

# ISSUE UPDATE



**RRF** | Foundation  
for Aging

## STUDENT DEBT THREATENS ECONOMIC SECURITY OF OLDER BORROWERS: *Together we will find solutions*

While many funders invest in advancing equitable wealth across the life span, RRF Foundation for Aging (RRF) recognizes that, for older adults, the focus must shift to preserving assets, maximizing income, and minimizing the threats that carrying debt poses in undermining economic security in later life. That is why RRF has committed to curbing rising debt and its pernicious consequences for older adults.

RRF issued a [Call to Action](#) in 2022 and, since then, has been supporting nonprofit organizations working to understand and build awareness of debt issues and advocate for better public policies that will prevent and protect against the repercussions of debt. There is much that can be done. We ask you — whether you are a funder, an advocate, or an older adult yourself — to join RRF in helping curb debt to make retirement security not just an empty phrase, but a reality for millions of older people.

This Issue Update focuses on student loan debt, one of the main drivers of economic insecurity for millions of older adults. In fact, a surprising 3.5 million people, age 60 or older, hold more than

\$125 billion in student debt. The number of older people saddled with these loans has skyrocketed by 500% in less than two decades. And, even more troubling, many of these loans are ones that older people took out, often decades ago, for their own education, not loans for the education of their children or grandchildren. An estimated four out of five carry their own student loan debt.

### Significant consequences for older adults

Huge numbers of older people have tried to repay their student loans, some even taking on second jobs and cutting expenses, but they find themselves trapped after attending for-profit schools or low-value college programs, experiencing lower graduation rates, and ending up in lower-wage jobs.

The picture of older borrowers reflects one of racial and gender disparity and, thus, economic injustice. Black Americans and women are disproportionately likely to owe higher education debt as they approach retirement age. They were more likely targeted by low-value schools that created unaffordable debt, had less family wealth, and faced discrimination in the labor market, making it much harder to accrue assets and repay loans.

Older adults are also typically less informed about affordable repayment plans or loan discharge programs that can help them afford payments. As a result, those who have struggled with student loan repayment for an extended period often wind up in default. An astounding one-third of these borrowers are currently in default — a much higher rate than that of younger borrowers.

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**BETTER POLICIES** are needed. **CHANGES** are on the horizon.

The consequences are especially harsh for borrowers who rely on Social Security to meet basic needs. They risk having their benefits garnished, leaving as little as \$750 per month to meet basic needs. In fact, 58% of borrowers aged 65 or older who were subject to these penalties have had their Social Security payments reduced to below — or pushed further below — the federal poverty level.

## Be part of the solution. Help promote better policies.

The problem is serious, but promising policy changes are on the horizon. RRF is proud to encourage them as we, along with our grantee partners at the National Consumer Law Center and New America, address the threat that unaffordable student loan debt places on the economic security of older people.

In [a public comment](#) to the U.S. Department of Education, we especially endorsed the cancellation of remaining balances on very old loans, a move that could bring relief to 2.3 million older adults grappling with this kind of debt. We also hailed proposed safeguards that would protect against the seizure of Social Security benefits for older adults in default on their loans.

*Note: All sources of information and data citations can be found in RRF Foundation for Aging's extended public comment on the issue, linked [here](#). RRF especially thanks New America for its research and the National Consumer Law Center for its advocacy on behalf of older student loan borrowers and its assistance in preparing RRF's public comment.*

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## HOW YOU CAN HELP

If you are a funder, please help by supporting advocates working to pursue policy reforms such as those proposed by the U.S. Department of Education.

If you are an advocate, join with others to advance additional reforms such as those to ensure older borrowers benefit from new student loan remediation and cancellation programs and protect against taxation on student debt relief.

If you are an older adult burdened with student loan debt, please share your story with advocates who are working on your behalf.

**Contact RRF for more information and ways to join the effort to combat rising debt for older adults.**



**Questions?**  
Contact us.

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