

## Women’s Student Debt Crisis in the United States

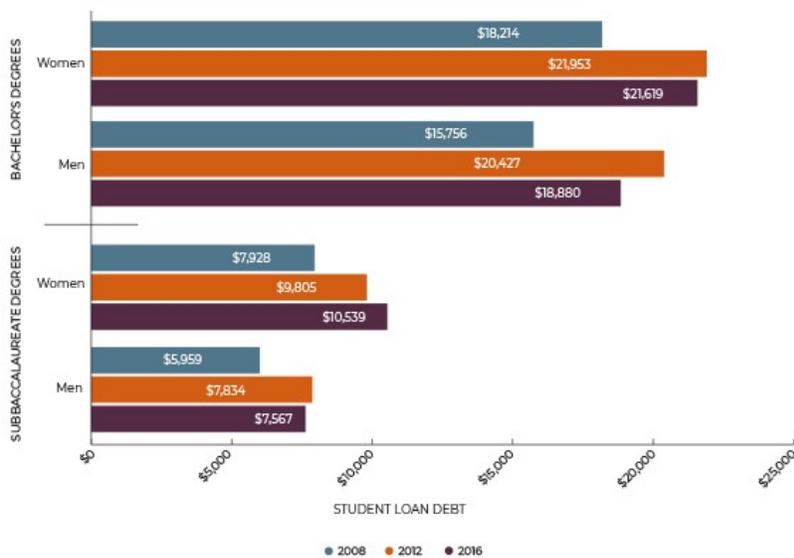


Note: This page has been updated in May 2019.

Right now, about 44 million borrowers in the United States hold about \$1.46 trillion in student debt. The scale of outstanding student loans — and an increasing share of borrowers who fail to repay them — is presenting significant challenges to our society. Yet despite the fact that the majority of college and university graduates are women, many people do not think of student debt as a women’s issue.

It clearly is: Women hold nearly two-thirds of the outstanding student debt in the United States — almost \$929 billion as of early-2019.

**Cumulative Student Loan Debt at Completion of Undergraduate Degree or Certificate by Gender, 2008-2016**



Source: U.S. Department of Education  
 Note: values for 2008 and 2012 adjusted to 2016 dollars using the Consumer Price Index.



This report shows that women take on larger student loans than do men. And because of the gender pay gap, they have less disposable income after graduation. This contributes to the fact that women take more time — and face greater difficulty — than men do paying off debt.

**Full Report**

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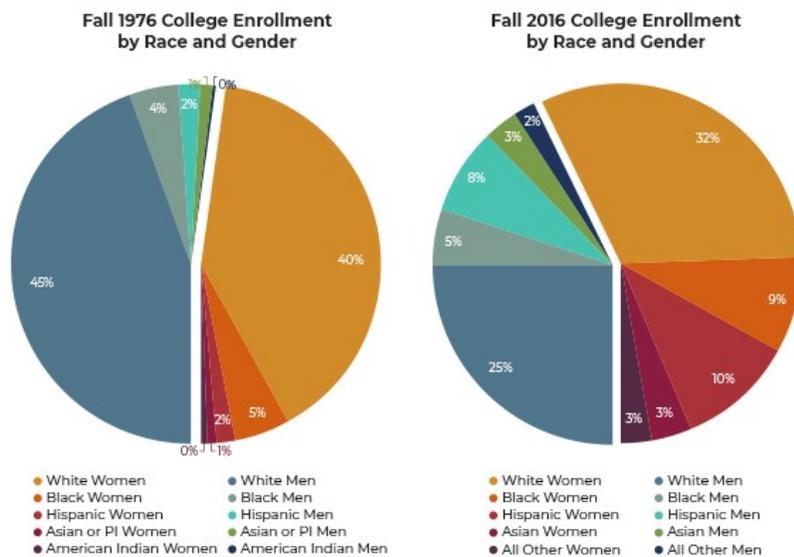
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## A Women’s Issue

When AAUW was founded in 1881, only a small fraction of women got college degrees. But that changed slowly and steadily. Today, women earn 57 percent of bachelor’s degrees from American colleges and universities.

There have also been large increases in the representation of students of color in college enrollment: Between 1976 and 2016, the number of non-white college students more than doubled, from 16 percent to 43 percent. This increased diversity has coincided with rising college costs. Though median household income in the United States has increased by a mere 14 percent since 1987, the median price of college attendance has more than doubled. The gap between household incomes and the price tag of college is filled by student loans, which are readily available to almost all students. But these loans are difficult to discharge in bankruptcy, meaning they are extremely risky for some who rely on them to attend college.

AAUW’s analysis of federal government data has found that women are more likely to take on debt: 41 percent of female undergraduates took on debt in 2015–16 (the latest figures available) compared to 35 percent of male undergraduates. On average women take on more debt than men at almost every degree level and type (from associate degrees to doctoral degrees) and across types of schools. On average across degree levels, women in college took on initial student loan balances that were about 14 percent greater than men’s in 2015–16. Upon completion of a bachelor’s degree, women’s average student debt is about \$2,700 greater than men’s, and black women take on more student debt on average than do members of any other group.



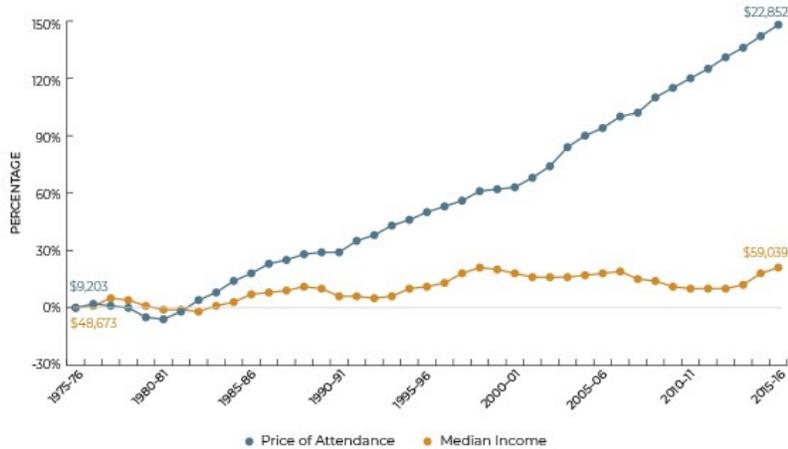
Source: U.S. Department of Education  
Note: In 1976, the U.S. Department of Education tracked students in five racial and ethnic categories: White, Black, Hispanic, Asian or Pacific Islander, and American Indian or Alaska Native. In 2016, it tracked students in seven categories: White, Black or African American, Hispanic, Asian, Native Hawaiian or Pacific Islander, American Indian or Alaska Native, and Two or More Races. For readability in Figure 2, AAUW has combined the last three categories in the 2016 data.



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**Change in Price of College Attendance and Median Household Income in Constant Dollars, 1975–2016**



Sources: U.S. Department of Education, U.S. Census Bureau  
 Note: Price of attendance and median income are both expressed in constant 2016 dollars, adjusted by the Consumer Price Index.

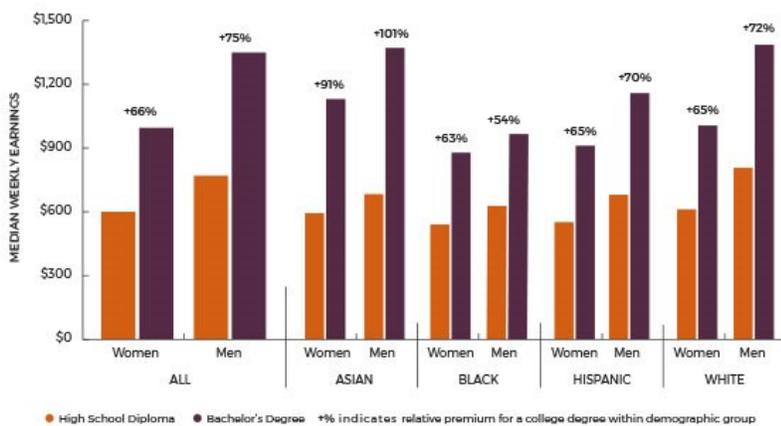


## The Big Payback

Following graduation, women repay their loans more slowly than do men, in part because of the gender pay gap. The pay gap starts as soon as women enter the workforce and widens as time goes on: Women college graduates working full-time are paid 18 percent less than their male peers one year after graduation. By four years after graduation, that gap widens to 20 percent. Overall, women with bachelor's degrees working full-time make 26 percent less than their male peers. Lower pay means less income to devote to debt repayment.

In the first four years after graduation, men paid off an average of 38 percent of their outstanding debt, while women paid off 31 percent. The pace of repayment was particularly slow for black and Hispanic women, as well as for men in those groups. Difficulty repaying student loans is also reflected in default rates, which are higher for women than for men, and much higher for black and Hispanic borrowers than for white and Asian borrowers. Perhaps unsurprisingly, graduates still repaying loans four years after college are less likely than student-debt-free graduates to be able to meet essential expenses, such as rent or mortgage payments, within the past year. Women — especially women of color — are most likely to experience difficulties: 34 percent of all women and 57 percent of black women who were repaying student loans reported that they had been unable to meet essential expenses within the past year.

**Median Weekly Full-Time Earnings of Bachelor's Degree Holders, 2016, by Race, Gender, and Education Level**



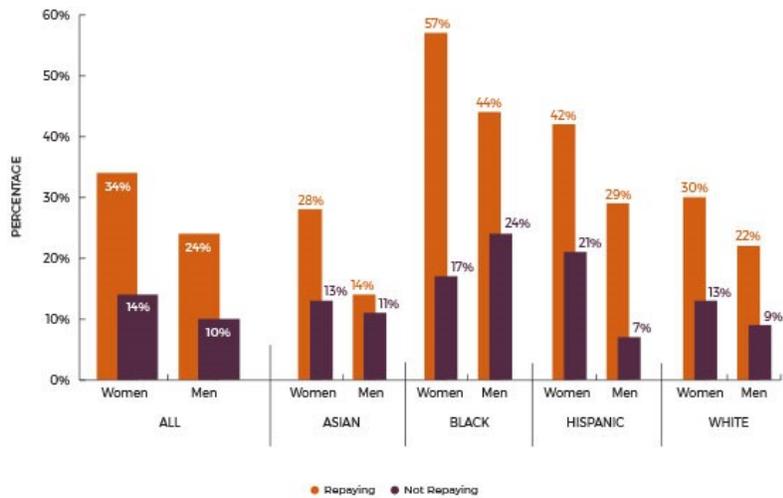
Source: U.S. Census Bureau (2016).  
 Note: Based on earnings of wage and salary workers age 25 and older. Bachelor's degree includes only workers who have a bachelor's degree but no advanced degree.  
 Note: In figure text indicates the relative premium for a college degree within that demographic group; e.g. the median weekly earnings of white men with a college degree are 72% larger than those of white men with only a high school diploma.



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Percent of College Graduates Experiencing Financial Difficulties by Race, Gender, and Loan Repayment Status



Source: AAUW analysis of U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, *Access to Higher Education* and *Beyond the Horizon* longitudinal study 2008/12 data.  
 Note: "Not repaying" includes students who never had loans or had completed paying them off. "Repaying" includes only those students who were making payments, not those in default or delinquent.  
 Note: "Financial difficulty" means that at some time in the past year, the respondent was unable to meet all essential expenses.



## The Worst of Both Worlds

The struggles of college graduates with student debt can be significant, but students who leave college without graduating are more than twice as likely as those who do graduate to default on student loans. While these borrowers may have low debt in absolute terms, the fact that they don't have a certificate or degree (to improve their prospects in the job market) means that they may be unable to repay those loans. More than half of student debt defaults are on loan amounts of less than \$10,000.

## For-Profit Institutions: An Expensive Alternative

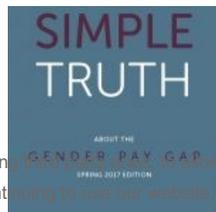
Though they enroll a relatively small portion of American college students, for-profit institutions disproportionately enroll women, people of color, low-income students, and members and former members of the U.S. military. For-profit institutions use advertising and high-pressure recruitment tactics to woo students and their student aid and loan money, but debt outcomes for students at these institutions are particularly dismal. Even after accounting for student demographics, for-profit institutions have low completion rates and high default rates — a matter of serious concern for student loan borrowers, researchers, and policymakers.

## What Can We Do About Student Debt?

AAUW advocates [safeguarding and expanding Pell Grants and other forms of aid for students](#), as well as providing nontraditional students the resources they need — [on-campus child care](#), for example — to successfully complete college degrees. Solutions to the student-debt crisis should also include efforts to move toward tuition-free and debt-free options for student and supporting income-driven repayment approaches that reflect borrowers' realities. And our support for students should address additional costs beyond tuition. Congress can also end the harmful causes of the gender pay gap by passing legislation like the [Paycheck Fairness Act](#), as well as state and local bills aimed at promoting equal pay to aid in the economic security of women.

What can you do? Join AAUW, find a nearby [AAUW branch or student organization](#), apply for an [AAUW fellowship or grant](#), or sign up to become an [AAUW Two-Minute Activist](#). You'll receive opportunities to make your voice heard on issues affecting women and girls, including policies surrounding college affordability. You can also educate yourself with the latest research on the gender pay gap with [The Simple Truth about the Gender Pay Gap](#).

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## Making Sacrifices for Student Debt: One Lawyer's Story

Many students who pursue law degrees do so with the belief that the careers they enter after graduation will be profitable enough to be worth the student debt they incur.

## The Simple Truth about the Gender Pay Gap (Spring 2017)

The gender pay gap plays a large role when it comes to women and student debt.

## Graduating to a Pay Gap

Our 2012 research report did an apples-to-apples breakdown of the pay gap between male and female college graduates one year after graduation.



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