



CENTER FOR EDUCATION
CONSUMER INSIGHTS™

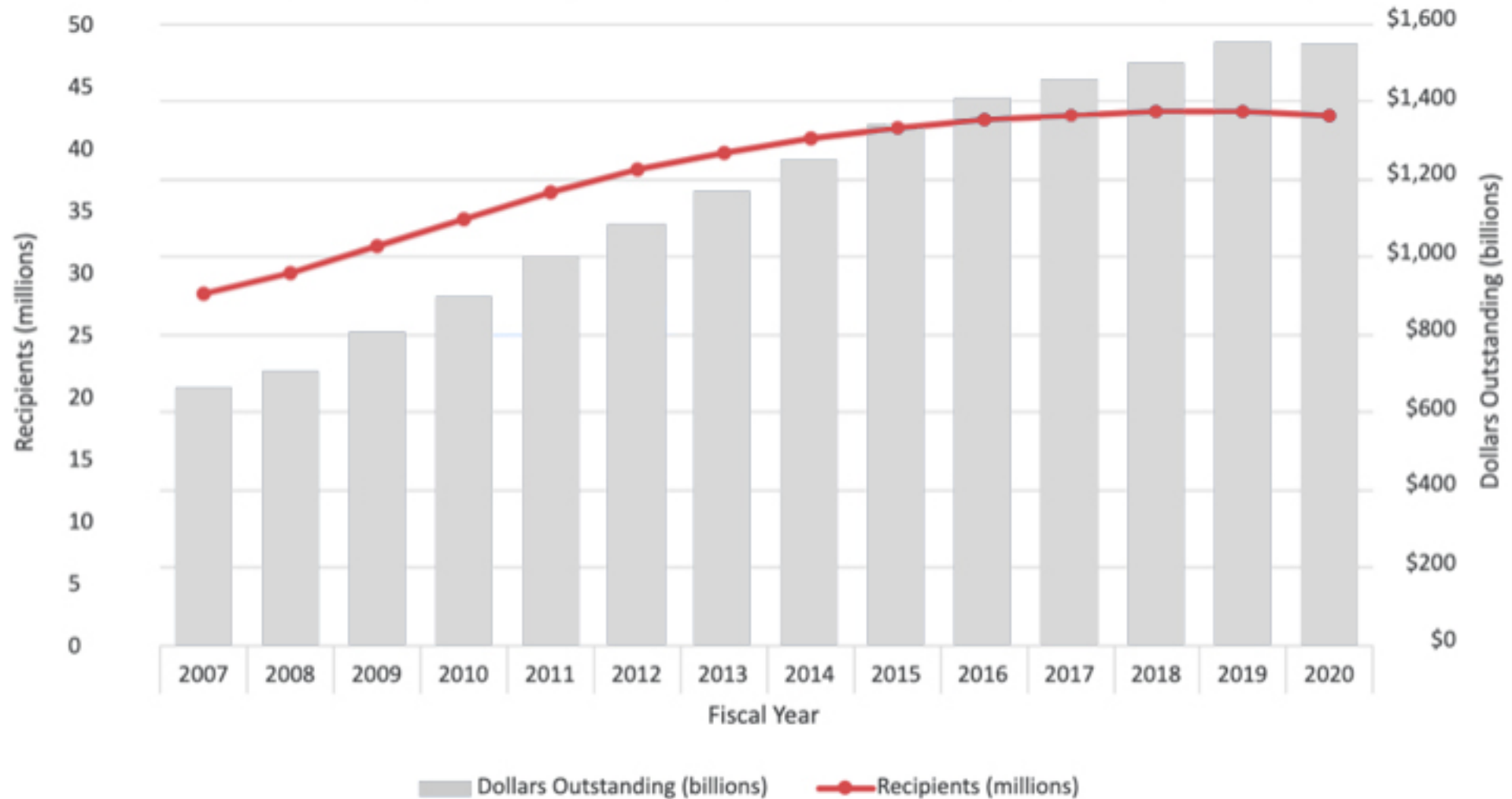
Public Viewpoint: COVID-19 Work and Education Research

Alumni Perspectives: Are Student Loans Worth It?

April 7, 2021



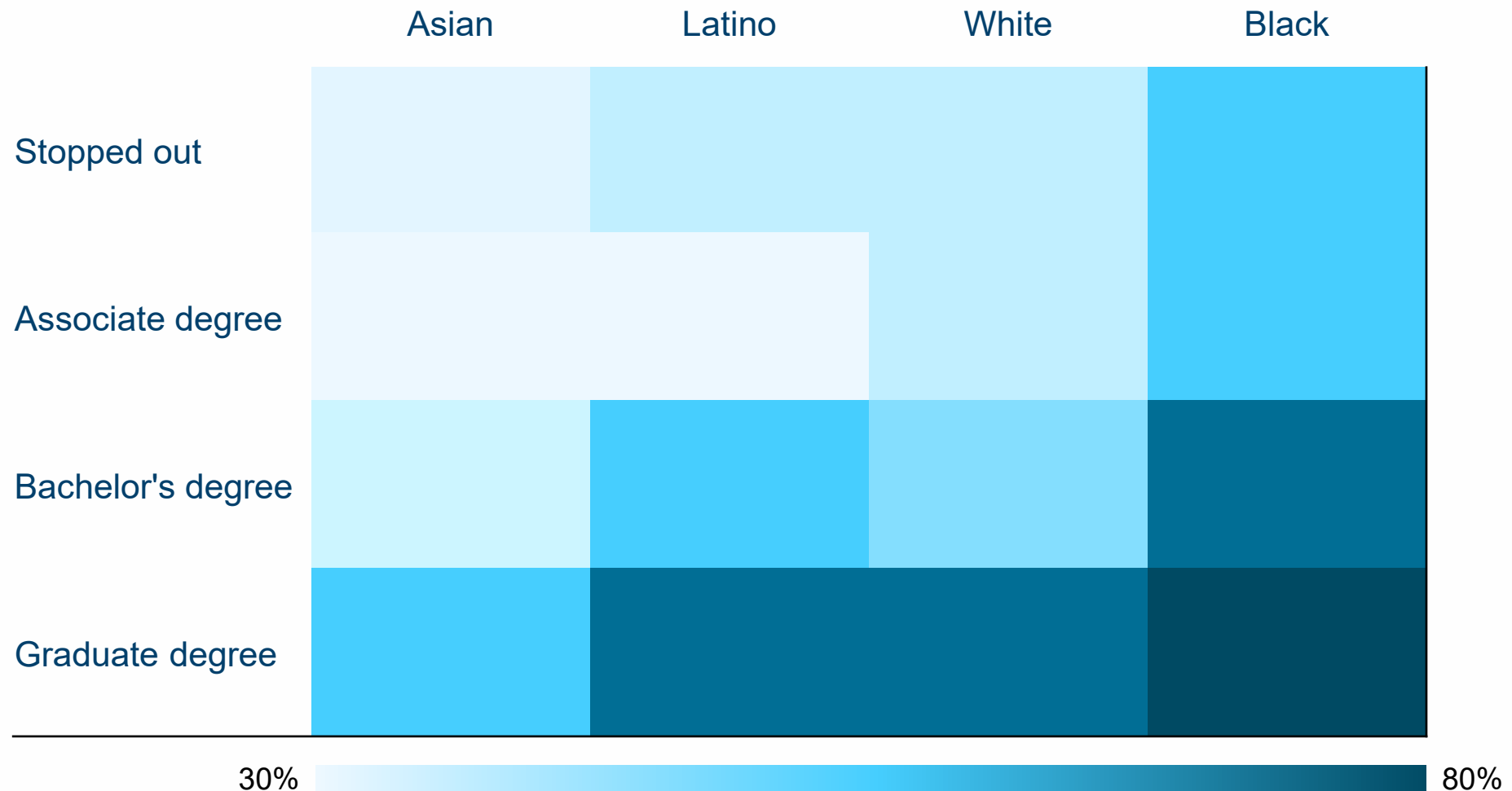
The number of Americans holding student loan debt has increased by 51% since 2007



Source: [Bipartisan Policy Center](#)

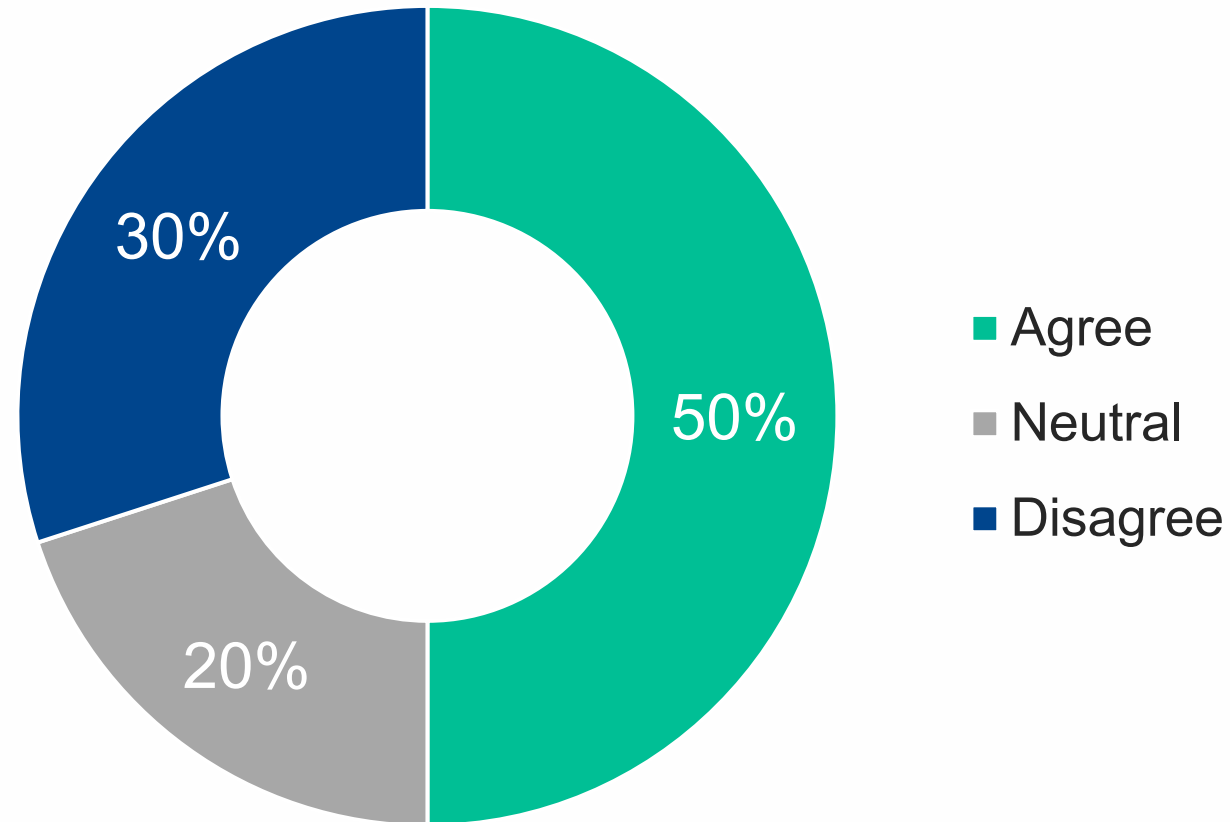
Student loans are widespread across education pathways and demographic groups

Percent of survey respondents who took out a student loan by attainment level and race/ethnicity



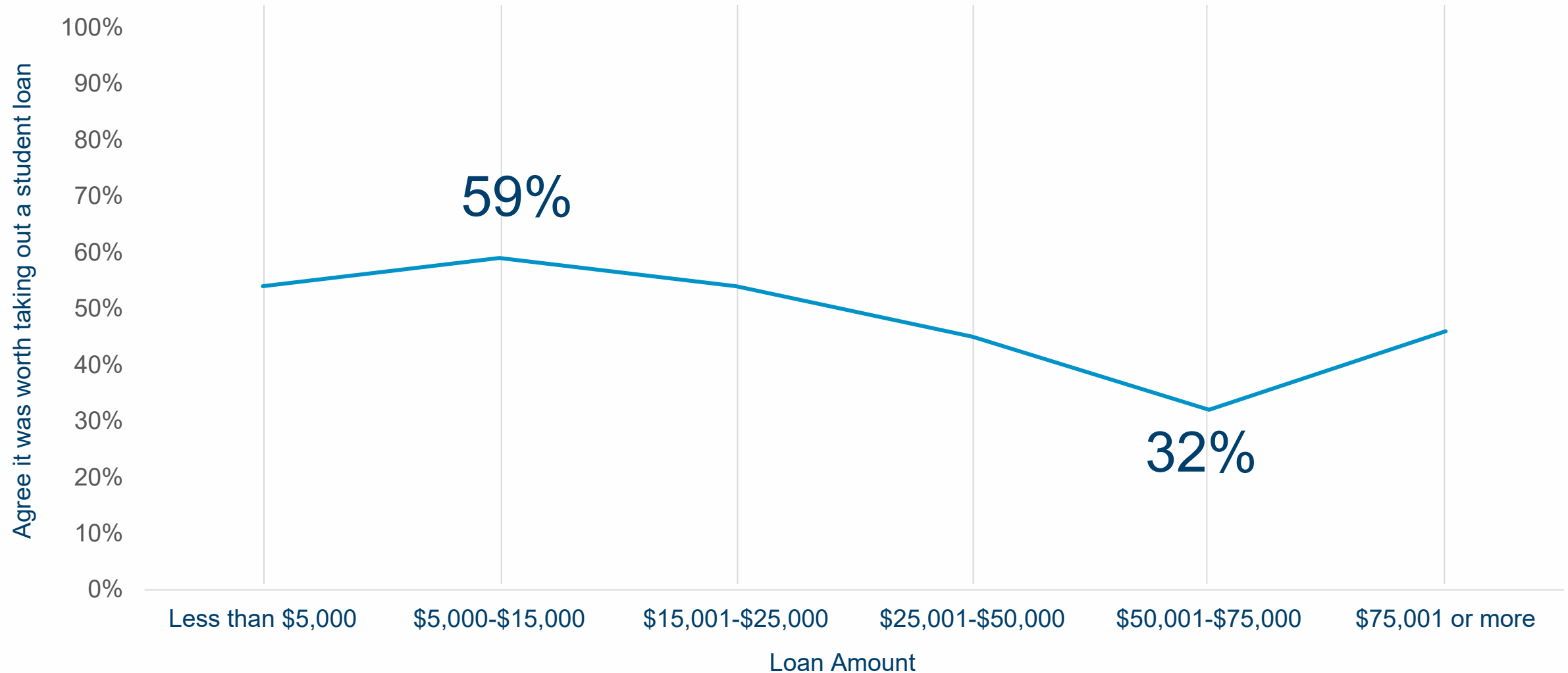
Only half of borrowers feel their student loans were worth it

It was worth taking out my student loans

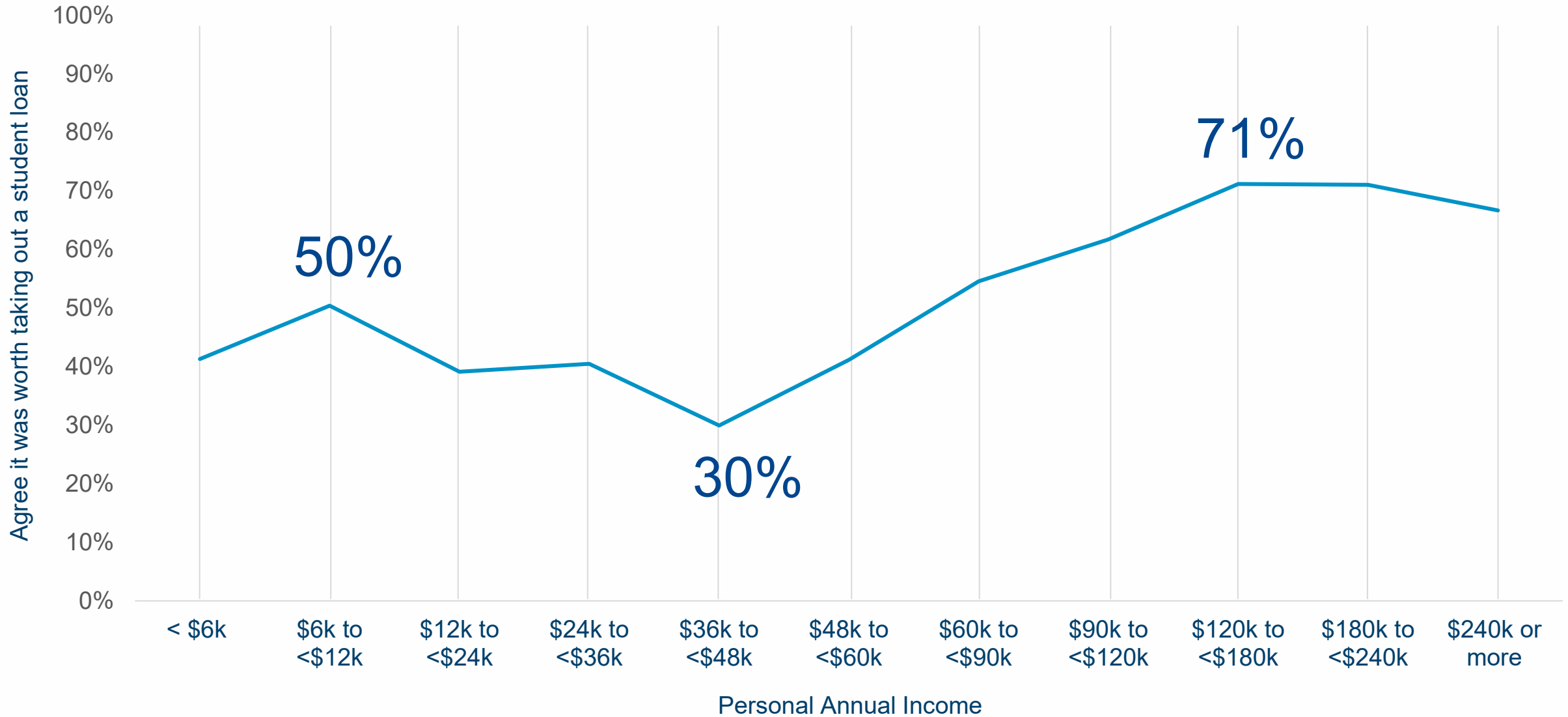


How much do the dollars matter?

Feelings about the value of student loans vary by amount borrowed



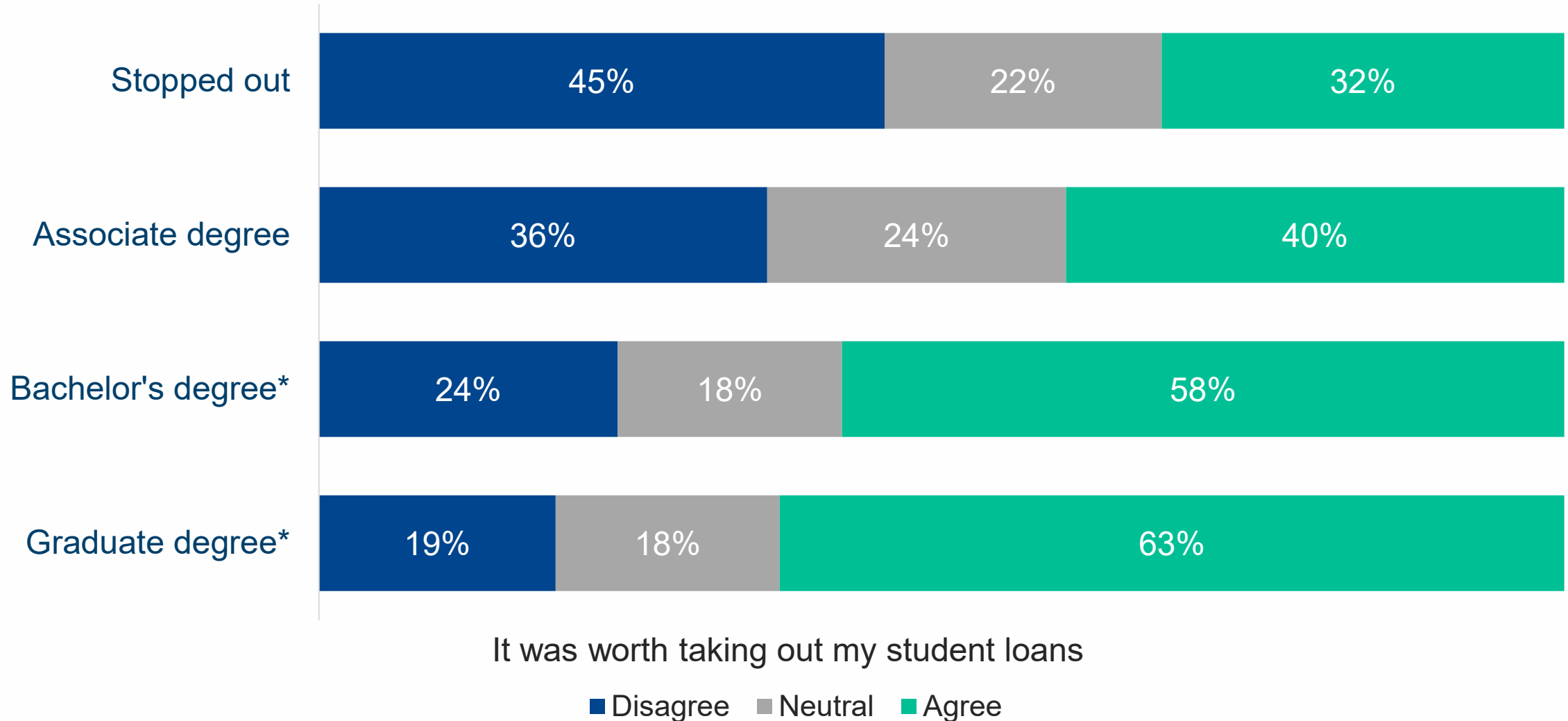
Agreement with the value of student loans varies widely across income levels



Source: Strada-Gallup Education Consumer Survey, April 2-Dec. 22, 2020. Base: adults ages 18-65 with at least some college who took out student loans, n=1,423.

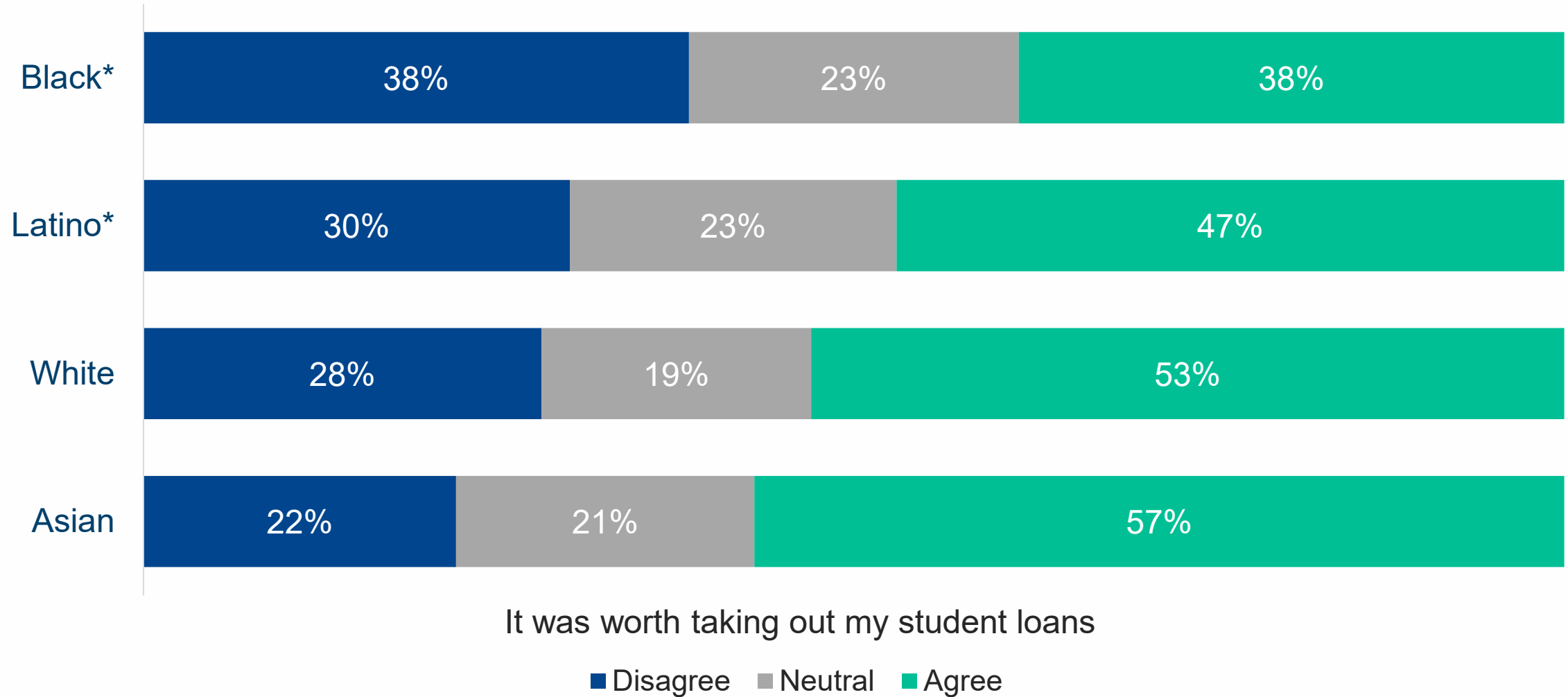
How much do attainment level and demographics matter?

Those with higher levels of education are more likely to feel their loans were worth it



* Statistically significant difference at $p < .05$. Source: Strada-Gallup Education Consumer Survey, April 2-Dec. 22, 2020. Base: adults ages 18-65 with at least some college who took out student loans, $n=4,732$.

Black and Latino alumni are least likely to feel their loans were worth it



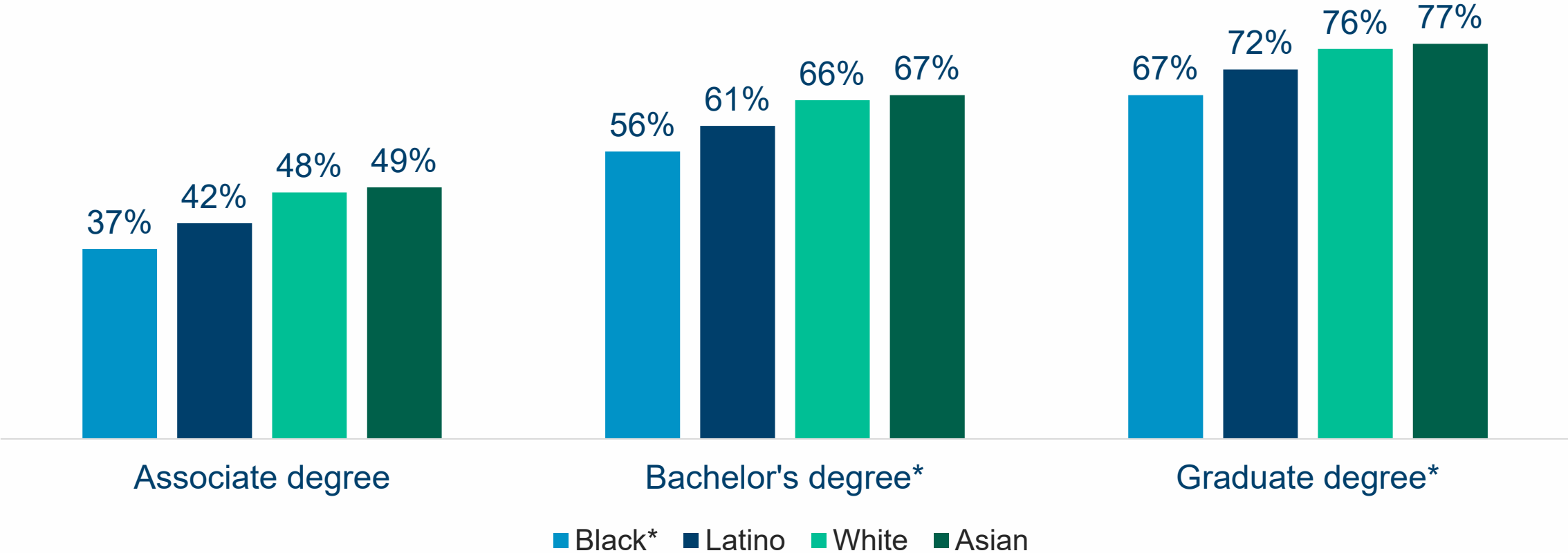
It was worth taking out my student loans

■ Disagree ■ Neutral ■ Agree

* Statistically significant difference at $p < .05$. Source: Strada-Gallup Education Consumer Survey, April 2-Dec. 22, 2020. Base: adults ages 18-65 with at least some college who took out student loans, $n=6,179$.

Racial/ethnic and attainment differences in feelings about student loans persist even when controlling for income and loan amounts

Predicted likelihood of feeling loans were worth it

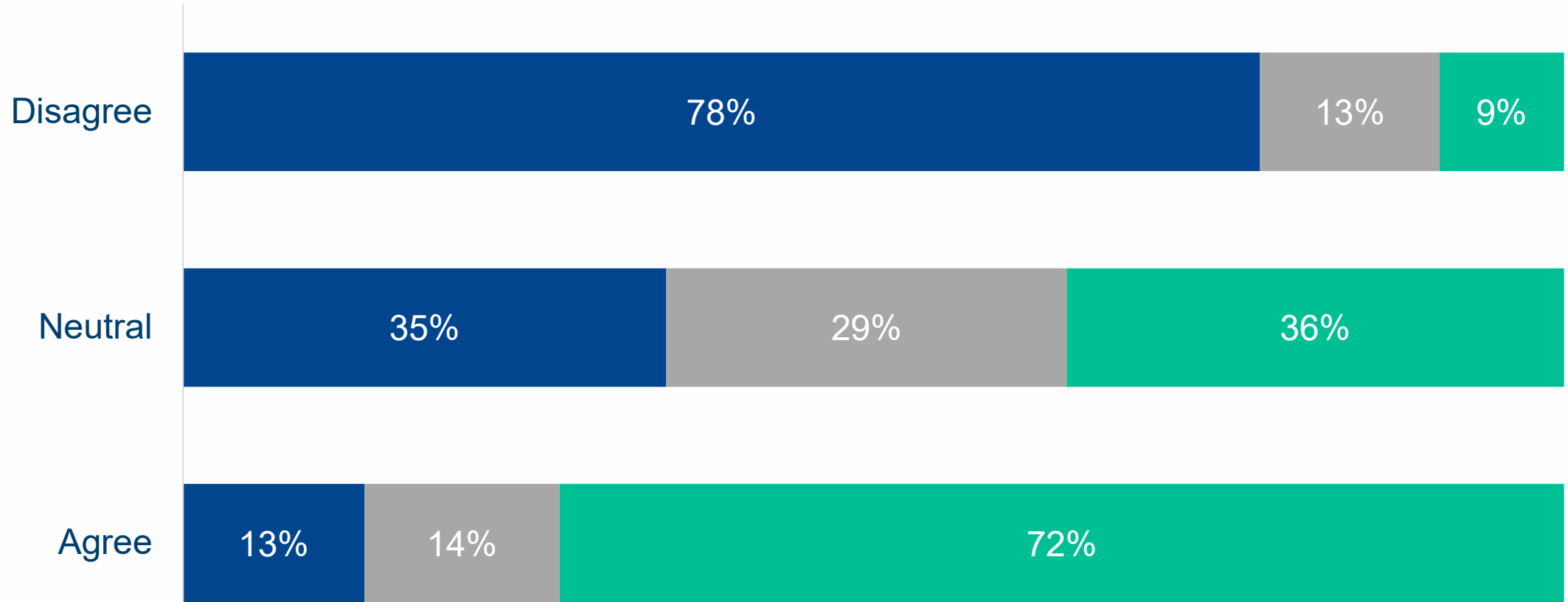


* Statistically significant difference at $p < .05$. Source: Strada-Gallup Education Consumer Survey, April 2-Dec. 22, 2020. Base: adults ages 18-65 with at least some college who took out student loans, $n=4,945$.

How does connection to career matter?

When alumni have support to get a good job, they feel their loans were worth it

My school provided me with resources and support to get a good job



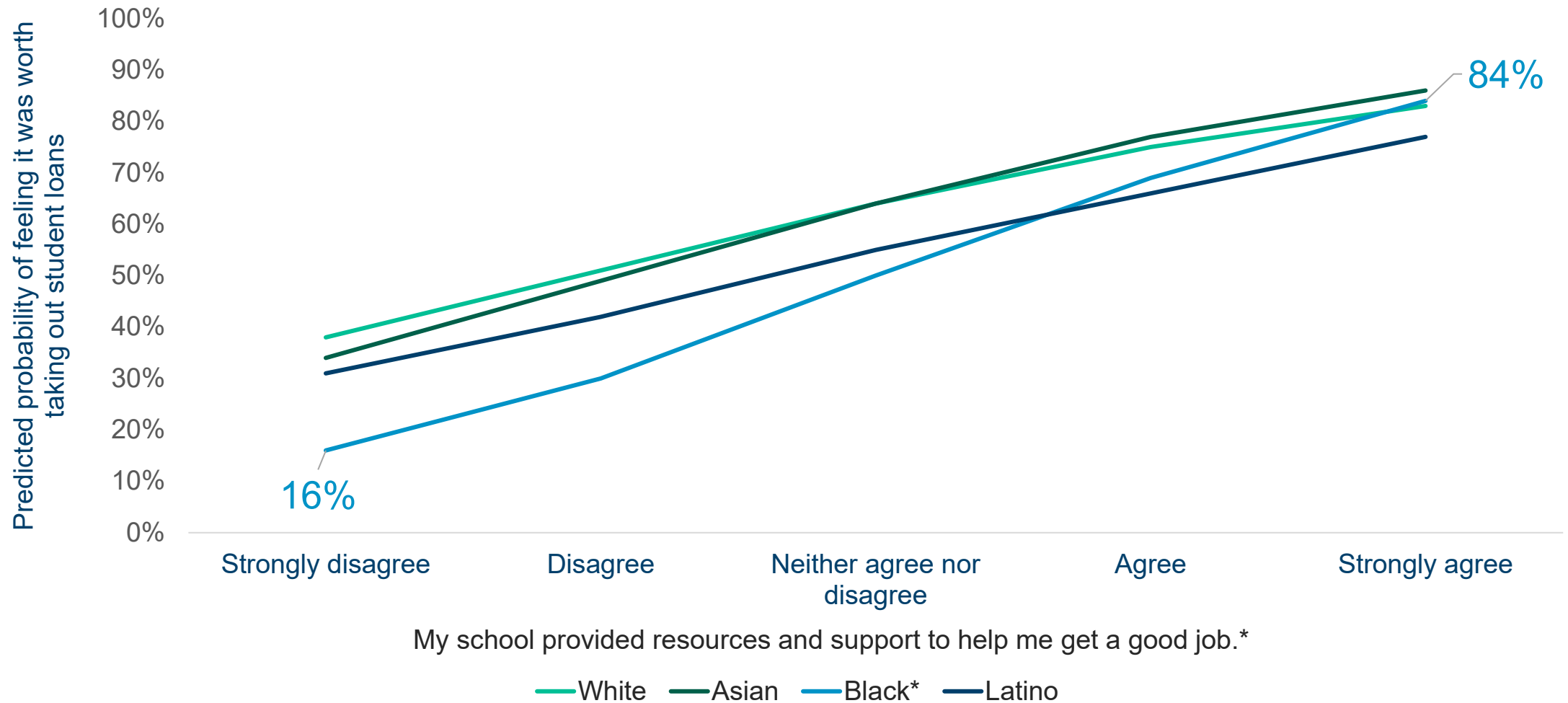
It was worth taking out my student loans*

■ Disagree ■ Neutral ■ Agree

* Statistically significant difference at $p < .05$. Source: Strada-Gallup Education Consumer Survey, April 2-Dec. 22, 2020. Base: adults ages 18-65 with at least some college who took out student loans, $n=4,987$.

When holding other variables constant, what is the link between support to get a good job and feelings that student loans were worth it?

With support to get a good job, perspectives on student loans shift and racial/ethnic gaps close



Logit model of predicted probability that students agree taking out a student loan was worth it. Variables included: loan amount, personal income (log), attainment level, race/ethnicity, support, and interaction between race/ethnicity and support. * Statistically significant difference at $p < .05$. Source: Strada-Gallup Education Consumer Survey, April 2-Dec. 22, 2020. Base: adults ages 18-65 with at least some college who took out student loans, $n=4,996$.

Key findings

- 1. Half of all those with a student loan feel borrowing money was worth it.** Half of all those with a student loan feel borrowing money was worth it. Among individuals who took out a student loan to pursue college, those who stopped out are least likely to feel their loan was worth it, while those who completed a program — 58 percent of bachelor's degree holders and 63 percent of those with graduate degrees — feel their loans were worth it.
- 2. Black and Latino alumni are least likely to feel their loans were worth it.** Fewer than 4 in 10 Black alumni and less than half of Latino alumni feel that it was worth taking out their student loans. Even holding loan amount, income, and attainment level equal, Black and Latino alumni are much less likely to feel it was worth taking out student loans compared to white or Asian alumni.
- 3. When alumni feel they had support to get a good job, perspectives on student loans shift dramatically and racial/ethnic gaps close.** When students felt that their school provided them with resources and support to get a good job, they were eight times more likely to believe that it was worth taking out student loans. Holding other factors equal, when support for getting a good job is strong, Black alumni are just as likely as white alumni to believe it was worth taking out student loans.

Learn more at
StradaEducation.org/PublicViewpoint
or email
consumervoice@stradaeducation.org

Methodology

- The 2020 wave of the Strada-Gallup Education Consumer Survey is a nationally representative survey using both mail and web data collection modes. The survey was conducted from April 2 to Dec. 22, 2020; n=13,839.
- Please contact Strada Center for Education Consumer Insights with questions or information requests at consumervoice@stradaeducation.org or learn more at StradaEducation.org/PublicViewpoint.