

THE COST OF GETTING AHEAD:

Student Loan Debt in Indiana



Indiana Institute for Working Families
 Research and Public Policy
 A Program of INCAA
 INDIANA COMMUNITY ACTION ASSOCIATION
 INCAP.ORG/IWF

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



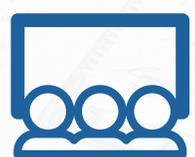
Reduces individuals' ability to purchase homes



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

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

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

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.