



Maine Center for **Economic Policy**

Student Lending Reform

Findings from a Survey of 400 Maine adults with education debt

November 2018



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Methodology

- Lake Research Partners designed and administered this survey that was conducted by professional telephone interviews from October 3 – 8, 2018 and online from October 11 – 19, 2018. The survey reached a total of 400 adults – 31 by telephone and 369 online – with education debt in Maine.
- The respondents were screened to have student loans for themselves, a child, or another family member. The sample was weighted slightly by gender to reflect the composition of adults with education debt in Maine.
- The margin of error for the total sample is +/-4.9%.

Summary of Key Findings – Impacts from Loans

- The most common impact of student loans that people report are struggling to pay a payment, reducing the amount saved for retirement, and delaying a major purchase like a car.
- Women are more likely than men to have struggled to make a payment or reduced the amount they saved for retirement. People living in the West are more likely to have experienced each impact, particularly delaying other purchases. People who went to a for-profit college are more likely than others to have been unable to buy basic necessities.
- Half of people in Maine with education debt have experienced 4 or more impacts. Younger people, particularly women under 35, are more likely to have experienced 4 or more impacts.
- Of those who have had to skip a bill in order to pay their loans, half skipped a credit card bill, more than 4 in 10 skipped a medical bill, and 1 in 4 skipped their rent or mortgage.
- More than 4 in 10 people know someone who moved to another state in order to take a job that will help them afford payments. Men, people in Cumberland, and people who attended a for-profit college are among those who are more likely to know someone who moved.

Summary of Key Findings – Problems with Loan Servicers

- The most common problems people have had with their loan servicer is a problem that lowered their credit score, that increased the overall cost of their loans, or that they were not told about income-based repayment plans.
- Problems with loan servicers do not vary much by age or gender. But people who attended for-profit colleges are more likely to have had a problem that lowered their credit, and experience the servicer not telling them about income-based repayment or answering their questions.
- The number of problems people have had with loan servicers is correlated with those who have experienced multiple impacts from paying their loans.
- People with 4 or more problems with loan servicers are especially more likely to have struggled to pay a student loan payment, reduced the amount they saved for retirement, delayed the purchase of a car or home, or been unable to buy basic necessities like food or clothing.

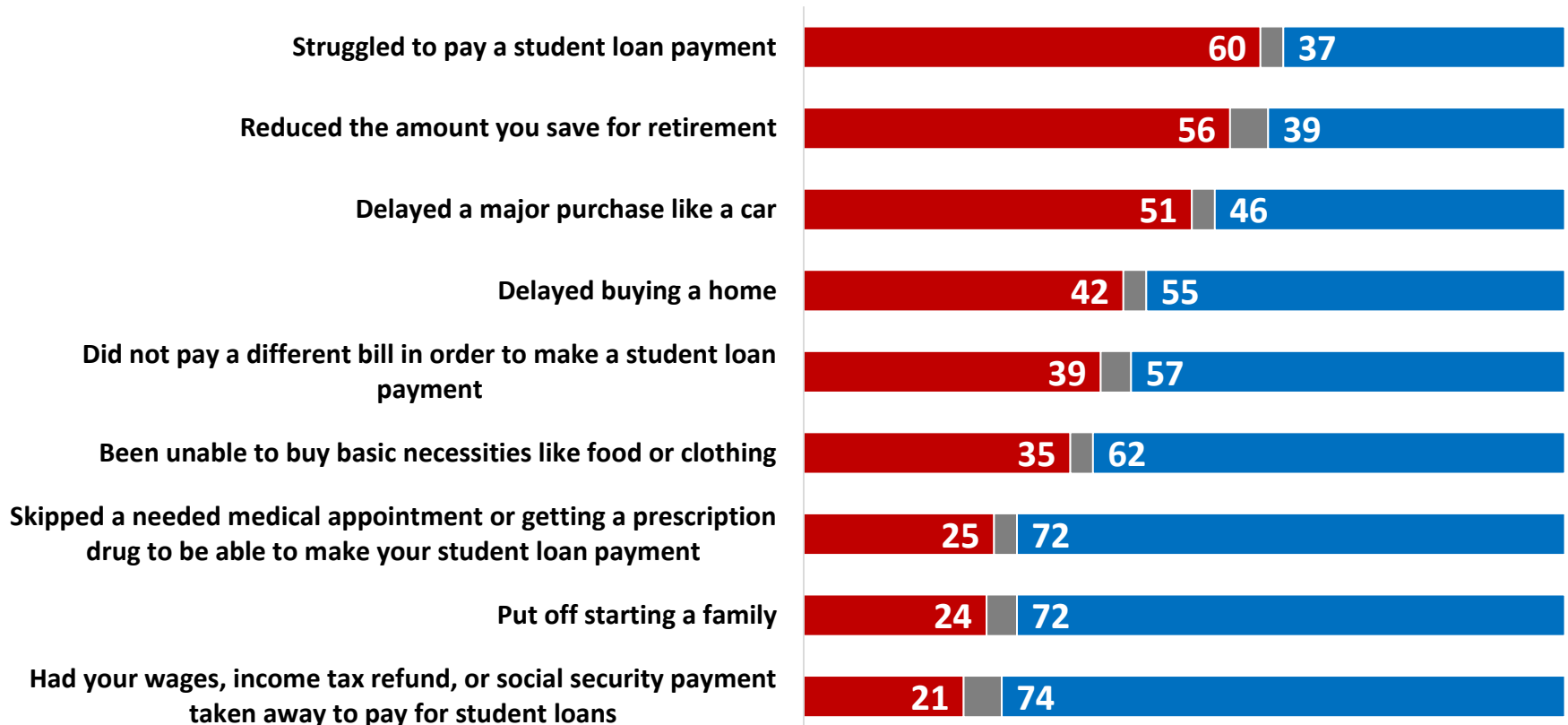


Effects of Student Loan Debt

The most common impact of student loans that people report are struggling to pay a payment, reducing the amount saved for retirement, and delaying a major purchase like a car.

I am going to ask you a couple of questions about the impact of your student loans. After I read each statement, please tell me if it has happened to you in the last few years. Has this happened to you in the last few years?

■ Yes - happened in the last few years ■ Don't know/Refused (VOL) ■ No - did not happen in the last few years



Women are more likely than men to have struggled to make a payment or reduced the amount they saved for retirement. People living in the West are more likely to have experienced each impact, particularly delaying other purchases. People who went to a for-profit college are more likely than others to have been unable to buy basic necessities.

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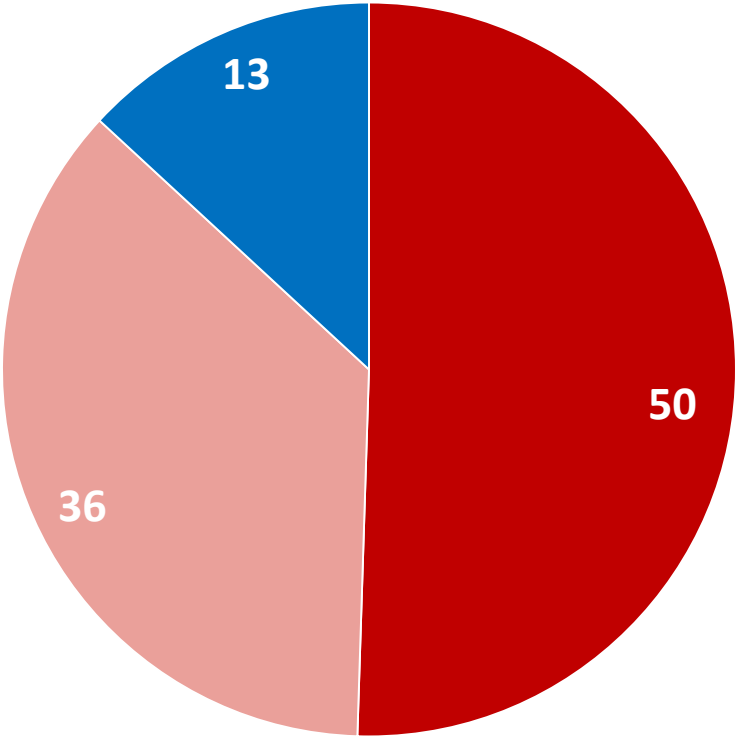
% Yes – Has happened in last few years	All	Gender		Age		Region					Attn'd For Profit
		M	W	<35	35+	Cumber-land	Mid-Coast	West	Central	North	
Struggled to pay a student loan payment	60	53	65	65	57	57	61	63	61	63	56
Reduced the amount you save for retirement	56	51	59	56	56	57	45	59	62	48	54
Delayed a major purchase like a car	51	54	50	53	50	50	54	61	53	45	56
Delayed buying a home	42	44	40	51	35	31	45	54	43	28	45
Did not pay a different bill in order to make a student loan payment	39	36	41	37	41	31	44	36	39	49	44
Been unable to buy basic necessities like food or clothing	35	39	32	40	30	24	41	41	43	37	44
Skipped a needed medical appointment or getting a prescription drug to be able to make your student loan payment	25	29	23	30	22	19	29	24	28	34	30
Put off starting a family	24	30	20	31	19	18	24	26	31	16	27
Had your wages, income tax refund, or social security payment taken away to pay for student loans	21	25	18	20	22	12	22	20	30	26	23

Half of people in Maine with education debt have experienced 4 or more impacts. Younger people, particularly women under 35, are more likely to have experienced 4 or more impacts.

I am going to ask you a couple of questions about the impact of your student loans. After I read each statement, please tell me if it has happened to you in the last few years. Has this happened to you in the last few years?

Total Number of Impacts

■ 4 or more ■ 1 to 3 ■ None

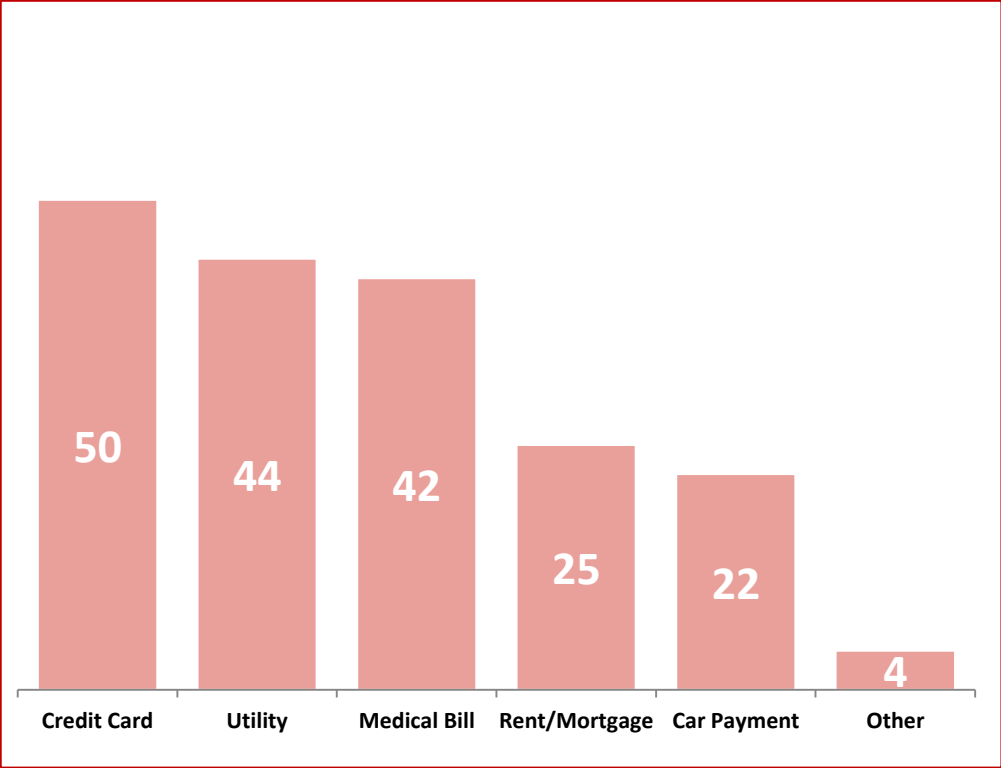
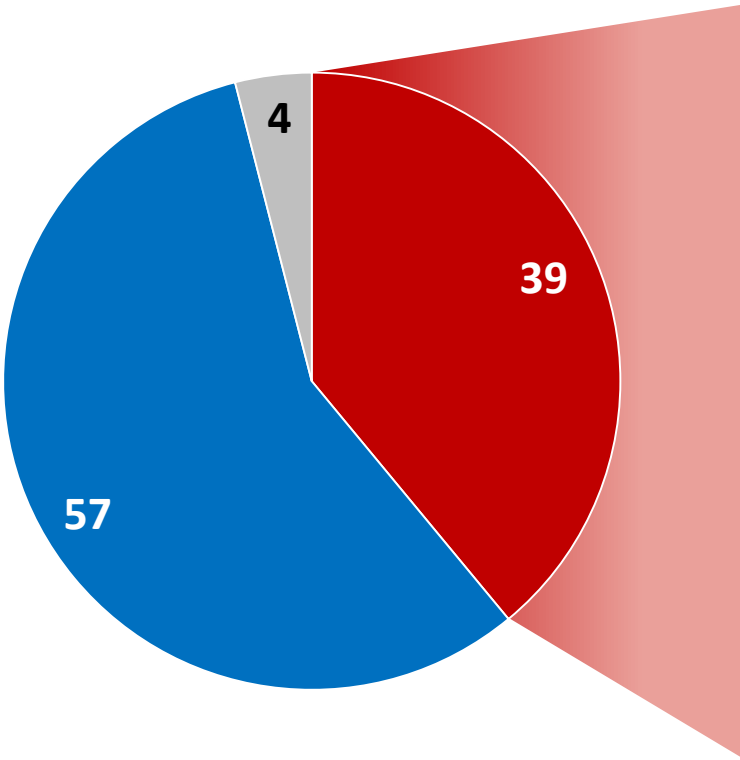


	4 +	1-3	None
Men	50	34	16
Women	51	38	12
Men <35	51	32	17
Women <35	60	33	7
Men 35+	49	35	16
Women 35+	43	42	15
Under 35	57	33	11
Over 35	46	39	16
Cumberland	41	45	14
Mid-Coast	52	33	15
West	54	34	11
Central	59	27	15
North	46	40	14
Attended For Profit	55	32	13

Of those who have had to skip a bill in order to pay their loans, half skipped a credit card bill, more than 4 in 10 skipped a medical bill, and 1 in 4 skipped their rent or mortgage.

Did not pay a different bill in order to make a student loan payment

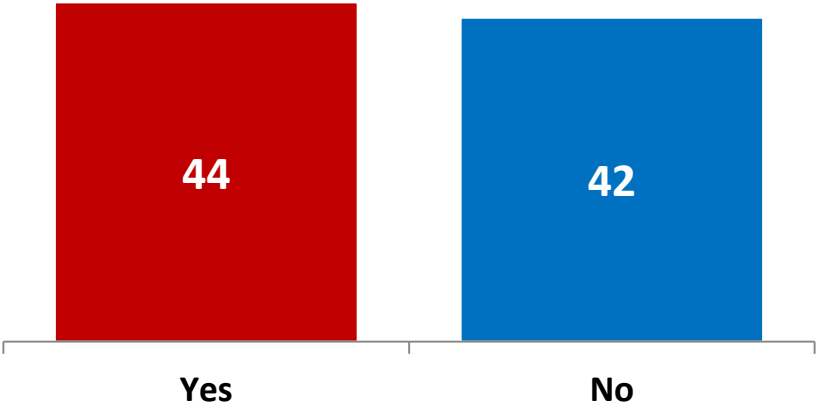
You mentioned that in the last few years you did not pay a different bill in order to make a student loan payment. Which of the following bills did you not pay?



- Yes – happened in the last few years
- No – did not happen in the last few years
- Don't know/Refused (Volunteered)

More than 4 in 10 people know someone who moved to another state in order to take a job that will help them afford payments. Men, people in Cumberland, and people who attended a for profit college are among those who are more likely to know someone who moved.

Do you know anyone who has moved from Maine to another state in order to take a job that will help them afford their student loan payments?



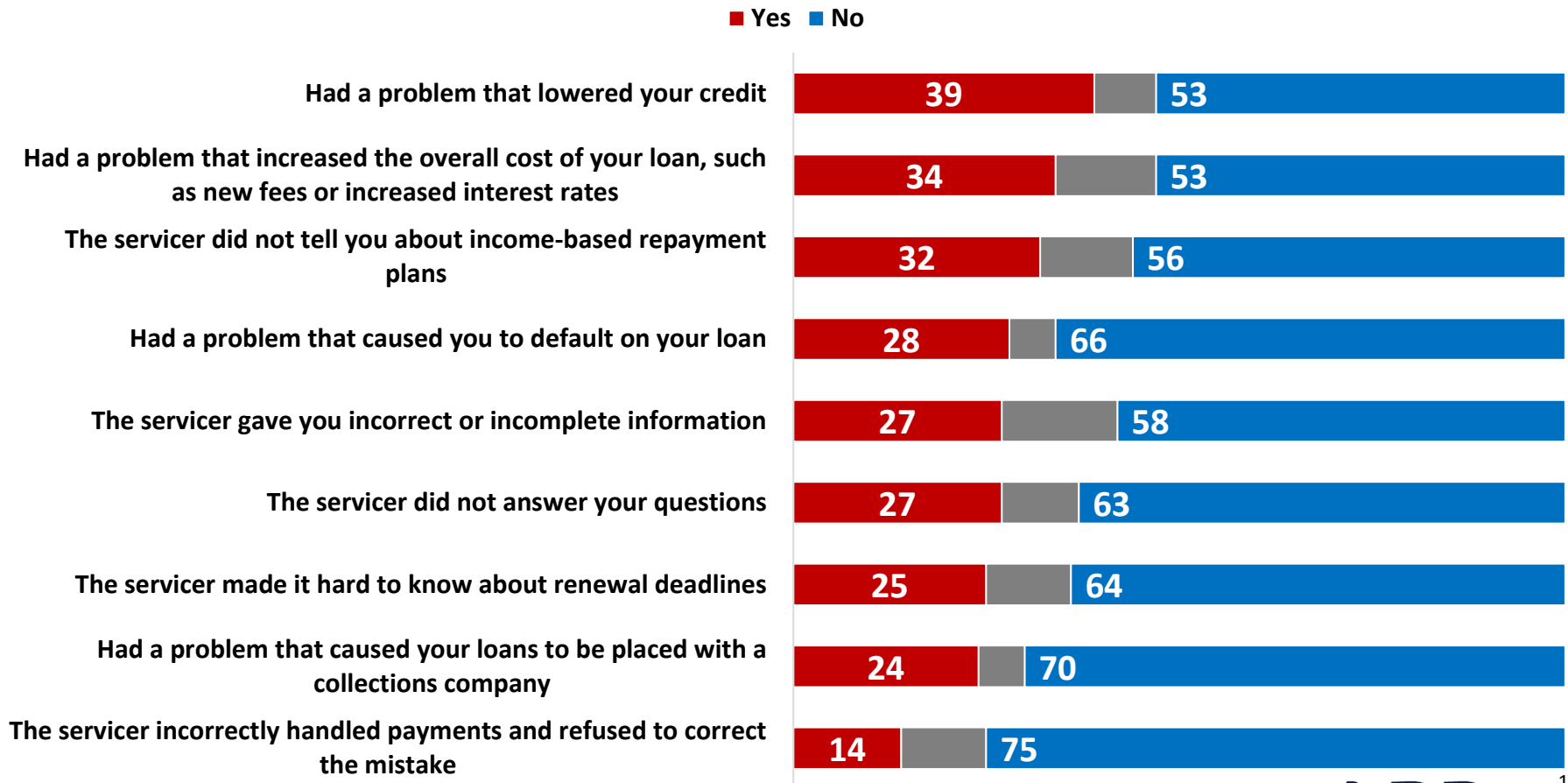
	Yes	No
Men	56	37
Women	37	45
Under 35	44	36
Over 35	45	46
Cumberland	51	38
Mid-Coast	42	41
West	46	38
Central	43	42
North	38	46
Attended For Profit	50	38



Student Loan Servicing Companies

The most common problems people have had with their loan servicer is a problem that lowered their credit score, that increased the overall cost of their loans, or that they were not told about income-based repayment plans.

Switching gears slightly. Student loan servicers are companies, like Navient and Fed Loan, that the U.S. Department of Education and many private lenders hire to oversee the collection of student loan payments. I am going to read you a list of problems some have had with their student loan servicer. Has this problem ever happened in your experience with a student loan servicer?



Problems with loan servicers do not vary much by age or gender. But people who attended for-profit colleges are more likely to have had a problem that lowered their credit and experience the servicer not telling them about income-based repayment or answering their questions.

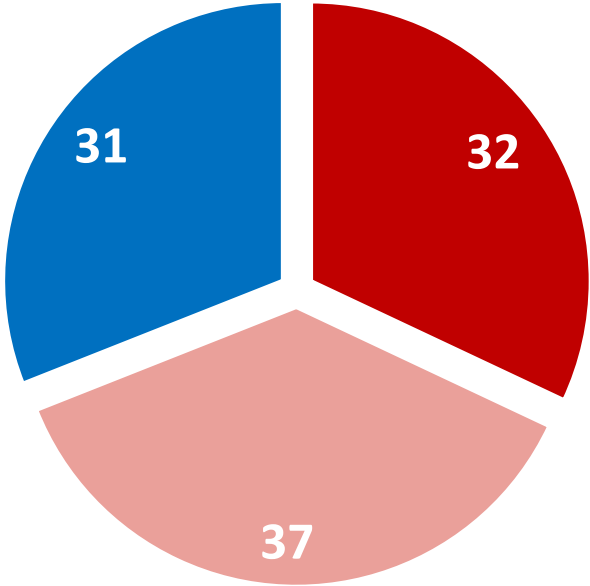
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% Yes	All	Gender		Age		Region					Attn'd For Profit
		M	W	<35	35+	Cumber-land	Mid-Coast	West	Central	North	
Had a problem that lowered your credit	39	39	40	39	40	32	48	39	41	41	44
Had a problem that increased the overall cost of your loan, such as new fees or increased interest rates	34	31	36	33	35	36	39	36	35	26	33
The servicer did not tell you about income-based repayment plans	32	31	33	31	33	33	34	40	38	26	36
Had a problem that caused you to default on your loan	28	31	26	27	28	23	30	29	28	36	28
The servicer did not answer your questions	27	30	25	26	27	30	20	36	27	24	36
The servicer gave you incorrect or incomplete information	27	32	23	22	30	26	23	32	30	16	34
The servicer made it hard to know about renewal deadlines	25	25	24	22	26	24	32	22	27	21	25
Had a problem that caused your loans to be placed with a collections company	24	25	23	24	24	19	32	25	24	26	27
The servicer incorrectly handled payments and refused to correct the mistake	14	15	13	12	15	17	18	10	14	11	11

The number of problems people have with loan servicers does not differ greatly by demographics, however it is correlated with those who have experienced multiple impacts from paying their loans.

Switching gears slightly. Student loan servicers are companies, like Navient and Fed Loan, that the U.S. Department of Education and many private lenders hire to oversee the collection of student loan payments. I am going to read you a list of problems some have had with their student loan servicer. Has this problem ever happened in your experience with a student loan servicer?

Total Number of Problems With Loan Servicers



■ 4 or more ■ 1 to 3 ■ None

	4 +	1-3	None
Men	34	34	32
Women	31	39	30
Men <35	31	29	41
Women <35	31	43	26
Men 35+	36	38	26
Women 35+	32	36	32
Under 35	31	38	32
Over 35	33	37	30
Cumberland	35	33	32
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Attended For Profit	34	38	27

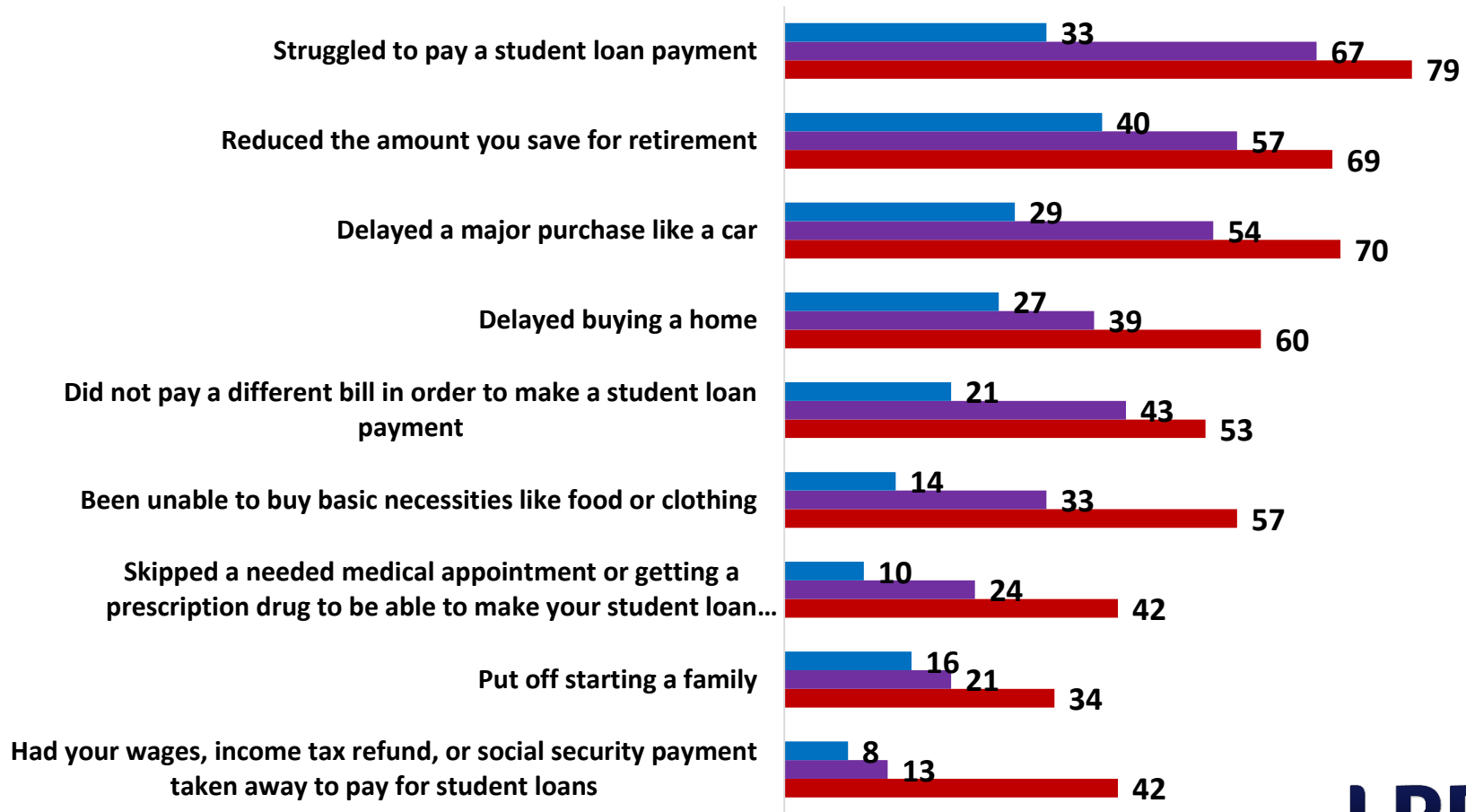
Total number of impacts from paying loans

4 or more impacts	48	37	15
1-3 impacts	20	43	37
No impacts	6	22	72

People with 4 or more problems with loan servicers are especially more likely to have struggled to pay a student loan payment, reduced the amount they saved for retirement, delayed the purchase of a car or home, or been unable to buy basic necessities like food or clothing.

Impacts from Having Education Debt, by Number of Problems with Loan Servicers

■ No problems with loan servicers ■ 1-3 problems with loan servicers ■ 4 or more problems with loan servicers

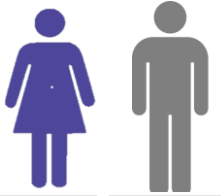




Appendix

Demographics of Maine Adults with Student Loan Debt

GENDER



61% **39%**

AGE

Under 30	—	29%
30-39	—	29%
40-49	—	21%
50-64	—	16%
65+	—	4%

EDUCATION

High School or Less	—	12%
Post-H.S. / Non-College	—	48%
College Graduate	—	28%
Post-Graduate	—	12%



40%
College Grad
or Post Grad

DEBT SOURCE

Self	—	70%
Child	—	18%
Other family member	—	21%

RACE

White	90%
African American/Black	3%
Hispanic/Latino	2%
Asian	1%
Native American	1%

REGION



Cumberland	21%
York	12%
Mid-Coast	16%
West	15%
Central	21%
North	15%

PARENTAL STATUS

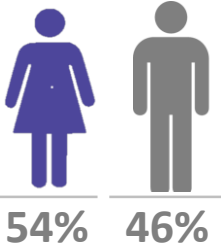
Mothers	31%
Fathers	16%
No Child <18	53%

MARITAL STATUS

Married	—	48%	Separated	—	1%
Unmarried	—	51%	Widowed	—	1%
Single	—	20%	Unmarried with partner	—	20%
Divorced	—	9%			

Demographics of Maine Adults with Student Loan Debt who Attended For-Profit Colleges (32%)

GENDER



AGE

Under 30	30%
30-39	32%
40-49	24%
50-64	10%
65+	3%

EDUCATION

High School or Less	7%
Post-H.S. / Non-College	58%
College Graduate	26%
Post-Graduate	9%
College Grad or Post Grad	35%

DEBT SOURCE

Self	79%
Child	17%
Other family member	18%

RACE

White	89%
African American/Black	3%
Hispanic/Latino	3%
Asian	2%
Native American	1%

REGION



Cumberland	15%
York	11%
Mid-Coast	14%
West	18%
Central	27%
North	16%

PARENTAL STATUS

Mothers	33%
Fathers	17%
No Child <18	50%

MARITAL STATUS

Married	46%	Separated	2%
Unmarried	53%	Widowed	1%
Single	19%	Unmarried with partner	23%
Divorced	8%		



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