

A Spotlight on Student Debt – Video Transcript

Outstanding student loan debt in the United States is currently estimated at over \$1.6 *trillion* dollars — a figure that includes both federal and private student loans.

Student loan debt is now the second highest consumer debt category — ahead of both credit cards and auto loans — and behind only mortgage debt.

Nationally, about 65% of college seniors who graduated in 2017 had student loan debt, owing an average of \$28,650.

But it's not just students who are borrowing. Parents are borrowing too.

There are approximately 15 million student loan borrowers age 40 and older, and this demographic accounts for almost 40% of all student loan debt.

For young adults, too much student debt can be a financial black cloud that can follow borrowers throughout their twenties and make it difficult to get on solid financial ground.

Excessive debt can affect the jobs people take, and can also delay typical adult milestones like buying a home, getting married, or having children.

For parents, too much student debt can interfere with the ability to save for retirement, and may even force some parents to postpone their retirement and/or reduce their quality of life in retirement to pay off the loans.

To avoid excessive student loan debt, research colleges wisely. Make sure you and your child understand *exactly* how much you'll need to pay out of pocket at a specific college before your child attends.

You can use a net price calculator on college websites to get an estimate of what your out-of-pocket cost will be.

If you or your child have to borrow more than 10 or 15 thousand dollars a year to pay for college, you might consider a less expensive school.

Don't let a huge student debt burden weigh down your life decisions. A little planning now can lead to a lighter load later.