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Roughly 7 in 10 Gen Z, Millennial Student Loan Borrowers Delayed a Major Financial Decision as a Result of This Debt

More than half of graduates believe higher education unlocked career opportunities and earning potential

NEW YORK – April 20, 2022 – Seventy-four percent of Gen Zers (ages 18-25) and 68% of millennials (ages 26-41) who took on student loan debt for their own education delayed a major financial decision as a result of this debt, according to a new Bankrate.com report. This includes things like saving for emergencies, saving for retirement, paying off debt, buying/leasing a car, buying a house, and more. Despite this, more than half of each generation’s borrowers who graduated feel their higher education unlocked career opportunities and/or earning potential that they would not have otherwise had (57% Gen Z, 59% millennials). Click here for more information:

<https://www.bankrate.com/loans/student-loans/financial-milestone-survey-2022/>

The likelihood of delaying at least one financial decision is much higher for younger generations than their older counterparts. Individually, Gen Zers and millennials who have/had student loan debt for their own education are much more inclined to have put off things like getting married, having children, and to a lesser extent, buying a house.

	Gen Z (ages 18-25)	Millennials (ages 26-41)	Gen X (ages 42-57)	Baby Boomers (ages 58-76)	Overall
Saving for emergencies	25%	31%	28%	23%	27%
Saving for retirement	26%	28%	26%	22%	26%
Paying off other debt	21%	25%	24%	24%	24%
Buying a house	25%	30%	22%	12%	23%
Buying/leasing a car	28%	25%	16%	15%	21%
Having children	23%	19%	9%	2%	13%
Getting married	18%	15%	6%	2%	10%
Some other significant financial decision	1%	3%	4%	3%	3%
Have not delayed any significant financial decisions	26%	32%	46%	58%	41%

Geographically, borrowers living in the West (67%) and Northeast (64%) are more likely to have delayed at least one major financial decision than those in the South (57%) or Midwest (51%). Westerners are the most likely to have delayed buying a house (28%), while those in the Northeast are most likely to have put off saving for emergencies (33%). Northeasterners are also more likely than other geographic regions to have delayed getting married (16%).

While many student loan borrowers have delayed financial decisions, most graduates (59%) say their high education improved their career opportunities and/or earning potential. This includes 35% who say it greatly opened up opportunities and 24% who say it somewhat helped. By contrast, 35% indicate it did not have much (17%) or any (19%) impact on their job opportunities/earning potential, and 6% don't know.

“Savings is the biggest casualty of servicing student loan debt, as saving for emergencies and saving for retirement top the list of financial decisions most often delayed as a result of student loan debt,” said Bankrate.com chief financial analyst Greg McBride, CFA. “However, 59% of those that have borrowed and graduated say the education has had a positive impact on their earning potential or job opportunities, so while saving might be delayed, for many it will result in a greater ability to save in the long run.”

Furthermore, just 10% of those who have had student loan debt for their own education indicate that they would not have pursued higher education with the benefit of hindsight. However, more than half (59%) would have still attended but done something differently, including applying for more scholarships (23%), working or working more while they were in school (20%), getting a degree in a different field (19%), attending a cheaper school (17%), going to community college (15%), or something else (5%). More than 3 in 10 (31%) would not have done anything differently.

Younger generations are more likely to have regrets. Just 15% of Gen Z and 23% of millennial borrowers would not have done anything differently in hindsight compared to 34% of Gen X and 48% of baby boomers. Some standout changes that both younger generations are more likely to wish they made include working or working more while in school (27% for Gen Z and 24% for millennials vs. 18% for Gen X and 12% for boomers), getting a degree in a different field (23% for both younger generations vs. 18% and 13%, respectively), attending a cheaper school (23% and 22% vs. 15% and 9%), and going to community college (20% and 19% vs. 13% and 8%).

With continued federal student loan deferment offering payment relief to borrowers, nearly three-in-four (74%) current borrowers who qualify for this assistance said prior to the latest extension that pushing the deadline back would have a positive impact on their personal finances (49% very positive and 25% somewhat positive). Another 18% said it would have no impact, and 8% indicated it would have a negative impact.

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 3,939 adults, among whom 1,442 have, or had, student loan debt for their own education. Fieldwork was undertaken on March 29 – April 1,

2022. 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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