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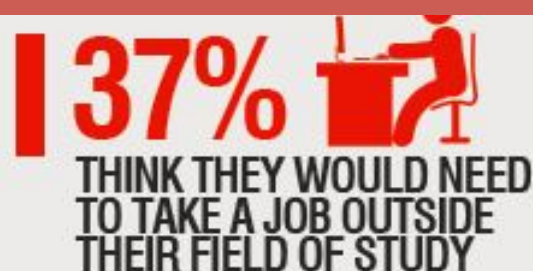
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Nov. 16, 2015

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*This survey was conducted online within the United States from August 3 to 12, 2015 among 751 college students who will be enrolled full-time in a 2 or 4 year college in the fall of 2015, by Harris Poll on behalf of AKPA. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online

360degrees
of Financial Literacy
American Institute of CPAs

While a college education is often a stepping stone to financial security, the high cost of individual student loans may be forcing many students to postpone major decisions such as marriage, having children, purchasing a home, or saving for retirement.

Many students also said their loans mean they would likely be living with their

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their loans upon graduation. More than two-in-five (43 percent) had a general idea of the amount of their loans, while only one-in-five (22 percent) knew the exact amount of their loans in total, upon graduation.

“Every college student taking out loans should know what they are borrowing per semester and their projected balance upon graduation,” said Greg Anton, CPA, CGMA, chair of the AICPA National CPA Financial Literacy Commission. “This information is crucial to determine how burdensome the debt will be post-graduation and weigh alternatives if the amount is simply too high. It’s impossible to do this without knowing the loan amount.”

On average, college students who have student loans thought they would be able to pay back their loans in nine years after graduation, with only 18 percent saying that it would take them more than ten years. A quarter of college students with loans either didn’t know how long it would take them to pay them back (18 percent) or had never thought about it (6 percent).

“While a college education is increasingly essential in today’s economy, student loans take years to pay off and can cause individuals to put their life’s ambitions on hold,” Anton said. “It’s encouraging that students seem to understand that the decisions they make about how to fund their education have the potential to stick with them throughout their post-graduation life.”

Three-quarters of college students (75 percent) acknowledged that their student loan debt would require some sacrifices in their lives post-graduation. Two-in-five (40 percent) said that they would have difficulty purchasing a home and thirty-seven percent reported they would be living with their parents after graduation, with the same percentage predicting they would need to take a job outside their field of study. Additionally, 29 percent felt their student loan debt would make it difficult for them to save for retirement.

Loan debt is also impacting students' family plans with three-in-ten (31 percent)

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students learn how to manage the costs of a college education.

- Do not take out more in total student loan debt than you can reasonably expect to earn in your first year in the field of your major.
- Exhaust every available source of “free” money before getting any type of student loan. Research has shown not all students eligible for Pell Grants apply for them.
- Meet with a financial advisor at school to discuss available scholarships.
- Be aware of the difference in pay-off options between Federal and private student loans.

These and other tips for taking out and paying off student loans can be found on the AICPA's 360 Degrees of Financial Literacy web site at 360Financialliteracy.org.

AICPA to Host Free Webcast on Student Loans and Budgeting

On Wednesday, November 18, 2015 at 1 PM ET, AICPA National Financial Literacy Commission members Michael Eisenberg, CPA/PFS, and Kelley Long, CPA/PFS, will provide attendees with best practices and free tools they can use to improve their financial lives. The free webcast, entitled “Saving and Spending 101: What College Students Need to Know About Loans and Budgeting,” is designed for college students, parents, and those with student loans to learn tips and techniques to take charge of their finances. [Register for free online.](#)

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