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
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.
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

mappingstudentdebt.org
More than 42 million Americans owe a total of $1.1 trillion in student debt, making it the second-largest liability on the national balance sheet. A generation ago, student debt was a relative rarity, but for today’s students and recent graduates, it’s a central fact of economic life that we don’t know much about. Mapping Student Debt is changing that. The maps below show how borrowing for college affects the nation, your city, and even your neighborhood, giving a new perspective on the way in which student debt relates to economic inequality.
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.
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.
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
the geography of high loan balance contrasts the geography of high delinquency
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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