

Life Delayed: The Impact of Student Debt on the Daily Lives of Young Americans

AICUM Symposium
October 3, 2013

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AMERICAN STUDENT
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Agenda

- Background – What prompted us to do this survey?
- Survey Results – What did they say?
- Additional Observations – What else did they say?
- AICUM Schools – What are our schools doing to combat this issue?

Background



Background

	1985	2013
Average in-state tuition at a four-year public institution	\$1,318 ¹	\$8,655 ²
Average tuition at a four-year private institution	\$6,121 ¹	\$29,056 ²
Outstanding student loan debt	\$35 billion ³	\$1.1 trillion ⁴

1. U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey (HEGIS)
2. College Board Advocacy & Policy Center, 2013
3. The Institute of College Access and Success, Project on Student Debt, 2012

Research Question

How does student debt affect the daily lives of young Americans?

The Survey

Open invitation survey of young professionals nationwide

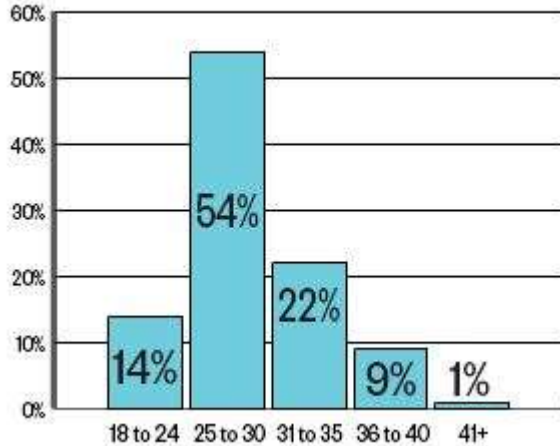
1,000 surveys emailed and 259 responses

Survey open from May 14, 2013 – May 31, 2013

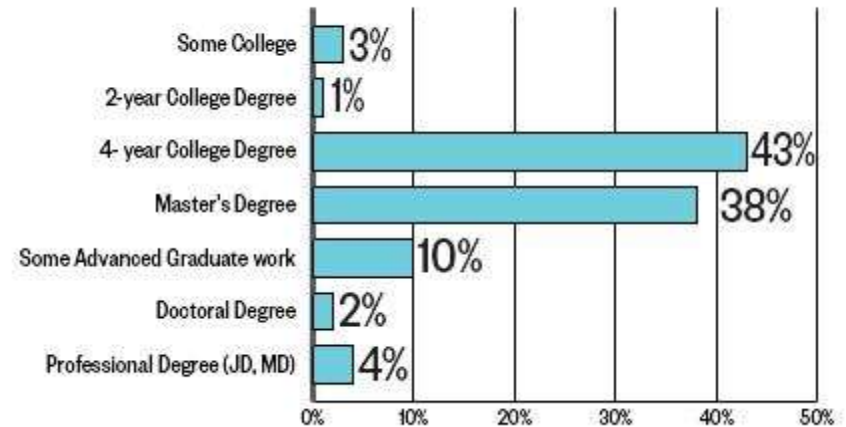
No incentive to participate

Demographics of Survey Group

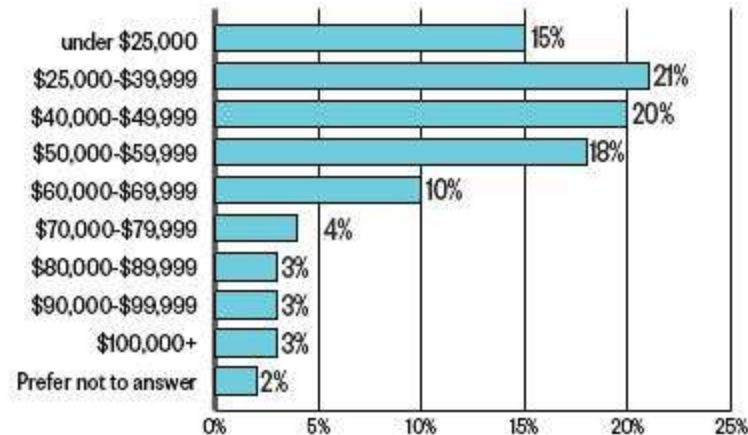
Age



Highest Level of Education

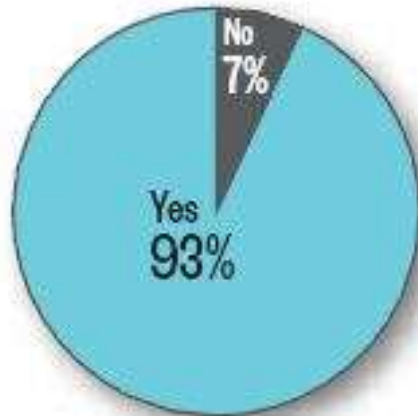


Annual Salary

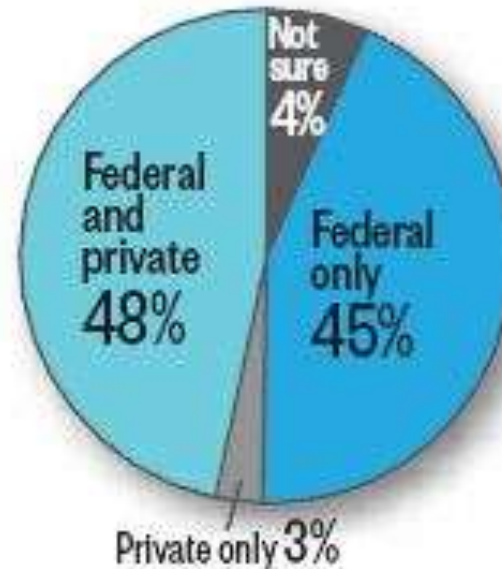


Student Loans

Do you have student loans?



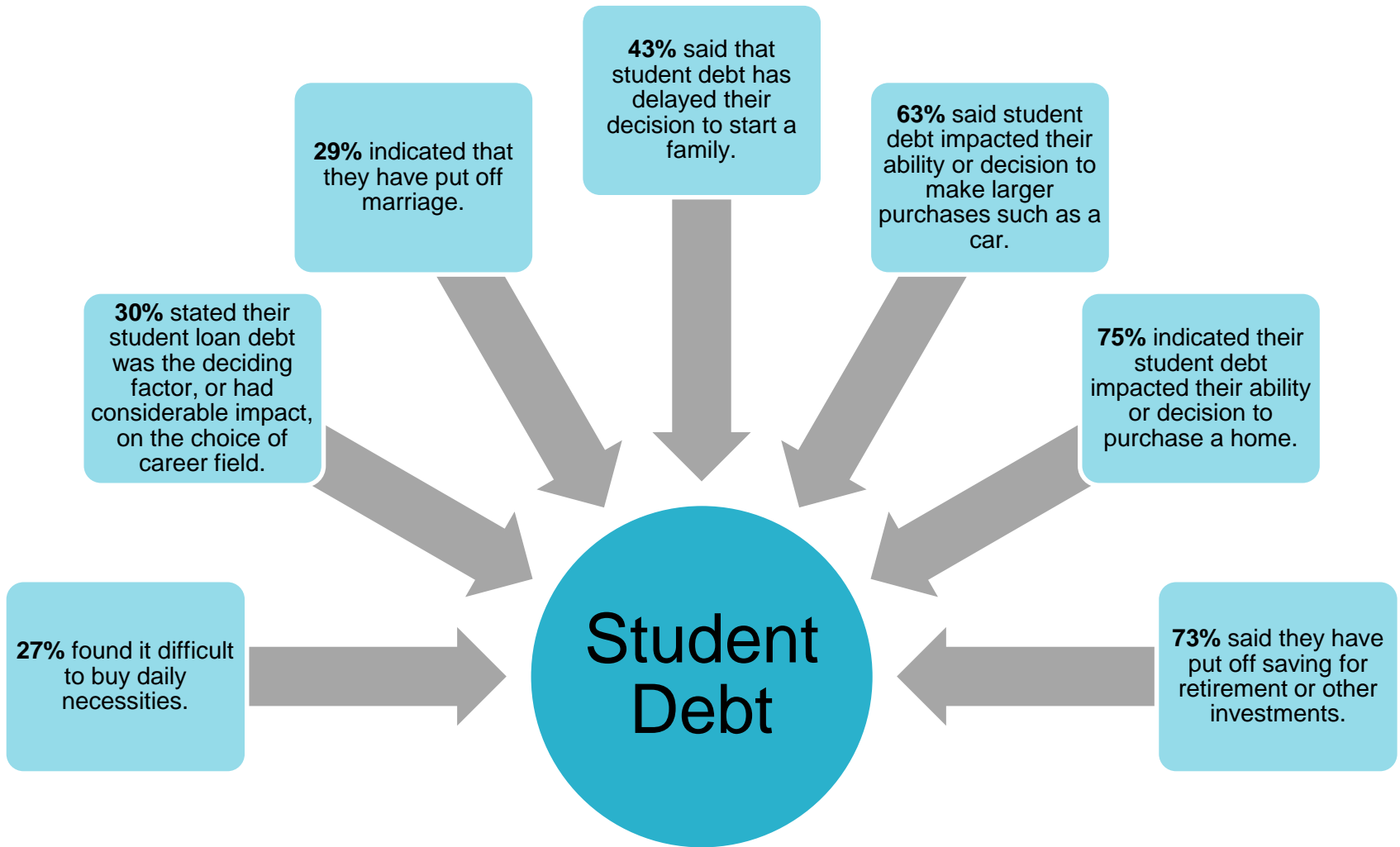
Student loan type?



Survey Results

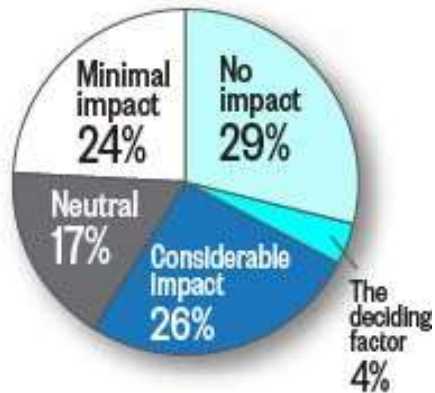


The Impact

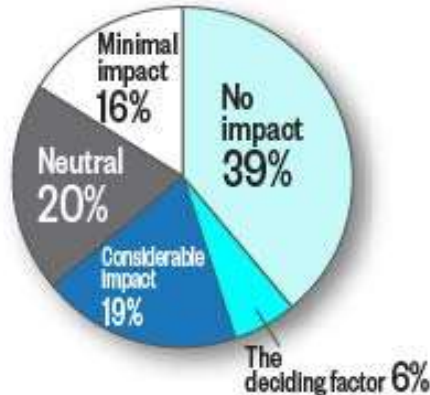


Impact on Career Choice

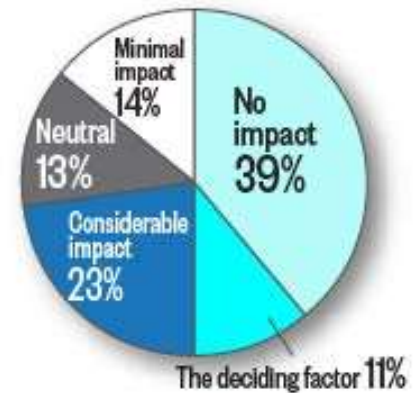
How much did your student loan debt impact your career choice?



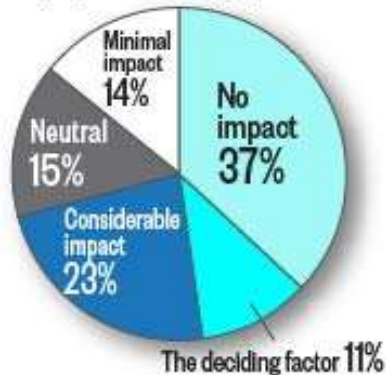
How much did your student loan debt impact your choice of public vs. private career field?



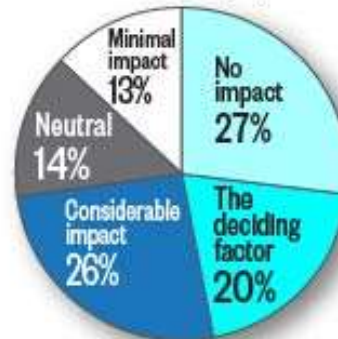
How much did your student loan debt impact your choice to take a job outside desired career field?



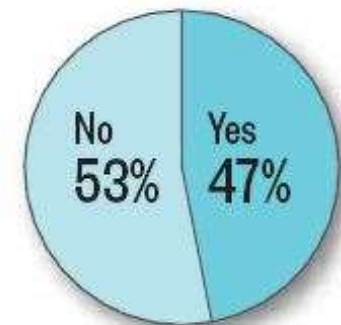
How much did your student loan debt impact your decision to take a less interesting job for the pay in order to pay loans?



How much did your student loan debt impact your decision to stay in a job longer than desired in order to pay loans?

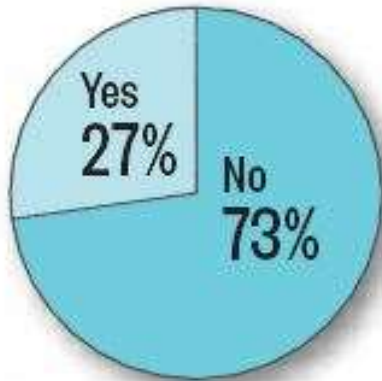


How much did your student loan debt impact your ability to start a small business?

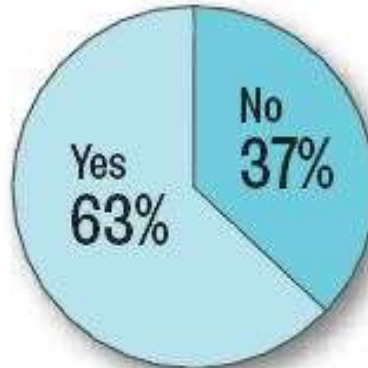


Impact on Purchasing Power

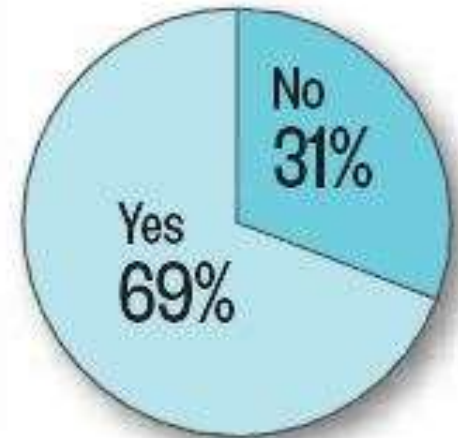
Have student loans impacted your ability to purchase daily necessities?



Have student loans impacted your ability to purchase a car?

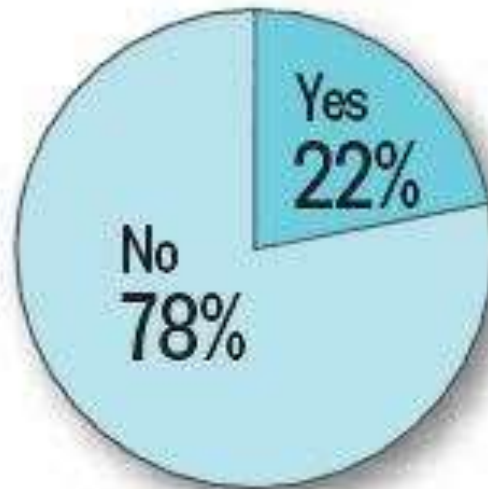


Have student loans impacted your ability to take a vacation?



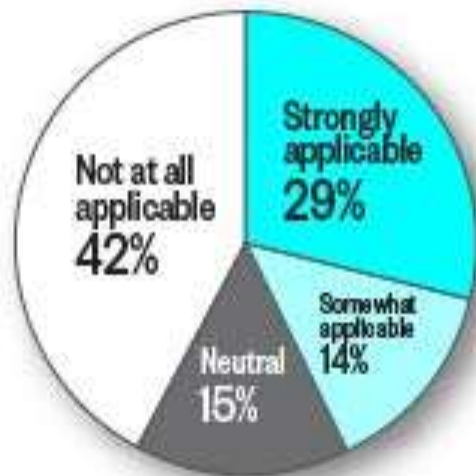
Impact on Life and Family Choices

Have student loans impacted your decision to delay adding to a family?

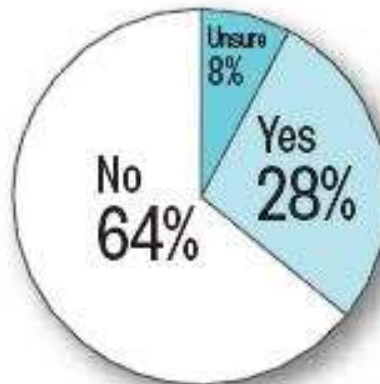


Impact on Living Choice

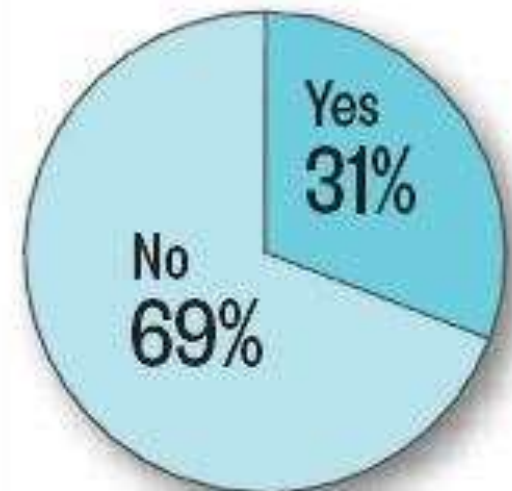
My student loan debt played a role in my decision to live with roommates



Did your student loan debt factor into your decision of which state you would live in after leaving school?

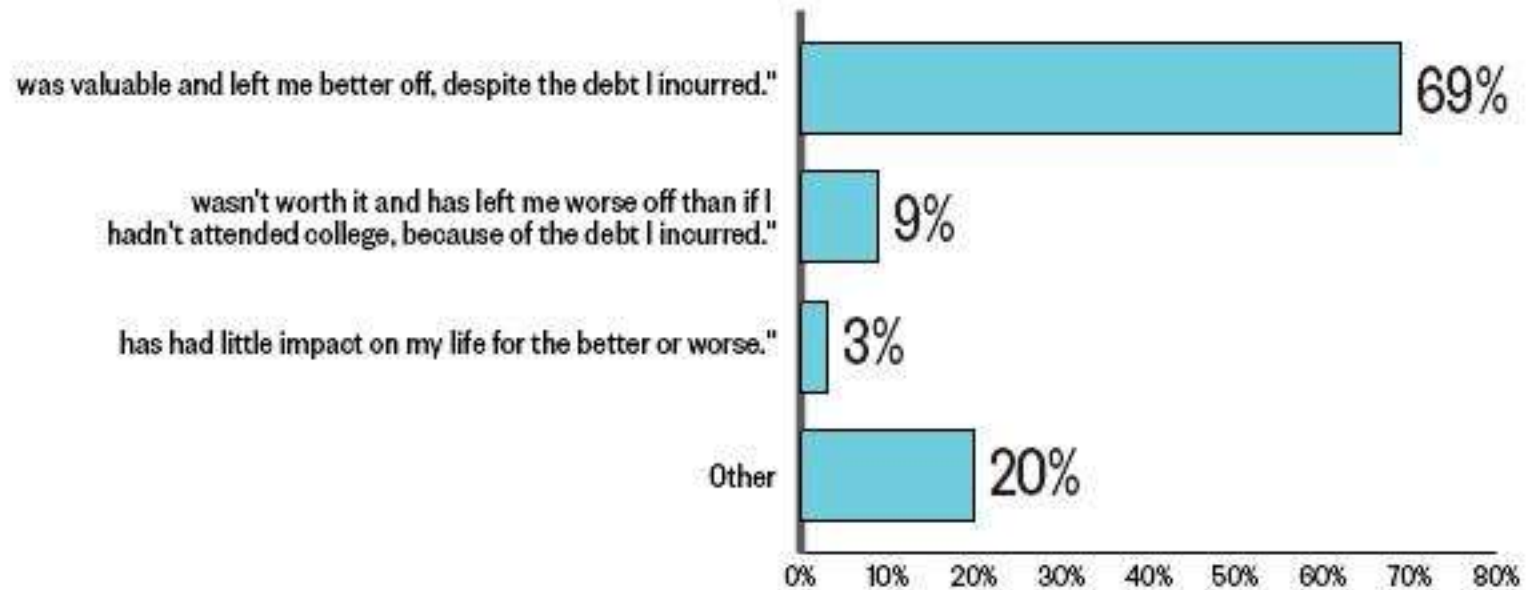


Did you intentionally move to low cost of living state?



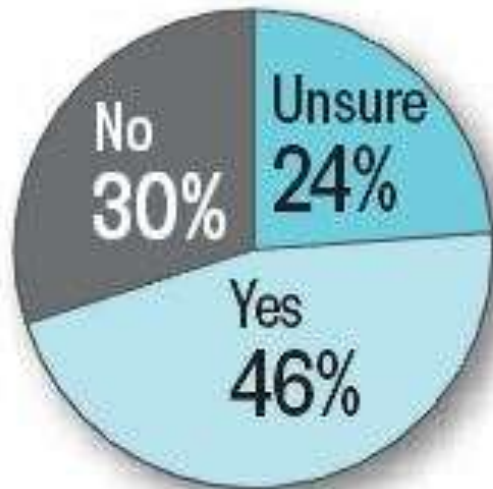
College Experience

"My college experience

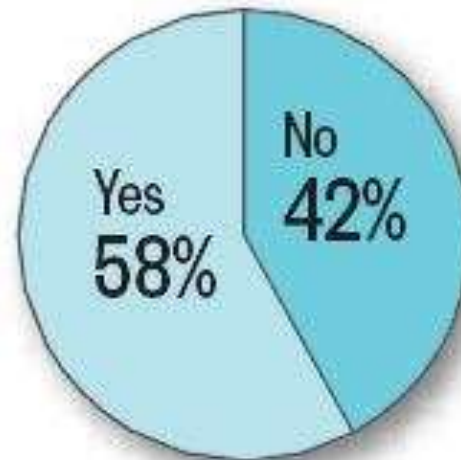


Education Decisions

Would you have made the same college decision?

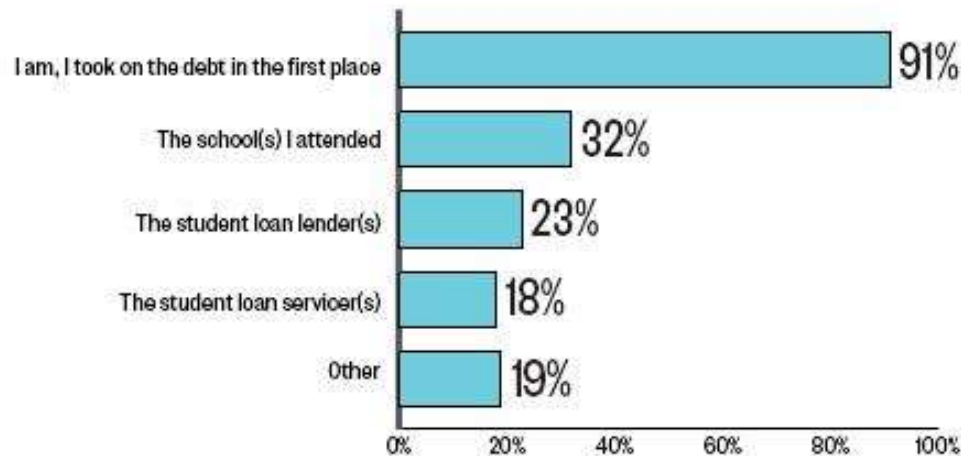


Has your student loan debt impacted your decision to further your education?



Student Loan Responsibility

Who do you feel is responsible for your student loan debt?



"Other"

A number of respondents said their parents were responsible for their debt:

- "for signing me up for loans without me knowing"
- "I didn't know what I didn't know" about borrowing and the impact it would have on my adult life."

A number said the responsibility sits with state and federal government entities:

- "Banks are able to borrow money at less than 1% interest but students are paying ten times that amount."

And a few said their high school should have helped more:

- "My high school guidance counselor (sic) encouraged me to pursue any school regardless of finances. I took her advice."
- "High school students should receive better and extensive education on taking student loan debt, choosing cheap colleges, and choosing careers that offer a big financial return on investment."

Additional Observations



“My college experience...”

“was valuable, however it is NOT worth the amount of debt I have.”

“was valuable but I could have probably gotten the same value going to a cheaper college.”

“was transformative, but I’m not sure it was worth the expensive price tag.”

“was great and opened up opportunities for me. However, student loan debt has made my life challenging after, especially to pursue a career in the field I want to. I get by every month, but it is tough.”

“was valuable to my personal fulfillment, but I wish I had a job in the field.”

“was valuable and left me better off, but the debt is seriously holding me back significantly.”

Additional Observations

I only took out the amount I NEEDED, so I feel like I walked away with much less debt than many do, but it was a joyous day when I made that last payment!

I would not have taken more than the bare minimum if I knew what I know now.

My poor, poor generation.

It's sad and disheartening that I have a negative reaction to my college experience due to the financial impact it has had on my post-graduate life.

This is the only debt I have ever had. I am very responsible with my finances in every other aspect of my life, but the fear of this debt is crushing.

Student loans will control how you are able to live your life.

Additional Observations

Student debt weighs on every decision I make, from food shopping, to where I choose to live, how I spend my free time, to what clothes I wear, and ultimately, what career I choose.

Upon graduation you realize that you can't really begin the life you imagined having after college.

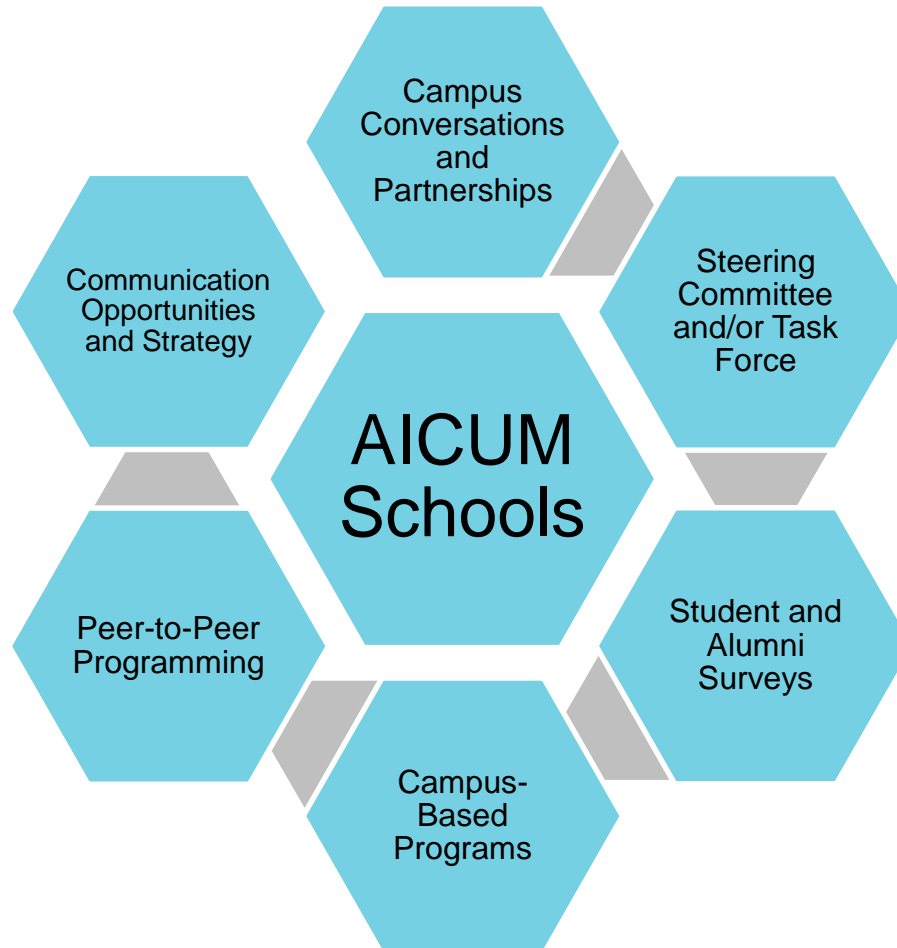
My debt is minimal. It is scary to think about the way debt has impacted many of my friends and loved ones.

My parents also took out a loan to help pay for my schooling. I wish I could help them pay off the loan but I am not in the financial position to do that. Without their willingness to take out a parent loan, my own student loans would have been much higher. Student loan debt has impacted my whole family.

AICUM Schools



What AICUM Schools Are Doing



Questions?

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