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The consequences of student debt on family formation and well-being in England and the U.S.

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Rising student loan debt in many countries across the globe creates an important financial burden for individuals as they leave higher education and enter young adulthood. Two main modalities of student-loan repayment exist. If repayment is 'mortgage-style', as is common in the U.S., then the amount repaid depends on the total balance, interest rate, and the repayment schedule. If repayment is income-contingent, as in England, then the amount repaid is a percentage of the borrower's income. An income-contingent repayment scheme theoretically mitigates the financial burden of student-loan repayment and, by extension, may limit other potentially negative consequences of student loans on young adults' lives.

This research provides a quantitative and comparative account of the relationship between student loans and young adults' family formation and well-being outcomes in two countries: England (using the Next Steps survey) and the U.S. (using the Panel Study of Income Dynamics). More specifically, we use several empirical methods to analyse the link between whether and how much students borrowed and the timing of first partnership and first childbirth, as well as financial well-being, life satisfaction, physical health, and mental health. Our presentation will provide an overview of these relationships in both England and the U.S. and discuss policy implications both for student loans in general and for different student loan repayments.