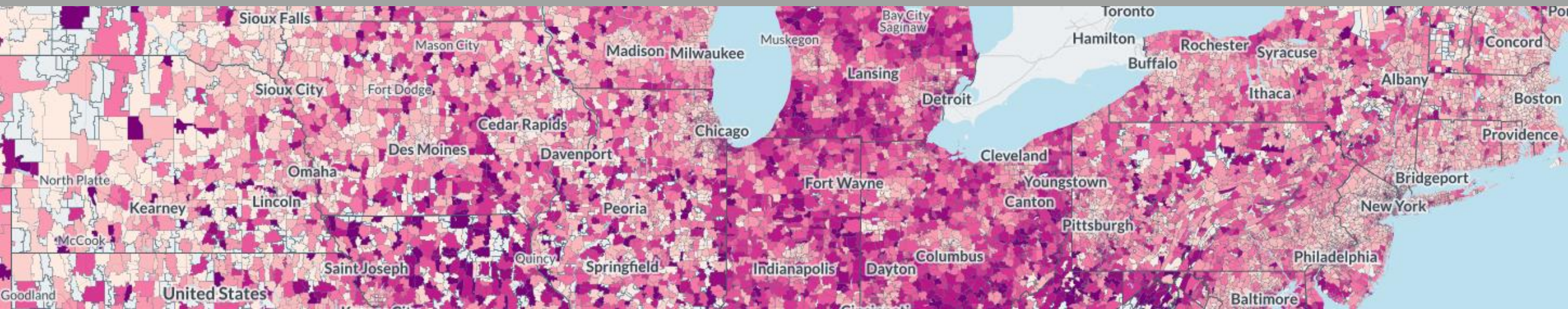# MAPPING STUDENT DEBT

an introduction to the geography of student debt

Kavya Vaghul and Marshall I. Steinbaum | December 1, 2015

"The frightening reality, however, is that we are remarkably ignorant about student debt. How many borrowers are delinquent on their federal loans? How does delinquency differ by amount of debt, income and education? Which colleges leave students underwater, with low earnings and large debts they can't pay?"

-- SUSAN DYNARSKI, March 20, 2015
Gerald R. Ford School of Public Policy, University of Michigan

THE NARRATIVE ON STUDENT DEBT

▶ A report by Adam Looney and Constantine Yannelis finds:

▶ Non-traditional borrowers are contributing to the rise of student debt, nationally

▶ Non-traditional borrowers generally are from low-income backgrounds

▶ These for-profit college attendees face worse labor market outcomes and have less financial support from their families than their non-profit college peers

OUR MOTIVATION

Not everyone has access to great data on student debt, so maybe
Experian's credit reporting data can help us answer the question of what student debt
looks like for the nation, cities, and even your neighborhood.

EXPERIAN CREDIT REPORTING DATA

The data includes 8 key household-level student debt variables aggregated to the zip code level

▸ Average number of student loans

▸ Average number of open student loans reported in the last 6 months

▸ Average number of open student loans opened in the last 6 months

▸ Average number of student loans, including deferred student loans, never delinquent or derogatory

▸ Average number of student loans, including deferred student loans, ever 60 or more days delinquent or derogatory in the last 24 months

▸ Average number of student loans, including deferred student loans, ever 90 or more days delinquent or derogatory in the last 24 months

▸ Average balance on open student loans reported in the last 6 months

▸ Average monthly payment on open student loans reported in the last 6 months

Note: In the analysis for this map, only the number of student loans outstanding, the number of student loans ever 90 days or more delinquent in the last 24 months, and the balance on open student loans reported in the last six months were used.

Source: Student debt data are an autumn 2015 sample from Experian.

mappingstudentdebt.org

BUILDING THE MAPS

A condensed explanation of our methodology

EXPERIAN VARIABLES
(IMPUTED)

Average Loan Balance
(Low to Astronomical)

Delinquency
(Extremely Low to Extremely High)

+

AMERICAN COMMUNITY SURVEY (2013)
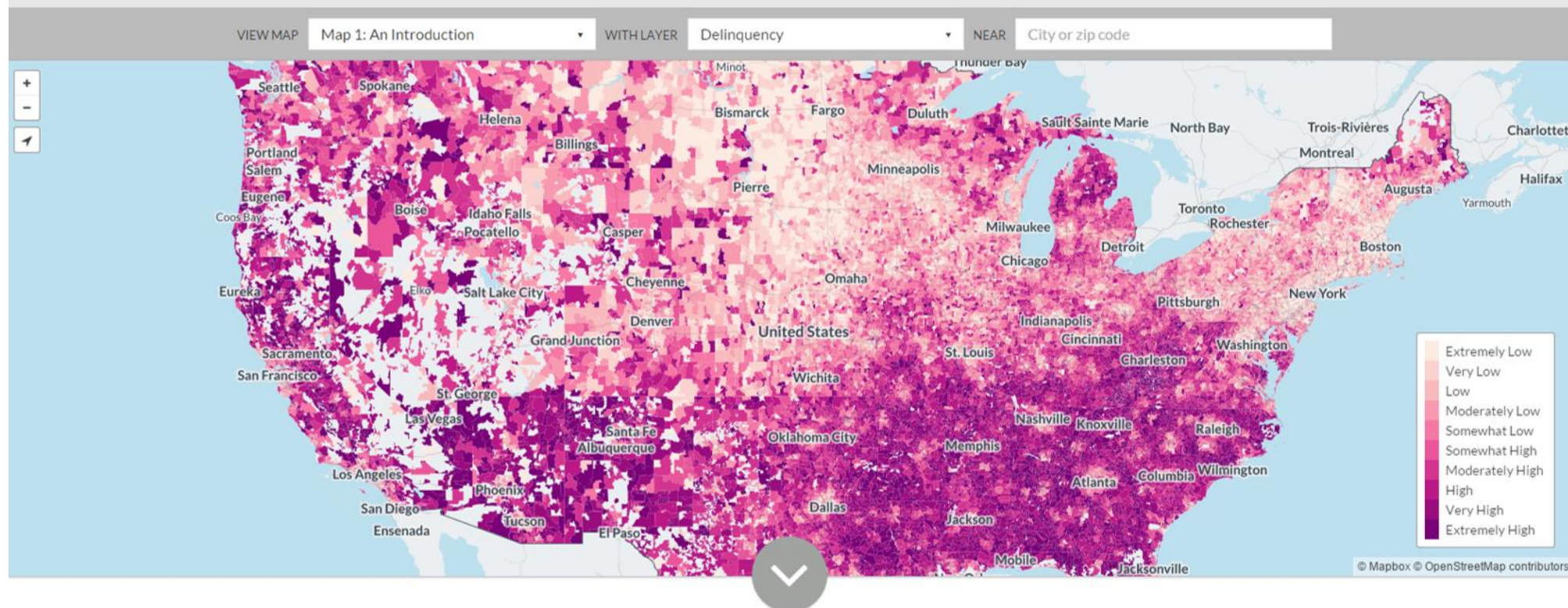
Median Household Income
($0 - $250,000+)

An introduction to the geography of student debt

WHAT CAN WE LEARN FROM THE MAPS?

① delinquency disproportionately affects low-income zip codes

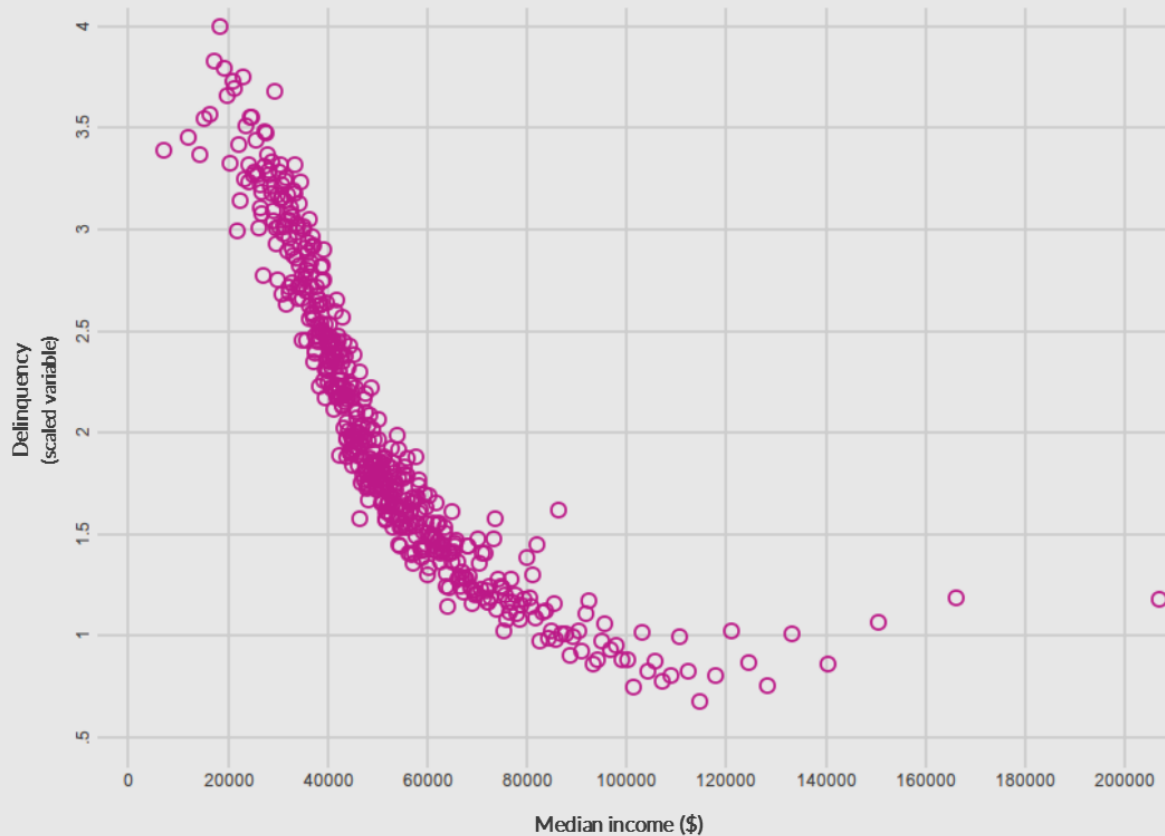**②** affluent zip codes have high average student loan balances

③ the geography of high loan balance contrasts the geography of high delinquency

1

delinquency disproportionately affects low-income zip codes

①

delinquency disproportionately affects low-income zip codes

▸ Graduate students take out the largest loans, but have higher post-graduation salaries

▸ For-profit attendees face poor labor market outcomes and have limited support systems for loan repayment

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②

affluent zip codes have high average student loan balances

▸ Taking out more loans (attending more school) is not the way to higher incomes

▸ Paying off student loans hinders borrowers' ability to accumulate wealth and delays homeownership, car-ownership, and marriage

3

the geography of high loan balance contrasts the geography of high delinquency

WASHINGTON, D.C.   Low ▢▢▢▢▢▢◼◼◼ High

Average loan balance

Delinquency

Median income

WHAT'S NEXT?

▸ How does student debt relate to:

    ▸ Race and ethnicity

    ▸ Educational attainment

    ▸ Homeownership

    ▸ Veterans and for-profits

    ▸ Other elements of the economic lifecycle

THANK YOU

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