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LendingTree Study: Crippling Effects of Student Debt Extend Beyond Millennials

Survey suggests student debt may not only obstruct Millennial spending, but may be negatively influencing college and career choices and restricting economic growth

CHARLOTTE, N.C., Oct. 4, 2016 /PRNewswire/ -- Nearly two-thirds (63.3%) of millennials graduated, or will graduate, with student debt, and 46.5% currently owe money on their [student loans](#). The burdens of student debt, however, extend far beyond just the borrowers, implicating education, occupations, spending and the economy.

Those are findings of a new survey of 1,338 millennials -- those born between 1980 and 1995 -- who enrolled in at least some post-secondary education, conducted by [LendingTree®](#), the nation's leading online loan marketplace. Additionally, LendingTree ranked all fifty states and top 100 cities based on average student debt*, averaging \$27,162 per individual.

According to the survey, millennials pay roughly \$317 per month towards their student loan repayment. When asked how much student debt affects his/her spending ability, 30.54 percent answered, "Very much," 30.40 percent answered, "Somewhat," and another 14.91 percent said student debt had "very little" impact on their spending.

Less than one quarter, 24.15 percent, feel no effects of their student debt in relation to their spending.

Millennials who are currently employed report an average salary of \$48,146. When factoring in Federal and State Income Taxes, Social Security, 401k, Medicare and insurance costs, a typical millennial would net roughly 70% of their gross income, depending on exemptions, state and elections. In this example, monthly take-home pay would total \$2,808.

Payment towards student loan debt would consume approximately 11.3% of the average millennial's net income each month.

Because student loan payments eat roughly \$317 per month on average, millennials may be forced to delay certain purchases or life events due to their debt obligation. When asked which investment, purchase or life event has been delayed due to student debt repayment, the most frequently cited were travel (53.27%), purchasing a home (45.31%), buying an automobile (44.74%) and saving for retirement (38.07%).

If student debt obligations were to hypothetically be absolved, millennials said that the newly-freed funds would go towards saving for emergencies (53.98%), buying a home (41.76%), retirement savings (31.68%) or be spent on travel/vacations (31.25%).

The survey found that millennials' [student debt](#) influenced education decisions. The cost of tuition and the amount of potential student debt affected either the choice of school (32.97%), major (3.55%) or both (14.12%).

Said another way, student debt concerns helped determine where and what students study for slightly more than half (50.6%) of respondents. Even more troubling, 15.06 percent were accepted to a "better" school but found attendance to be unaffordable, and another one third (33.2%) didn't even apply to a "better" school due to the cost of attendance and increased student debt potential.

More than half (55.9%) of those surveyed have feelings of financial regret related to their post-secondary education. The most common is that he or she wished they went to a more affordable school (29.05%), followed by wishing they chose a different major or area of study (20.81%), or feel they should have attended a different school for their money (14.05%).

Unfortunately, 10.41 percent feel as though they shouldn't have attended college at all, and 10.14 percent feel overeducated, paying for education beyond what is necessary for their career.

Not only were school choices and areas of study impacted by student debt fears, but 38.34 percent feel that having student debt affected his/her career or occupation choice.

The study also found that student debt levels vary widely by location. The ten states with the highest outstanding education related debt per student loan borrower, based on data within My LendingTree, are:

Rank	State	Avg. Outstanding Student Debt
1	Washington, D.C.	\$39,832.12
2	Maryland	\$32,567.41
3	Illinois	\$29,865.77
4	Georgia	\$29,788.87
5	Colorado	\$29,759.70
6	Virginia	\$29,469.87
7	California	\$29,112.75
8	New Jersey	\$28,991.27
9	Florida	\$28,768.51
10	Connecticut	\$28,398.35

LendingTree further analyzed the data to see which cities have the highest outstanding student debt, according to data from My LendingTree account holders:

Rank	City	Avg. Outstanding Student Debt
1	Boston, MA	\$43,102.16
2	Irvine, CA	\$42,490.77
3	San Francisco, CA	\$39,963.43
4	Washington, DC	\$39,806.71
5	New York, NY	\$37,401.15
6	Scottsdale, AZ	\$37,400.56
7	Madison, WI	\$36,260.33
8	Seattle, WA	\$35,892.31
9	Irving, TX	\$35,781.79
10	Oakland, CA	\$35,144.33

An excel spreadsheet of the city and state rankings based on student debt and student loan amounts can be downloaded [here: http://marketing.lendingtree.com/graphics/Student-Loan-Data-9-2016.xlsx](http://marketing.lendingtree.com/graphics/Student-Loan-Data-9-2016.xlsx)

For additional questions about the survey, please email Press at LendingTree dot com.

*Rankings are based on outstanding student debt owed by over 1.9 million student loan borrowers with My LendingTree accounts.

About LendingTree

LendingTree (NASDAQ: TREE) is the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 65 million loan requests. LendingTree provides free monthly credit scores through [My LendingTree](#) and access to its network of over 350 lenders offering home loans, personal loans, credit cards, student loans, business loans, home equity loans/lines of credit, auto loans and more. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information, go to www.lendingtree.com, dial 800-555-TREE, like our [Facebook page](#) and/or follow us on Twitter [@LendingTree](#).

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