



'2018 AFT Student Debt Survey' results tell a heartbreaking story

Millions of Americans from all walks of life are suffering under the burden of student debt. The federal government and student loan servicers have failed borrowers, and the situation is worsening every year. Student debt now outpaces credit card and home equity debt in this country. In a poll of AFT members, we found that student debt has left a devastating toll on their lives. From forgoing medical care to broken marriages and foreclosed homes, the consequences are dire.

The AFT conducted a survey of our members in order to better understand their challenges with student debt. Of those who responded, more than 2,600 were AFT members who indicated they were experiencing serious financial distress.

Our survey data reveals a number of significant trends

- ▶ More than any other type of debt, student debt is a major driver of financial stress, with **8 in 10** saying it is a major burden or challenge.
- ▶ The real-world consequences for members who struggle financially are significant: They struggle to save for retirement and delay or forgo other life events.
- ▶ The problems of dealing with student debt are compounded by the fact that many members say their wages are not keeping up with the cost of living.
- ▶ The burden of student debt is most deeply felt by young people, women and people of color, with **72 percent** of African-American respondents indicating that student debt is a major household burden, compared with **61 percent** of white respondents.
- ▶ Some members are in significant financial distress:
- ▶ **97 percent** say that debt has caused them to have increased stress levels, **80 percent** say it has caused them to lose sleep, and **73 percent** say it has caused strains in their families and households.
- ▶ **78 percent** report that they or someone in their household has fallen behind in making debt payments in the past year.
- ▶ **67 percent** of all respondents and **82 percent** of African-American respondents say that they have had debts sent to a collection agency.
- ▶ **1 in 3** say they have had their student loans go into default.
- ▶ **64 percent** of financially struggling members also report having had to make cuts to food and other regular household expenses.
- ▶ **42 percent** say they avoid medical treatment due to costs.

The **American Federation of Teachers** is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

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What our members told us

"We can barely pay our bills. We're trying not to use credit cards, but minor expenses really add up. In the fall, I didn't buy school pictures or yearbooks for my kids because I'm so financially strapped. Now my kids don't have yearbooks, and I feel like a jerk. I can't take my kids on trips or do much to celebrate their birthdays or holidays without taking on credit card debit."

"I owe almost \$100,000 in student loans. I will never own a home. My student loan payments ARE a mortgage payment, except I own nothing but debt. I will lose everything if a major medical event occurs. Everyone knows this needs to be fixed, but no one does anything to fix it."

"Debt is crippling and affects every aspect of your life. **It has prevented me from home ownership and from having children.** I am afraid I will not be able to afford child care or provide them with a high quality of life. It is stressful not to see my debt decreasing but increasing due to interest."

"I've had to sell personal items at pawn shops, and had to pick which bills to pay each month. I am extremely anxious and depressed because I cannot pay all my bills every month. I fear that I will never be out of debt or be able to buy a home. **I fear that I could end up homeless.** I cannot do the things I enjoy most because of my debt. I avoid medical procedures. I can't afford therapy for depression or anxiety so it gets worse."

"We have been unable to save money for major life decisions like marriage, starting a family, buying a home, saving for retirement. As undergraduate students, we were led to believe that we would be able to pay back the loans in a reasonable amount of time, but due to lack of job opportunities and low wages, we have barely made a dent six years after getting our BA degrees."

We must do better

As a country, we must do better. It's time to clean the slate. Congress, states and elected officials need to stop toying around the edges and admit that the policy of shifting higher education costs to students and families has failed Americans. If we could eliminate \$1.5 trillion in taxes for the wealthiest among us, we can forgive that amount for those who are suffering under the crushing burden of student loan debt, too.