

STUDENT LOANS AND FINANCIAL STRESS IN THE UNITED STATES

JULY 30 – AUGUST 28, 2023

Background

In late July, NEFE polled U.S. adults in the general population to understand how they, or someone close to them will be affected by the upcoming end to the student loan repayment pause. We supplemented these results with an additional poll, fielded in late August, of individuals who currently have active student loans taken out either for themselves or for a child, grandchild, or other dependent.

Key Findings

Have you, now or in the past, had any federal or private student loans?

Overall, 31% of U.S. adults currently have outstanding loans — either student loans taken out for their own education, or for the education of a child, grandchild, or other dependent. This includes those with federal loans (21%), private loans (5%) and both (5%).

- In both the general population survey (60% - 39%) and survey of only student loan holders (52% - 46%), females were more likely than males to have active federal student loans. Additionally, Black (22%) and Hispanic Americans (19%) were most likely to have active student loans in the general population (22% and 19%, respectively) and amongst all student loans holders (40% and 38%, respectively).
- The 60+ year old age category in the general population survey and the survey of student loan holders yielded the highest percentage of individuals who never had loans (78% and 74%, respectively). The highest proportion of student loan holders in both the general population (39%) as well as among the student loan holders (41%) were aged 30-44 years old.
- The highest percent of federal student loan holders in the general population was reported for respondents with household income ranging from \$60K to <\$100K (19%), whereas among the survey of only student loan holders was highest for those making >\$100K (28%).

- Among student loan holders only, the highest percentages accounted for represented those who affiliated with the Democratic party (44%), ascribed to a very liberal ideology (46%), and were parents (45%) living in urban neighborhoods (42%).

Which of the following best describes how you have handled your student loans since the payment pause began in response to the COVID-19 pandemic? (second wave survey only)

Overall, 49% of U.S. adults with student loans reported either making most or every payment during the pandemic while almost one third (30%) made no payments. Respondents who ascribed to a very conservative ideology (31%) and reported earning >\$100K (33%) were most likely to make every payment since the pause began.

- Those who identified as men were much more likely (30%) than women (18%) to report making every payment since the start of the pause. The highest proportion of those making every payment were those aged 30-44 years old (36%) but were only slightly higher than those aged 18-29 years old (35%). The highest proportion of those who made no payment were in the 50-64-year-old age group (46%).
- In terms of race/ethnicity, those who identified as Asian reported to make most or all payments since the pandemic at the highest rates (63%), whereas Black participants reported the highest rates for making few to no payments (56%). A total of 21% of Hispanics reported making few to no payments during the same time period.
- Those who reported to have children were much more likely to make every payment since the pause (28%) compared to those who were not parents (19%). Those with a household income <\$30K (43%) and those making between \$30K and \$60K (33%) were most likely to not make any payments whatsoever.

As you may know, Congress recently passed a law preventing further extensions of both the pause in loan payments and 0% interest rates on eligible federal student loans. As a result, interest on student loans will resume starting September 1, 2023, and loan payments will be due starting in October. Taking this into consideration, do you anticipate having to make

significant budgetary changes in order to make your student loan payments?

Overall, in the general population, half of those who currently hold student loans reported they anticipate having to make significant changes, with one in five making budgetary cuts in the amount of \$500+ per month. For the survey of student loan holders only, the same dollar amount of budgetary cuts represented one in three respondents.

- Hispanic individuals represented the largest proportion of individuals who reported anticipating their monthly budget to be cut anywhere from <\$500 to \$1,000, both in the general population (75%) and the student loan holder (68%) surveys.
- Political party affiliations had slight, nominal differences for those in the oversampled population for Democrats (9%), Republicans (12%), and Independents (10%) who reported anticipating more than \$1,000 in cuts to their monthly budget. This same dollar amount was reported by 5% of the general population.
- The lowest and highest household incomes in the general population (<\$30K and \$100K+) represented the highest proportions of those who anticipated having to make significant budgetary changes (56% and 53%, respectively). The survey of student loan holder provided more nuance, yielding monthly budget cuts for those with a household income >\$100K at <\$500 (46%), and the highest percentage of those with a household income <\$30K reporting they do not know the amount they anticipate needing to cut (22%).

Which of the following, if any, apply to you? Do you have a spouse, partner, sibling, close friend, child or parent that currently has outstanding student loans?

The poll data states that 36% of U.S. adults said they have a spouse, partner, sibling, close friend, child or a parent with outstanding student loans. Among the general population, those holding student loans are less likely than those who do not (39% - 74%) to say that none of the people in their life currently have outstanding student loans.

- Among the student loan holding segment, age is inversely correlated with a respondent saying they have a spouse, partner, child, sibling, or a close friend that currently has outstanding student loans. Eight (8%) of respondents with student loan debt themselves also have a parent with student loan debt, including 14% of respondents aged 18-29 years old.
- Among respondents with outstanding student loans, 35% say they have a close friend with outstanding student loan debt, 29% have a spouse or partner with student loan debt, and

23% have a child with student loan debt. Over one-third (36%) of student loan debt holders aged 50-64 years old say that they also have children with outstanding loans.

- While nearly two out of three (64%) of U.S. adults say that none of these people in their life currently have outstanding student loans, respondents with higher incomes and higher levels of educational attainment are more likely than others to have close relations with student loan debt holders.

Which of the following, if any, apply to you? Are you worried that the end of the student loan payment pause will negatively impact your life, the lives of your family or close friends, or the U.S. economy?

A slim majority (56%) of U.S. adults say they are not worried about the end of the student loan payment pause. However, respondents with student loans were significantly less likely to say they were not worried about the resumption of payments (19% - 64%). Student loan debt holders are much more likely than those without loans to say they are worried that the end of the payment pause will negatively impact their lives (50% - 4%). In addition, 30% of respondents with close friends or family members with outstanding student loans say they are concerned that the end of the payment pause will negatively impact those peoples' lives. Respondents with close friends and family with outstanding loan debt were nearly twice as likely (21% - 9%) to say they are concerned the end of the payment pause will have a negative effect on the U.S. economy, and those with outstanding loans themselves are much more likely (31% - 9%) than those without student loans to be concerned about the same.

- Among those with outstanding student loans, 49% are worried that the end of the pause will negatively impact their lives, including majorities of those under 50 years old, of white borrowers, and those with four-year degrees.
- Overall, 36% of student loan borrowers are concerned that the end of the pause will negatively impact the lives of their family and friends. Borrowers with higher incomes and who have a higher level of educational attainment, on average, are more concerned than lower income borrowers and those with less than a four-year degree.
- Fewer than one in five of borrowers (18%) say they aren't sure what the impact of the end of the pause will be. Similarly, fewer than 1 in 5 borrowers (15%) say they aren't concerned at all.

Taking the end of the student loan repayment pause into consideration, which of the following statements best describes your attitude toward pursuing additional education?

Nearly one in three (31%) of U.S. adults say that the end of the student loan pause makes them less likely to consider pursuing additional education. A majority of respondents with outstanding student loans (54%-26%) say the end of the student loan pause makes them less likely to consider pursuing additional education in the future. Respondents with close friends or family with outstanding student loans are also more likely (38%-27%) to say the end of the payment pause makes them hesitant to pursue additional education.

- While 47% of student loan borrowers say the end of the payment pause makes them less likely to consider pursuing additional education. Comparatively, 38% say they are more likely to pursue education.
- Among respondents with outstanding student loans, 51% of those with over \$50K in loans say they are less likely to consider additional education, compared to only 41% of those with under \$10K in loans. Additionally, 71% of respondents who are “very unsatisfied” with the education they paid for with their outstanding student loans said they were less likely to pursue additional education.
- Majorities of student loan borrowers who identified as women (53%), over 50 years old (51%) and those who are currently unemployed (53%) say that the end of the loan pause makes them less likely to pursue additional education.

How satisfied or unsatisfied would you say you are with the education that you have outstanding student loans on? (survey of student loan holders only)

Overall, two-thirds of respondents with outstanding student loans felt “somewhat” or “very satisfied” with their education. Comparatively, far fewer student loan holders responded they were somewhat unsatisfied (18%) or very unsatisfied (13%).

- Hispanic and White respondents had the highest proportions of satisfaction (“very satisfied”: 36%) than any other race/ethnicity, while Black and Asian respondents were more tempered in their valance (“somewhat satisfied” at 33% and 52%, respectively).
- Those identifying as women were twice as likely to report being “very unsatisfied” then men (16 % vs. 8%), and the age category with the highest proportion of respondents who were “somewhat” or “very satisfied” were 18-24 year olds (73%).

- Those affiliated with the Democratic party reported higher frequencies of being “very satisfied” (41%) than their Republican (28%) or Independent (20%) counterparts, although those identifying as “very conservative” had the highest proportion of all ideologies (58%).
- Those with the lowest amount of satisfaction (“very unsatisfied”) reported earning <\$30K (26%), having some college attainment (20%), being unemployed (26%), or living in a rural community (22%).

Full Methodology

The first wave of this survey was conducted from July 30 – August 1, 2023, with a nationally representative sample that included 1,156 adults ages 18 years old and older using the AmeriSpeak Omnibus Panel on behalf of NEFE. Funded and operated by the National Opinion Research Center (NORC) at the University of Chicago, AmeriSpeak® is a probability-based panel designed to be representative of the U.S. household population. Randomly selected U.S. households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by U.S. mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the U.S. Postal Service Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak households participate in surveys by web, non-internet households can participate in AmeriSpeak surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak surveys by web. AmeriSpeak panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.

For more information, email AmeriSpeak-BD@norc.org or visit AmeriSpeak.norc.org.

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The second survey was conducted from August 24 – 28, 2023, by SurveyUSA on behalf of NEFE. SurveyUSA interviewed 2,476 US adults online using a sample provided by Lucid Holdings LLC of New Orleans. Of the adults, 759 were identified as having outstanding student loan debt and were

asked the substantive survey questions. The pool of adult survey respondents was weighted to US Census targets for gender, age, race, education, and home ownership.

SurveyUSA is an independent, non-partisan, apolitical research company that conducts opinion surveys for media, academic institutions, commercial clients, non-profits, governments, agencies, and elected officials. SurveyUSA opinion research is conducted using a methodology optimized for each particular project. On research completed prior to 12/31/16, SurveyUSA assigned to each question within the instrument a theoretical margin of sampling error. Effective 01/01/17, SurveyUSA assigns to each question within the instrument a credibility interval, which better reflects the sampling uncertainties associated with gathering some percentage of respondent answers using non-probability sample. Though commonly cited in the presentation of research results, “sampling error” is only one of many types of error that may influence the outcome of an opinion research study. More practical concerns include the way in which questions are worded and ordered, the inability to contact some, the refusal of others to be interviewed, and the difficulty of translating each questionnaire into all possible languages and dialects. Non-sampling errors cannot be quantified. Questions about SurveyUSA research can be addressed to: editor@surveyusa.com.

A Note about Reading the Report and Data Supplement

The percentage of respondents has been included for each item. Percentages may not always add up to 100% because of computer rounding or the acceptance of multiple responses. Additionally, the use of small bases were utilized when aggregating for these categories, making most comparisons ineligible for significance testing.