



STUDENT LOAN DEBT IN CALIFORNIA: SURVEY OF CURRENT AND FORMER STUDENT BORROWERS

Methodology

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- California Student Debt Holders
- Total N=657 Latino current California residents with student debt
 - N=327 current students taking out student loans
 - 44% 2-yr schools, 44% undergraduate 4-yr college, 10% grad/professional students
 - N=325 former students who currently owe on student loans
- Field Dates: August 22 – September 2, 2020
- English or Spanish, according to preference
- Blended sample, online and live telephone interviews
- Content: Pandemic impact on economic circumstances and college plans, concern about student loan debt

Student Borrower Segments and Loan Types

Current Students Classification (N=327)		Former Students Educational Attainment (N=325)	
Freshman / first year	16%	Did not finish / no degree	33%
Sophomore / second year	28%	Associate or 2-year degree	23%
Junior / third year	17%	4-year undergraduate degree	27%
Senior / fourth year or more	24%	Post-graduate degree	17%
Graduate or professional school	15%		
Current Students Loans		Former Students Loans	
Federal subsidized	51%	Federal subsidized	48%
Federal unsubsidized	40%	Federal unsubsidized	43%
Federal Parent Loan	33%	Federal Parent Loan	19%
Private Loan	33%	Private Loan	24%

Participant Demographic Profile

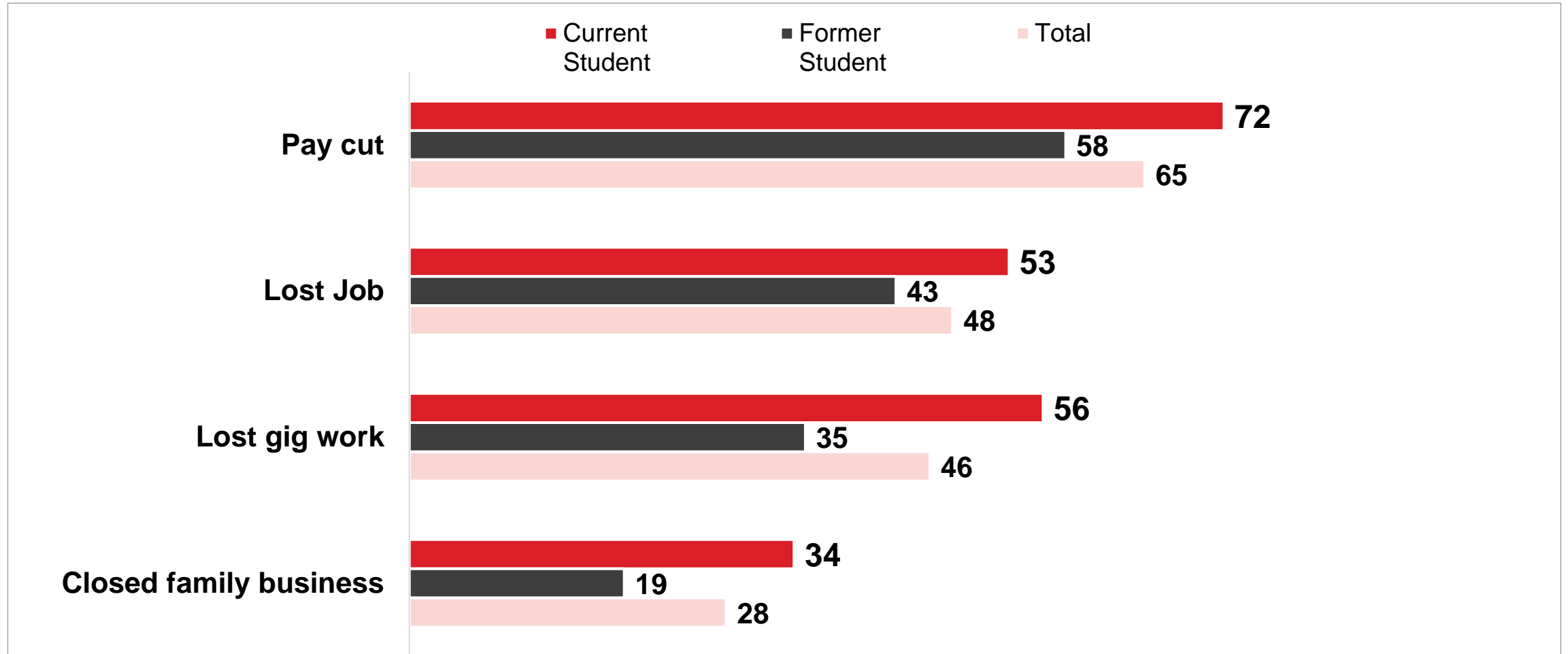
	Current Student	Former Student	Total		Current Student	Former Student	Total
Gender				Preferred Ethnic Identifier			
Women	56	55	55	Hispanic	60	48	54
Men	44	45	45	Latino or Latina	26	34	30
Age				No preference	6	8	7
18 - 29 years	76	45	61	Latinx	5	5	5
30 - 39 years	21	40	30	Something else	2	5	4
40 - 59 years	3	12	8	Survey language			
60+ years	0	3	2	Spanish	20	25	22
Household income				English	80	75	78
Less than \$25k	27	20	23	Nativity			
\$25k to \$49k	26	30	28	U.S. Born	79	80	79
\$50k to \$74k	16	20	18	Foreign Born	21	20	20
\$75k to \$99k	16	10	13	Origin			
\$100k or more	8	12	10	Mexico	73	70	72
Don't know	7	8	8	Central America	11	16	14
Parent Educational Attainment				South America	11	9	10
One / both college graduate	36	39	33	Puerto Rico	3	2	2
Neither college graduate	64	61	67	Other Latino origin	2	3	2

JOB AND INCOME LOSSES AMONG STUDENTS AND FORMER STUDENTS



Job and Income Losses

(Since March of this year, have you or [your parents / someone in your household] experienced any of the following: % yes illustrated)

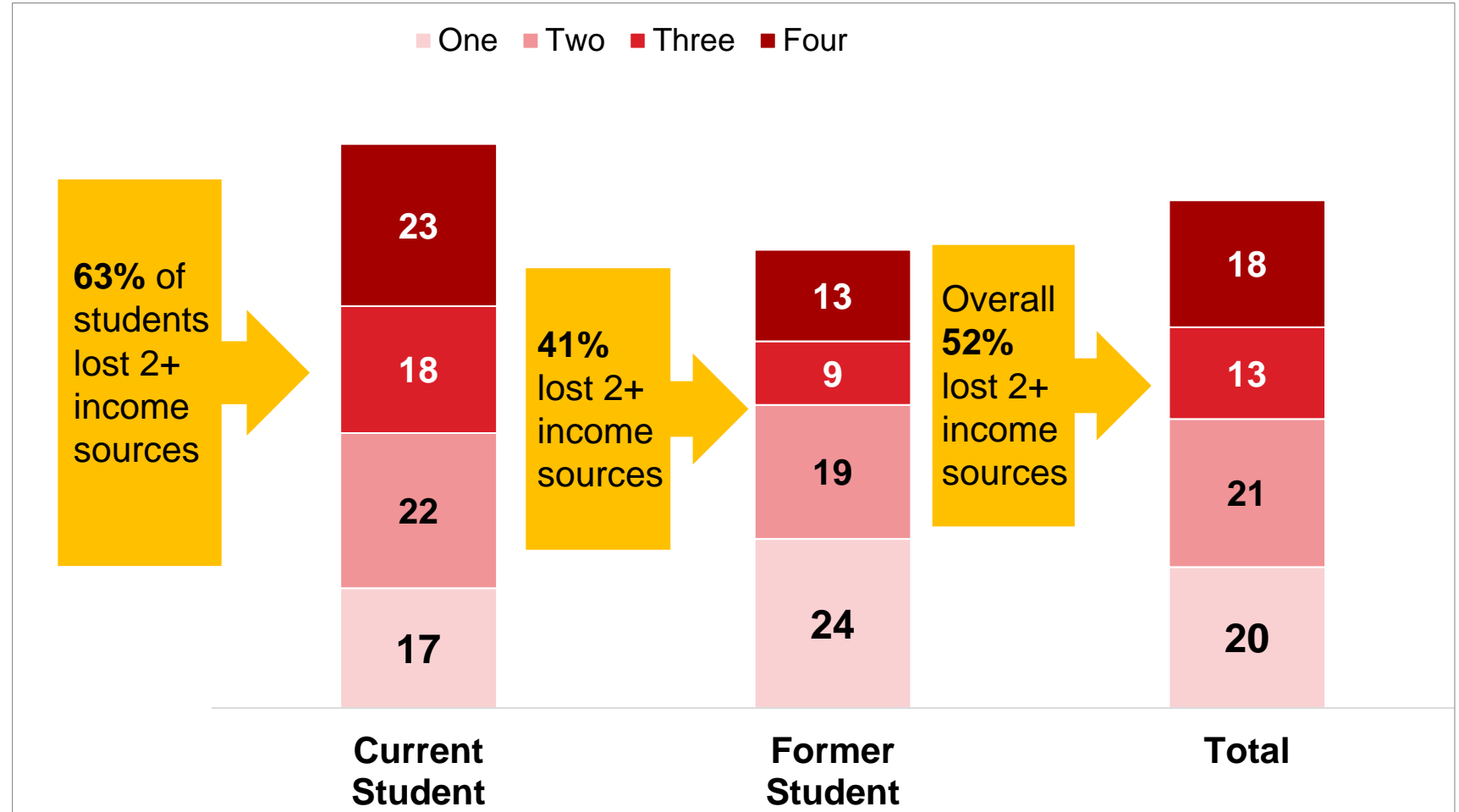


Number of Income Sources Lost

(Total number of income sources lost within household since March 2020: job loss, pay cut, gig work, family/self owned business closed)

Most Latinos that hold student debt in California took a COMBINATION of hits to their income: a job loss, pay cut, closed a business, and/or lost gig/contract work.

Among current students 63% lost two or more sources of income. Among former students 41% of their households lost two or more income sources.

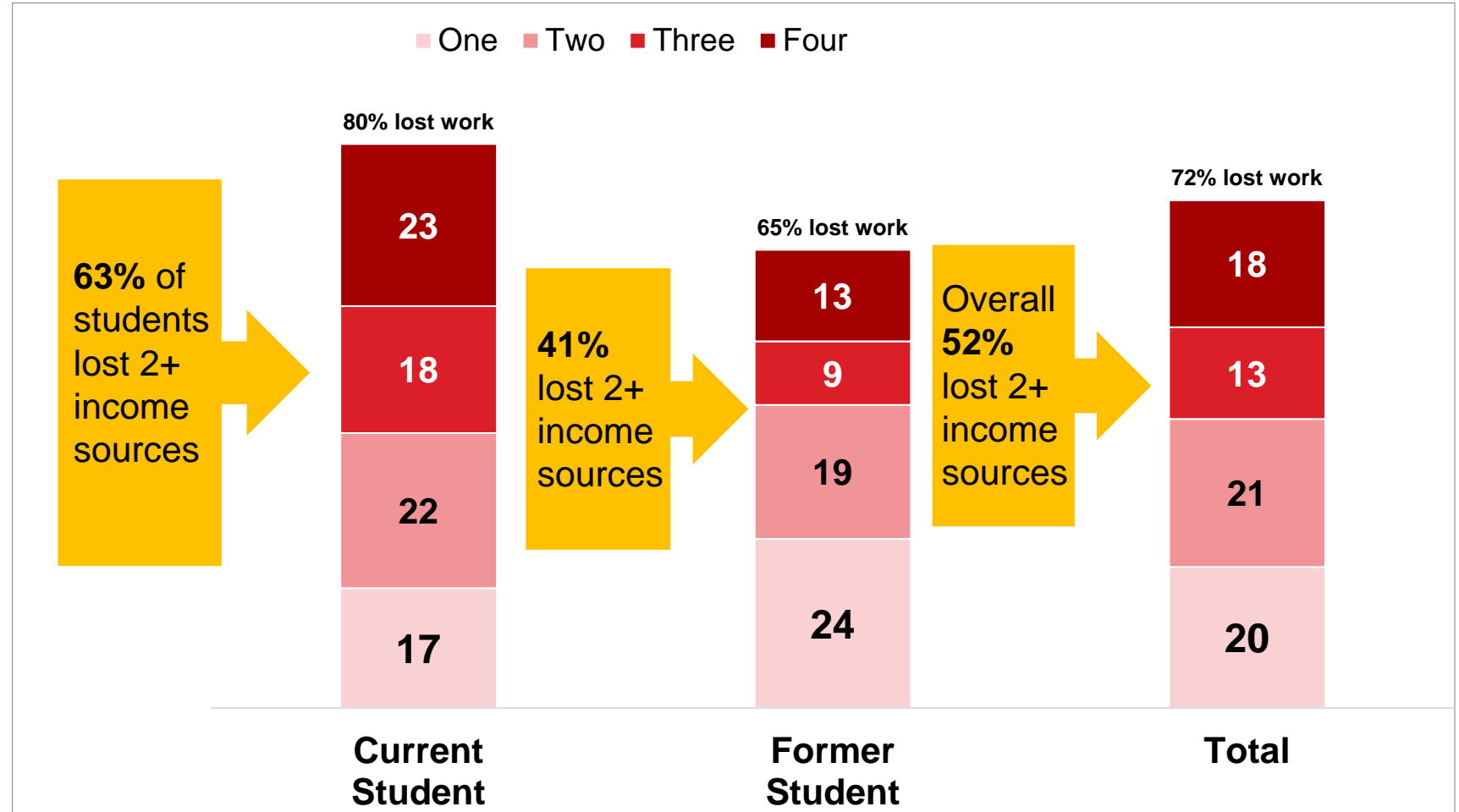


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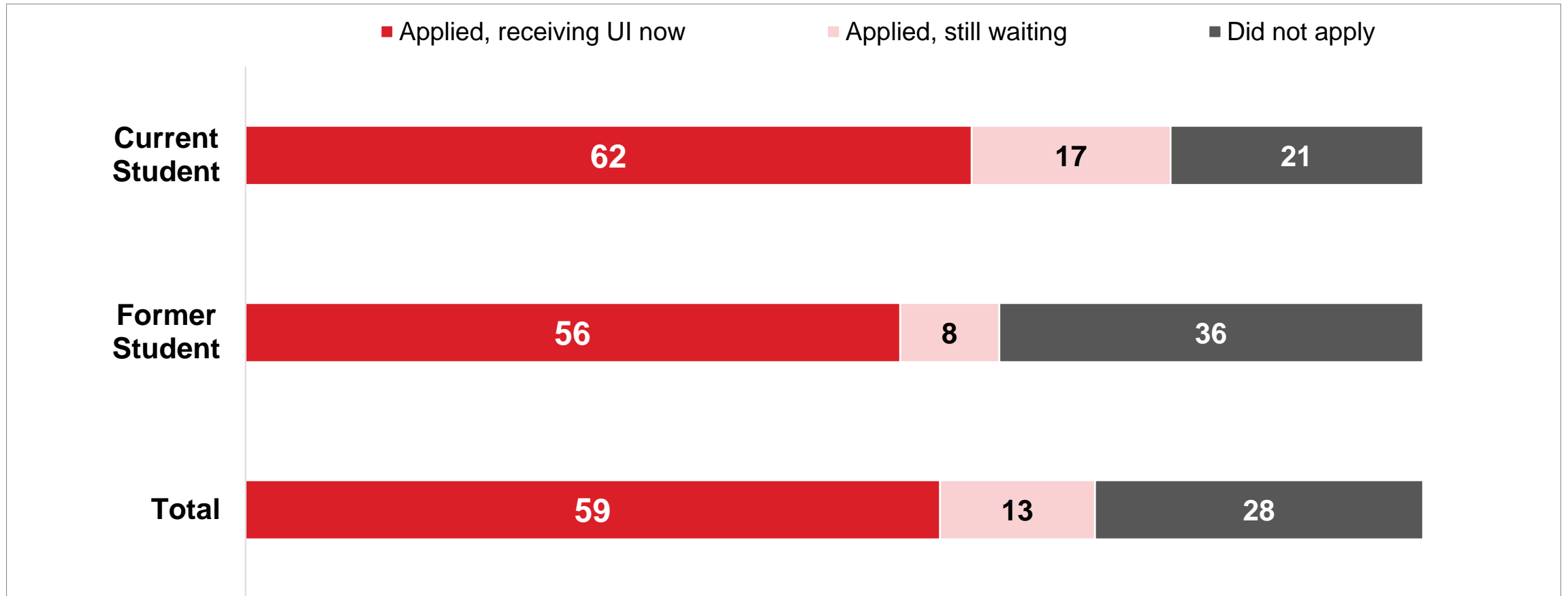
Most Latinos that hold student debt in California took a COMBINATION of hits to their income: a job loss, pay cut, closed a business, and/or lost gig/contract work.

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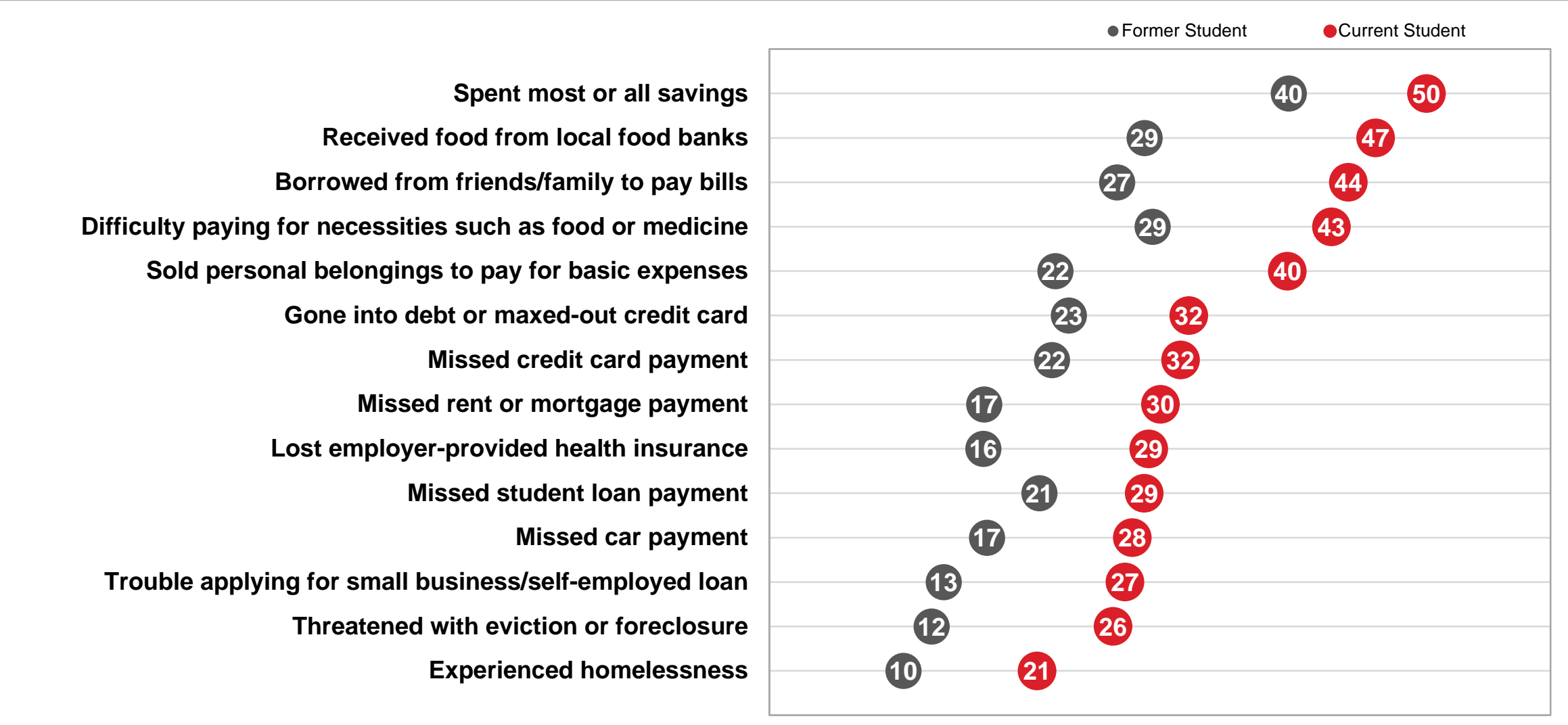
The majority of borrowers who lost jobs applied for UI benefits, but more than one-third of former students did not apply

(After your recent job or income loss, did you apply for and receive unemployment insurance benefits?)



Multiple and Severe Financial Stresses, More Difficult for Students

(Please indicate whether any of the following apply to you/ household due to job and/or income loss since March 2020. % yes responses illustrated)



CURRENT STUDENTS: PAYING FOR COLLEGE AND PANDEMIC IMPACT



Current Students: Student Debt to Date

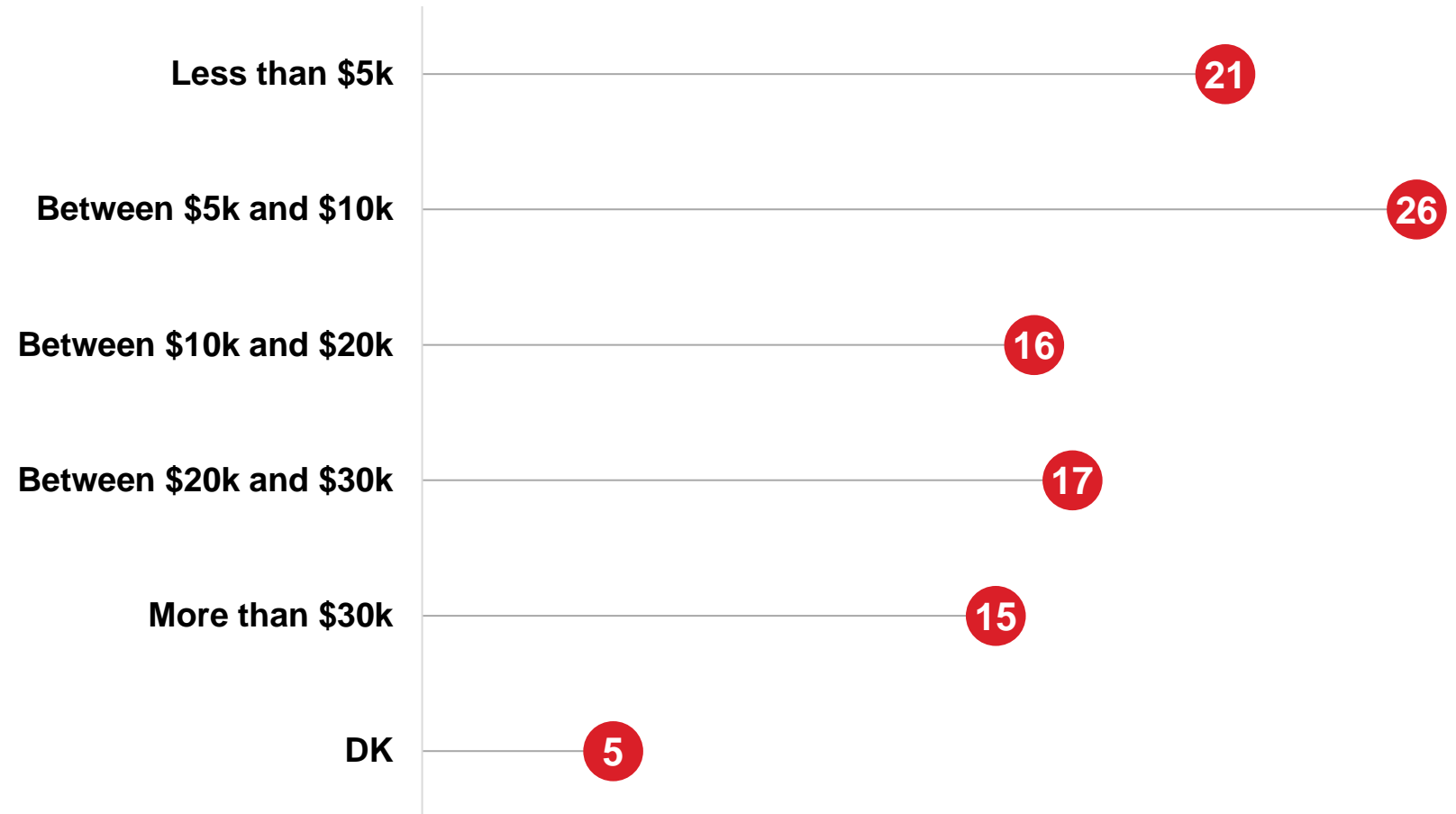
(Up to this point, how much have you borrowed for your college education?).

47% of Latino students carrying student debt have borrowed \$10,000 or less to date.

16% are between \$10k and \$20k in debt.

Nearly one third (32%) have \$20,000 or more in student loans.

More advanced students (seniors, graduate students) hold more debt.



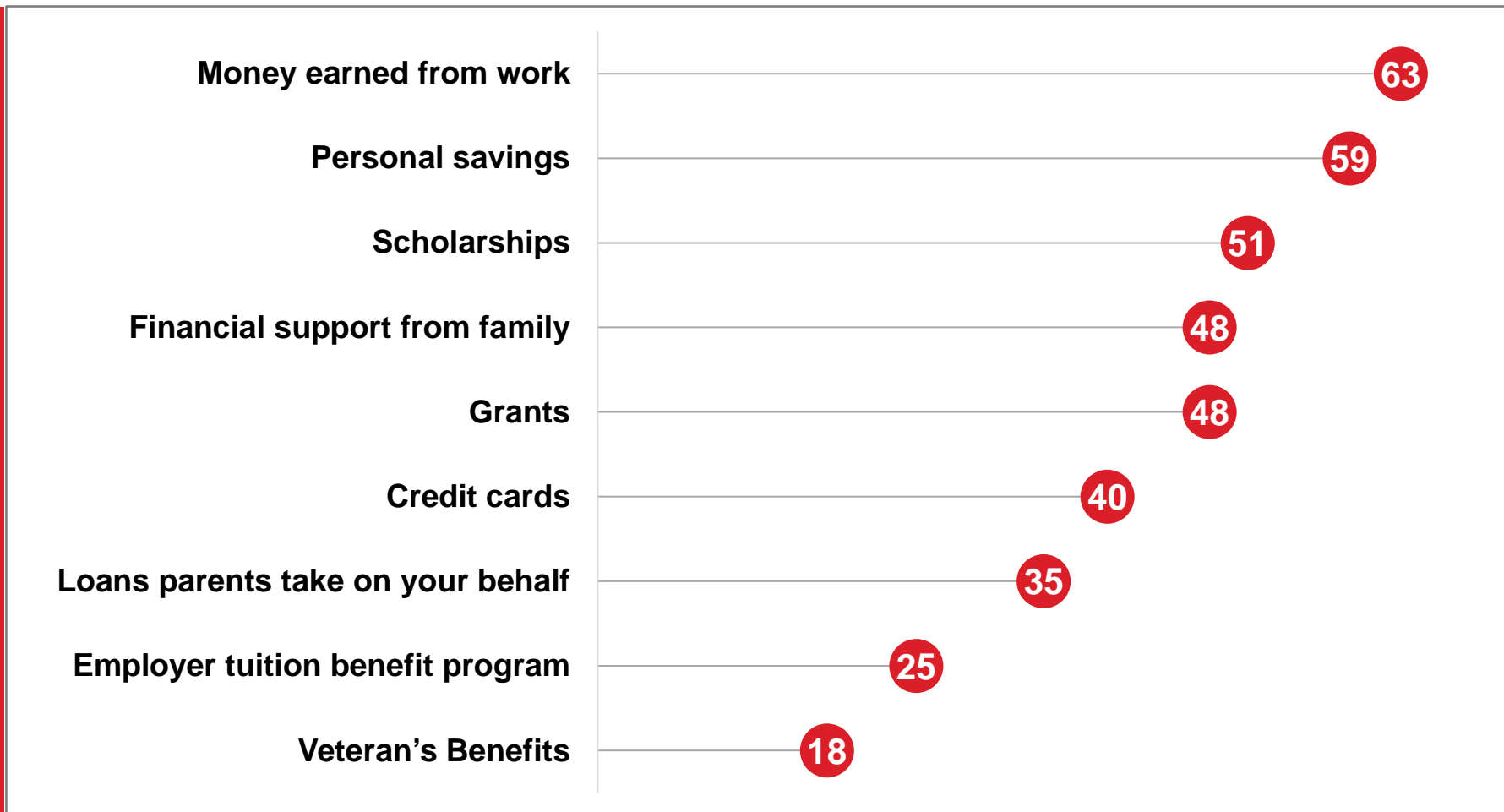
Current Students: Paying for College

(Besides student loans, which sources have you used to pay for college? % yes illustrated)

Other than student loans, Latinos are most commonly paying for college with money earned from work (63%), personal savings (59%), and scholarships (51%).

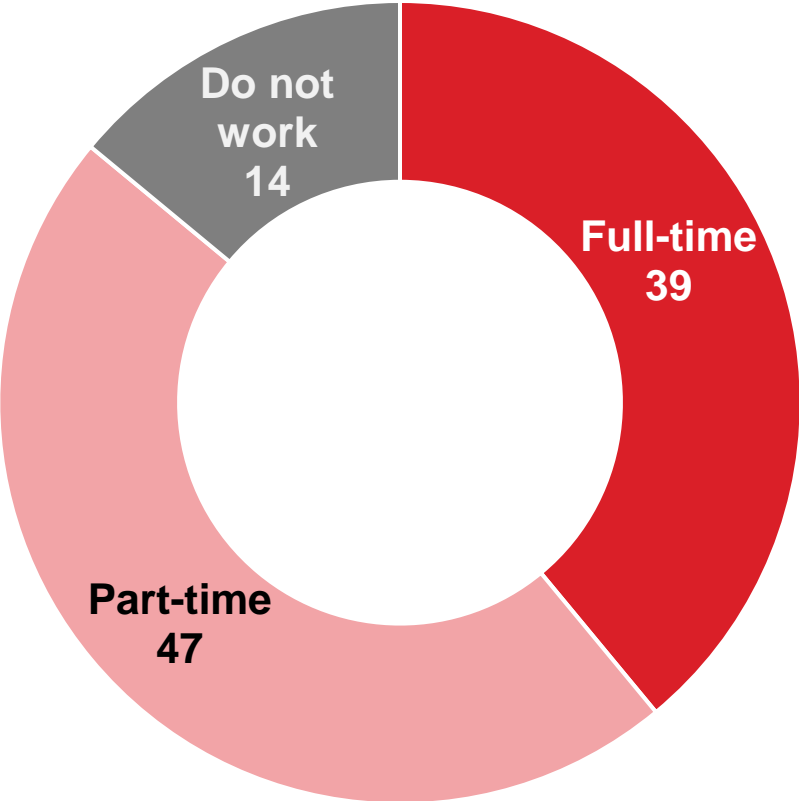
Just under half rely on money from the parents (48%) and grants (48%) to help fund their education.

40% use credit cards to pay for college.

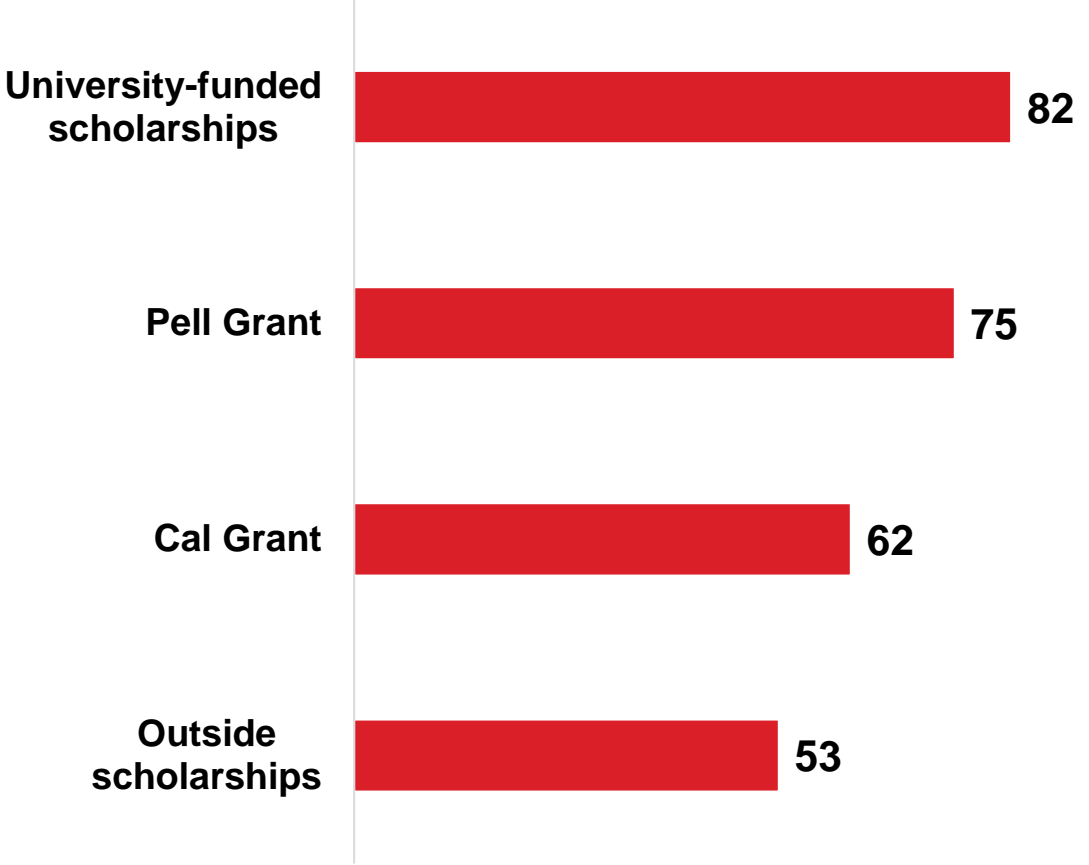


Current Students: Jobs, Scholarships and Grants

During the school year, do you usually work:



Have you ever received any of the following types of grants? (% yes illustrated)



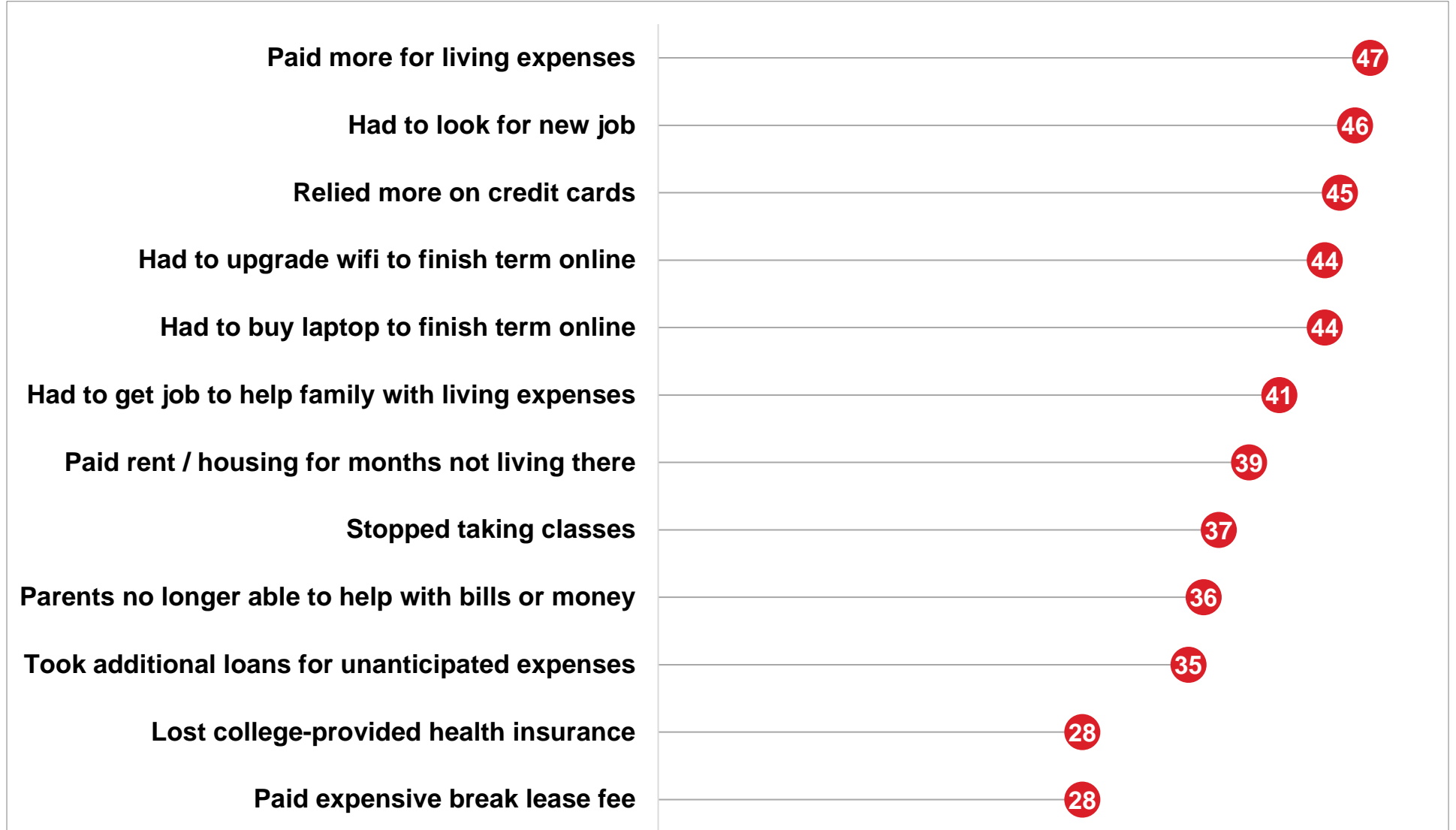
Pandemic Impact: Economic, Academic and Personal

(Which of the following have been true for you at any point since March 2020? % yes illustrated)

Campus closings posed significant economic stress on students, including moving costs (47%), necessary technology/equipment (44%), and helping their families with basic living expenses (41%).

To cover all these unanticipated expenses, 47% looked for work, 45% charged more on their credit cards, and 35% took out additional loans.

37% stopped taking classes altogether.

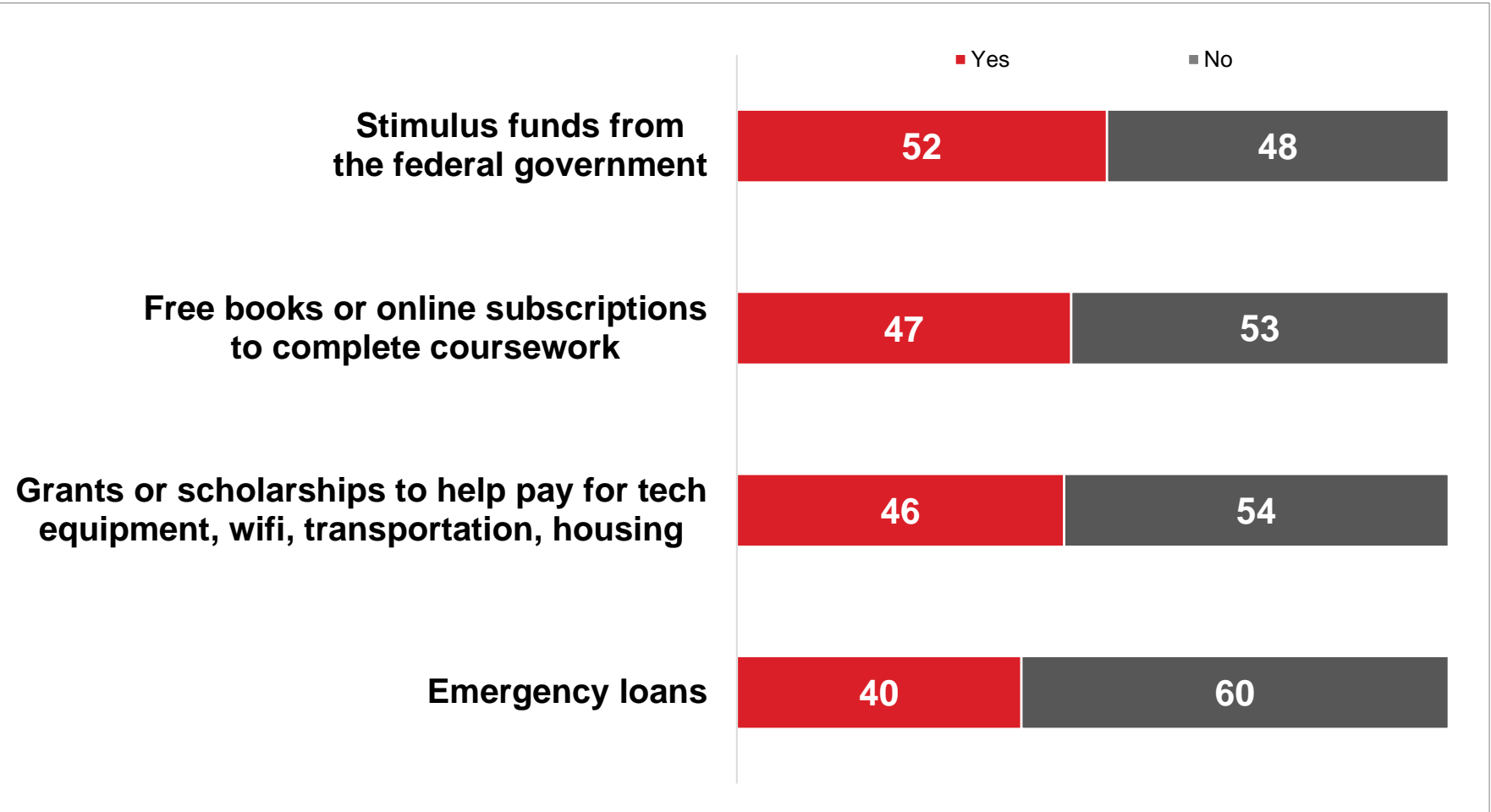


Colleges Offered Limited Support

(To help with expenses related to your school year being disrupted by the pandemic, did your college or university offer you/your family:)

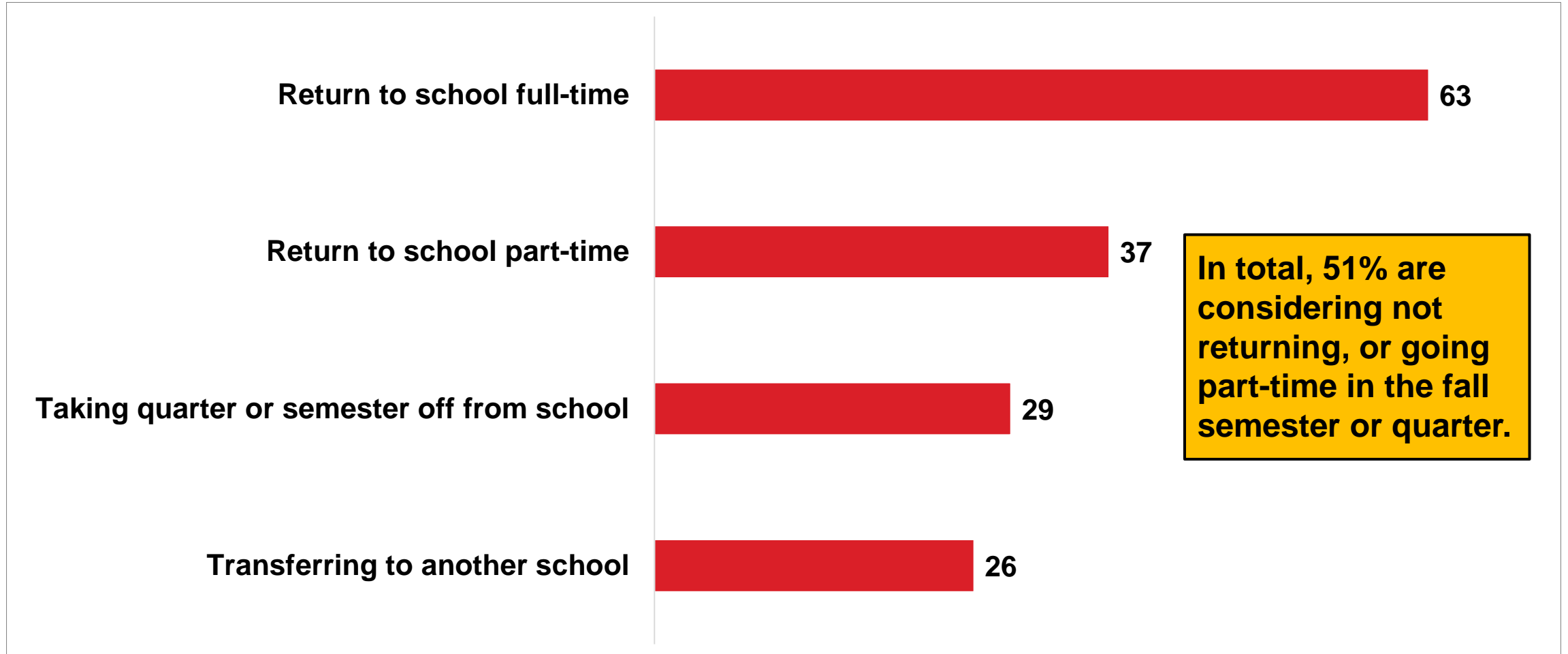
Stimulus funds from the federal government were the most common form of assistance colleges offered Latino student borrowers in California. Even then, nearly half (48%) were not given such support.

A sizeable minority (between 40 and 47 percent) were offered other types of support including small grants and emergency loans, but most (60 to 53 percent) were not given those options.



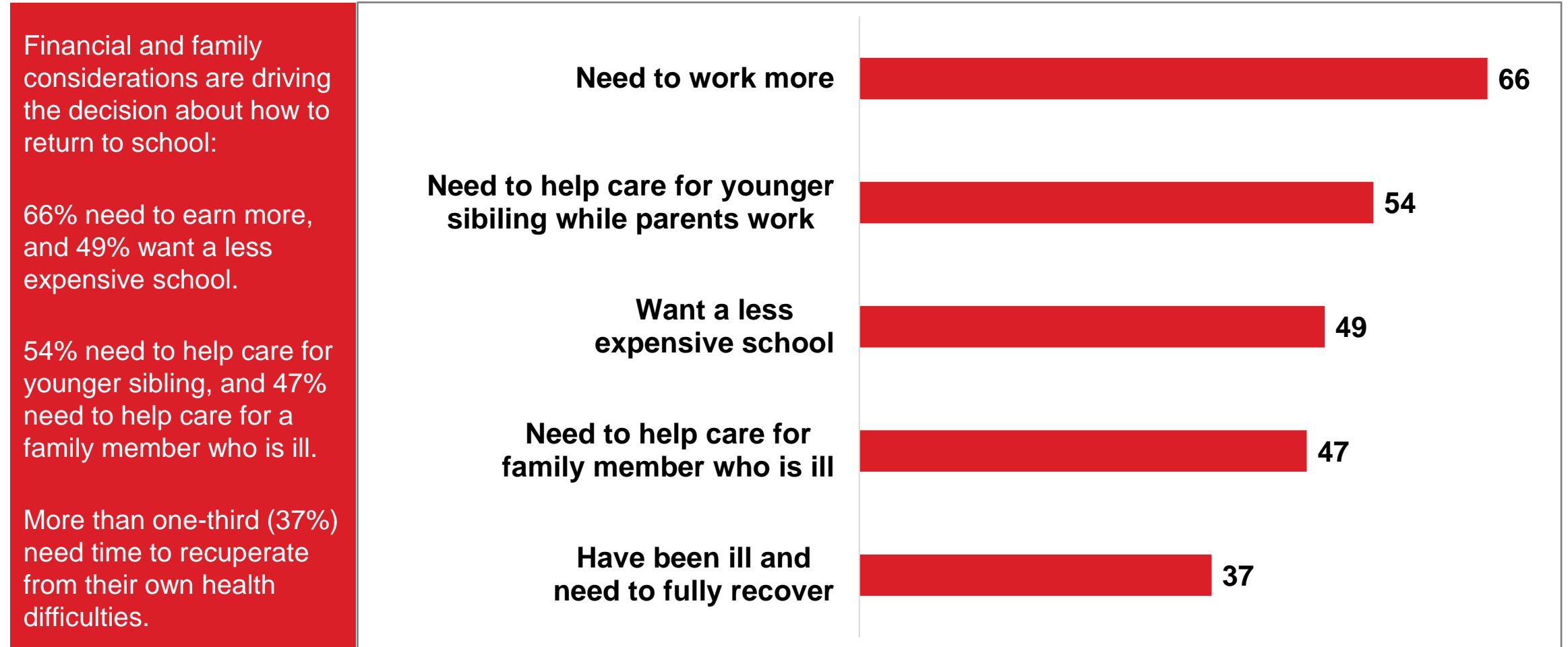
Plans for Fall Academic Quarter/Semester

(Which of these are you considering for the fall quarter or semester? % yes illustrated)



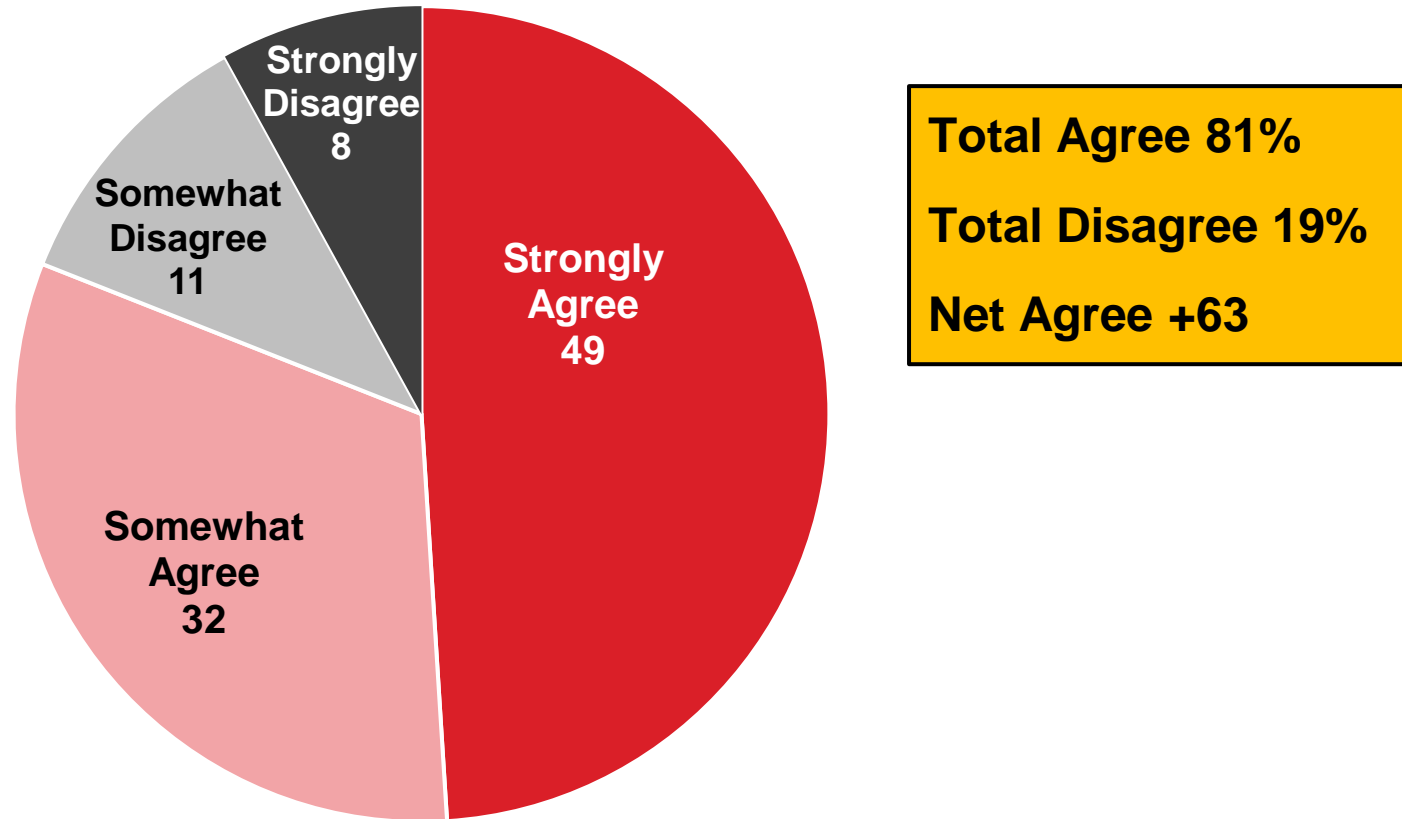
Key Factors in Return-to-School Decisions

([Among those considering part-time, transfer, or time off] Which of the following are reasons you are considering part-time, transferring, or taking time off from school? % yes illustrated)



More than 80% worried about paying off student debt

(Do you agree or disagree with the following statement: I am worried about my ability to pay off student loan debt when I finish college.)



FORMER STUDENTS:
STUDENT DEBT,
INFORMATION ON RELIEF POLICIES



Former Students: College Debt

In total, how much did you borrow for your college education?



In total, how much do you owe today on your student debt?



Former Students: Information about federal student loan temporary payment and interest relief

A large majority (68%) did know about the temporary payment relief, and a smaller majority (53%) knew about the 0% temporary interest rate.

There are important information gaps to note:

52% heard about both payment and interest relief

17% heard about about only one of the two (either payment relief or temporary zero interest).

31% had not heard about either policy.

Over the past few months, did you hear or read that due to the COVID-19 national emergency, federal student loan borrowers do not have to make payments until September 30, 2020?



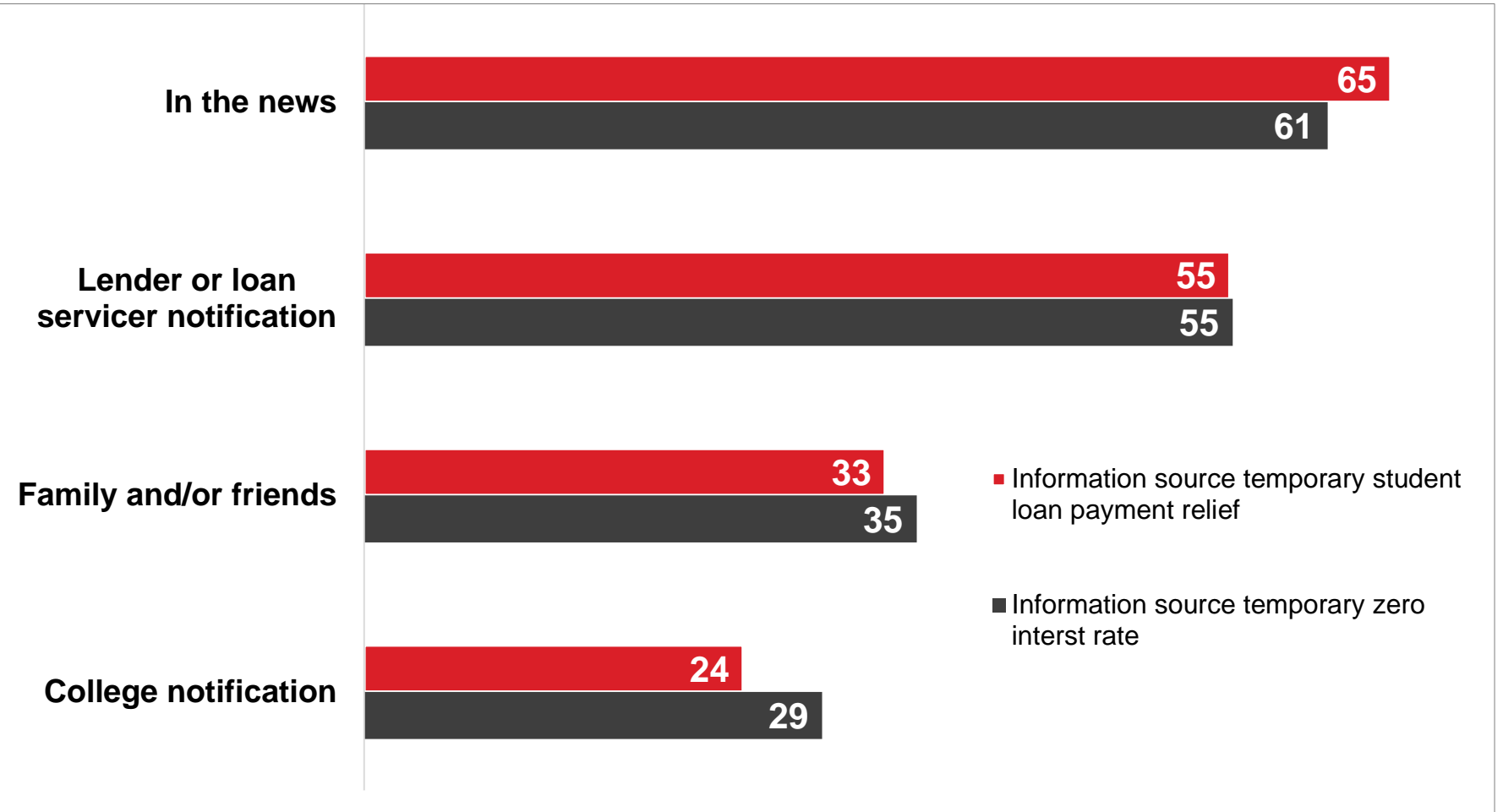
Over the past few months, did you hear or read that due to the COVID-19 national emergency, a temporary 0% interest rate is set on federal student loans until Sept. 30, 2020?



Former Students: Information about federal student loan temporary payment and interest relief

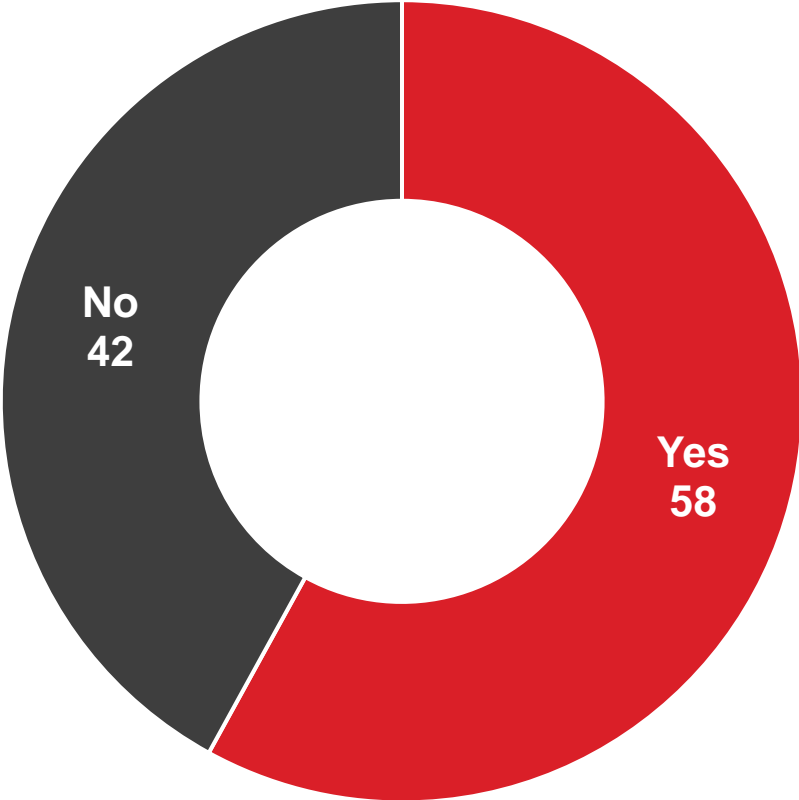
Among those who knew about the temporary payment relief option and the temporary 0% interest on federal student loans, the vast majority heard about it from news sources (65% and 61% respectively), and more than half were notified by their lender (55%).

Only 45% said they had been notified that payment and interest relief will expire on September 30th.

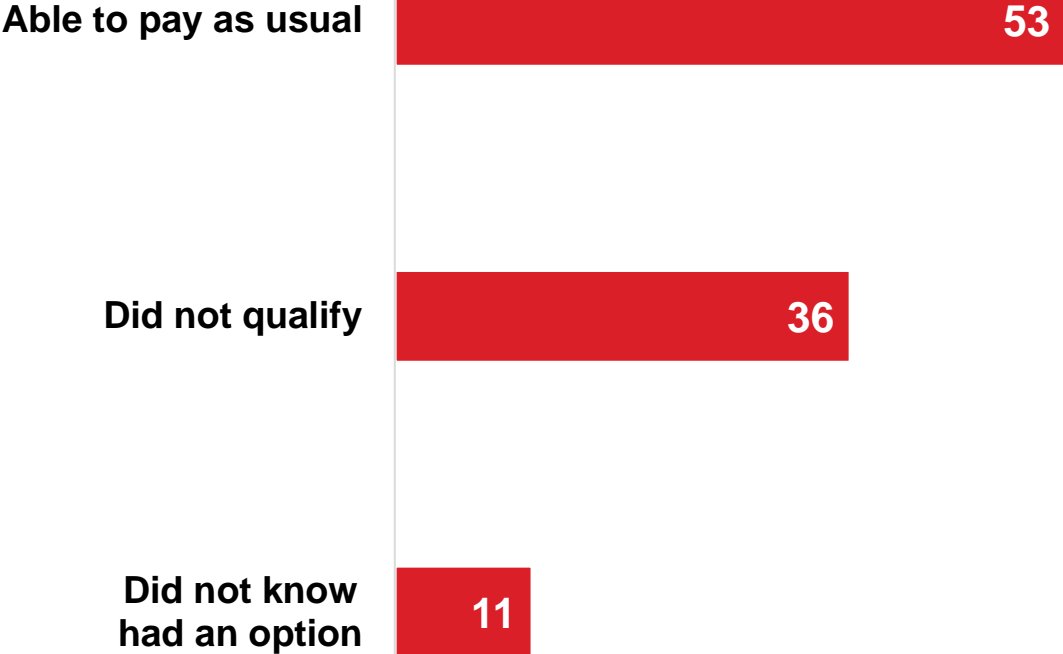


Former Students: College Loan Payment Relief

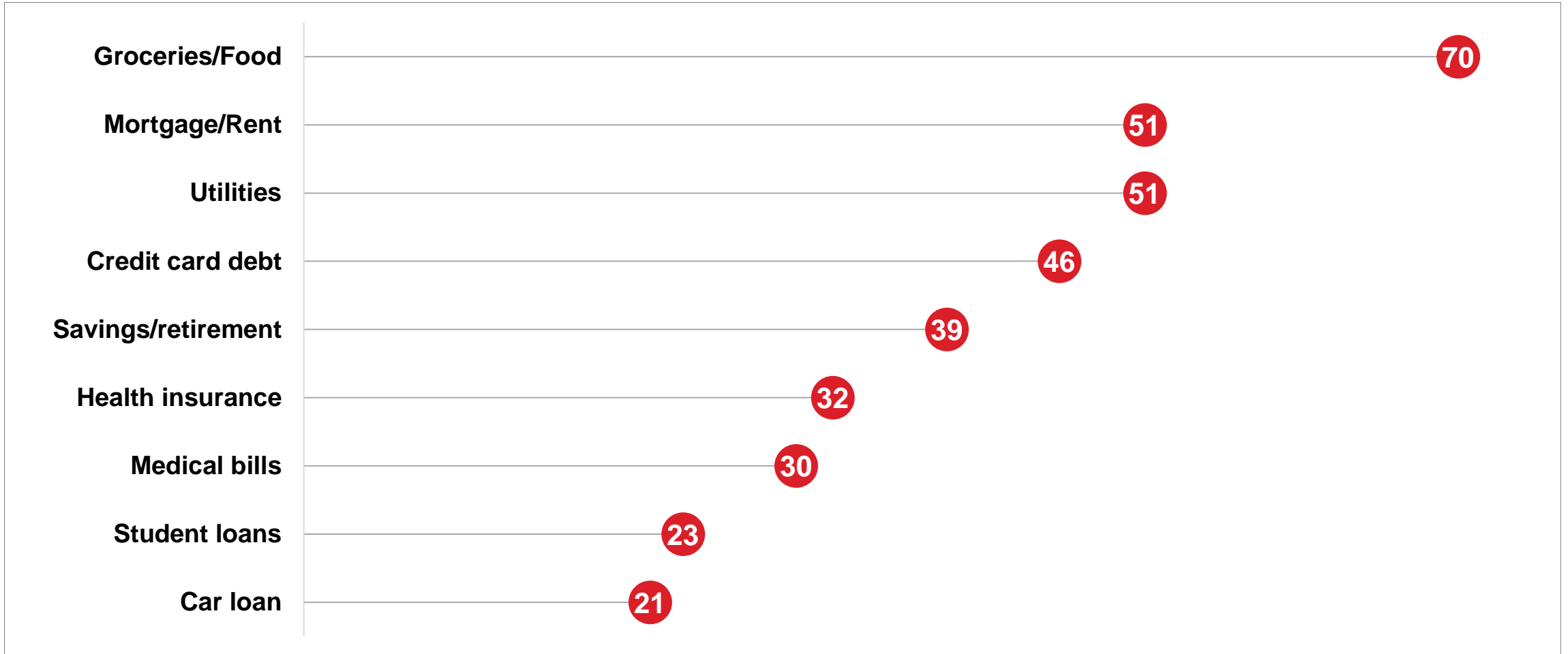
Have you stopped making student loan payments for now?



[Among those still paying on loans] Why have you continued to make payments on your student loan debt?

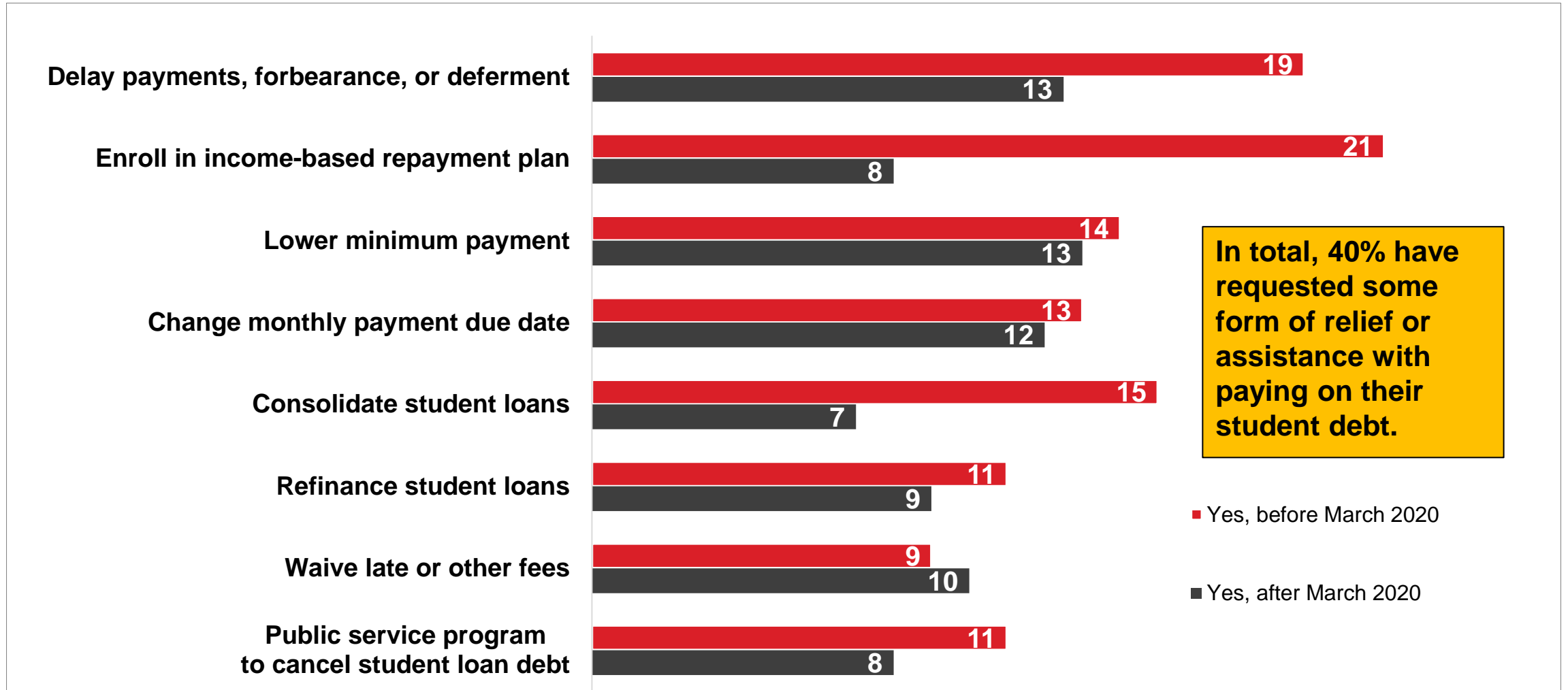


Student Loan Relief Funds Applied to Other Expenses, foremost among them, food and mortgage/rent. *[Among those with student loan payments on hold] During these months that federal loan payments are on hold, how are you spending the money that you would normally use to pay on your student loan?*



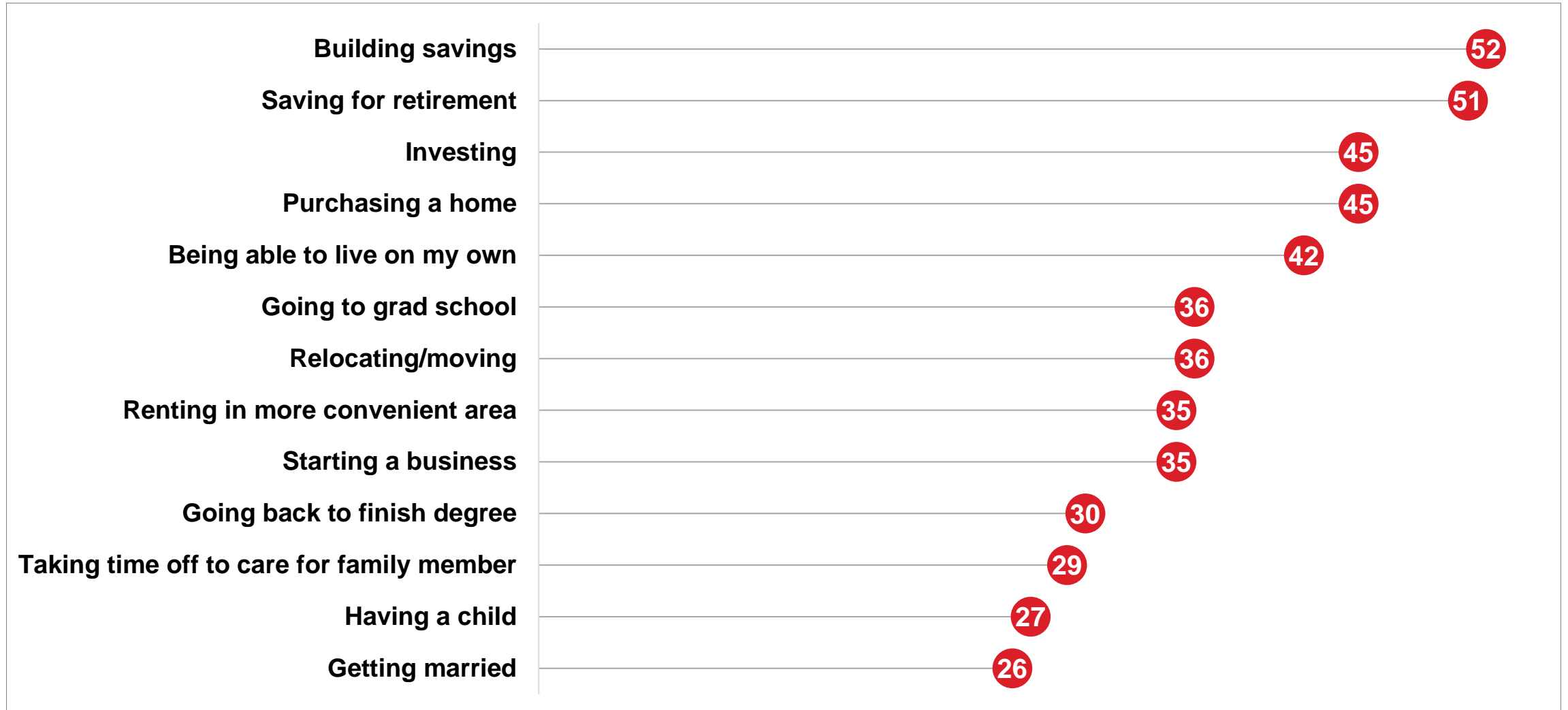
Former Students: Assistance Requests on Student Debt

(Please indicate if you have asked any of your student loan providers for assistance with any of the following)



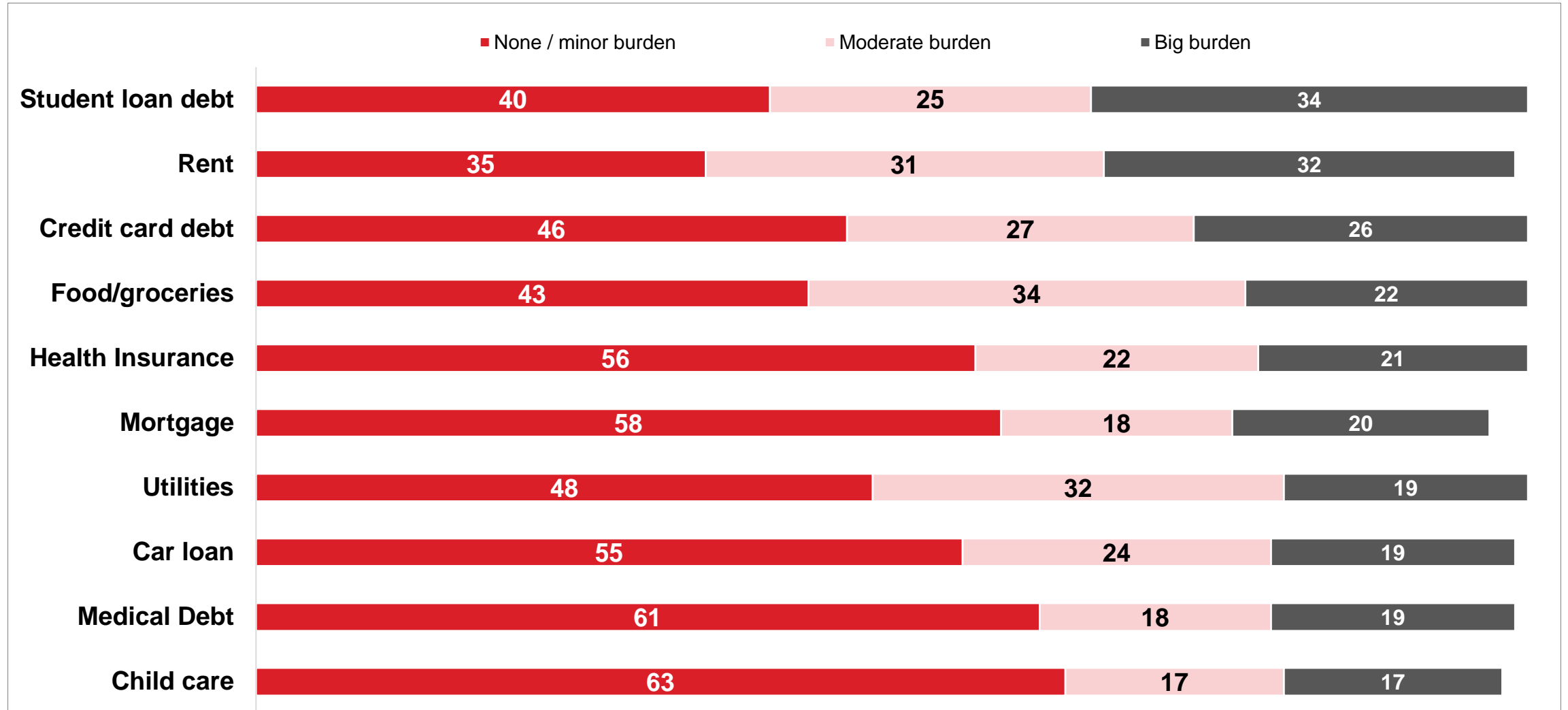
Current Students: Student Debt making it difficult to build savings, purchase a home, and pursue other life goals

(Has your student debt kept you from doing any of the following things? % yes illustrated)



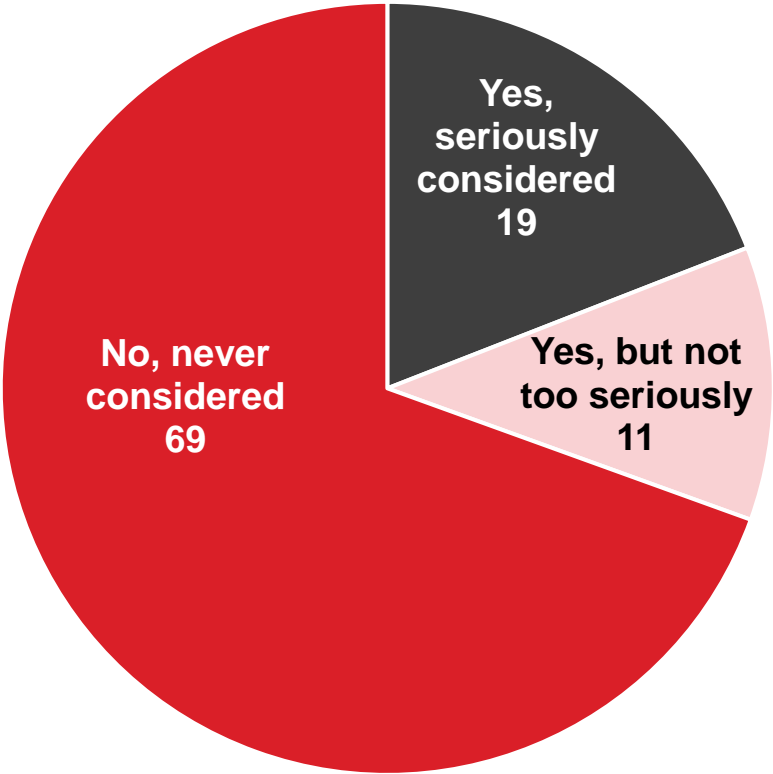
Current Students: Student Loans are the biggest financial burden for most, even more pressing than rent, consumer debt, and household budget items

(How much of a financial burden are each of the following to your personal budget and finances?)

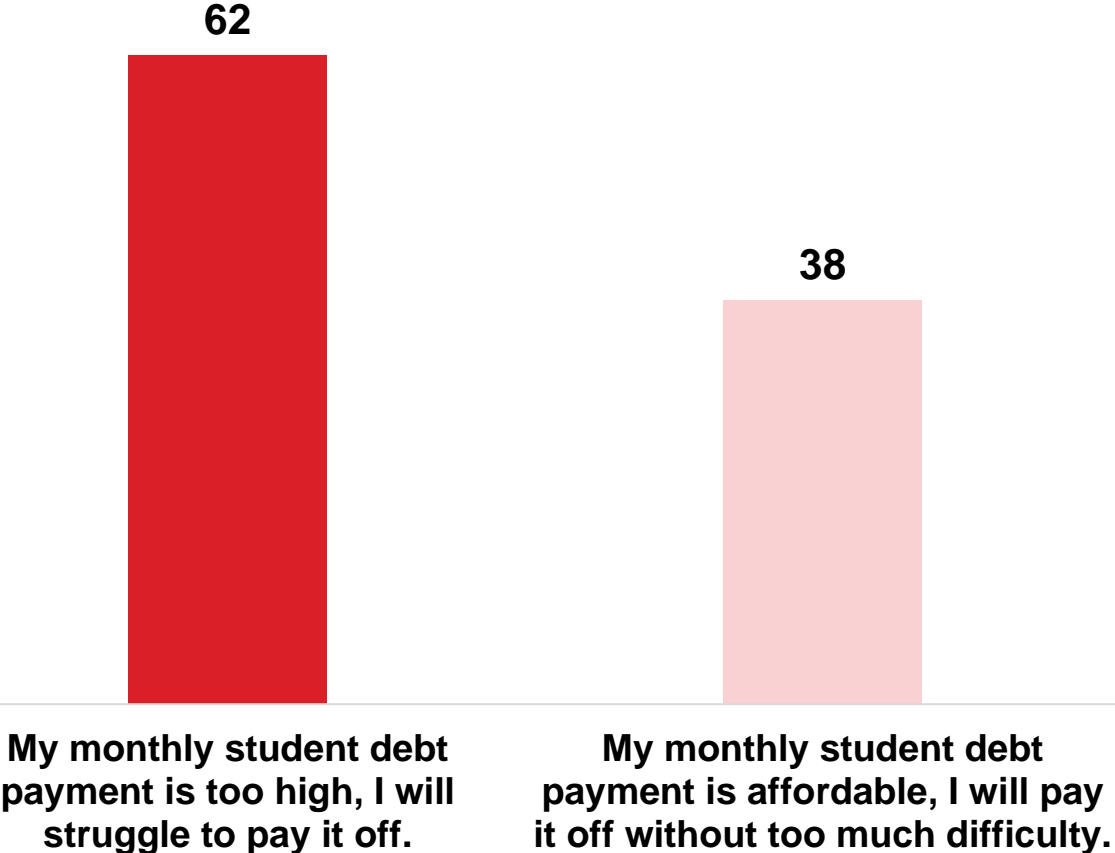


Former Students: Concerns about paying off student debt

Have you ever considered filing for bankruptcy to get rid of your student loans?



Which of the following statements do you agree with most?

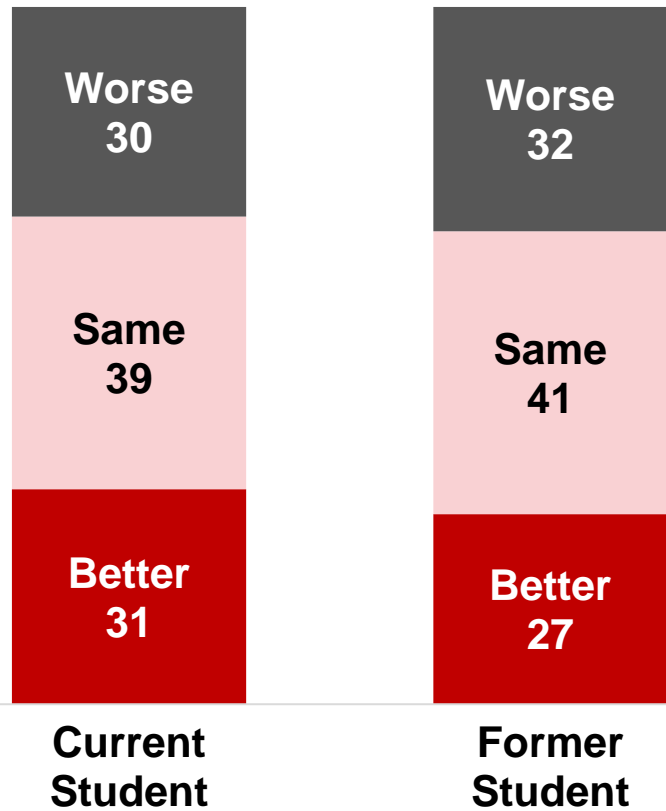


PERSONAL ECONOMIC OUTLOOK AND SUPPORT FOR STUDENT DEBT CANCELLATION POLICIES

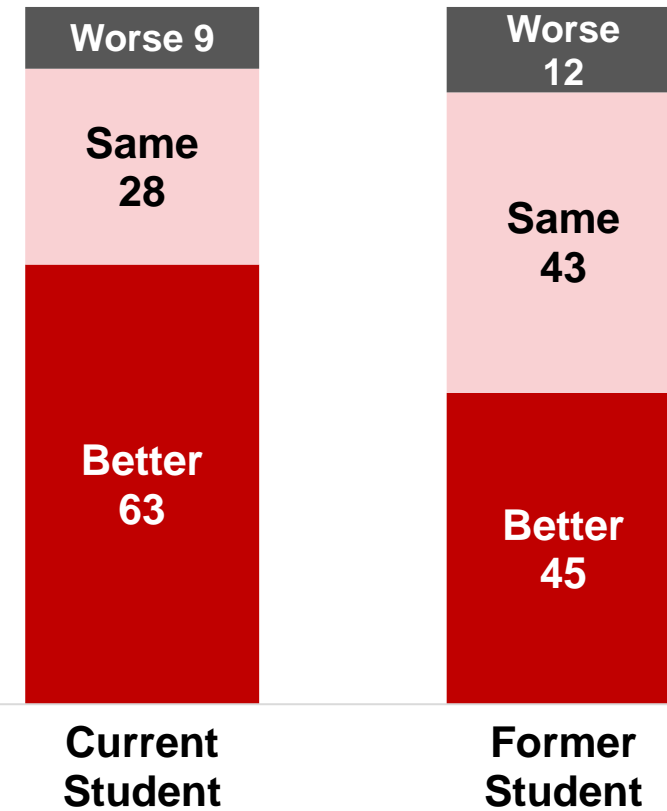


Most students and many former students see the pandemic as a key determinant of their personal financial situation

If the COVID-19 pandemic continues through the end of the year, do you think your financial situation will be:

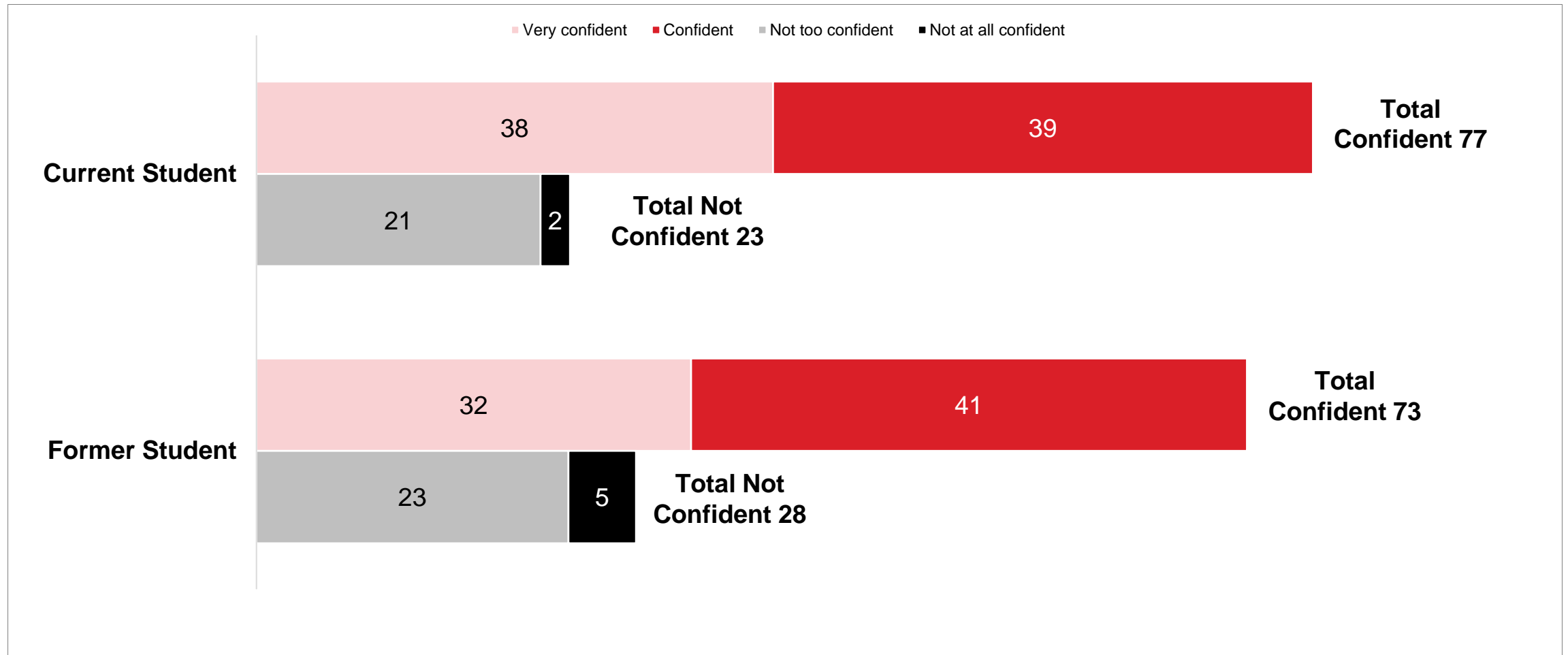


If the COVID-19 pandemic slows down or comes to an end by the end of the year, do you think your financial situation will be:



Confidence in Ability to Pay Monthly Student Loan Obligation

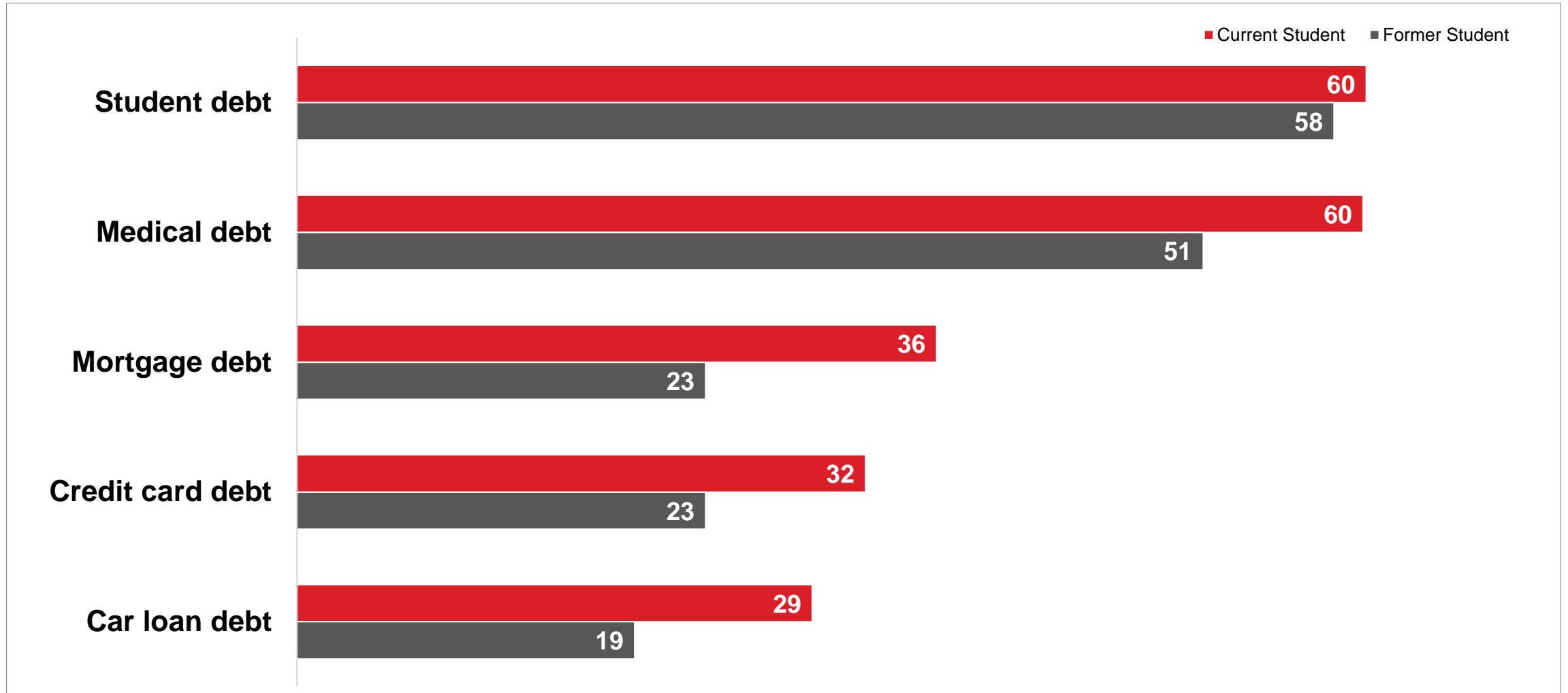
(How confident are you that you will be able to pay your monthly student loan payments on time [when you graduate/over the next year]?)



Strong Support for Canceling Student Loan Debt

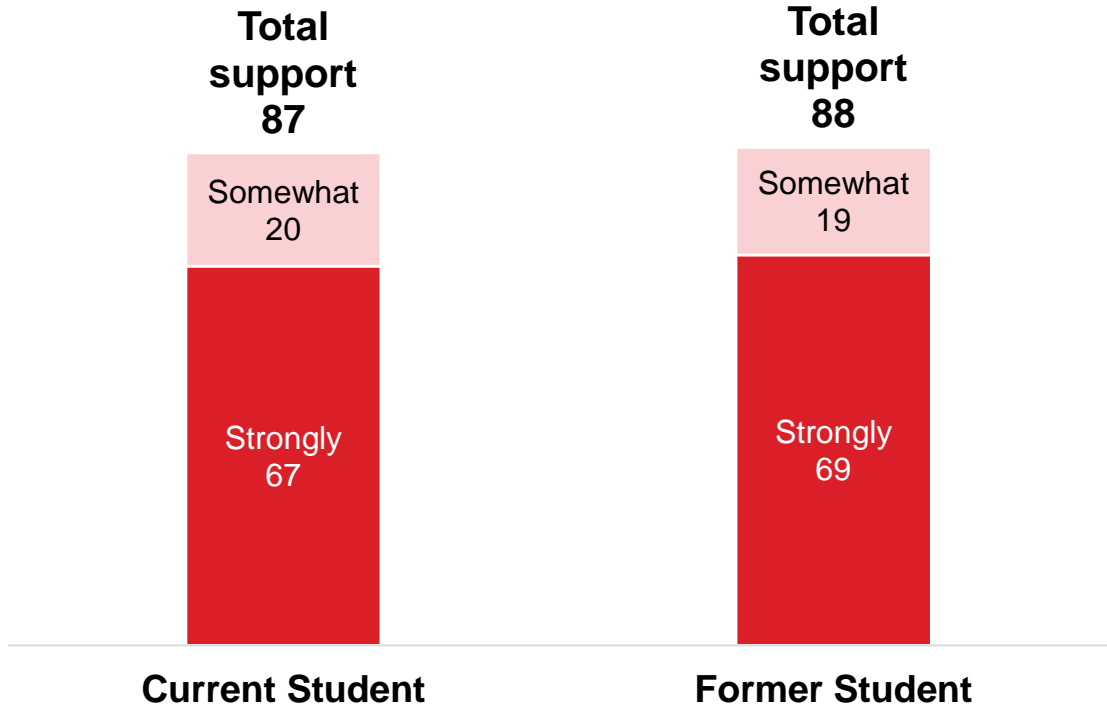
Support stands apart compared to other types of debt

(What kinds of debt do you think should be cancelled? Percent “definitely should” responses illustrated)

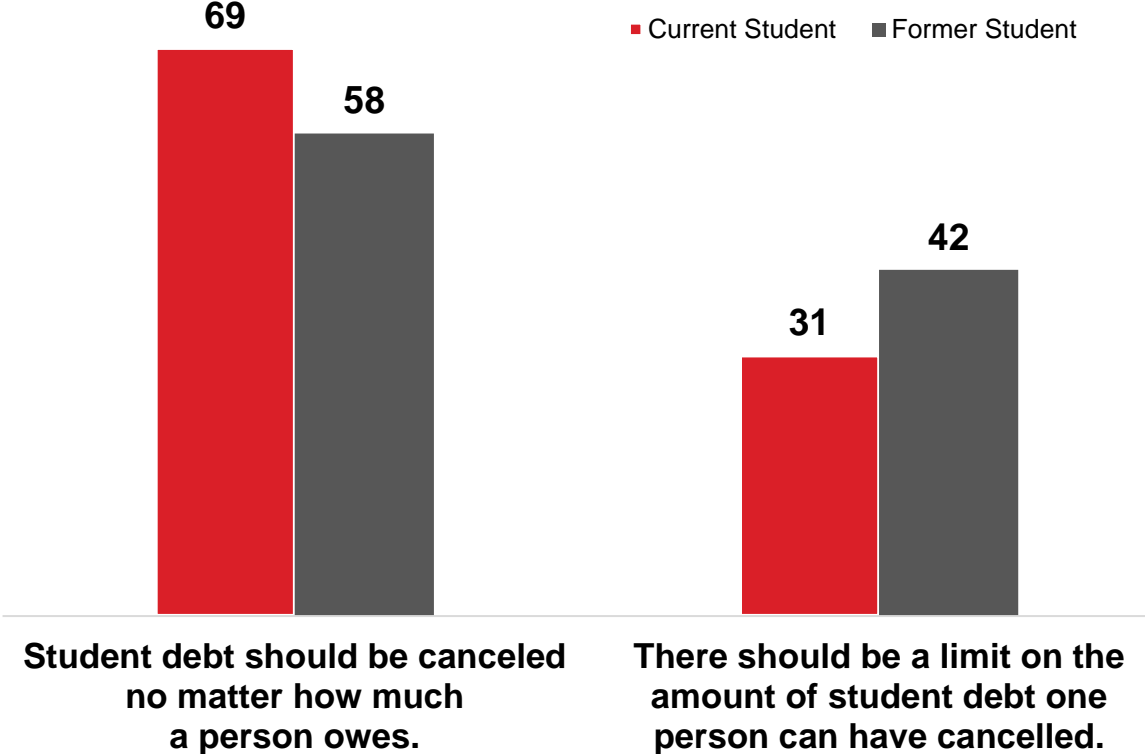


Support for Student Loan Relief Policies

Some policymakers in Congress have proposed reducing student loan debt by \$10,000 for all borrowers to provide financial relief during this recession. Do you support or oppose this proposal?



Which statement do you agree with most?



Student debt burden is a motivating factor to vote in the 2020 election for more than half of Latino borrowers in California

How much does your current student debt or the financial burden of student loans motivate you to vote in the 2020 Presidential election?

