THE COST OF GETTING AHEAD: Student Loan Debt in Indiana

WHEN HOOSIERS PURSUE THEIR DREAMS OF HIGHER EDUCATION, WE ALL BENEFIT. Unfortunately, the cost of getting an education has left far too many Hoosiers with burdensome debt that holds them back. We need to address college affordability and student loan debt to allow more Hoosiers to develop their potential and contribute to our communities without struggling to get by.

STUDENT LOAN DEBT HOLDS HOOSIERS BACK.

- Causes flight from rural communities
- Reduces individuals’ ability to purchase homes
- Contributes to decreased emergency savings
- Reduces individuals’ ability to start a new business
- Decreases graduate school attendance
- Reduces individuals’ ability to save for their own children’s college
- Decreases retirement preparedness
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WE CAN ACHIEVE A BRIGHTER, MORE SECURE FUTURE.

We need to reduce the burden of student loan debt and make it easier for Hoosiers to pursue a degree without sacrificing financial security.

1. FUND HIGHER EDUCATION

2. PROVIDE PATHWAYS OUT OF STUDENT LOAN DEBT

3. ENSURE STRONG CONSUMER PROTECTIONS
Who is carrying student loan debt in Indiana?

936,600 HOOSIERS currently hold federal or private student loans

$32,200 Average Hoosier borrower’s student loan debt

1 in 8 Hoosier borrowers is more than 90 days behind on student loan payments

A DEEPER LOOK AT STUDENT LOAN DEBT AND PARTICULAR COMMUNITIES OR GROUPS

RURAL COMMUNITIES
Hoosiers who want to earn a degree and live and work in rural communities in Indiana can face difficulties earning enough to pay their student loan debt. In Parke, Noble, Starke, and Scott Counties, for example, more than one in five Hoosier student loan borrowers is in default.

WOMEN
Hoosier women carry more student loan debt than men carry and, because they work in lower-paying jobs and experience more career interruptions, pay the debt off more slowly.

VETERANS & SERVICEMEMBERS
Servicemembers and veterans are often the targets of predatory for-profit schools, because GI Bill funds don’t count as federal financial aid under the “90/10 Rule,” which prohibits for-profit schools from receiving more than 90% of funding from federal financial aid. This allows predatory schools to deplete a veteran’s GI Bill, leave them without a useable degree or credential, and force them to rely on loans to continue their education.

LOW-TO MODERATE-INCOME NEIGHBORHOODS
Hoosiers from low to moderate-income neighborhoods are more likely to carry student loan debt than those from more affluent neighborhoods, with nearly three in ten Hoosiers in less wealthy neighborhoods carrying this kind of debt.

COMMUNITIES OF COLOR
Because their families are less likely to have the resources to support them, Hoosiers from communities of color both carry more student loan debt and are more likely to be in default.

OLDER HOOSIERS
In the span of 15 years, older Hoosiers (55-84) are carrying more debt and have doubled the percentage of Indiana’s total student loan debt that they are carrying.

Resources Cited • Federal Reserve Board of New York, Consumer Credit Panel / Equifax • Federal Reserve Bank of Philadelphia, Consumer Credit Explorer • Urban Institute, Debt in America: An Interactive Map • Indiana Institute for Working Families’ 2020 Community Needs Survey • Federal Reserve Board Division of Research & Statistics, Consumer & Community Context (2019) • Contact Indiana Institute for Working Families for a full list of references: incap.org/iiwf

How some Hoosiers describe their debt

Terrible
Overwhelming
Extreme
Ridiculous
Unmanageable
Drowning
Depressing
Annoying
Worrisome
Stressful
Horrible
Burdensome
Frustrating
Heavy
Draining
Discouraging
Mountainous
Exhausting
Devastating
Never-ending
Hopeless
Scary
Unbearable
Crippling
Suffocating
Outrageous
Crushing
Soon-to-be-detrimental
Awful
Upsetting