%	25	31	5
Wealthiest 10%	16	12	-5

Notes: Outstanding student loan debt includes education loans that are currently in deferment and loans in scheduled repayment period. Installment debt consists of loans with fixed payments and a fixed term; e.g., auto loans and loans for durable goods (furniture and appliances) and hospital bills, as well as student loans. Percentage-point change calculated before rounding.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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¹⁰ Installment borrowing refers to closed-end consumer loans, such as vehicle loans, student loans, loans for durable goods (furniture and appliances), and hospital bills.

lowest fifth of households by income, the average vehicle loan outstanding among those owing auto debt increased from \$8,081 in 2007 to \$18,335 in 2010. Households above the lowest income fifth managed to reduce their outstanding vehicle loan debts. Similarly, outstanding installment debt excluding student and vehicle loans also increased for households in the lowest fifth of incomes—from \$12,453 for those households with such debts to \$18,473. These sorts of obligations were diminished for households higher up the income scale, with the exception of households in the fourth fifth of the income distribution.

Average Installment Debts Outstanding, Excluding Student Debt, among Households Owing the Debt, by Household Income Group, 2007 and 2010

In 2011 dollars

	Vehicle loans		Other installment debt excluding student debt and vehicle loans	
	2007	2010	2007	2010
All households	\$15,814	\$14,516	\$16,618	\$15,152
Household income				
Lowest fifth	\$8,081	\$18,335	\$12,453	\$18,473
Second fifth	\$11,998	\$9,266	\$12,833	\$11,230
Middle fifth	\$13,805	\$11,398	\$12,833	\$8,421
Fourth fifth	\$17,258	\$13,978	\$12,778	\$14,485
80%-89.9%	\$18,158	\$16,453	\$10,457	\$9,001
Richest 10%	\$24,174	\$23,365	\$87,735	\$70,644

Source: Pew Research Center tabulations of Survey of Consumer Finances data
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Higher income households markedly reduced their installment loan balances other than student debt since 2007. The lowest fifth of households by income have not deleveraged these other installment obligations, and as a result student debt has been a declining proportion of the total installment debt.

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APPENDIX A: DATA SOURCE AND METHODOLOGY

The Survey of Consumer Finances (SCF) is sponsored by the Federal Reserve Board of Governors and the U.S. Department of the Treasury. It is designed to provide detailed information on the finances of U.S. households. Bricker et al. (2012) serves as useful introduction to the specifics of the SCF.

Household income refers to the household's cash income, before taxes, for the full calendar year preceding the survey. The components of income in the SCF are wages; self-employment and business income; taxable and tax-exempt interest; dividends; realized capital gains; food stamps and other, related support programs provided by government; pensions and withdrawals from retirement accounts; Social Security; alimony and other support payments; and miscellaneous sources of income.

Wealth, or net worth, is the difference between the value of assets owned by a household and the value of the liabilities (or debt) held by the household. Assets include items such as the value of an owned home, value of a business, accounts in financial institutions, stocks and bonds, 401(k) and thrift accounts, individual retirement accounts and Keogh accounts, rental properties, motor vehicles and other personal property. Liabilities include home mortgages, credit card debt, student loans, vehicle loans and business debt. The SCF does not account for the discounted values of Social Security benefits or defined benefit pension plans.

The analysis ranks households by their relative position in the household income distribution (by fifths) and in the net worth distribution (by fourths). The cutpoints used to define the groups in the distributions of income and net worth are shown on the adjoining chart.

The definition of a "household" in the SCF differs from that used in Census Bureau studies. The sampling unit in the SCF is the "primary economic unit" (PEU), not the household. As stated by the Federal Reserve Board, "the PEU consists of an economically dominant single

Cutpoints for Economic Groups, 2007 and 2010

In 2011 dollars

	<u>2007</u>	<u>2010</u>
Household income		
20th percentile	\$22,179	\$21,044
40th percentile	\$39,406	\$36,724
60th percentile	\$64,473	\$59,624
80th percentile	\$106,148	\$97,586
90th percentile	\$152,259	\$146,792
Household net worth		
25th percentile	\$15,267	\$8,562
50th percentile	\$130,390	\$79,740
75th percentile	\$402,929	\$311,223
90th percentile	\$985,764	\$982,566

Source: Bricker et al. (2012)

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individual or couple (married or living as partners) in a household and all other individuals in the household who are financially interdependent with that individual or couple.” Federal Reserve Board publications refer to the PEU as a “family,” but readers may infer that this necessitates the presence of two related persons, whereas a PEU can consist of a person living alone. In this document, a PEU is referred to as a “household.”

The household’s characteristics are in part based on the household head. In the SCF if a couple is economically dominant in the PEU, then the head is the male in an opposite sex couple or the older person in a same-sex couple. If a single individual is economically dominant, that person is the household head.

The estimates reported are based on analysis of the public use versions of the 1989 to 2010 SCFs. The 2010 SCF interviewed about 6,500 households, a significantly greater number of interviews than prior years. The unweighted sample sizes in the SCF for various household categories are reported below.

There are notable differences between the SCF data the Federal Reserve Board releases for public use and the data it uses to publish estimates of family income and wealth. One difference is that estimates published by the Federal Reserve Board are often based on preliminary data, while the public-use files represent edited versions of the data. Also, prior to public release, the Federal Reserve Board alters the data using statistical procedures that may affect the estimates, albeit not significantly. That is done for reasons of confidentiality.

The data on student loan debt, net worth and household income are adjusted for inflation with the Bureau of Labor Statistics’ Consumer Price Index Research Series (CPI-U-RS) as published in DeNavas-Walt, Proctor and Smith (2011). This is the price index series used by the U.S. Census Bureau to deflate the data it publishes on household income.

Unweighted Number of Households in the Survey of Consumer Finances, 1989-2010

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	3,143	3,906	4,299	4,305	4,442	4,519	4,418	6,482
Age of household head								
Younger than 35	545	802	886	830	806	754	702	1,178
35-44	685	834	908	928	931	887	812	1,182
45-54	614	777	907	959	1,062	1,078	1,013	1,492
55-64	569	589	657	685	734	920	931	1,362
65 and older	730	904	941	903	908	880	960	1,268
Highest education of household head								
Less than HS diploma	617	585	552	530	540	487	438	658
HS graduate	837	949	1,142	1,120	1,133	1,117	1,140	1,821
Some college	454	629	763	735	726	731	696	1,101
College graduate	1,235	1,744	1,842	1,920	2,043	2,185	2,144	2,902
Household annual income								
Lowest fifth	451	549	598	664	670	677	634	1,161
Second fifth	461	560	610	636	658	671	627	1,101
Middle fifth	481	583	656	652	693	690	657	1,085
Fourth fifth	517	605	720	674	716	717	689	1,112
80%- 89.9%	329	381	428	388	397	405	410	604
Richest 10%	905	1,227	1,288	1,290	1,310	1,360	1,401	1,419
Household wealth								
Lowest fourth	509	728	787	888	902	930	838	1,502
Second fourth	563	693	758	744	807	818	773	1,345
Third fourth	629	663	730	733	794	774	752	1,220
75%-89.9%	478	493	558	562	531	567	552	949
Wealthiest 10%	964	1,328	1,466	1,379	1,407	1,429	1,503	1,467

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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APPENDIX B: ADDITIONAL TABLES

Share of Households Having Student Loan Debt, 1989-2010

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	9%	11%	12%	11%	12%	13%	15%	19%
Age of household head								
Younger than 35	17%	24%	24%	23%	26%	28%	34%	40%
35-44	11%	13%	13%	13%	12%	15%	15%	26%
45-54	7%	5%	11%	10%	11%	13%	15%	17%
55-64	4%	3%	4%	6%	5%	9%	11%	9%
65 and older	1%	1%	2%	1%	0%	1%	1%	3%
Highest education of household head								
Less than HS diploma	2%	2%	2%	3%	3%	3%	6%	5%
HS graduate	7%	7%	9%	6%	8%	7%	9%	13%
Some college	13%	13%	16%	15%	14%	20%	18%	26%
College graduate	16%	18%	18%	19%	17%	20%	23%	25%
Household annual income								
Lowest fifth	8%	10%	10%	10%	8%	11%	11%	16%
Second fifth	8%	8%	12%	9%	10%	10%	13%	15%
Middle fifth	8%	14%	11%	11%	14%	16%	17%	20%
Fourth fifth	12%	11%	15%	13%	14%	17%	19%	23%
80%- 89.9%	8%	12%	15%	15%	13%	14%	21%	27%
Richest 10%	8%	6%	9%	10%	11%	12%	13%	15%
Household wealth								
Lowest fourth	14%	20%	20%	20%	19%	23%	25%	34%
Second fourth	9%	11%	13%	12%	11%	14%	15%	20%
Third fourth	7%	7%	9%	8%	10%	11%	13%	15%
75%-89.9%	6%	6%	6%	5%	7%	7%	8%	10%
Wealthiest 10%	3%	4%	5%	4%	2%	4%	6%	5%

Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Median Amount of Student Loan Debt among Households with Student Debt Outstanding, 1989-2010

In 2011 dollars

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	\$5,254	\$5,183	\$5,715	\$9,646	\$10,163	\$10,955	\$13,017	\$13,410
Age of household head								
Younger than 35	\$5,779	\$5,183	\$5,862	\$13,780	\$10,417	\$10,955	\$14,102	\$13,410
35-44	\$3,503	\$4,241	\$4,689	\$6,890	\$11,434	\$11,907	\$14,102	\$14,442
45-54	\$7,005	\$5,654	\$7,620	\$8,268	\$7,622	\$8,216	\$13,017	\$12,379
55-64	\$3,503	\$11,466	\$5,862	\$9,922	\$10,163	\$10,717	\$7,593	\$16,196
65 and older	\$7,005	\$9,581	\$3,810	\$5,512	\$2,160	\$5,954	\$19,526	\$12,379
Highest education of household head								
Less than HS diploma	\$3,503	\$3,927	\$6,741	\$5,236	\$3,430	\$5,954	\$6,509	\$7,015
HS graduate	\$4,694	\$4,084	\$3,664	\$4,823	\$7,368	\$5,954	\$6,725	\$8,253
Some college	\$5,254	\$4,241	\$5,129	\$8,268	\$6,860	\$7,740	\$10,414	\$12,379
College graduate	\$7,005	\$6,126	\$7,327	\$11,713	\$13,974	\$16,670	\$20,393	\$19,393
Household annual income								
Lowest fifth	\$4,694	\$4,712	\$5,862	\$8,268	\$6,987	\$7,740	\$9,437	\$9,284
Second fifth	\$5,254	\$4,241	\$5,715	\$8,544	\$10,163	\$11,907	\$10,848	\$9,284
Middle fifth	\$7,005	\$5,340	\$5,129	\$7,855	\$9,782	\$11,907	\$10,848	\$14,442
Fourth fifth	\$5,254	\$6,126	\$4,396	\$10,748	\$11,180	\$10,121	\$18,441	\$12,688
80%- 89.9%	\$3,503	\$4,555	\$7,327	\$7,166	\$15,867	\$12,384	\$13,017	\$20,631
Richest 10%	\$5,061	\$9,942	\$7,181	\$13,780	\$12,196	\$11,907	\$17,573	\$25,789
Household wealth								
Lowest fourth	\$5,779	\$5,654	\$7,327	\$13,780	\$11,688	\$11,907	\$13,017	\$16,505
Second fourth	\$3,503	\$4,084	\$5,129	\$5,512	\$6,352	\$8,931	\$13,017	\$10,316
Third fourth	\$7,005	\$4,084	\$4,030	\$9,370	\$10,163	\$11,907	\$10,848	\$12,379
75%-89.9%	\$7,005	\$3,927	\$7,034	\$5,236	\$10,671	\$9,526	\$13,017	\$12,379
Wealthiest 10%	\$3,503	\$8,968	\$5,129	\$11,024	\$17,786	\$8,931	\$20,610	\$14,442

Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Mean Amount of Student Loan Debt among Households with Student Debt Outstanding, 1989-2010

In 2011 dollars

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	\$9,634	\$11,086	\$11,714	\$17,942	\$17,562	\$20,022	\$23,349	\$26,682
Age of household head								
Younger than 35	\$10,304	\$10,449	\$11,841	\$20,682	\$15,478	\$19,586	\$25,795	\$26,842
35-44	\$8,632	\$12,743	\$10,056	\$13,455	\$26,239	\$22,651	\$20,477	\$27,634
45-54	\$11,010	\$7,659	\$14,907	\$17,269	\$12,717	\$19,042	\$22,440	\$25,152
55-64	\$5,488	\$16,826	\$11,746	\$21,203	\$19,258	\$17,321	\$19,778	\$29,853
65 and older	\$9,419	\$10,854	\$4,794	\$5,771	\$2,579	\$25,145	\$21,443	\$17,578
Highest education of household head								
Less than HS diploma	\$5,156	\$4,083	\$5,739	\$8,104	\$5,573	\$9,257	\$10,260	\$9,477
HS graduate	\$6,344	\$6,280	\$6,349	\$7,687	\$10,745	\$14,792	\$13,573	\$13,227
Some college	\$8,140	\$6,716	\$12,475	\$16,109	\$10,756	\$13,837	\$14,839	\$20,509
College graduate	\$12,373	\$15,254	\$14,359	\$22,310	\$24,561	\$25,405	\$31,470	\$36,809
Household annual income								
Lowest fifth	\$9,126	\$6,887	\$9,552	\$13,444	\$11,388	\$18,312	\$19,018	\$20,640
Second fifth	\$5,955	\$10,328	\$9,976	\$16,880	\$15,861	\$21,426	\$17,400	\$18,659
Middle fifth	\$12,843	\$15,474	\$14,092	\$19,890	\$16,610	\$18,146	\$20,887	\$29,953
Fourth fifth	\$11,083	\$8,639	\$9,764	\$18,157	\$16,136	\$19,041	\$26,283	\$24,076
80%- 89.9%	\$6,367	\$10,516	\$15,804	\$15,155	\$19,822	\$19,678	\$25,921	\$31,989
Richest 10%	\$11,014	\$17,025	\$14,756	\$27,990	\$33,215	\$28,855	\$36,033	\$44,810
Household wealth								
Lowest fourth	\$11,623	\$13,773	\$14,842	\$23,703	\$18,405	\$21,352	\$23,121	\$35,096
Second fourth	\$6,071	\$7,598	\$8,399	\$11,813	\$11,923	\$15,430	\$20,548	\$18,071
Third fourth	\$7,777	\$8,587	\$8,319	\$15,603	\$14,849	\$22,800	\$23,150	\$21,108
75%-89.9%	\$15,155	\$7,797	\$15,227	\$9,353	\$24,981	\$24,330	\$27,312	\$21,564
Wealthiest 10%	\$6,223	\$17,883	\$11,519	\$19,256	\$72,373	\$12,930	\$37,616	\$26,145

Note: Includes education loans that are currently in deferment and loans in scheduled repayment period.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Outstanding Student Loan Balance among Households with Student Debt, 1989-2010

In 2011 dollars

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
Share of student debtors								
25% of households owed less than	\$1,945	\$2,357	\$2,639	\$3,446	\$3,812	\$4,764	\$5,425	\$6,190
50% of households owed less than	\$5,255	\$5,184	\$5,716	\$9,647	\$10,164	\$10,956	\$13,018	\$13,411
75% of households owed less than	\$10,509	\$11,153	\$12,310	\$20,946	\$21,598	\$23,339	\$28,530	\$29,916
90% of households owed less than	\$20,509	\$21,990	\$26,378	\$44,097	\$39,384	\$47,630	\$54,239	\$61,895
95% of households owed less than	\$29,774	\$30,157	\$43,919	\$65,456	\$55,010	\$77,399	\$88,951	\$92,842

Notes: Includes education loans that are currently in deferment and loans in scheduled repayment period. First entry reads that 25% of student debtors owed less than \$1,945 in 1989.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Distribution of Aggregate Student Loan Debt Outstanding Across Groups, 1989-2010

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
Age of household head								
Younger than 35	58%	55%	51%	55%	45%	46%	53%	44%
35-44	23%	31%	22%	20%	34%	25%	17%	26%
45-54	14%	6%	22%	17%	14%	19%	19%	18%
55-64	4%	6%	4%	7%	7%	9%	10%	10%
65 and older	<u>1%</u>	<u>2%</u>	<u>1%</u>	<u>1%</u>	<u>0%</u>	<u>2%</u>	<u>1%</u>	<u>2%</u>
	100%	100%	100%	100%	100%	100%	100%	100%
Highest education of household head								
Less than HS diploma	2%	2%	2%	2%	1%	2%	2%	1%
HS graduate	17%	12%	12%	7%	14%	11%	11%	11%
Some college	19%	13%	27%	22%	14%	19%	14%	19%
College graduate	63%	74%	58%	70%	71%	68%	73%	69%
Household annual income								
Lowest fifth	18%	12%	13%	13%	9%	15%	11%	13%
Second fifth	11%	14%	17%	15%	16%	16%	13%	11%
Middle fifth	23%	37%	23%	22%	23%	21%	20%	23%
Fourth fifth	31%	17%	21%	24%	23%	24%	28%	22%
80%- 89.9%	6%	11%	17%	11%	12%	11%	16%	17%
Richest 10%	11%	9%	10%	14%	18%	13%	13%	14%
Household wealth								
Lowest fourth	49%	59%	52%	59%	44%	46%	42%	58%
Second fourth	16%	17%	19%	17%	17%	20%	22%	17%
Third fourth	15%	12%	14%	16%	19%	23%	21%	15%
75%-89.9%	17%	6%	10%	4%	13%	9%	9%	6%
Wealthiest 10%	2%	6%	4%	4%	7%	2%	6%	3%

Note: Includes education loans that are currently in deferment and loans in scheduled repayment period. Percentages may not total 100% due to rounding.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Ratio of Student Loan Debt to Household Income, 1989-2010

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	1.2%	1.9%	2.1%	2.8%	2.3%	3.2%	3.9%	6.3%
Age of household head								
Younger than 35	3.6%	5.3%	6.3%	9.7%	7.2%	10.3%	15.4%	21.9%
35-44	1.1%	2.2%	1.8%	2.1%	3.2%	3.7%	3.3%	8.7%
45-54	0.8%	0.5%	1.7%	1.8%	1.1%	2.1%	2.7%	4.2%
55-64	0.3%	0.6%	0.6%	1.2%	0.9%	1.3%	1.7%	2.6%
65 and older	0.1%	0.3%	0.2%	0.1%	0.0%	0.4%	0.3%	0.7%
Highest education of household head								
Less than HS diploma	0.2%	0.4%	0.4%	0.7%	0.5%	1.0%	1.7%	1.5%
HS graduate	0.8%	1.0%	1.1%	0.9%	1.5%	1.8%	2.2%	3.4%
Some college	1.4%	1.5%	3.4%	3.4%	2.2%	4.2%	3.6%	8.8%
College graduate	1.5%	2.7%	2.5%	3.6%	2.8%	3.6%	4.7%	7.1%
Household annual income								
Lowest fifth	7.4%	6.9%	9.5%	12.5%	6.9%	15.5%	15.2%	24.3%
Second fifth	1.9%	3.3%	4.5%	5.5%	5.3%	7.0%	7.2%	9.8%
Middle fifth	2.2%	5.1%	3.6%	4.8%	4.5%	5.5%	6.8%	12.4%
Fourth fifth	1.9%	1.5%	2.2%	3.2%	2.8%	4.0%	6.0%	7.4%
80%- 89.9%	0.5%	1.3%	2.3%	2.1%	2.0%	2.2%	4.4%	7.4%
Richest 10%	0.3%	0.5%	0.5%	1.0%	0.9%	1.0%	1.1%	1.9%
Household wealth								
Lowest fourth	6.4%	10.2%	10.7%	17.1%	11.7%	16.6%	18.6%	35.2%
Second fourth	1.3%	1.8%	2.3%	2.9%	2.7%	4.3%	6.2%	7.5%
Third fourth	0.8%	1.0%	1.3%	2.0%	2.0%	3.4%	4.2%	4.8%
75%-89.9%	1.1%	0.6%	1.2%	0.5%	1.8%	1.5%	2.1%	2.4%
Wealthiest 10%	0.1%	0.4%	0.3%	0.3%	0.4%	0.2%	0.6%	0.5%

Notes: Includes education loans that are currently in deferment and loans in scheduled repayment period. First entry reads that in 1989 the outstanding stock of student loan debt amounted to 1.2% of 1989 household income.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Leverage Ratio—Student Loan Debt as Share of Household Assets, 1989-2010

	1989	1992	1995	1998	2001	2004	2007	2010
All households	0.2%	0.3%	0.4%	0.4%	0.4%	0.4%	0.5%	0.8%
Age of household head								
Younger than 35	1.3%	2.2%	2.6%	3.4%	2.4%	3.4%	4.2%	7.7%
35-44	0.3%	0.6%	0.5%	0.5%	0.7%	0.7%	0.6%	2.0%
45-54	0.1%	0.1%	0.3%	0.3%	0.2%	0.3%	0.4%	0.6%
55-64	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%
65 and older	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Highest education of household head								
Less than HS diploma	0.0%	0.1%	0.1%	0.2%	0.1%	0.2%	0.3%	0.4%
HS graduate	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.6%
Some college	0.3%	0.3%	0.6%	0.6%	0.4%	0.6%	0.5%	1.5%
College graduate	0.3%	0.4%	0.4%	0.5%	0.4%	0.4%	0.5%	0.8%
Household annual income								
Lowest fifth	1.6%	1.2%	1.2%	1.7%	1.1%	2.0%	1.5%	2.2%
Second fifth	0.4%	0.7%	0.8%	1.0%	0.9%	1.2%	1.2%	1.7%
Middle fifth	0.5%	1.1%	0.8%	1.0%	0.9%	0.9%	1.1%	2.1%
Fourth fifth	0.5%	0.4%	0.5%	0.7%	0.5%	0.6%	0.9%	1.3%
80%- 89.9%	0.1%	0.3%	0.5%	0.4%	0.4%	0.4%	0.6%	1.1%
Richest 10%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Household wealth								
Lowest fourth	15.9%	21.5%	16.2%	23.0%	18.0%	21.5%	20.5%	25.5%
Second fourth	0.8%	1.0%	1.2%	1.4%	1.3%	1.8%	2.2%	3.4%
Third fourth	0.3%	0.3%	0.4%	0.5%	0.5%	0.7%	0.8%	1.2%
75%-89.9%	0.2%	0.1%	0.2%	0.1%	0.3%	0.2%	0.3%	0.3%
Wealthiest 10%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes: Includes education loans that are currently in deferment and loans in scheduled repayment period. First entry reads that in 1989 the outstanding stock of student loan debt amounted to 0.2% of the 1989 value of household assets.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

PEW RESEARCH CENTER

Student Loan Debt as Share of All Household Debt, 1989-2010

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	1.9%	2.4%	2.6%	3.1%	2.9%	2.8%	3.4%	5.0%
Age of household head								
Younger than 35	4.0%	5.9%	6.3%	9.5%	6.9%	7.3%	9.5%	15.0%
35-44	1.3%	2.1%	1.8%	1.9%	3.2%	2.6%	2.2%	5.4%
45-54	1.3%	0.6%	2.0%	1.9%	1.4%	1.8%	2.3%	3.1%
55-64	0.6%	1.1%	0.9%	1.6%	1.4%	1.5%	1.8%	2.5%
65 and older	0.4%	0.8%	0.5%	0.2%	0.0%	0.7%	0.5%	0.9%
Highest education of household head								
Less than HS diploma	0.5%	0.7%	0.8%	1.2%	0.8%	1.2%	1.7%	1.8%
HS graduate	1.4%	1.4%	1.3%	1.1%	2.0%	1.7%	1.7%	2.9%
Some college	1.9%	1.7%	4.0%	3.3%	2.4%	3.2%	2.9%	6.2%
College graduate	2.3%	3.1%	2.9%	3.9%	3.6%	3.2%	4.3%	5.6%
Household annual income								
Lowest fifth	17.8%	9.3%	10.4%	14.3%	8.4%	12.7%	11.6%	12.1%
Second fifth	3.7%	5.1%	5.8%	6.7%	6.7%	6.1%	6.7%	7.9%
Middle fifth	3.2%	6.5%	4.3%	5.1%	4.7%	4.1%	4.7%	8.1%
Fourth fifth	2.3%	1.7%	2.2%	2.8%	2.8%	2.9%	3.6%	4.8%
80%- 89.9%	0.6%	1.5%	2.4%	2.1%	1.9%	1.7%	2.8%	5.0%
Richest 10%	0.6%	0.6%	0.8%	1.4%	1.6%	1.1%	1.4%	2.1%
Household wealth								
Lowest fourth	14.6%	20.2%	16.0%	20.5%	18.1%	20.1%	19.0%	20.1%
Second fourth	1.8%	2.1%	2.3%	2.7%	2.6%	3.3%	3.8%	5.3%
Third fourth	1.0%	1.1%	1.3%	2.0%	2.0%	2.2%	2.6%	3.3%
75%-89.9%	1.4%	0.7%	1.6%	0.6%	1.9%	1.3%	1.6%	1.9%
Wealthiest 10%	0.2%	0.5%	0.4%	0.5%	0.8%	0.2%	0.8%	0.5%

Notes: Includes education loans that are currently in deferment and loans in scheduled repayment period. First entry reads that in 1989 the outstanding stock of student loan debt amounted to 1.9% of 1989 total household debt.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Student Loan Debt as Share of All Household Installment Debt, 1989-2010

	<u>1989</u>	<u>1992</u>	<u>1995</u>	<u>1998</u>	<u>2001</u>	<u>2004</u>	<u>2007</u>	<u>2010</u>
All households	11.3%	21.0%	21.9%	23.6%	23.7%	26.1%	32.9%	45.3%
Age of household head								
Younger than 35	20.9%	33.5%	32.1%	39.6%	35.7%	42.7%	53.2%	65.8%
35-44	8.1%	21.1%	17.4%	17.4%	25.1%	26.6%	24.2%	48.1%
45-54	7.6%	7.4%	18.5%	16.4%	15.1%	23.7%	26.7%	36.4%
55-64	4.0%	10.1%	12.2%	15.1%	13.5%	15.6%	20.9%	30.3%
65 and older	2.7%	7.0%	5.4%	3.0%	0.5%	3.8%	8.0%	11.4%
Highest education of household head								
Less than HS diploma	2.1%	4.1%	4.5%	5.3%	4.5%	8.1%	12.7%	12.4%
HS graduate	6.3%	10.3%	9.4%	7.5%	13.5%	12.7%	14.9%	22.5%
Some college	11.9%	17.1%	30.0%	21.1%	16.9%	26.7%	23.6%	49.4%
College graduate	17.3%	29.9%	30.3%	35.1%	33.7%	33.5%	47.4%	55.3%
Household annual income								
Lowest fifth	40.3%	35.6%	40.1%	45.2%	30.8%	50.5%	47.3%	40.9%
Second fifth	13.8%	20.6%	29.9%	32.5%	27.8%	31.0%	31.3%	44.6%
Middle fifth	11.8%	34.2%	24.3%	27.5%	26.9%	30.5%	32.3%	54.1%
Fourth fifth	11.5%	14.1%	16.9%	19.2%	21.1%	23.4%	32.9%	42.6%
80%- 89.9%	4.7%	16.9%	20.5%	18.6%	19.1%	17.7%	37.1%	51.3%
Richest 10%	6.4%	11.1%	14.0%	17.2%	21.9%	18.9%	24.5%	37.4%
Household wealth								
Lowest fourth	30.7%	42.2%	40.7%	53.0%	43.1%	45.6%	48.0%	65.8%
Second fourth	7.8%	14.9%	16.6%	18.5%	17.0%	26.7%	30.3%	40.8%
Third fourth	6.6%	10.8%	13.1%	15.4%	18.3%	21.9%	29.7%	33.8%
75%-89.9%	11.0%	10.8%	17.7%	7.8%	23.6%	18.8%	25.5%	30.8%
Wealthiest 10%	1.9%	10.9%	8.5%	5.7%	11.4%	3.9%	16.1%	11.5%

Notes: Includes education loans that are currently in deferment and loans in scheduled repayment period. First entry reads that in 1989 the outstanding stock of student loan debt amounted to 11.3% of 1989 total household installment debt.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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