

Consumer Credit Insights

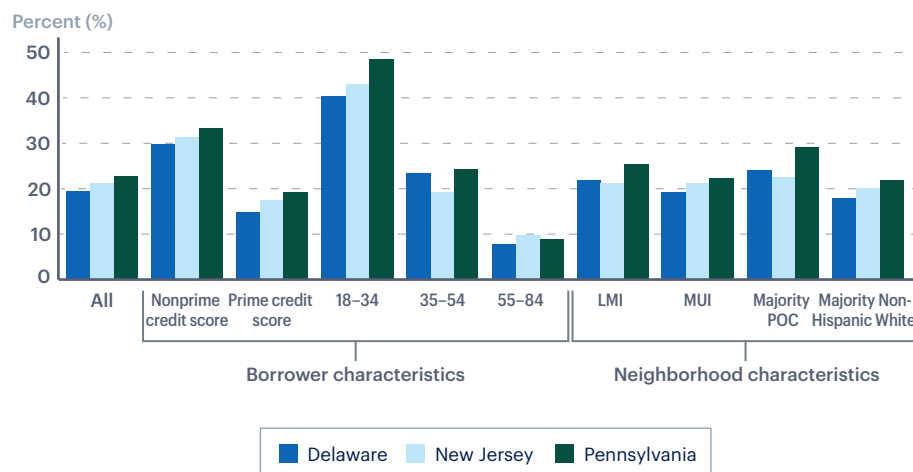
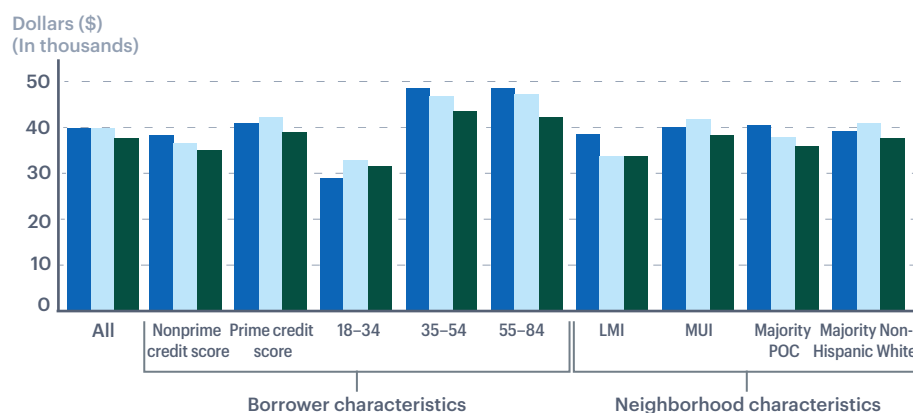
Student Loan Debt in Third District States

BY ALAINA BARCA¹

New data from the Federal Reserve Bank of Philadelphia's Consumer Credit Explorer (CCE) offer insights into consumer credit conditions in the Federal Reserve's Third District states: Delaware, New Jersey, and Pennsylvania.² This brief uses data from the CCE to highlight key trends in consumer student loan debt as of the first quarter of 2025 ("2025Q1").³

Student Loan Debt Overall

About the same share of borrowers in Third District states had student loan debt in 2025Q1 compared with the same period a year before, with 23 percent of Pennsylvania borrowers, 21 percent of New Jersey borrowers, and 19 percent of Delaware borrowers carrying student loan debt.⁴ Generally, shares of borrowers with student loan debt were higher in low- and moderate-income (LMI) neighborhoods and neighborhoods that are majority people of color (POC) compared with middle- and upper-income (MUI) neighborhoods and neighborhoods that are majority non-Hispanic White.⁵ A higher share of borrowers with nonprime credit scores had student loan debt compared with borrowers with prime scores.⁶ Some regions had a higher share of student loan borrowers, including the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, Williamsport, PA, and Scranton-Wilkes-Barre, PA, metropolitan

PERCENTAGE OF BORROWERS WITH STUDENT LOAN DEBT, 2025Q1**AVERAGE TOTAL STUDENT LOAN DEBT, 2025Q1**

¹ The views expressed here are those of the author and do not necessarily represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

² The Federal Reserve's Third District is a region that covers eastern and central Pennsylvania, southern New Jersey, and Delaware. Data shown are for the entirety of each state.

³ All series included in this brief are publicly available via the CCE, an interactive tool for examining quarterly trends in consumer credit use at the regional, state, and national levels, available at www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer. The tool's series are generated using the Federal Reserve Bank of New York Consumer Credit Panel/Equifax Data, which is a nationally representative dataset of anonymized individual credit files. Refer to the CCE for more details on data and methodology. This brief is part of a series that highlights regional trends in CCE data across different debt types. The related briefs are available at www.philadelphiafed.org/community-development/credit-and-capital/consumer-credit-insights-debt-in-third-district-states.

⁴ Calculated as the number of borrowers with student loan debt greater than \$0 divided by the number of consumers with total debt greater than \$0. Student loan debt is debt from student loans originated by the federal government or private lenders.

⁵ LMI neighborhoods are census tracts in which the 2016–2020 American Community Survey (ACS) median family income (MFI) is less than 80 percent of the MFI in the associated metropolitan statistical area (MSA) or non-MSA counties in the state, while MUI neighborhoods are census tracts in which the MFI is greater than or equal to 80 percent. Majority-POC neighborhoods are census tracts in which more than 50 percent of residents identify their race as anything other than White alone or their ethnicity as Hispanic or Latino in the 2016–2020 ACS, while majority non-Hispanic White neighborhoods are census tracts in which more than 50 percent of residents identify their race as White alone and their ethnicity as non-Hispanic.

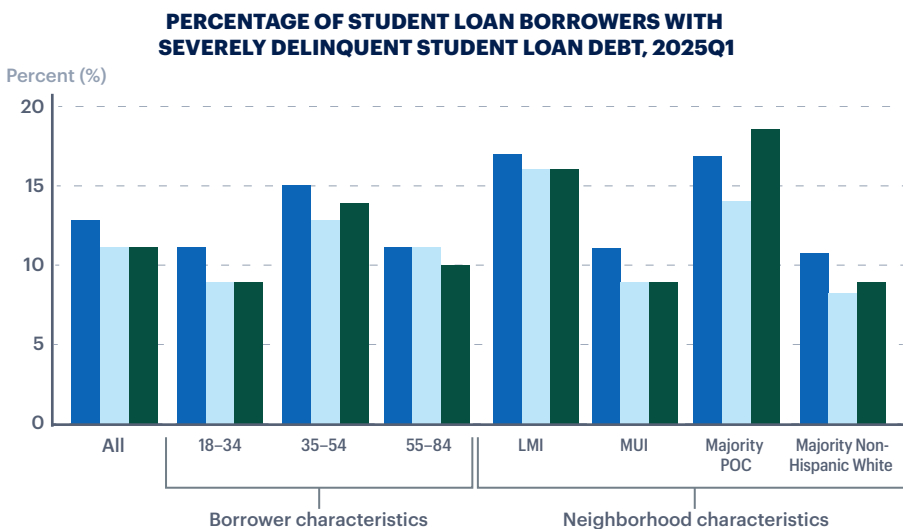
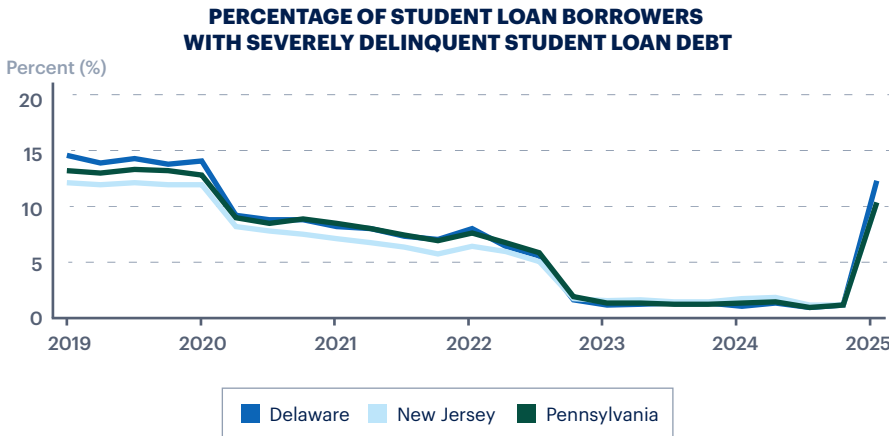
⁶ Nonprime refers to consumers with an Equifax Risk Score (i.e., an Equifax-calculated credit score) less than 660. The Equifax Risk Score ranges from 280 to 850, with a lower score indicating a higher risk of future delinquency. This does not include consumers who are unscored. Prime refers to consumers with an Equifax Risk Score greater than or equal to 660.

areas. Average inflation-adjusted student loan debt has remained relatively stable in the past year.⁷ In 2025Q1, average student loan debt was \$37,700 in Pennsylvania, \$40,100 in Delaware, and \$40,200 in New Jersey. Across all three states, borrowers aged 35 to 54 and 55 to 84 had higher average student loan debt than borrowers aged 18 to 34.

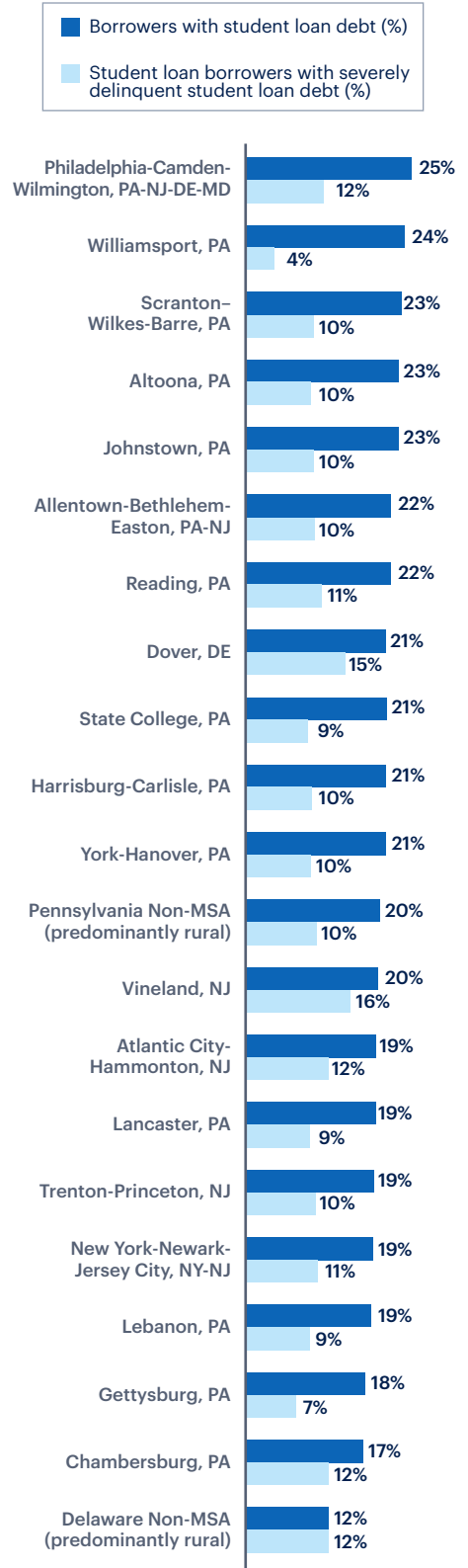
Student Loan Delinquencies

For most federal student loan borrowers, missed student loan payments were not reported to credit bureaus between 2020Q2 and 2024Q4. In 2025Q1, the share of student loan borrowers in Third District states with severely delinquent student loan debt increased sharply, primarily because of the end of the pandemic-era pause on reporting missed payments.⁸ While the 2025Q1 delinquency shares were lower than before the pause began,

the share of student loan borrowers with severely delinquent student loan debt — 13 percent in Delaware and 11 percent in Pennsylvania and New Jersey — was a drastic uptick compared with the 1.2 percent of delinquent student loan borrowers in each state the quarter before. Rates were higher for some borrowers: In 2025Q1, at least 16 percent of student loan borrowers living in LMI neighborhoods and at least 14 percent of student loan borrowers in majority-POC neighborhoods had severely delinquent student loan debt across the three states. A higher share of student loan borrowers aged 35 to 54 had severely delinquent student loan debt, although borrowers aged 18 to 34 and 55 to 84 were not far behind. Some regions in the Third District had a higher share of severely delinquent student loan borrowers than others, including the Vineland, NJ, and Dover, DE, metropolitan areas.



STUDENT LOAN DEBT BY METROPOLITAN AREA, 2025Q1



⁷ This refers to the average student loan balance for borrowers with outstanding student loan debt (greater than \$0). All dollar figures are reported in 2025Q1 dollars, adjusted using the BEA Personal Consumption Expenditures deflator.

⁸ Calculated as the number of student loan borrowers with at least one severely delinquent student loan account divided by the number of borrowers with student loan debt greater than \$0.



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