

STUDENT LOANS AND FINANCIAL STRESS: ONE YEAR LATER

AUGUST 5-7, 2024

Background

In August 2024, NEFE polled a cross-section of U.S. adults who currently have or have had student loans to understand how they, or someone close to them, have been affected by the end of the student loan repayment pause. This poll replicated the questions and a similar sample group from a poll NEFE fielded in July 2023, when Congress passed legislation ending the pause on student loan payments and 0% interest rates on eligible federal student loans, but the change in policy had not been enforced yet. This poll is a follow-up to explore the impact on this population since the pause ended.

Key Findings

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

Overall, 26% of U.S. adults currently have or at some point have had¹ a type of student loan for their own education or for the education of a child, grandchild or other dependent. This includes federal loans (17%), private loans (4%) or both (5%).

- The demographics who are most likely to say they have outstanding loans include those ages 25-34 years old (49%), those ages 18-24 years old (45%) and parents of children under the age of 18 years old (42%).
- More than half of male respondents (59%) and female respondents (58%) say they never had student loans.
- A majority of those who are “very satisfied” with their education currently only have outstanding federal loans (79%), compared to those who currently only have private loans (14%) or who currently have both (16%).

¹ This includes loans which have either been paid off or forgiven.

Which of the following best describes how you have handled your student loans since the pause ended and payments resumed in October 2023?

A total of 29% of respondents say they won't have to pay back some/all of their loan due to it being discharged, cancelled or forgiven. In addition, 28% have standard repayment plans, 26% are in deferment or forbearance², 16% are in an income driven repayment plan, 14% have missed payments and are now delinquent or in default, 8% say they don't know the status of any of their loans, and 4% say they don't know the status of one or more of their loans.

- A higher percentage of males are in a standard repayment plan compared to females (36% vs. 21%).
- There is no difference in political party affiliation among those with loans in deferment or forbearance (Republican: 25%, Democrat: 26% and Independent: 26%).
- Among those who owe >\$50K, 44% are in an income driven repayment plan.
- The percentage of those who are “very unsatisfied” with the education they have outstanding loans—and say that they are currently delinquent or in default—is 27%, while those who aren't currently delinquent or in default is 73%.

Did you make student loan payments during the payment pause and/or since the end of the payment pause? Were your loans forgiven or paid off since the end of the pause?

The poll results state that 47% of borrowers say they made at least some payments during the student loan payment pause (28% say they made every payment and 19% say they made some payments), while 26% say they made no payments. In comparison, 70% of borrowers say they have made at least a few payments since the end of the payment pause, with 37% saying they have made every payment, 21% have made most payments and 12% have made a few payments. In addition, 19% say they have made no payments, 5% have paid off their loans since the end of the pause and 6% say their loans have been forgiven since the end of the pause.

- The same percentage of student loan holders whose ideology is “very conservative” and “very liberal” say they have made every payment since the end of the pause (40%), which is higher than conservative (30%), moderate (23%) and liberal (27%).
- Asian respondents (41%) are the most likely to say they have made every payment since the end of the pause, followed by white respondents (32%), Hispanic respondents (28%), multiracial respondents (27%) and Black respondents (21%)

² Defined as making no or smaller payments on a loan, but interest is still accruing.

- Among those who have had their student loans paid off or forgiven, 54% have at least a bachelor's degree.
- A total of 67% of respondents who say they are "very unsatisfied" with the education they have outstanding loans on say they made no payments during the pause and 45% say they made no payments since the pause ended. In contrast, 56% of those who say they are "very satisfied" with their education say they have made every payment during the pause.
- The percentage of respondents over the age of 45 years old who paid off their loans since the end of the pause is 66%.

Once the pause ended and payments resumed in October 2023, have you needed to make any significant budgetary changes to make your student loan payments?

A majority of respondents whose loans have not been paid off or forgiven (74%) say they have had to make budgetary adjustments to make their payments, with 28% saying they have had to cut up to \$500 from their monthly budgets, 21% between \$501 and \$1,000, 10% saying they had to cut more than \$1,000, and 15% say they needed to make significant changes but do not know how much.

- There are 22% of respondents who say they have not had to make any changes, including 37% who have made no payments since the pause ended.
- The percentage of respondents who say they owe >\$50K in student loans but have not had to make budgetary changes is 17%, compared to respondents who owe <\$10K and have not had to make any budgetary changes (28%), \$10K-\$25K (16%) and \$25K-50K (10%).
- While 79% of employed individuals say they had to make some form of budgetary change to manage their student loan payments, 29% of unemployed respondents say they have had to make no changes to their budgets. Additionally, 26% who make <\$30K say they have not had to make any budgetary adjustments, while 68% of respondents making >\$100K say they have had to make some form of budgetary change.

Which of the following negative impacts related to the student loan payment pause ending, if any, apply to you?

A majority of respondents say the end of the pause has not negatively impacted their life (73%), the life of family and close friends (75%) or the U.S. economy (75%).

- The percentage of respondents who owe >\$50K in student loans and say the pause has not negatively impacted their life is 57%.

- The percentage of respondents who say ending the pause has impacted the U.S. economy increases based on the amount outstanding on their loan balances (Owe <\$10k: 19%; Owe \$10K-\$25K: 36%; Owe \$25K-\$50K: 38%; Owe >\$50K: 48%).
- Asian respondents (82%) were the most likely to say the pause has not negatively impacted the U.S. economy, followed by white respondents (75%) and Black respondents (72%).

Regardless of political affiliation, do you feel the impact of student loans on finances must be a major platform consideration from any/all candidates in the presidential election this fall? Are you aware of any actions taken by the government against your loan servicer over the past year?

A majority of respondents (64%), regardless of political affiliation, say they feel the impact of student loans on finances must be a major platform consideration from presidential candidates this fall, including 59% of Republicans, 74% of Democrats and 56% of Independents.

- The age groups most likely to say this should be a major platform consideration are those ages 18-24 years old (80%) and 25-34 years old (70%), followed by 35-49 year olds (63%), 65+ (57%) and 50-64 year olds (50%).
- A majority of both Hispanic and non-Hispanic respondents (74% and 62%) say that this issue should be a major platform consideration.
- Among student loan borrowers, 27% say they are aware of actions taken by the government against their loan servicer in the past year.

Taking the end of the student loan repayment pause into consideration, what is your attitude toward pursuing additional education?

Overall, 31% of those with outstanding loans say they are currently less likely to pursue additional education, 19% say they are more likely, 14% say they will pursue additional education but at a less expensive institution, and 29% say they have completed all the education they intend to take.

- The percentage of respondents who are age 65+ and say they have not completed all the education they intend to is 31%, but 10% of that age group are less likely to pursue this since the end of the payment pause and 9% are more likely to pursue it.
- A higher percentage of full-time employees are less likely to pursue further education since the end of the payment pause, compared to more likely (34% vs. 27%).

How would you describe the communications you receive from your loan servicer?

For 50% of borrowers, communications from loan servicers are “good” or “excellent,” with 26% saying their loan servicer provides “fair” communications and 12% describing the communications as “poor.”

- Respondents who say they are “very satisfied” with their education (52%) and those who say they are “very conservative” (44%) are the most likely to say communications have been “excellent.” Those who are “very unsatisfied” with their education are the most likely to say communications have been “poor” (33%), compared to respondents who say they are “very satisfied” (5%) or “somewhat satisfied” (7%) with their education.
- Among those who are unsure about the status of one or more of their loans, 45% say their loan servicers have not communicated with them, 26% say their loan servicers have communicated with them and 29% are not sure.
- Among those with one or more loans in deferment or forbearance, 37% say they were automatically entered into that status, 45% made their own decision to go into deferment or forbearance and 13% say both happened.

Full Methodology

SurveyUSA interviewed 1,950 U.S. adults online from August 5-7, 2024, using nonprobability sample of adult online panelists provided by Lucid Holdings, LLC, of New Orleans. Of the adults, 813 were identified as having currently having or having had student loan debt and were asked the substantive questions which precede. The pool of adult respondents was weighted to U.S. Census ACS targets for gender, age, race, education and home ownership, and to recall their 2020 presidential vote.

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.