

# STUDENT LOAN DEBT: WHO'S PAYING THE PRICE?

NEW DATA SHOWS COLLEGE DEBT IS COSTING PEOPLE IN CAREER, LIFESTYLE, AND LOVE

What's the cost of college debt? New data shows the real toll goes well beyond dollars and cents.

The new *EdAssist*<sup>®</sup> Student Loan Debt Survey shows people's life plans are sinking under the weight of education loans; they're delaying marriage and foregoing homeownership; they're giving up passions and tossing career goals; they're altering job plans and sacrificing further degrees, and they're doing it all for the sole purpose of paying loans they thought would buy them a future.

Commissioned by EdAssist and conducted by Kelton Global, the survey of more than 1,000 Americans with student loans shows a new side to college debt. Half of those surveyed said their debt is costing them career choices, and more than a third admitted they have even given up the pursuit of their dream job.

It's a surprising picture of what "deep in debt" really looks like. Rather than opening up pathways to success, those big education bills are having the reverse effect, costing people in dreams and ambition, and potentially costing the next generation in creativity, innovation, and the next big idea.

# FACTS ABOUT STUDENT DEBT: A BURDEN THAT LASTS INTO RETIREMENT

Most newly minted grads leave school with five-figures of debt — an amount big enough to eat up a starting salary. But it's not just newcomers paying the price.

- The national collective total of education debt: \$1.3 trillion
- Number of 2015 graduates coming into the workforce with debt<sup>1</sup>: 71%
- Percent of Baby Boomers with student loans still carrying debt for their own education: 65%
- Average amount of debt per new graduate<sup>1</sup>: \$37,172

## DAY-TO-DAY LIVING WITH DEBT

### PUTTING THEIR LIVES IN NEUTRAL

People with debt have more than just money at stake. Those enormous responsibilities have upended 82% of lives. Among those with student loan debt difficulties, many said their loans have kept them from big milestones like buying a car (56%) or opening a credit card (41%):

- 78% agree it has impacted their ability to save for retirement
- 50% have been held back from buying a house
- 21% are struggling to start a family

## PUSHING PAUSE ON LOVE

It's not just purchases that lose out; relationships are suffering, too. A full 77% of those surveyed said a personal relationship has been affected by their loans. Many people are even forgoing marriage and families:

- 49% said they would delay engagement or marriage because of their own debt
- 33% said they'd be reluctant to marry someone who was also repaying loans

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<sup>1</sup> Josh Mitchell, "Student Debt Is About to Set Another Record, But the Picture Isn't All Bad," Wall Street Journal, May 2, 2016

# FUTURES IN JEOPARDY

## GIVING UP EDUCATION

While today's life is hung up by debt, tomorrow's future is also at stake. Most (85%) said they'd like to earn additional degrees, but more than half said debt could keep them from fulfilling that dream.

- 64% said their current debt would keep them from pursuing a new degree
- 63% said the cost of a future degree would keep them from their desired education

## THEY'RE STIFLING PASSION

For those in debt, "do what you love" takes a back seat to "do what you need." More than half (58%) reported debt would force them into jobs just for higher pay, while 33% said they would take any job they could get just to pay off their loans.

- 50% agreed that student loans have limited their career choices
- 37% have been forced to give up their dream jobs completely
- 30% have resorted to more frequent job hopping
- 21% have found it difficult to start a business

## BYPASSING BIG DREAMS

Debt is being paid for with dreams — a high toll that could cost all of us. Nearly half (49%) of respondents agree that debt stopped them from pursuing valuable jobs in specialized fields, such as medicine and education. If not for the burden of loans:

- 23% would like to be teachers
- 22% would like to be entrepreneurs
- 19% would like to be doctors
- 18% would like to be social workers
- 15% would like to be nurses

# SACRIFICING DREAMS

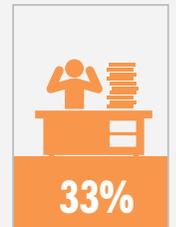
MORE THAN A THIRD OF AMERICANS SAY DEBT KEEPS THEM FROM PURSUING DREAMS



AGREE THAT STUDENT LOANS HAVE LIMITED THEIR CAREER CHOICES



FORGOING THEIR DREAM JOB DUE TO STUDENT LOAN DEBT



TAKING ANY JOB THEY CAN GET TO PAY OFF STUDENT LOAN DEBT

# A DEBT PAID IN RELATIONSHIPS

THE HIGH COST OF STUDENT DEBT AFFECTS MORE THAN JUST BANK ACCOUNTS



77%

ADMIT A PERSONAL RELATIONSHIP HAS BEEN NEGATIVELY AFFECTED BY THEIR LOANS

# JEOPARDIZING THE AMERICAN DREAM

AMONG AMERICANS WITH STUDENT LOAN DEBT DIFFICULTIES...



STRUGGLE TO BUY A CAR



HELD BACK IN BUYING A HOUSE



CAN'T OPEN A CREDIT CARD

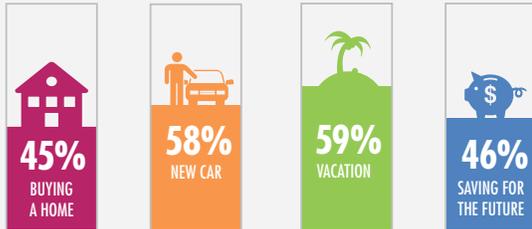


DELAYING GETTING ENGAGED OR MARRIED

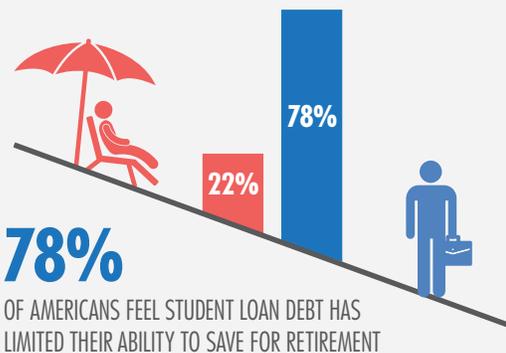
# WILLING TO MAKE SACRIFICES

92% OF AMERICANS WOULD MAKE MAJOR SACRIFICES TO PAY OFF STUDENT DEBT

AMONG THOSE:



# PUTTING RETIREMENT OUT OF REACH



# MORE THAN JUST MILLENNIALS

STUDENT DEBT IS NOT JUST A PROBLEM FOR NEW GRADUATES



65%

OF BABY BOOMERS WITH STUDENT LOANS STILL CARRY DEBT FOR THEIR OWN EDUCATION EXPENSES

# PREOCCUPIED WITH DEBT

## THEY'D TRADE A LOT FOR A LITTLE HELP

Worries about debt stick with people. How much? More than three quarters (80%) said debt factors into their purchasing decisions often, and nearly half (40%) said they think about debt all the time. Most (92%) are so beleaguered they'd make major sacrifices just to get debt out of the way. Among those who would make a sacrifice:

- 45% would give up a new home
- 58% would give up a new car
- 59% would give up a vacation
- 46% would sacrifice saving for their future

## SENDING AN S.O.S., LOOKING FOR A HAND

Debt repayment rules are so confusing that nearly half (45%) of those paying loans reported they have no idea what rate they're paying and four in ten (39%) have three or more outstanding loans.

- 64% have considered refinancing their loans
- 86% feel completely overwhelmed by the thought

## MORE THAN A CRISIS OF CASH

What does it all mean? It means that the oft-discussed student loan crisis is more than a crisis of cash; it's a societal crossroads. People are desperate for help. Nearly half (49%) said they're so stressed, they'd prefer help with school debt over budgeting (30%), credit card debt (28%), and even retirement (42%). And they're asking employers for assistance.

- Nearly a third of respondents said debt repayment is the most important job benefit
- 47% of all respondents said they'd look for it in a new job

The data makes clear that as college tuitions continue to rise and the national student loan debt figure grows, this issue will not only require the attention of borrowers, but also the employers looking to attract them.

# MORE THAN JUST MILLENNIALS

It's not just new grads lumbering along with student loans; debt is hampering even those nearing retirement. While 72% of people across the workforce feel the impact of student loan debt every day:

- 65% of Baby Boomers with student loans still carry debt for their own education
- 78% of Baby Boomers with debt say it's affected their ability to save for retirement
- 73% of Gen Xers with debt say it impacts their life every day
- 79% of Gen Xers with debt say it has made it more difficult to "live my life the way I want"

## DEBT BY GENDER

Men and women share the pain of debt. But the issue has different consequences.

- Men felt their careers were more burdened by debt, with 54% of men reporting that debt limited career choices versus 47% of women.
- Men with debt also feel the weight more keenly, with 80% citing the impact of loans on a relationship, versus 74% of women.
- But debt presents women with unique obstacles: Women told us they feel more likely to have to defer payments (40% of women vs. 28% of men) or use flexible hours (28% vs. 20%) to get a second job to pay off their obligations. This falls in line with an earlier [EdAssist survey](#) showing millennial women are almost 50% more likely than men to feel defeated by college loans.

## ABOUT THE EDASSIST STUDENT LOAN DEBT SURVEY

Margin of Error = +/-3.1 percent

Sample = 1,024 Americans Ages 18 and Over with Student Loan Debt

The EdAssist Student Loan Debt Survey was conducted between March 14 and March 21, 2016 among 1,024 Americans 18+ with student loan debt, using an e-mail invitation and an online survey. Quotas are set to ensure a reliable representation of the U.S. population 18 and over.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all personas in the universe represented by the sample. The margin of error for any subgroups will be slightly higher.