



Student Loan Borrowers Unaware of What They're Getting into

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MoneyRates.com surveys Americans on college debt

Foster City, CA: March 31, 2020 – Now more than ever, those with student loan debt may be worrying about how to make payments or land a job after graduation so they can make those payments. Although there is some federal student loan relief in the wake of the COVID-19 crisis, young adults face a severe reality. Unfortunately, a [survey released by MoneyRates.com](#) suggests borrowers don't even know what they are getting into as they start down the path. The personal finance site polled Americans on the following questions:

How much college and/or grad school debt do you have (or expect to have)?

- Will eventually exceed \$70,000:
 - 6.5% of 18 to 24 year-olds
 - 10.14% of 25 to 34 year-olds
 - 13.26% of 35 to 44 year-olds

Only 6.5% of the undergrad-aged demographic think they'll end up with more than \$70,000 in student loan debt. But 13.26% of students aged 35 to 44 years expect to exceed \$70,000 in student loan debt.

The results suggest twice as many people end up \$70,000 or more in student loan debt than originally expected to reach that figure.

"The numbers indicate people often start borrowing for college without a clear idea of what they are getting into, but borrowing for college can have a lifelong financial impact," says Richard Barrington, a Senior Financial Analyst for the banking site.

What will you spend less on in order to pay your college/grad school debt?

- More than one in five respondents say it will mean saving less for retirement (22.7%)
- Entertainment is the area most borrowers say will suffer (27.7%)
- Many think it will mean spending less on housing (16.6%)

This helps explain why the rate of home ownership among millennials is less than what it was for baby boomers and Generation X when they were a similar age. "It's important for students to prepare for the long-term impacts of student loan debt by taking steps to minimize it," explains Barrington. "Borrowers should review repayment schedules before signing on the dotted line and look ahead at the total amount of debt it will take to get a degree instead of focusing on year-by-year borrowing."

Methodology

The study was conducted through Google Surveys on behalf of MoneyRates.com with respondents in the United States of ages 18-54.

To view the full methodology and article in full, visit [College Debt Survey: Students Don't Know What They're Getting Into](#)

Barrington is available for comment and can offer strategies to navigate student loan debt, especially during times of crisis like the coronavirus pandemic. He has more than 30 years of experience in the financial industry and is an expert on student loan debt, retirement and numerous other personal finance topics.

Additional Resources:

[When Student Loans Become your Mid-life Crisis](#)
[Not Paying Student Loans - Here's What to Expect](#)
[Best Savings Accounts](#)

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