



Nearly Half of Borrowers Believe Student Loan Debt is a National Crisis and the Government Hasn't Done Enough

56% of Americans believe that the higher education costs have gotten out of hand

NEW YORK - August 17, 2023 - Among Americans who have taken out student loans to fund their education and are still paying them off, nearly half (48%) believe student loan debt is a national crisis according to a new Bankrate report. Additionally, 48% of those with student loan debt say the federal government has not done enough to provide financial assistance (i.e., forgiveness, deferment, etc.) to borrowers. Click here for more information:

<https://www.bankrate.com/loans/student-loans/borrowers-want-more-government-assistance/>

Overall, nearly a third of Americans (32%) say student loan debt is a national crisis. More than 1 in 4 (27%) who have never had student loan debt also agree that it is a national crisis, as do 34% who had student loan debt but no longer do.

“Student loan debt is a double-edged sword, and it can be equal parts rewarding and costly. On the one hand, higher education bolsters Americans’ earnings opportunities — helping them compete for better-paying jobs and remain employed during recessions,” said Bankrate Analyst Sarah Foster. “But on the other hand, there are opportunity costs of that debt. It means the price of taking out a loan for college can be even greater than the original, principal amount. Frequently finding it harder to save for emergencies, retirement and home-buying, Americans may feel like their student loan debt is keeping them from getting their life started.”

In terms of the federal government’s role when it comes to student loan debt, about 1 in 3 Americans (31%) say the government hasn’t done enough to provide borrowers with financial assistance. Gen X borrowers (ages 43-58) are most likely (59%) to agree that the federal government has not done enough to provide financial assistance to borrowers, compared to 47% of millennial borrowers (ages 27-42) and 40% of Gen Z borrowers (ages 18-26).

On the contrary, just 10% of current borrowers and 17% of Americans overall say the government has done too much to provide financial assistance to borrowers, while only 12% of Americans say it's done enough. Those who have already paid off their student loans are more likely (20%) to say the government has provided too much assistance than current borrowers (10%) and those who have never had debt (18%). Additionally, baby boomers (ages 59-77) are most likely (22%) to say the government has done too much, compared to 16% of Gen Xers, 14% of millennials, and 12% of Gen Zers.

Regardless of whether borrowers and non-borrowers believe the government has done enough to financially assist student loan borrowers, 56% of Americans overall believe that higher education costs have gotten out of hand. This was also more common among older generations, with 67% of baby boomers and 61% of Gen Xers agreeing that higher education costs have gotten out of hand compared to millennials (45%) and Gen Z (43%).

Similarly, more than 2 in 5 Americans (44%) say that students are not educated enough about the financial implications of taking out student loans before they borrow for their education. Boomers (50%) are more likely to feel this way than Gen Xers (45%), millennials (39%) and Gen Zers (38%). Nearly half of current borrowers (47%) agree that students are not educated enough about the financial implications of taking on student loan debt, compared to 49% who no longer have debt, and 42% who have never had debt.

Overall, just 30% of Americans believe that borrowers should be responsible for repaying their loans in full. Older generations (43% of baby boomers and 31% of Gen X) are more likely to believe that borrowers should be responsible for repaying their loans in full compared to younger generations (20% of millennials and 18% of Gen Z). Additionally, a third who have never had student loan debt (33%) agree that borrowers should be fully responsible for their debt, compared to a third who had student loan debt but no longer do (33%), and just 15% of current borrowers.

Foster adds, "If you're a student loan borrower who feels like you're out of options as the key repayment deadline approaches, the sooner you get started on figuring out your game plan, the better."

Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 3,684 U.S. adults, of whom 1,400 have ever had a student loan and 588 currently have student loan debt. Fieldwork was undertaken on June 12-15, 2023. The survey was carried out online and meets rigorous

quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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