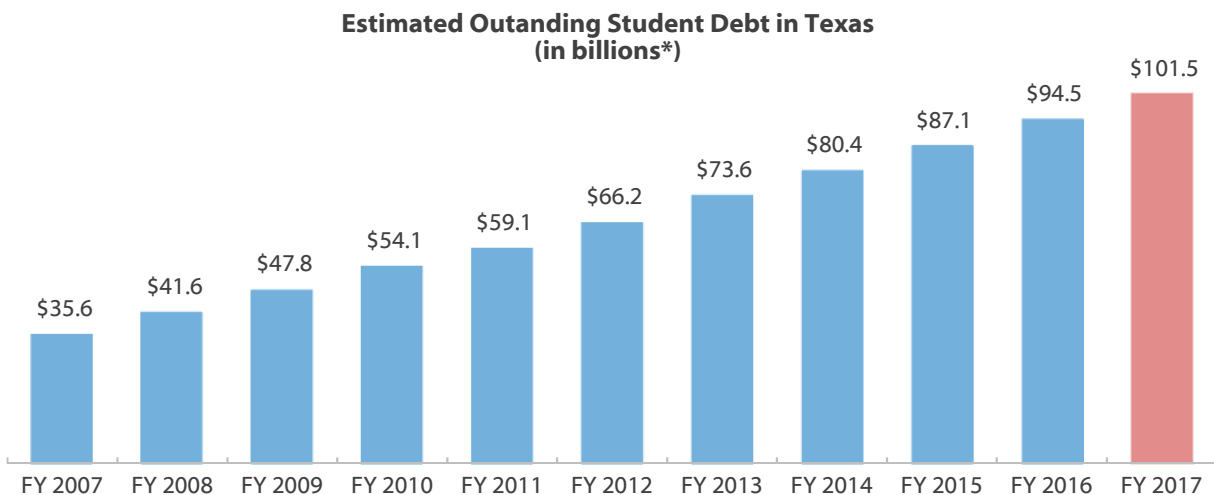


Student Loan Debt in Texas Grows Faster Than the U.S.; Tops \$100 Billion

Rising national student loan debt has garnered much attention for several years. As of December 31, 2017, the total volume of outstanding student loan debt in the United States was estimated at \$1.38 trillion, representing an increase of about \$68 billion over the previous year and \$146 billion over the previous two years. As of the end of 2017, the estimated outstanding student loan volume in Texas was over \$101 billion, up about 7.4 percent from the previous year compared to 5.2 percent growth nationally. Because the growth rate of Texas student loan debt exceeds the rate for the U.S. as a whole, the proportion of all student loan debt held by Texans has increased. In FY 2007, Texans held about 6.5 percent of U.S. student loan debt; in FY 2017, Texans held about 7.4 percent. The relative youth of the Texas population is likely a major contributor to the growth in student loan debt relative to the nation.



While the growth rate of Texas student loan debt exceeds the overall U.S. growth rate, both rates have slowed somewhat in recent years. Texas has added about \$7 billion per year in outstanding student loan debt since FY 2012, resulting in higher absolute growth but lower percentage growth than in previous years. For the U.S., absolute debt growth of about \$75 billion annually since FY 2014 has been smaller than usual, such that the annual percentage growth has declined even more quickly.

At the state and national level, the majority of the outstanding student loan debt comes from federal loans, including Federal Family Education Loans (FFEL)***, Federal Direct Loans, and Federal Perkins Loans. Private and state-level education loans, which generally do not provide accommodations like income-linked repayment plans, deferments, or forgiveness, accounted for about 11 percent of student loans borrowed in AY 2016-17. Texas students are more dependent on federal aid, including federal student loans, than students nationally.

*Estimates are based on state-level per capita student debt averages from the Federal Reserve Bank of New York Consumer Credit Panel, which excludes persons without credit reports and persons living in counties where fewer than 10,000 people have credit reports. The result for a given year is adjusted by the same factor by which the result of this methodology for the United States as a whole deviates from the United States total outstanding student debt for that year as reported in the Quarterly Report on Household Debt and Credit. This adjustment, which was not made in some previous editions of SOSA, has been applied to all years.

**FY 2016 data is projected based on data up to the third quarter of the year.

***The FFEL Program ended in 2010, but borrowers are still making payments on outstanding FFEL balances.

Sources: U.S. Student Loan Debt Estimate: Federal Reserve Bank of New York (FRBNY), Quarterly Report on Household Debt and Credit, 2017:Q4 (https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2017Q4.pdf), Texas Student Loan Debt Estimate: FRBNY Quarterly Report on Household Debt and Credit, Q4 2007 through Q4 2017, and Household Debt and Credit Statistics by State (https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/area_report_by_year.xlsx); Non-federal borrowing: College Board, Trends in Student Aid 2017 (<https://trends.collegeboard.org/student-aid/figures-tables/total-federal-and-nonfederal-loans-over-time>);

