

FINDINGS

Student Debt in Texas: Why It's Time to Collect on the Best Interests of Texas Borrowers



STUDENT LOAN DEBT AND MENTAL HEALTH



When speaking with young people about debt, one thing was very clear:

BORROWERS ARE STRESSED.

We had conversations with borrowers who were stressed at every level of the process, hearing from students who wanted more information about their financial aid options and those in the workforce struggling to pay back their debt. Our survey illuminated these conversations by showing that indeed, Texans are stressed about debt and this stress is impacting their mental health.

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Borrowers report student debt negatively impacts their mental health, and these impacts were highest for Latino borrowers in our study.

Across racial backgrounds, 51 percent of those with outstanding balances agreed that stress from student loan payments has been bad for their mental health. 55 percent of Latino participants agreed that loan payments were bad for their mental health, compared to 51 percent of white participants and 48 percent of Black participants. These grand burdens of weight summarize the mental health challenges student borrowers are facing. Many students, graduates, and other borrowers state feeling stress, anxiety, depression, worry, shame, and fear. One borrower expressed this when describing their experience on student loan repayment, “And now I’ve graduated and I’m crying, it’s awful because... loans are terrible but you know, you understand that everybody has them. **So you think it’s a normal thing and you think it’s fine and we’ll be okay, but it’s not okay...**”⁶⁸



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Student loans are a particularly strong source of worry and stress for young people who have current balances.

Survey results showed 65 percent of sampled borrowers across racial backgrounds cite student loans as a source of financial stress. The rates of reported stress are higher for Latino-identifying borrowers, 71 percent of whom report stress from student loan payments, in contrast to 64 percent of white and 60 percent of Black respondents. Among the subset of the sample with an outstanding student loan balance, women (53%) respondents are slightly more likely than men (49%) to somewhat or strongly agree that student loans are bad for their mental health.

68 Student Debt Workshop Participant, 2019

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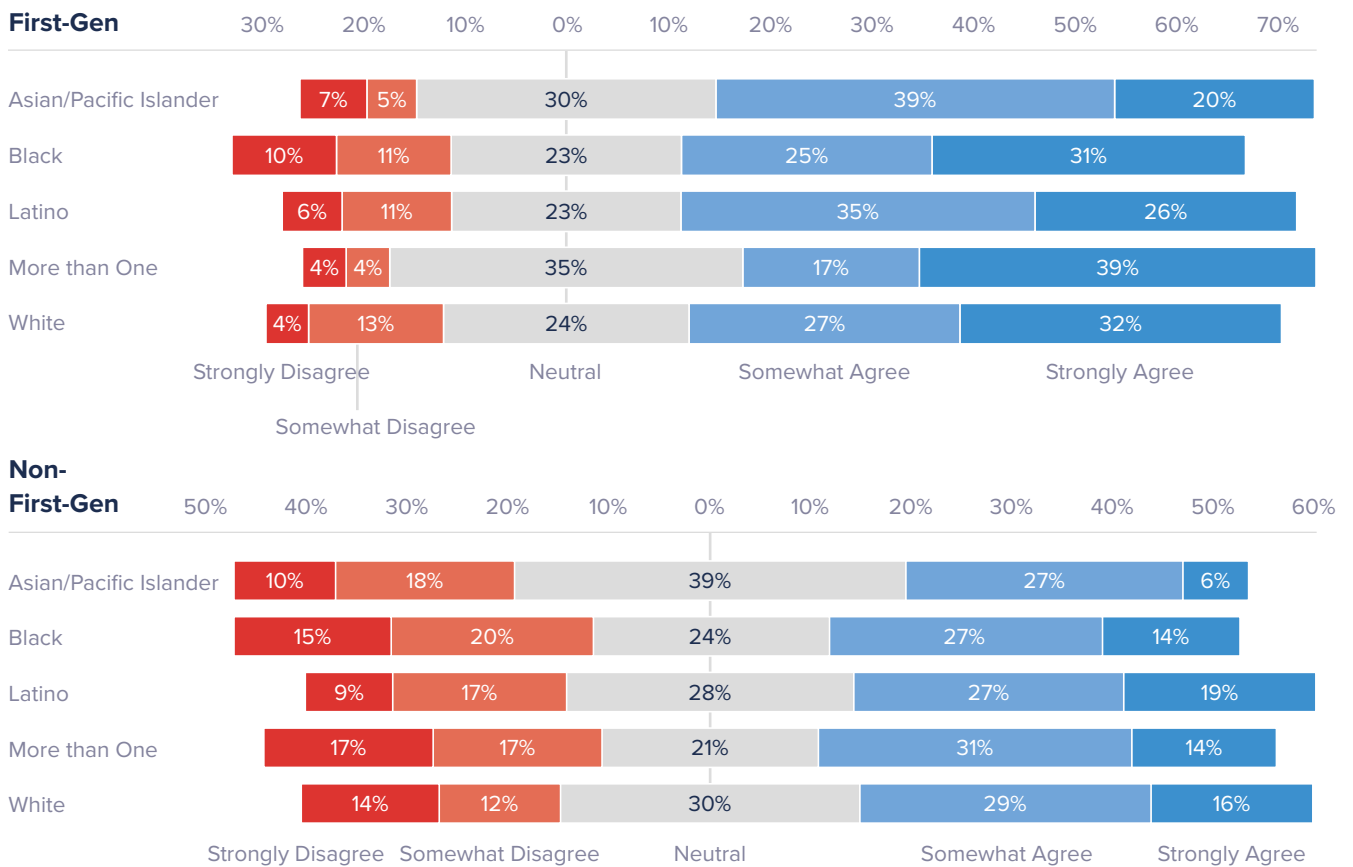
FINDING

Additionally, our survey results showed that first-generation students with an outstanding student loan balance are substantially more likely to report adverse mental health effects relative to their non-first-generation peers (59 percent somewhat or strongly agreeing, vs. 43 percent of non-first-generation students).

Students who identified as first generation and Asian/Pacific Islander (59%) were substantially more likely to report adverse mental health impacts than their non-first generation Asian/Pacific Islander counterparts (34%).

Student Loans and Mental Health (First-Gen vs Non-First-Gen)

Agreement: The stress from student loan payments has been bad for my mental health.



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Across racial backgrounds, 66 percent of respondent borrowers reported experiencing some level of stress due to student loan payments.

Latino respondents reported slightly higher levels of stress (73 percent reporting some or a great deal of stress) in comparison to other participants.

Student Loans: Worry and Stress (Race/Ethnicity)

Agreement: My student loans cause me to feel worried and stressed.

