

Is student debt responsible for 'boomeranging' among young adults?

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While student loan debt has reached an all-time high, with the average college graduate owing \$30,000 in student loans, it does not increase young adults' risk of "boomeranging" or returning to their parental home, according to a Dartmouth-led study published in *Sociology of Education*. Boomerangers, surprisingly, had less student loan debt than young adults who didn't return home.

But while the authors found little evidence that student debtors were more likely to end up on their parent's doorstep among all [young adults](#), they also found evidence that the link between debt and boomeranging varied by race. In particular, [student debt](#) was associated with an increased risk of boomeranging among black, but not white, youth.

Black college-goers who take on debt are more likely to boomerang— a 10 percent increase in student debt was found to be associated with a 20 percent increase in the risk of returning to a parental home among blacks in comparison to virtually no effect for whites. The authors suggest that this may be because student debt is more burdensome and harder to repay across racial lines. Black youths have less access to fair credit than whites, and are more apt to have private loans, which are characterized by high-interest rates, and steep deferment and forbearance fees. Black youths are also more likely to experience discrimination in both college and the [labor market](#) than whites, where they may be steered towards for-profit colleges with low attrition rates and face fewer job options later, all of which creates an economic strain that makes paying off student loans difficult.

College completion rates have a stronger association with the boomeranging effect than [student loan debt](#). Young adults who did not finish their two- or four-year college have at least a 40 percent higher risk of returning home than those who graduated, likely due to limited options to find a job without a degree.

The authors also found that young adults who have successfully transitioned into adult roles, such as those who are co-habiting or are married, or are homeowners, as well as those who have found success in the labor market, are less likely to move back in with their parent(s).

"Our study provides an important corrective to the popular narrative that the student debt crisis is leading a generation of young people back to their parents' doorstep," said Jason N. Houle, assistant professor of sociology at Dartmouth. "On the one hand, it looks like college completion—much more so than student debt—is a stronger determinant of returning home among young people. But on the other hand, the burden of student debt falls disproportionately on racial minorities, which raises important concerns about how student debt may help some groups of [young people](#) but hurt others across racial lines."

The study provides new insight into how boomeranging is more closely tied to a college completion crisis rather than student loan debt burden. It demonstrates further how student loan debt burden is "uniquely racialized" and how racial disparities in [student loan](#) debt among young adults may be further perpetuating racial inequalities in the transition to adulthood.

Provided by Dartmouth College

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