

CURBING RISING DEBT FOR OLDER ADULTS: A CALL TO ACTION

RRF seeks to build awareness of debt as a growing problem and find partner organizations that can offer innovative solutions to prevent and mitigate debt. If your organization has a promising idea or project to address debt, please go to our [website](#) for details about our grant application process and Letter of Inquiry process.

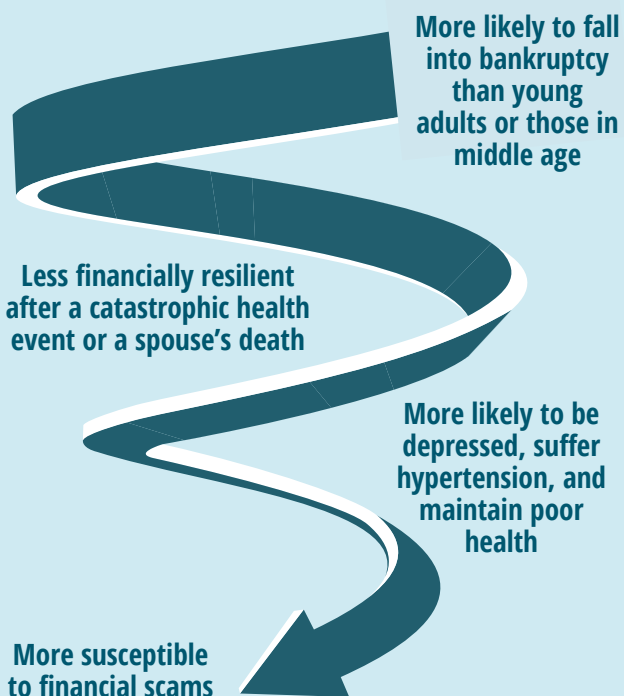
The Time to Act is Now

The economic headlines are alarming: inflation, volatile markets, and student loan debt are top-of-mind for so many Americans. However, the impact of debt on the lives of older people is particularly acute.

Contrary to common perceptions and despite efforts to save for retirement, millions of older adults hold high-risk debt, and the numbers and level of debt are growing. The pernicious consequences of debt threaten to further undermine the already fragile financial security of many older people. In fact, the share of older people who have incurred “high risk” debt—credit cards, medical bills, and student loans—has soared 50 percent in two decades. The current economy, and a pandemic that accelerated the drain on retirement accounts, is making matters worse.

As a result of decades of discriminatory laws and predatory lending practices, people of color, LGBTQ+ and immigrants have limited access to affordable credit. Debt is more prevalent in households headed by Black and Latinx people. These families, despite generally owing less than white families, have a higher amount of debt relative to their assets.

The consequences for older people in debt, especially on fixed incomes, are substantial. Older people are:



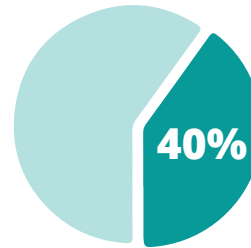
High-Risk Borrowing Harms Older People



2 in 5
have credit
card debt

The percentage of older people with credit card debt is twice what it was two decades ago. The median balance is more than \$2,700 for family heads older than 75. Credit card payment is the most significant debt challenge for this age group.


Older student debtors
are in loan default



Nearly 1 million people age 65 or older hold student loan debt—quadruple the number in just 15 years. They are the fastest growing group of student loan debtors and largest share of loan holders in default. Black older adults hold student debt at 3 times the rate of white older adults.

4 in 5 older adults hold a home mortgage. For most, it is low-risk. But, increasing numbers of older adults are falling behind in payments or tapping into their home equity to meet basic needs and cover property taxes, insurance, and home repairs. They risk losing the home equity they've spent years building up and the opportunity for generational wealth transfer.

Many older
adults are losing
home equity



4.5 MILLION older adults
have medical debt



Almost 9% of older people have past-due medical bills and are victims of harmful debt collection practices. These older adults are more likely to be people of color, live near the poverty line, and be uninsured.

RRF Invites Innovative Solutions

We call upon you—advocates, researchers, service providers and others—to partner with us in finding innovative approaches to preventing, managing, and mitigating debt burden for older adults. We are especially interested in:

- raising awareness of debt issues and building momentum to advance policies that will address debt
- effecting local, state, or federal policy reforms to prevent and mitigate debt, including curbing debt collection abuses, reducing predatory lending practices, preventing lending scams, expanding early resolution programs, etc.
- identifying older people who are most likely to carry high-risk debt
- educating older adults to protect against incurring bad debt
- finding and deploying best practices to assist older adults with debt issues and building the capacity of service providers to implement them

If you have a promising project to address older adult debt, please consider submitting a [Letter of Inquiry](#) to RRF Foundation for Aging. Together, we will create a community committed to protecting and enhancing economic security in later life.

Questions? Contact us! info@rrf.org | rrf.org

