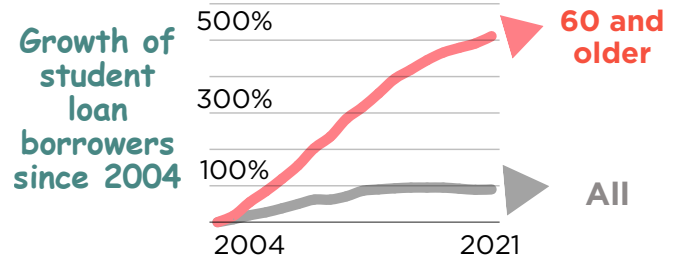


THE GROWING IMPACT OF STUDENT DEBT ON OLDER ADULTS

3.5 million Americans 60 and older have over \$125 billion in student loans.

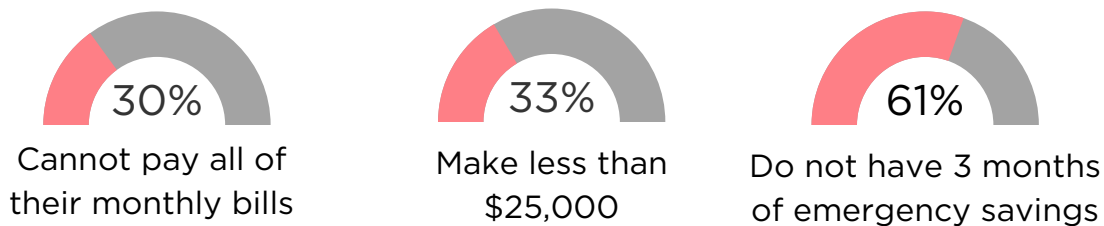
The number of older adults with student loan debt grew 6-fold in two decades and their debt grew 19-fold. Some took out debt to help family members, but most are still in debt from their own education.



Older adults who still have debt from their own education...

Are financially struggling, even more than those who never attended college

Among borrowers 55+ with their own student loans...



Have spent decades trying to repay their loans

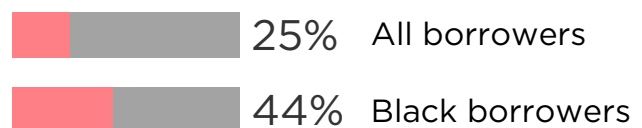


Low-income older adults in debt for their children's education...

Were offered loans the government knew they could not afford

The government offers PLUS loans to parents of college students, even when the family has an Expected Family Contribution of \$0, meaning they cannot afford to take on any college expenses.

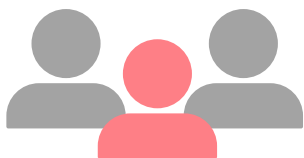
Percent of Parent PLUS borrowers with a \$0 Expected Family Contribution:¹



Are excluded from the most affordable payment plans

Parents with low incomes struggle to afford their PLUS loans, but are ineligible for the most affordable income-driven repayment plans.

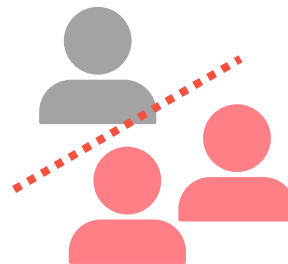
Older borrowers often end up in default, with seized Social Security benefits



1 in 3 seniors with federal student loans were in default before the pandemic.

When collections restart in October 2024, about **800,000 borrowers 62 and older in default** may see their credit scores fall and have their tax refunds, wages, and Social Security payments seized.

Among those with seized Social Security benefits, about **2 out of 3** will be left with benefits below the poverty guideline.



Yet the seized Social Security benefits will make little difference to the government's bottom line. Nearly **three-quarters** will go to collection fees and interest, rather than paying down loan principal.

Policy change can help



Cap collections in default at the amount due in an income-driven repayment plan



Screen borrowers for loan forgiveness eligibility and automate relief when possible



Protect Social Security checks and tax refunds from garnishment



Count time in default towards income-driven repayment forgiveness



Offer **grants instead of Parent PLUS loans** to low-income families



Provide **targeted loan forgiveness** for older borrowers and older loans

1. The percent of Parent PLUS borrowers with \$0 EFC was determined using 2020 data from the National Postsecondary Student Aid Study, available at <https://nces.ed.gov/datalab/>.

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