



## US Student Debt: Not Just for Young People

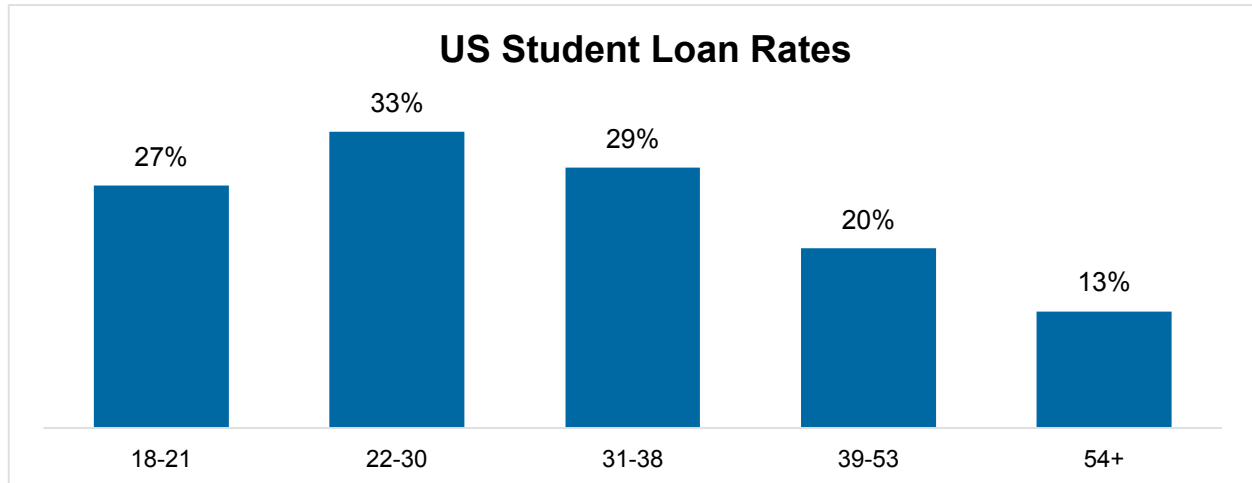
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by Danielle Goldfarb, Head, Global Research

Most discussion of US student debt focuses on its large size, rapid growth, and on debt loads in the years following graduation. New RIWI data extends this to look at US student debt across all age groups. How long does it take for Americans to pay off their student loans? 2018 RIWI data from 25,000 randomly engaged Americans show that student debt casts a very long shadow over Americans throughout the course of their lives.

Student loans are the second largest household liability in the US, after mortgages. US student debt is bigger than auto or credit card debt. According to the Federal Reserve Bank of New York, Americans collectively had \$1.4 trillion in college student debt at the end of 2017. Student loans can help poorer Americans access higher education, in turn improving their economic opportunities and boosting US economic growth. However, high and long-lasting student debt can make it very hard to buy homes or start businesses. This, in turn, drags down longer-term growth.

To determine how long it takes for Americans to pay off their student debt, RIWI randomly engaged more than 24,890 Americans aged 18 and over about their student loans. We collected data continuously over five months, from February 7 - June 28, 2018.



Source: RIWI Data, February 7, 2018-June 26, 2018. 24,800 observations.

The chart above shows that 1 in 5 Americans aged 39-53 is still paying off student debt. More than 1 in 10 Americans aged 54+ is still paying off student loans, more than 30 years after they likely graduated. Not only is overall student debt large, growing rapidly, and sizable right after graduation, these data show that student debt lasts far, far longer than commonly appreciated.

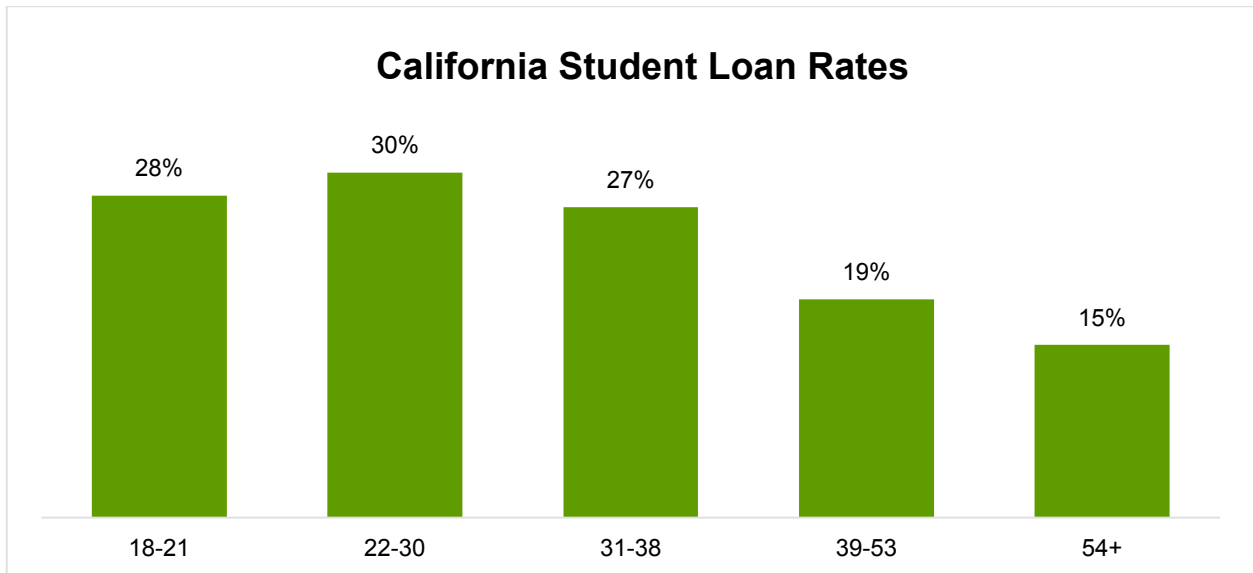
If these trends apply to current graduates, more than 1 in 10 Americans graduating college today will still be paying off student loans in 2050. However, current graduates are starting off in



a worse position than previous generations, with higher debt loads.<sup>1</sup> This could mean that the share of Americans still paying off their loans later in life will be even higher than the chart above. The rates across all age cohorts are also likely to be higher.

Since we tracked student loan rates over a 5-month period, we were able to see if the findings were one-offs, or stable. Within each age cohort, the data were consistently within a few percentage points over the 5 month period, suggesting the findings are robust and stable.

RIWI also tracked student loans across all US states. Here we show an example from California, which generally aligns with the national trend.



Source: RIWI Data, February 7, 2018-June 28, 2018. 623 observations.

In sum, RIWI data show that student loans do not necessarily only persist for 5 or 10 or even 20 years after graduation. They affect Americans across the course of their lifespans, in some cases hanging over Americans' heads almost 30+ years later. And they loom as a significant and long-lasting risk to overall US economic growth. In short, the problem is even worse and longer-lasting than it appears.

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<sup>1</sup> A 2018 Brookings study showed that, since the 1990s, US student borrowing amounts have risen and the share of borrowers holding very large balances has surged, while repayment rates have slowed significantly.

[https://www.brookings.edu/wp-content/uploads/2018/02/es\\_20180216\\_looneylargebalances.pdf](https://www.brookings.edu/wp-content/uploads/2018/02/es_20180216_looneylargebalances.pdf)



***What else do we want to know about US student loans? What should RIWI ask next?***

This analysis is only a first step. RIWI's February - June 2018 data set allows further analysis of the regional breakdown and characteristics of those with student loans. It is also possible that parents have taken out loans for their children and include themselves in the group of those paying off student loans, so further continuous data feeds could determine if this is the case. RIWI could also track student debt across major global economies simultaneously, to assess the size of the risk globally.

RIWI is continuously tracking a range of emergent financial, economic, and social risks and trends in the US and across all geographies. What should RIWI track next? If you are interested in finding out more about RIWI's continuous global trackers, please contact:

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## **About RIWI Technology: A Continuous, Global Random Survey System**

RIWI's patented survey technology enables the continuous capture of broad, randomized opinion data on an uninterrupted basis in any geography of the world. RIWI delivers anonymous surveys to random Web users who are surfing online by typing inactive, non-trademarked websites directly into the Web address bar (i.e., URL) and, further, ensures that the exposed survey audiences are representative of the Web-using geography of interest. When these users type in websites that are vacant or no longer exist, RIWI invites these inbound random visitors, filtered through a series of proprietary algorithms, to participate in a language-appropriate survey for no incentives. RIWI's global survey platform thus enables rapid and non-conditioned survey response data from any random respondent encounter. No personally identifiable information is collected, stored or transferred.

RIWI technology offers a "truly random sample of the Internet population", according to IRIS (International Research Institutes), the largest scientific association of independent research agencies in the world, when describing RIWI's technology (referred to as Random Domain Intercept Technology™, or RDIT). Since its incorporation in 2009, RIWI has received more than 1.2 billion responses across the world responding to RIWI surveys, digital campaigns and ad tests.

RIWI technology captures views of respondents representative of the Web-using population. In the US, this randomized approach gathers broad-based sentiment across all of the country, including urban and rural and across age groups. Continuous tracking allows up-to-date and robust data on emergent trends. The number of observations per question vary due to the randomization of the survey engagement process. Some respondents choose not to respond to every survey question since RIWI technology does not use quota-based sampling or other methods to compel disinterested or paid respondents from answering all questions.