

2018

STUDENT LOAN SURVEY REPORT

Student loan repayment terms are longer, student loan balances are greater, student loan payments have increased, and the **demand for student loan benefits has never been higher.**





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This is IonTuition's **3rd**
annual survey report
on student loans.



INTRODUCTION

Student loan debt is now the second-largest form of consumer debt in America. It's such a common and overwhelming concern that huge portions of the workforce are delaying home ownership, retirement, and even immediate needs like medical care in order to pay down their student loans.

Consider the case of Mia, an account manager in her early 30's. Mia earned her Bachelor's degree a few years ago and has over \$40,000 in student loans.

Mia enrolled in Graduated Repayment, which initially kept her payments low while she launched her career and started a family. Now her payments have increased to over \$500 per month, and she is struggling to keep up.

Her federal servicer offers several repayment options, including consolidation and income-driven plans, but she's unsure which best suits her needs. To make things even more complicated, she's been receiving student loan refinancing offers in the mail.

Hundreds of thousands of Americans are in situations just like Mia's. Payments are too high, options are overly complicated, and there's no one available to help.

In the past few years, more and more companies have stepped up to help improve their employees' lives by offering benefits to address these issues. We work with these companies to fulfill our mission of providing the tools they need to offer a truly effective student loan benefit.

16 percent of the loans brought onto the IonTuition platform are delinquent or in default, totaling nearly a **\$1 billion** in overdue loans.



BACKGROUND

To learn more about student loan repayment in America, we surveyed 1,000 people who took out student loans to attend college and asked them about their repayment status and voluntary benefit preferences.

Since 2015, overall student loan balances and repayment terms have increased or remained the same, and there is a growing demand for employer-provided student loan assistance.

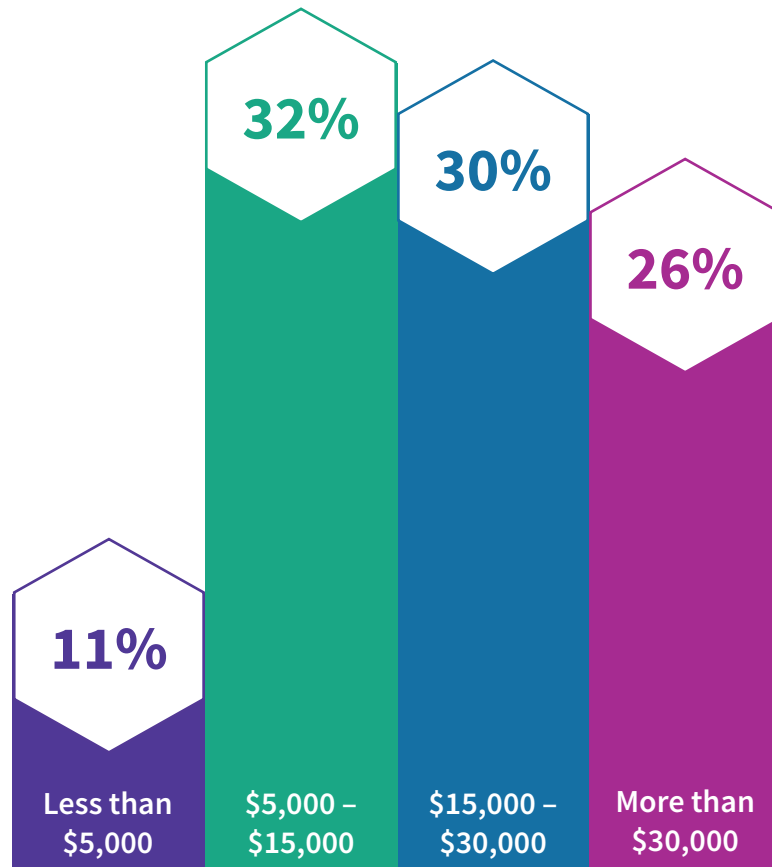
RESPONDENT BREAKDOWN BY AGES	
18-23	20%
24-34	54%
35-50	21%
51+	5%

Note: due to rounding, percentages may not always add up to 100%.

17 percent of respondents had entirely paid off their student loans.

STUDENT LOAN DEBT — 2018

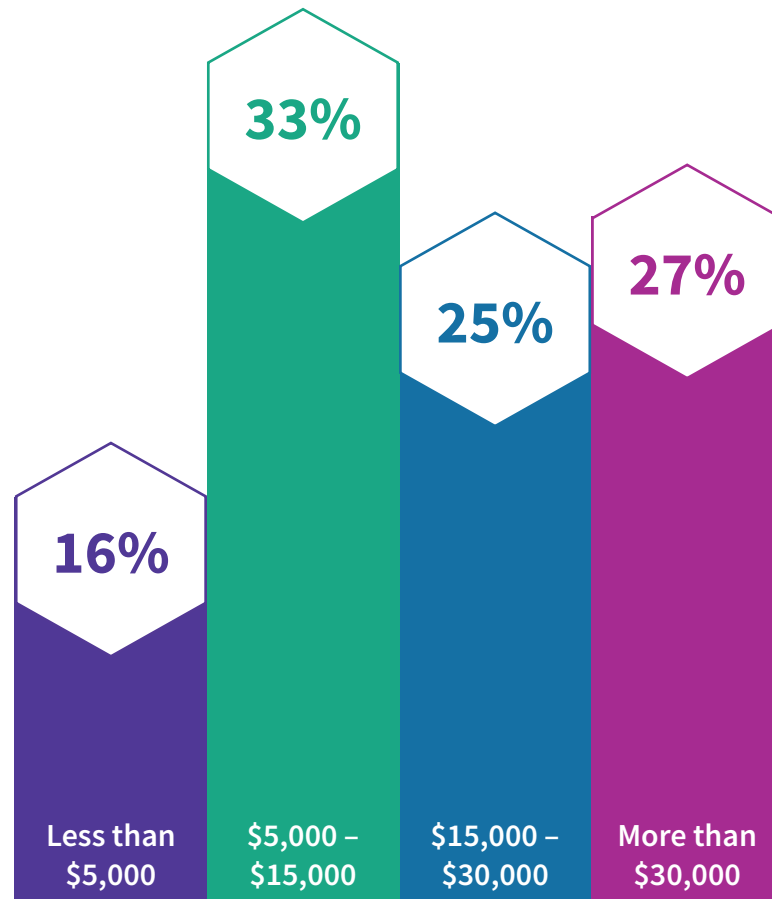
“How much money did you initially borrow in student loans?”



56 percent of respondents initially borrowed **more than \$15,000** in student loans.

STUDENT LOAN DEBT — 2018

“How much student loan debt do you currently have?”



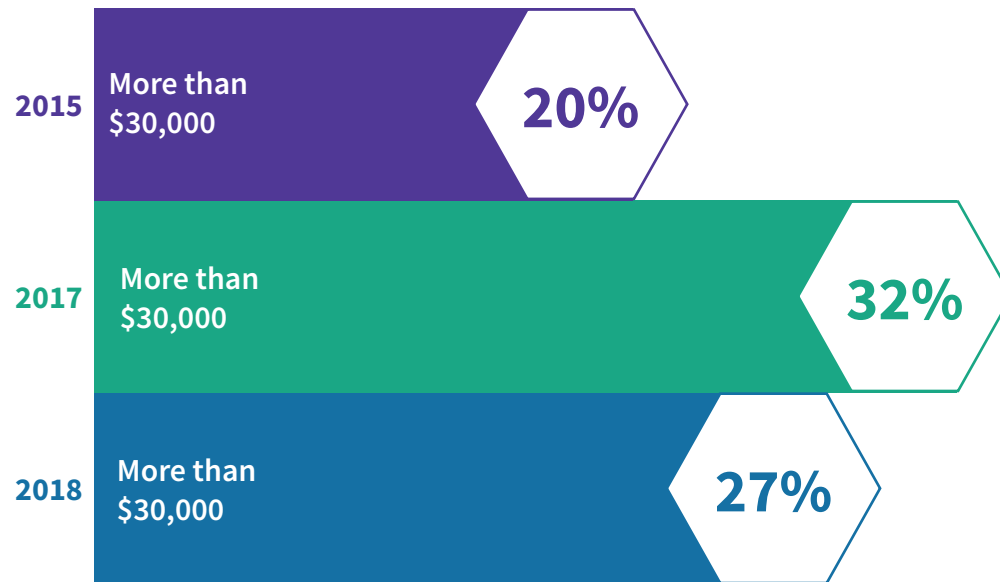
52 percent of respondents **still owe more than \$15,000** in student loans.

The number of respondents with **more than \$30,000** in student loans actually *increased* over time compared to initial borrowing, thanks to interest accrual.



STUDENT LOAN DEBT — YEAR OVER YEAR COMPARISON

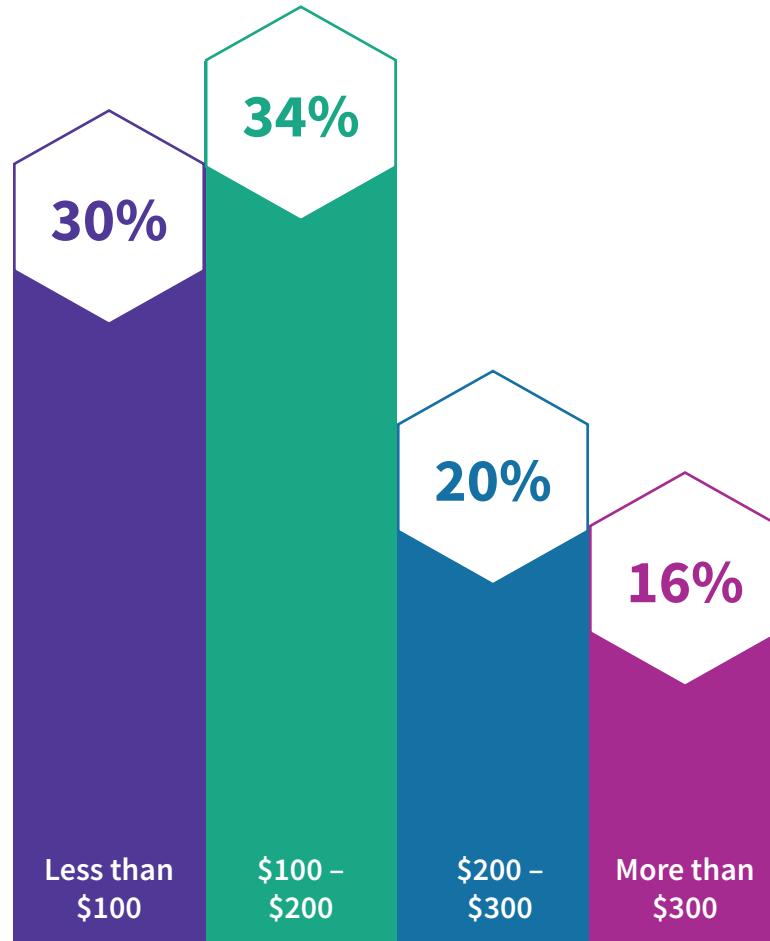
“How much student loan debt do you currently have?”



The number of respondents with **more than \$30,000** in student loans remains high.

STUDENT LOAN REPAYMENT — 2018

“How much is your monthly student loan payment?”



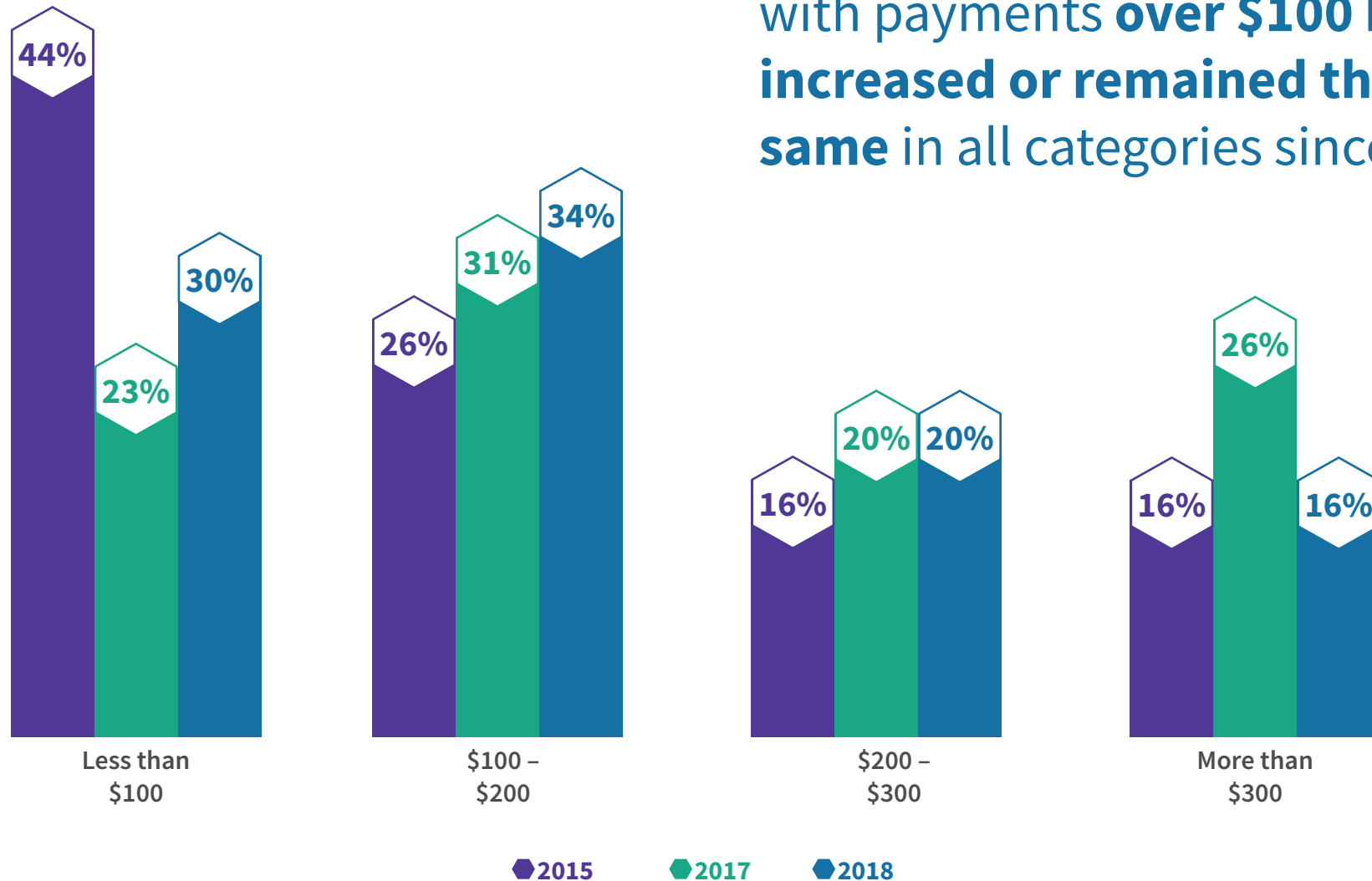
36 percent of respondents have a student loan payment that is **over \$200 per month.**



STUDENT LOAN REPAYMENT — YEAR OVER YEAR COMPARISON

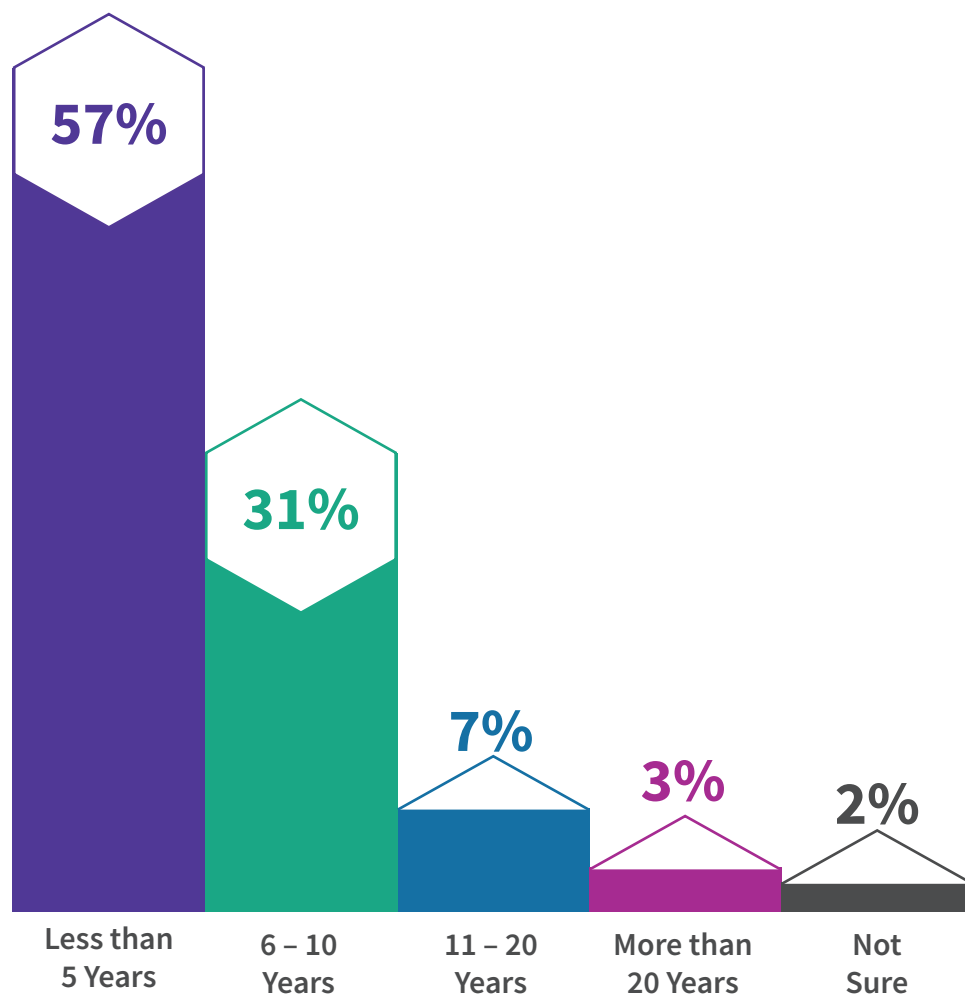
“How much is your monthly student loan payment?”

The number of respondents with payments **over \$100 has increased or remained the same** in all categories since 2015.



STUDENT LOAN REPAYMENT — 2018

“How long did it take you to pay off your loans?”

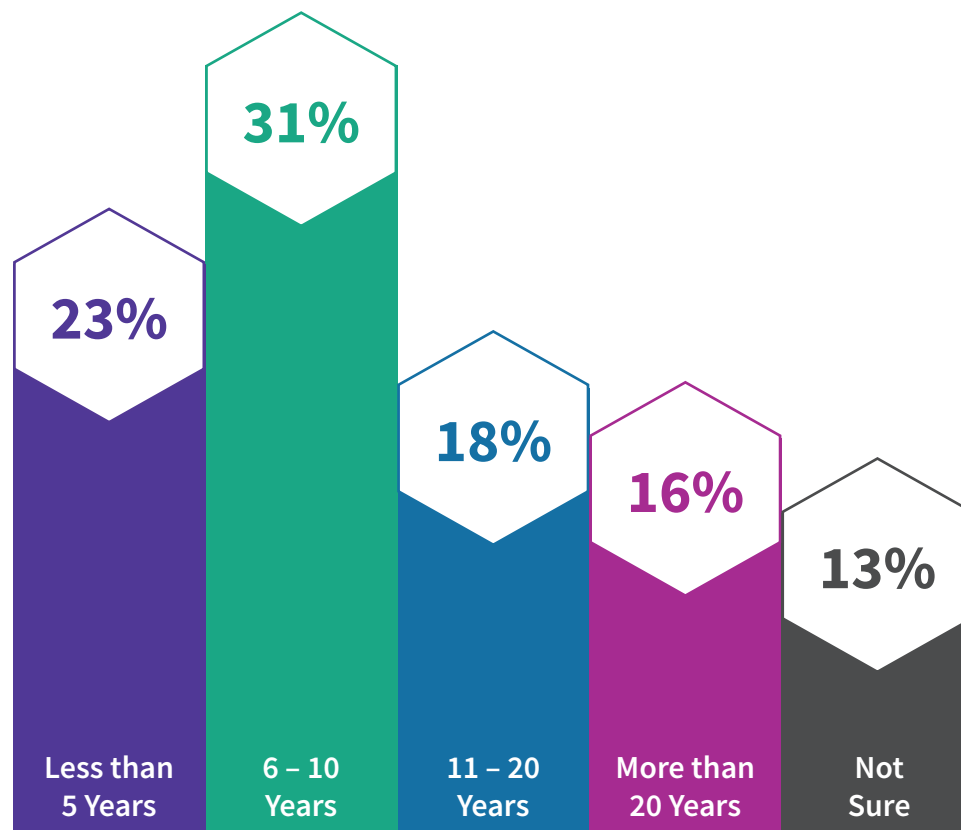


169 out of 1,000 respondents reported their student loans were fully repaid.

Less than **10 percent** fully repaid their loans within 5 years and more than **1 in 10** went past the standard 10-year repayment period.

STUDENT LOAN REPAYMENT — 2018

“How long will it take you to pay off your student debt at the rate you are currently paying?”

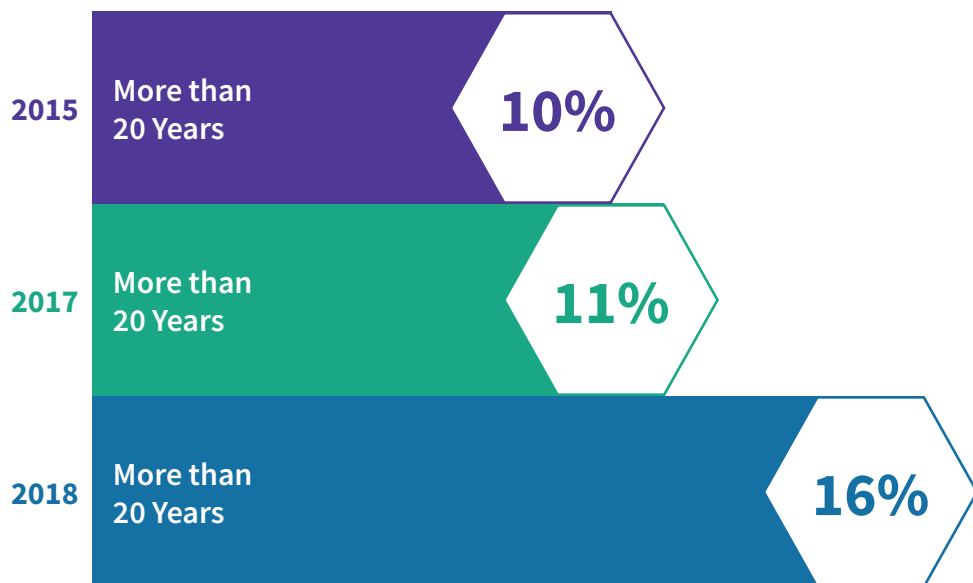


Borrowers with loans currently in repayment expect to take **much longer to pay them down.**

34 percent of respondents will need **more than 10 years** to repay their loans.

STUDENT LOAN REPAYMENT — YEAR OVER YEAR COMPARISON

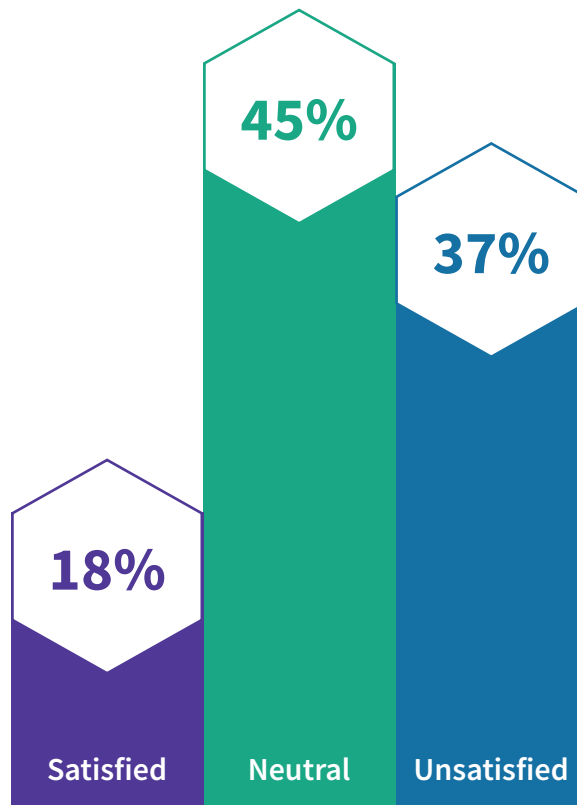
“How long will it take you to pay off your student debt at the rate you are currently paying?”



The number of respondents who reported that it will take **more than 20 years** to pay off their student loans has increased significantly since 2015.

STUDENT LOAN REPAYMENT — 2018

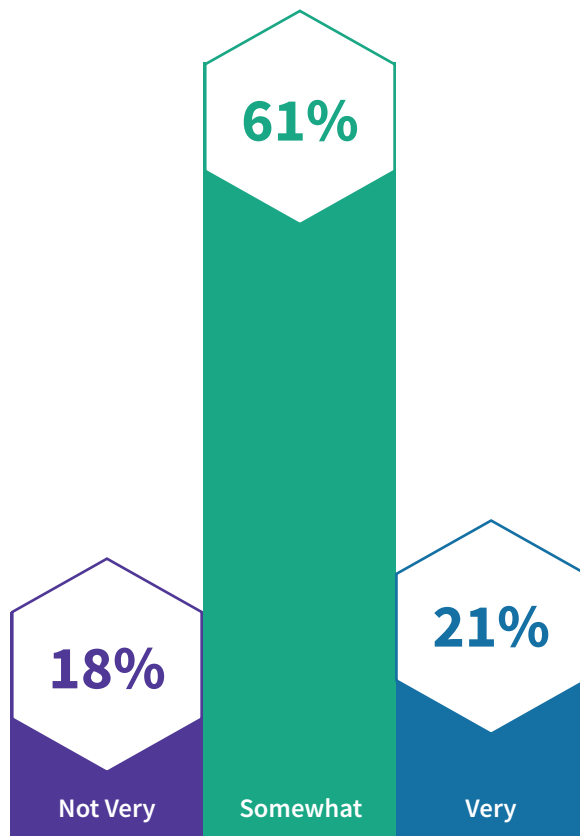
“How satisfied are you with your current student loan repayment plan (*current monthly payment, term length, interest rate, etc.*)?”



37 percent of respondents are unsatisfied with their current repayment plan.

STUDENT LOAN REPAYMENT — 2018

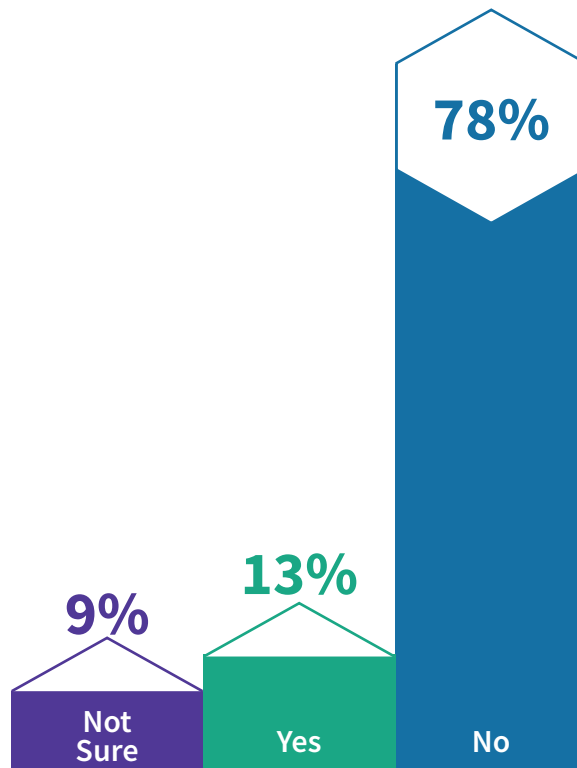
“How knowledgeable are you of your student loan repayment options?”



82 percent of respondents could stand to **improve their knowledge of student loan repayment options.**

STUDENT LOAN BENEFITS — 2018

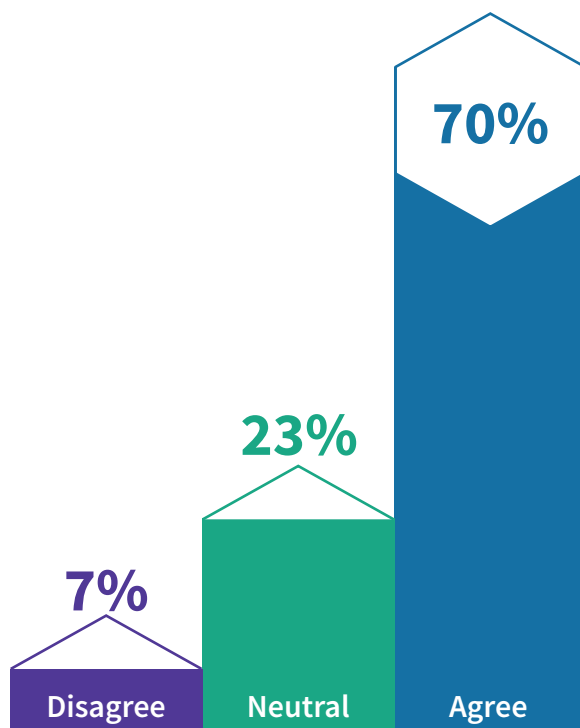
“Does your company offer a student loan assistance benefit?”



Only 13 percent of respondents currently report working for a company that offers some type of student loan assistance.

STUDENT LOAN BENEFITS — 2018

“I think employers should help workers and their families manage student loan debt.”

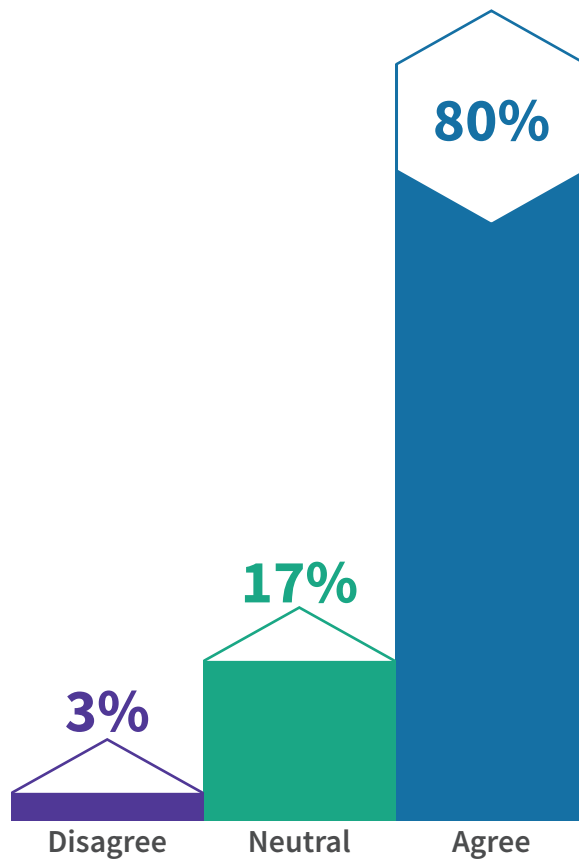


46 percent of respondents have other people in their family with student loan debt.

Respondents feel strongly that **employers should help their workers** repay their student loan debt.

STUDENT LOAN BENEFITS — 2018

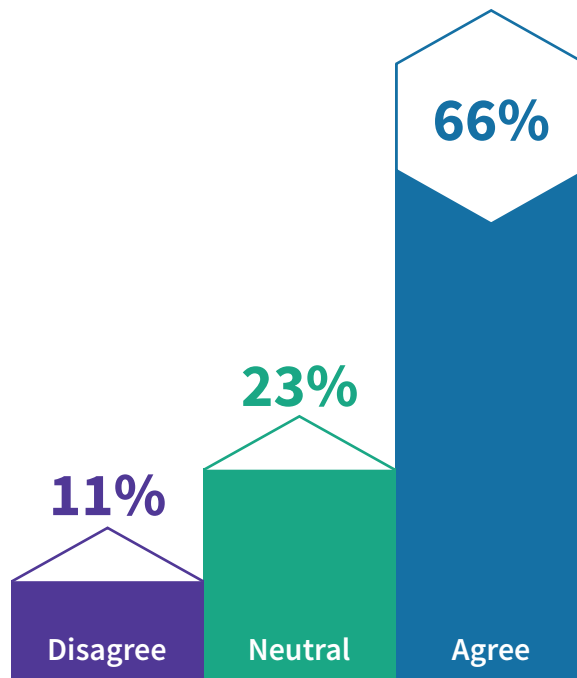
“I would like my company to offer a voluntary student loan assistance benefit.”



Overwhelmingly,
respondents want a
student loan benefit.

STUDENT LOAN BENEFITS — 2018

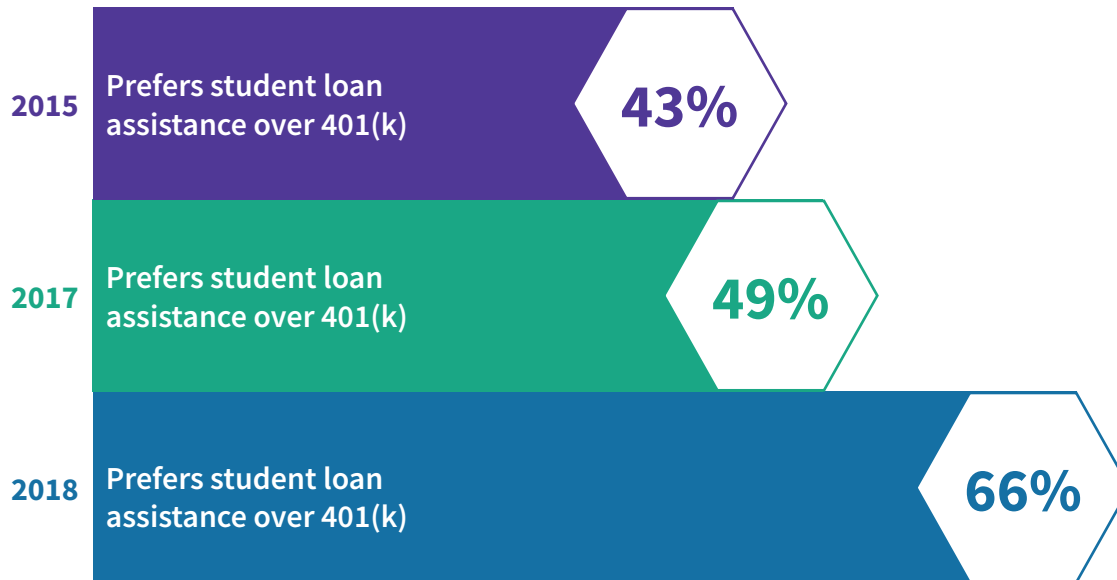
“I would like the option to choose matching contributions towards my student loans over matching contributions towards a 401(k).”



The majority of respondents **would choose student loan contributions over 401(k) contributions.**

STUDENT LOAN BENEFITS — YEAR OVER YEAR COMPARISON

“I would like the option to choose matching contributions towards my student loans over matching contributions towards a 401(k).”



Student loans continue to be an increasingly high priority **compared to retirement.**

STUDENT LOAN BENEFITS — 2018

“Rank the following voluntary benefits from most desirable to least desirable.”

Student loan assistance ranks highest among other emerging voluntary benefits.





CONCLUSION

Student loan debt continues to be a pressing issue. Many of those in repayment lack the knowledge they need to handle paying down their debt.

As companies continue to rely heavily on college-educated talent, student loan assistance is increasingly important to employees.

Students take out these loans in order to advance their careers and build the skills that their employers can rely on.

Companies who want to acknowledge that investment and offer assistance to their employees are looking for affordable benefit options that allow them to step up and address the problem.

If Mia was working for a company offering IonTuition, she could easily review all of her repayment options from one place and receive expert guidance to determine the best method to reduce her payments.

Providing voluntary student loan benefits is a simple and inexpensive way to show appreciation towards your employees. It's also a benefit that directly helps your employees' financial well-being, which has a positive impact on their health and productivity.

Show employee appreciation by **offering a benefit that helps them manage their student debt.**



ABOUT IONTUITION

IonTuition is the industry's top provider of student loan assistance benefits. We are the leading experts in the space; no other benefit provider has more experience saving people from delinquency and default.

We exist solely to help employees and students manage their student loan debt. Our user-friendly platform provides student loan management and financial wellness tools that are unmatched in the market today.

Our product is simple to implement, customizable, and offered at a price companies of any size can afford. Employers can bypass the long sales process by subscribing directly to our service online.

Your employees deserve to be free of their student loan stress.

Your employees deserve IonTuition.



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