



Distributional Effects of Student Loans Provisions of the One Big Beautiful Bill Act

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On average, we estimate that current borrowers with outstanding loans would see a \$3,694 increase in their lifetime loan payments on a net present value basis, compared to current law under the Biden administration's SAVE plan.*

We estimate that borrowers in the first quintile of the income distribution, those with graduate degrees, those older than 35 years old, Black borrowers, and those with higher debt-to-income ratios would see bigger increases in lifetime loan payments relative to current law.

* Our calculations are based on Survey of Consumer Finances (SCF) (<https://www.federalreserve.gov/econres/scfindex.htm>) data that include information on student loan debt outstanding balances, household income, demographics, and repayment plan choice. We reweighted the 2019 SCF data to target the most recent Department of Education (ED)'s publicly available data (<https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age-Debt-Size.xls>) as of September 2024 on outstanding student loan amounts by debt size and age. As our analysis for current borrowers relies on SCF data, it is susceptible to concerns related to small sample sizes for certain subgroups.

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Distributional Effect on Current Borrowers (with loans taken before July 1, 2026)

Dollars

Category	Average Policy Savings (Includes All Borrowers)
Overall	
	-\$3,694
Income Quintile	
Q1	-\$4,610
Q2	-\$3,975
Q3	-\$4,385
Q4	-\$2,163
Q5	-\$3,379
Educational Attainment	
Associate's degree or Some College	-\$1,624
Bachelor's degree	-\$3,738
Graduate degree	-\$7,194
Age Group	
18-24	-\$1,138
25-35	-\$3,004
36-45	-\$5,057
46+	-\$4,910
Gender	
Male	-\$3,416
Female	-\$3,880
Race	
White	-\$3,129
Black	-\$5,069
Hispanic	-\$3,530
Other	-\$4,705
Debt-to-Income Ratio	
<20%	-\$323
20-40%	-\$1,230
40-60%	-\$5,789

60-80%	-\$7,290
80-100%	-\$8,936
100%+	-\$17,354

Source: PWBM calculations from 2019 Survey of Consumer Finances (SCF) data merged with PWBM Microsim

Note: Our distributional analysis of future borrower cohorts—drawing in part on confidential data from the National Center for Education Statistics (NCES)—will be released soon.