APRIL 8, 2019

Buried in Debt

Part III: LGBTQ+ Borrowers

BY SUMMER & STUDENT DEBT CRISIS

Introduction

Student debt in the United States has reached crisis levels, with 44 million borrowers on the hook for $1.5 trillion in loans to pay for their education.[1] To better understand how these headline numbers are impacting different groups, Student Debt Crisis and Summer partnered to conduct a nationwide survey of 7,095 borrowers from all 50 states.

Our research shows that a wide swath of borrowers is struggling to repay their student loans, with 65% of respondents reporting that they have less than $1,000 in their bank account.[2] In Part III of our report, we focus on the impact of student debt for LGBTQ+ borrowers.

We find that **young LGBTQ+ borrowers receive significantly less family support than their non-LGBTQ counterparts.** Only 25% of LGBTQ+ borrowers 25-29 years old receive any family assistance toward their student loan payments, with the percentage decreasing further to 20% for LGBTQ+ borrowers of color. By way of comparison, non-LGBTQ borrowers are more than two times as likely to receive family support, with 53% receiving help with their loan payments.

The consequences of this differential are real: **defaulting on student loans is more common among LGBTQ+ youth than non-LGBTQ youth**, with default rates hovering at 19% among LGBTQ+ borrowers age 25-29, compared to 12% of non-LGBTQ borrowers the same age. Put another way, nearly one in five LGBTQ+ borrowers have defaulted, compared to approximately one in ten non-LGBTQ borrowers. This relates to previous findings that LGBTQ+ borrowers owe, on average, $16,000 more than their straight peers.[3]

About Student Debt Crisis

Student Debt Crisis is a non-profit organization dedicated to reforming student debt and higher education loan policies. Student Debt Crisis works with borrowers to understand their repayment obstacles and frustrations, and has realized national prominence for its efforts to represent borrowers on debt resolution solutions through petitions, awareness campaigns, and working with lawmakers.

Summer

About Summer

Summer is a social impact start-up focused on helping millions of student loan borrowers successfully navigate the complex repayment process. Founded in partnership with Yale University in 2017, Summer's software helps borrowers track their loans in one place and uses an innovative recommendation engine to enroll them in the best repayment plan that maximizes their savings.

About the Research Survey

This survey was conducted by Student Debt Crisis on behalf of Summer among 7,095 adults with student loan debt from all 50 states within the U.S. from October 9 - 24, 2018.

For many LGBTQ+ borrowers, student debt is intimately linked to their home living situation, with some borrowers using college and student loans to move out of unaccepting homes. Borrowers in these circumstances may not have parents willing to pay for their education, exacerbated by the fact that LGBTQ+ students must seek emancipation or risk having their parents not provide income information required to qualify for federal student aid.[4]

In sum, student loan stressors are hitting LGBTQ+ borrowers especially hard, with monthly salaries often not commensurate with looming student loan bills.[5] **87% of LGBTQ+ borrowers surveyed report difficulty making next month's student loan payment.** One silver lining from a statistical perspective is that the disparities between LGBTQ+ borrowers and non-LGBTQ borrowers diminish over time, suggesting heartening developments in terms of equality both in and out of the workplace. But in the meantime, younger LGBTQ+ borrowers often face difficult financial prospects, with over half of them regretting taking on their student loans.[6]

> "It's hard watching students, especially younger queer students, facing the same debt I experience. It's hard not to take out loans, but the reality of paying back tens of thousands of dollars might be even harder."
> – Susan, LGBTQ+ borrower

The impact of student debt is compounded for LGBTQ+ borrowers:

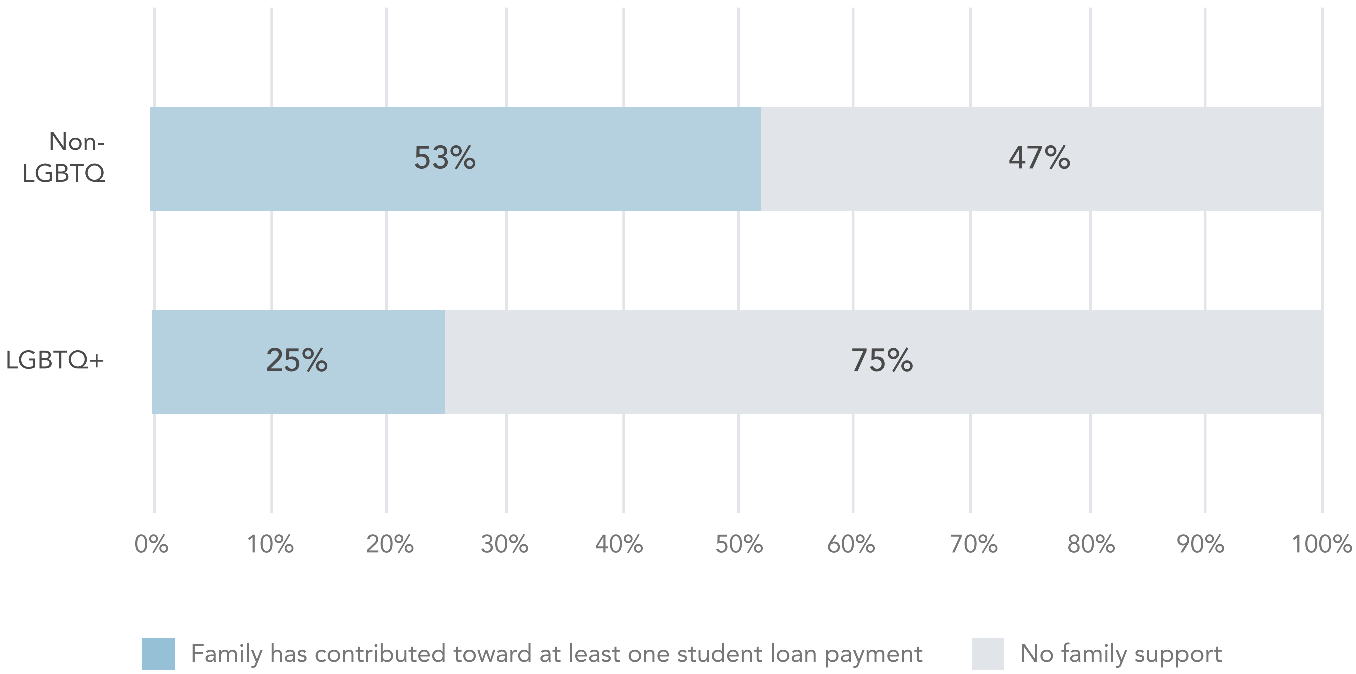
Less support for loans
Only 25% of young LGBTQ+ borrowers receive any family support.

Challenges for minorities
Minority LGBTQ+ borrowers receive the lowest levels of family support.

Higher default rates
19% of young LGBTQ+ borrowers are in default on at least one student loan.

LGBTQ+ borrowers are **less than half as likely to receive family support** for student loan payments

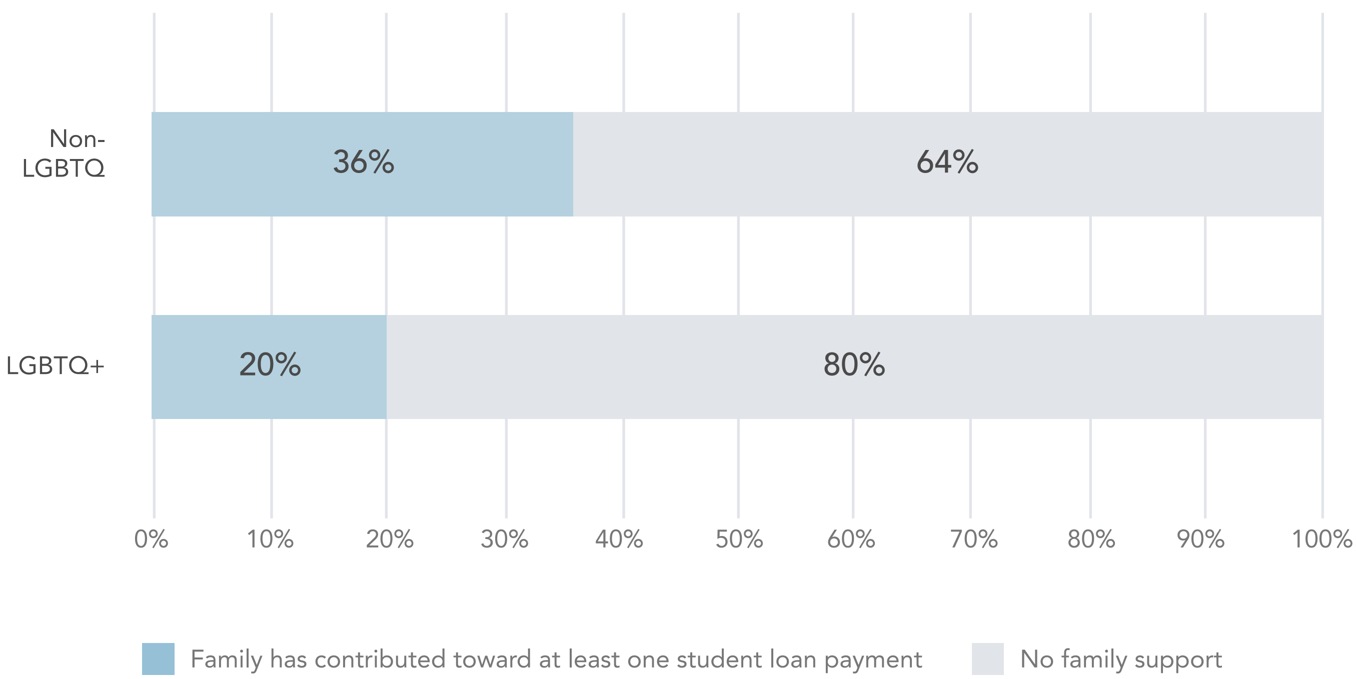
Percentage of **young borrowers*** whose families have contributed toward their loan payments



*Student loan borrowers between 20-24 years old

Minority LGBTQ+ borrowers of color face the
lowest levels of family support

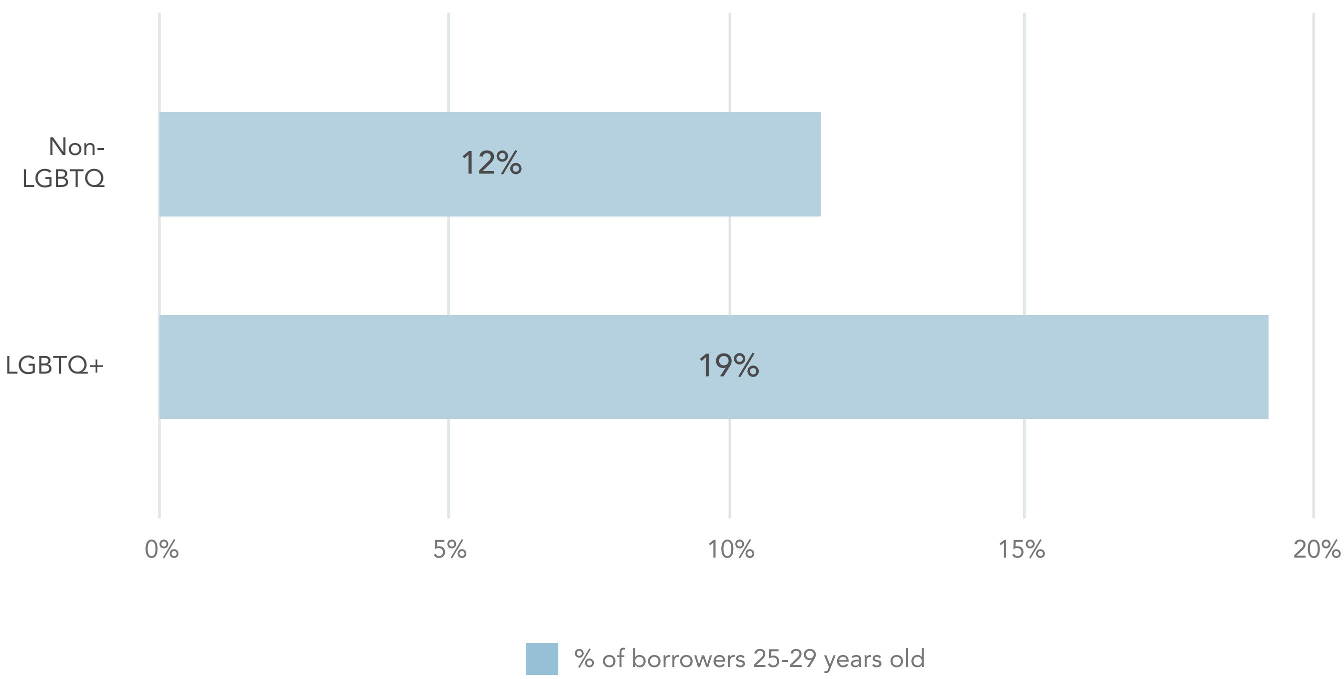
Percentage of **young minority borrowers*** whose families have contributed toward their loan payments



*Student loan borrowers between 20-24 years old

LGBTQ+ borrowers are **more likely to default** than their non-LGBTQ counterparts

Percentage of borrowers **in default** on at least one student loan



> "As long as I don't default, I consider that a win. Living with student loan debt is alienating and frustrating." – LGBTQ+ borrower

About the Research Survey

This survey was conducted by Student Debt Crisis on behalf of Summer among 7,095 adults with student loan debt from all 50 states within the U.S. between October 9 and October 24, 2018. Because the survey sample is based on respondents selected from among those who agreed to participate in the Student Debt Crisis surveys, no estimates of theoretical sampling error can be calculated.

Age

Answer choices	Responses
15 to 19	0.09%
20 to 24	1.16%
25 to 29	6.69%
30 to 34	18.07%
35 to 39	18.30%
40 to 44	14.96%
45 to 49	11.51%
50 to 54	9.61%
55 to 59	7.37%
60 to 64	6.61%
65 and above	5.64%

Ethnicity

Answer choices	Responses
White	73.59%
Hispanic or Latino	9.01%
Black or African American	16.54%
Native American or American Indian	3.24%
Asian / Pacific Islander	2.93%
Other	3.76%

Gender

Answer choices	Responses
Male	26.55%
Female	71.61%
Non-binary	0.69%
Prefer not to answer	1.14%

Education

Answer choices	Responses
Some college credit, no degree	8.78%
Associate degree (ex: AA, AS)	6.87%
Bachelor’s degree (ex: BA, BS)	31.65%
Master’s degree (ex: MA, MS, MEd)	38.50%
Professional degree (ex: MD, DDS)	6.54%
Doctorate degree (ex: PhD)	7.66%

END NOTES:

1 https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html

2 https://www.marketwatch.com/story/two-thirds-of-student-loan-borrowers-have-less-than-1000-in-the-bank-survey-finds-2018-11-01

3 https://www.advocate.com/business/2018/7/23/average-lgbtq-student-carries-16k-more-debt-straight-peers

4 https://www.forbes.com/sites/debtfreeguys/2019/01/07/this-may-be-keeping-you-up-at-night/#1fe61bb502e0

5 https://www.forbes.com/sites/debtfreeguys/2018/04/10/5-reasons-why-this-group-is-getting-screwed-by-education-more-than-you/#712eb42a4d8c

6 https://www.cnbc.com/2018/07/20/there-are-added-risks--lgbtq-student-loan-borrowers.html