

Student debt: Some women are more vulnerable than others

As I noted in an earlier [commentary](#), women are more likely than men to borrow to help pay for college. Because their after-college earnings are lower than men's, they may have to make bigger sacrifices to repay their loans. Black college-educated women are significantly more likely than their peers in other racial and ethnic groups to face this situation.

It is [well documented](#) that Black students borrow [more than others](#) pursuing similar degrees. For example, 81% of Black 2017–18 bachelor's degree recipients graduated with debt averaging about \$33,000, compared with 61% of all bachelor's degree recipients who borrowed an average of about \$26,000.¹

These two realities suggest that focusing on Black women's experiences with student debt could highlight even more concerning differences.

A larger share of female students than male students are Black

In fall 2020, 59% of all postsecondary students (including both undergraduate and graduate students) were women, but 65% of Black students were women. Fourteen percent of all female students were Black, compared with 11% of all male students. (See Figure 1.) Because more Black students are female than are male, Black students' higher debt levels may explain part of the student loan gender gap.

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A larger share of female than of male college students borrow to fund their education.



¹ NCES, National Postsecondary Student Aid Study 2018, Power Stats.

Figure 1a. Gender distribution by race/ethnicity, 2020 postsecondary students

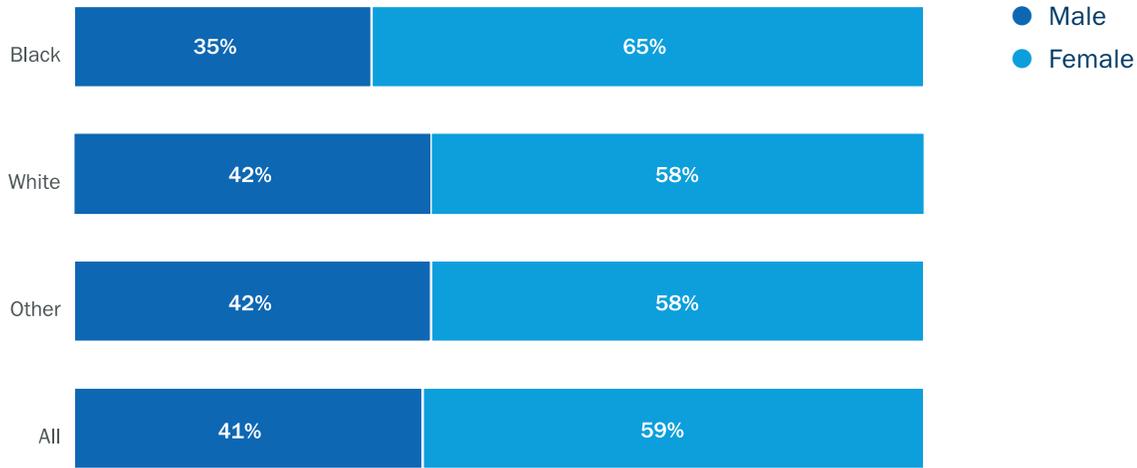


Figure 1b. Racial/ethnic distribution by gender, 2020 postsecondary students



Source: NCES, Digest of Education Statistics 2021, Table 306.10.

All racial/ethnic groups have a student debt gender gap

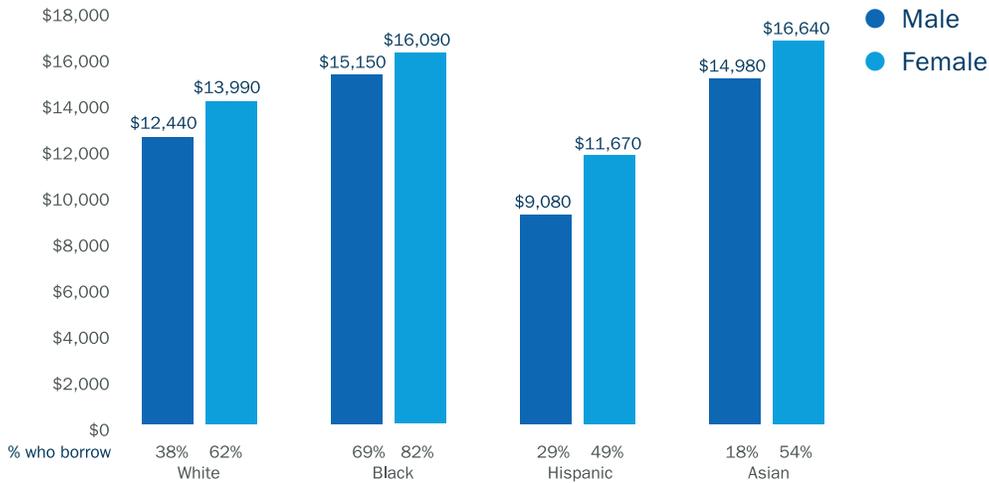
White, Black, Hispanic, and Asian women are more likely to take student loans, and borrow more, than their male

counterparts.² Among 2017–18 Black bachelor’s degree recipients, 75% of men borrowed an average of \$30,170; 84% of women borrowed an average of \$33,670. (See Figure 2.)

² Small sample sizes do not allow reliable analysis of smaller racial and ethnic groups.

Figure 2. Average student loans and percentage who borrow, by race and attainment level, 2017–18

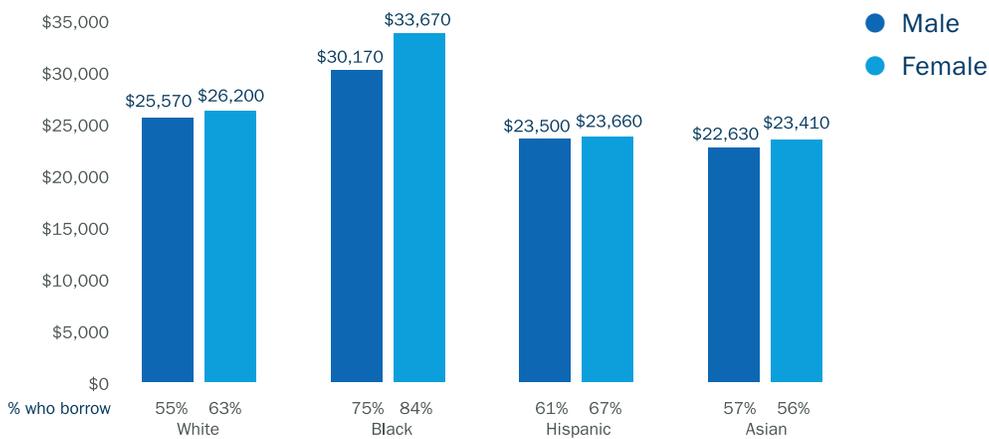
Certificate



Associate degree



Bachelor's degree



Source: NCES, National Postsecondary Student Aid Study 2018, Power Stats.

Black women have lower earnings than others with the same level of education

At all levels of education, Black women—who hold the highest levels of student debt—have the lowest earnings. For example, Black women with Bachelor’s degrees between the ages of 25 and 34 had median earnings of

\$45,726 in 2020, 93% of the median for White women and 91% of the median for Black men. However, the gender earnings gap is larger for White two- and four-year college graduates between the ages of 25 and 34 than for their Black peers, and the racial earnings gap is larger for men than for women. (See Table 1.)

Table 1. Median earnings by race, gender and level of education, ages 25 to 34, 2020

	Black	White	Black/White
Bachelor’s degree			
Male	\$50,391	\$60,187	0.84
Female	\$45,726	\$49,425	0.93
Female/Male	0.91	0.82	
Associate degree			
Male	\$37,415	\$45,769	0.82
Female	\$27,016	\$32,178	0.84
Female/Male	0.72	0.70	

Source: U.S. Census Bureau, Table PINC-03, Educational Attainment-People 25 Years Old and Over, by Total Money Earnings, Work Experience, Age, Race, Hispanic Origin, and Sex.

Black women are older and more likely to have dependents than other undergraduate students

The reasons for the differences in borrowing patterns across gender and racial/ethnic groups are not entirely clear. Black students generally come from households with lower incomes and lower wealth than their White counterparts, so have less of their own resources available to pay for college. However, the borrowing patterns of Hispanic students are more similar to those of White than Black students.

As noted in the earlier commentary cited above, female students are more likely than males to have dependents, which makes them eligible for higher levels of federal student loans, in addition to increasing their need for extra funds,

Black women are most likely to have dependents. In 2017-18, 20% of all undergraduate students had dependents, whereas 38% of female Black students had dependents. Moreover, 52% of female Black students were age 24 or older and thus were automatically considered independent students eligible for higher federal student loan limits—compared with 38% of undergraduates overall. (See Figure 3.)

Figure 3a. Share of undergraduate students with dependents, 2017-18

Share with dependents

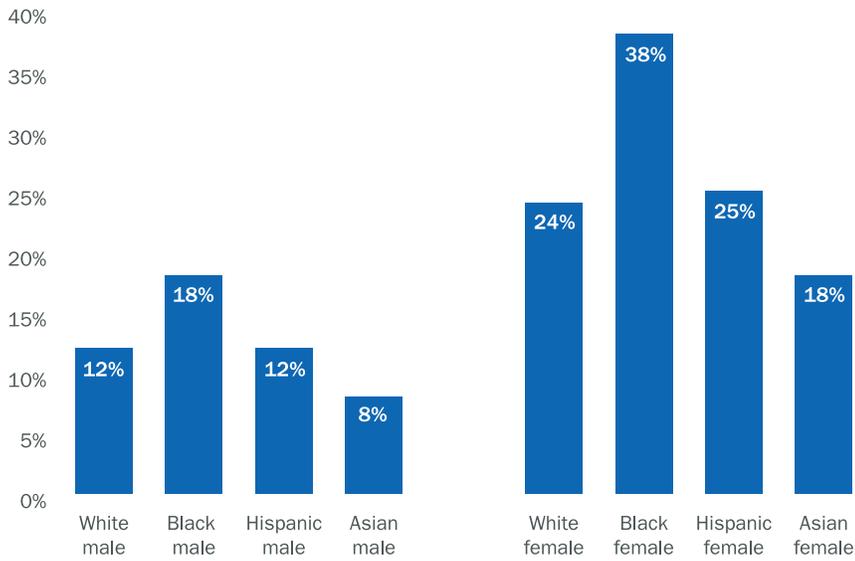
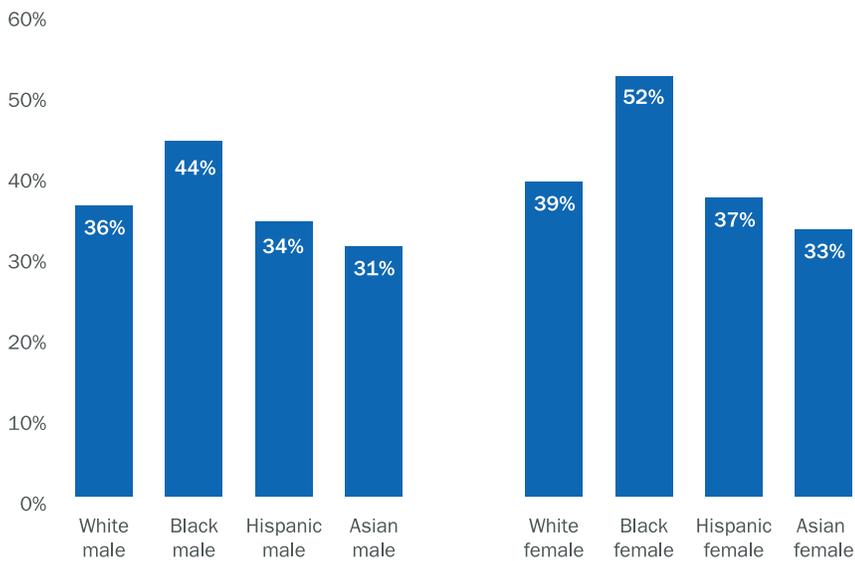


Figure 3b. Share of undergraduate students age 24 or older, 2017-18

Share age 24 and older



Source: NCES, National Postsecondary Student Aid Study 2018, Power Stats.

The student loan gender gap would narrow slightly if the racial/ethnic distribution of students were the same for men and women

Greater insight into the role of racial differences in the composition of the male and female student bodies can provide more insight into the gender gap in borrowing patterns.

In all undergraduate programs, a larger share of women than of men are Black. For example, 20% of female certificate students and 13% of male certificate students are Black. Because Black students are more likely than others to borrow, the share of women borrowing would be lower—and the share of men borrowing would be higher—if the racial breakdown of borrowers were the

same for both genders. If that were the case, though, the reduction in the gap between the shares of men and women borrowing for college would be small. For example, among bachelor’s degree recipients, the share of men borrowing would rise from 56% to 57% and the share of women borrowing would fall from 65% to 64%.

There would be a measurable reduction, however, in the difference between the average debt levels of men and women who take on undergraduate debt if the racial breakdown were the same for both genders. The gap for bachelor’s degree recipients would fall from \$1,210 (\$26,740 for women versus \$25,530 for men) to \$980 (\$26,620 for women versus \$25,640 for men)—almost a 20% decline. But even so, other factors clearly explain most of the difference between the debt levels of male and female college graduates.

Figure 4. Gap between average debt of men and average debt of women: Actual and if no racial differences between male and female graduates, 2017–18



Source: NCES, National Postsecondary Student Aid Study 2018, Power Stats, calculations by the author.

In closing

A larger share of female than of male college students borrow to fund their education. Although the differences in debt levels among those who borrow are small, women's lower post-college earnings may create greater challenges as they repay their loans. For Black women, the situation is particularly challenging. Black students are more likely than others to borrow, and generally borrow more to fund the same level of education. Black students earn less than White students after they graduate, and Black women have the lowest earnings, so their higher debt levels may be particularly difficult to manage.

The fact that a larger share of female than male students is Black contributes somewhat to the gender gap in student debt patterns, but other factors affect women even more.

These gaps between men and women, and particularly between Black women and others, are unlikely to be eliminated without major structural changes that would significantly diminish the racial wealth gap and labor market inequalities. But policies that put more money into the pockets of low- and moderate-income students, increase the availability of high-quality, flexible child care for college students, and provide stronger guidance to students before, during, and after college have the potential to mitigate the problem.

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