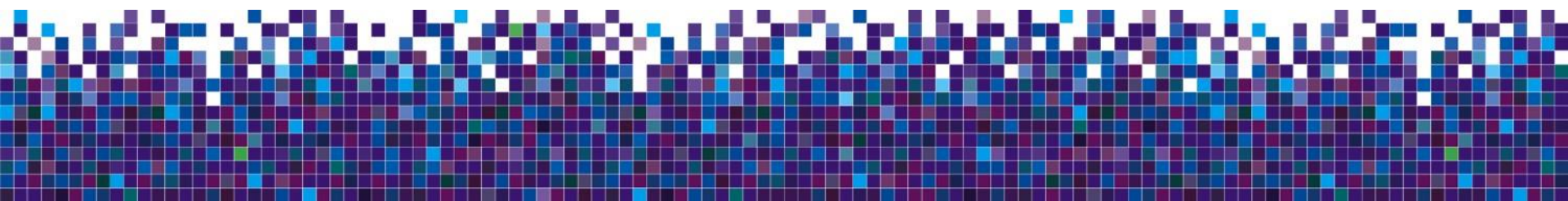




# Highlights from the *Money Under 35* Report

Navient's 2017 national study on the financial health of young adults between 22 and 35

Conducted by Ipsos Public Affairs



# The 2017 study reconfirms the value of education attainment for young adults

Figure 50: Personal income by level of education attained

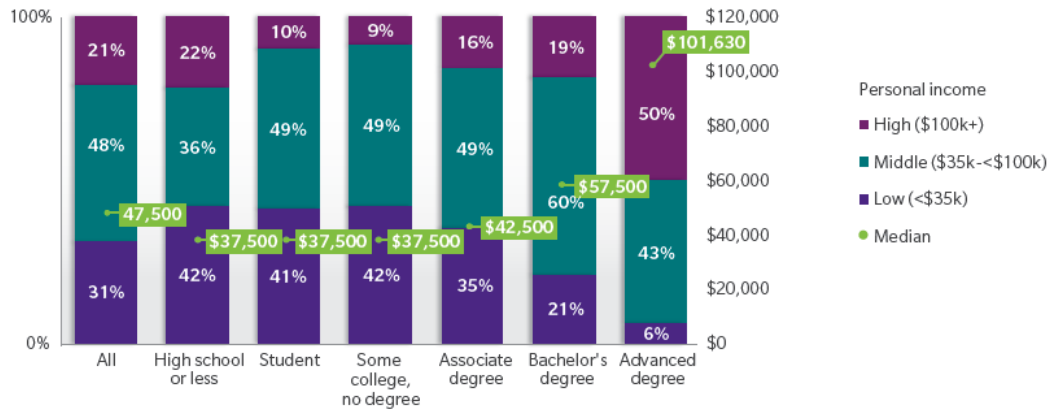


Figure 1: Financial health self-assessment by level of education attained

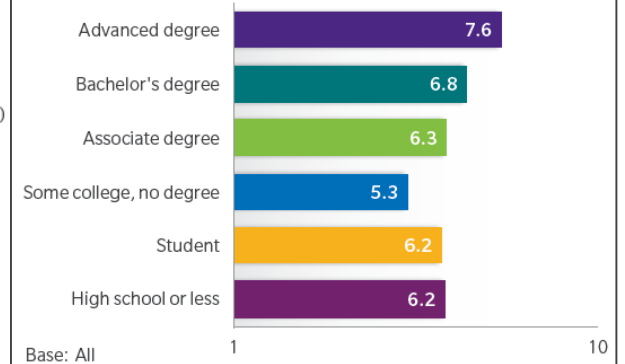
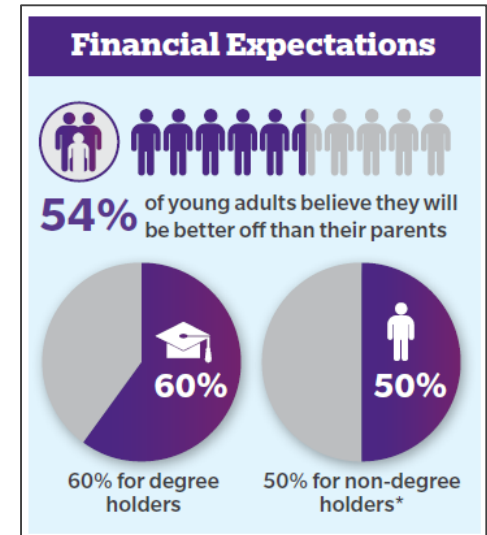
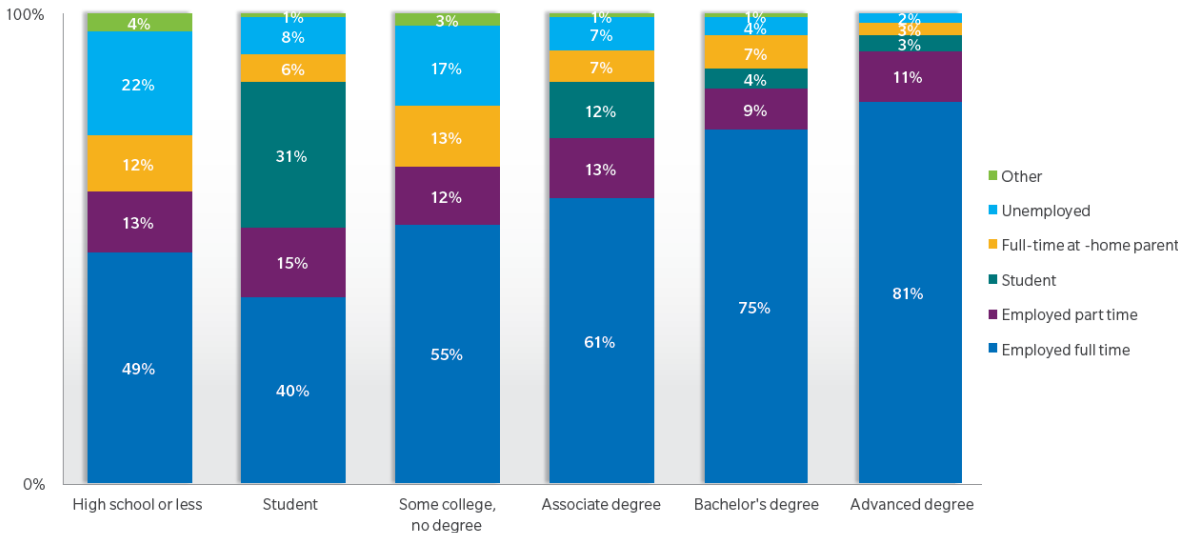
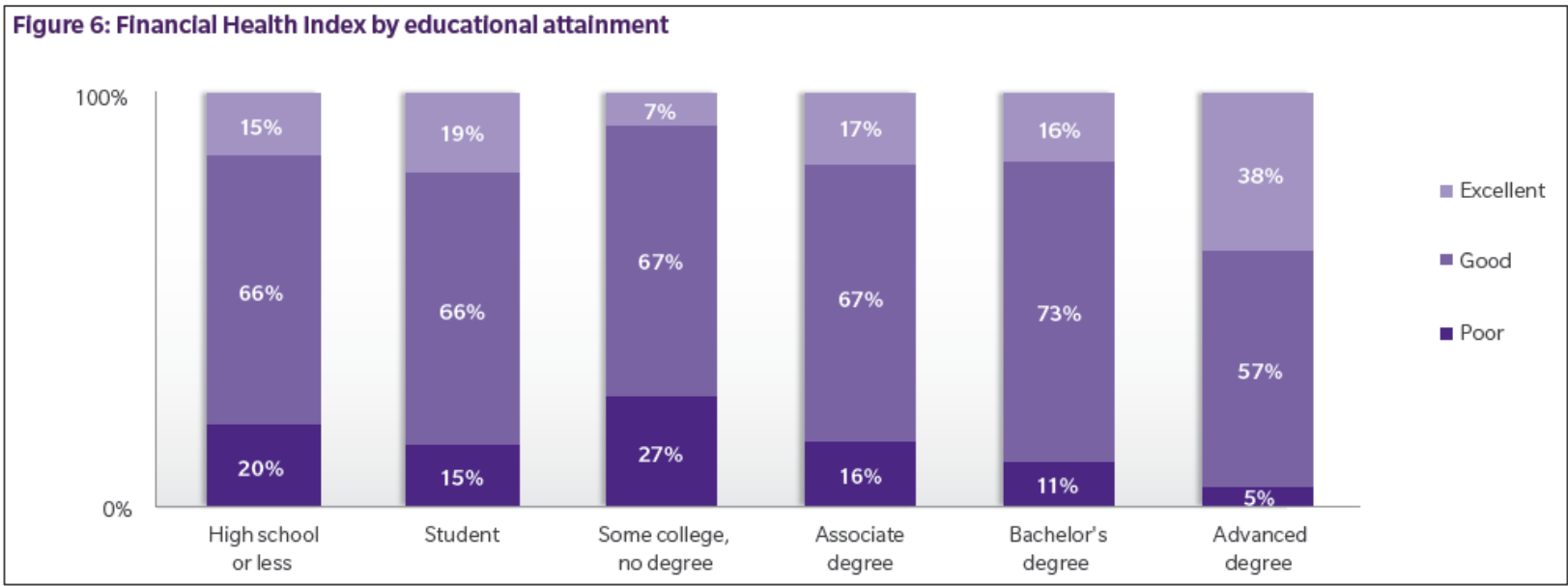


Figure 39: Employment status by level of education attained



# Those who attend college but don't complete have the worst financial health of all categories, including compared to those with a high school education or less

For the third year in a row, non-completers are the least likely to score in the "excellent" range on the Financial Health Index (7% in 2017, 14% in 2016 and 12% in 2015). Non-completers fare worse than their peers who have a high school education or less.



# Earning a degree can put those who report a lower income family background on a path to a higher income

- Seventy percent of young adults who never made it to graduation report growing up in a low- or lower-middle income household.
- Two-thirds (67%) of degree holders from a low and lower-middle-income household now earn a middle or high personal income.

Figure 9: Current household income by perceived family income in childhood

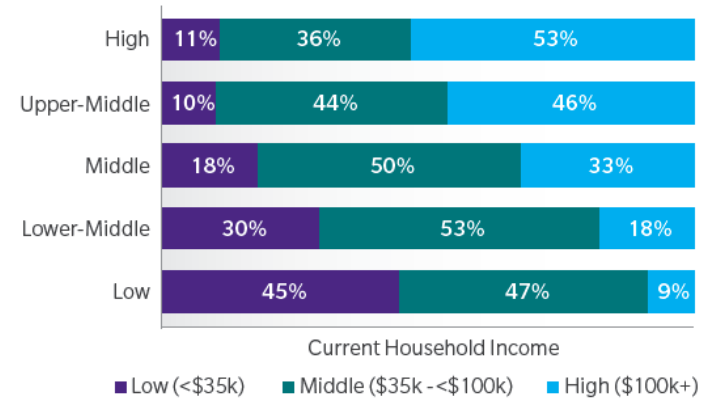
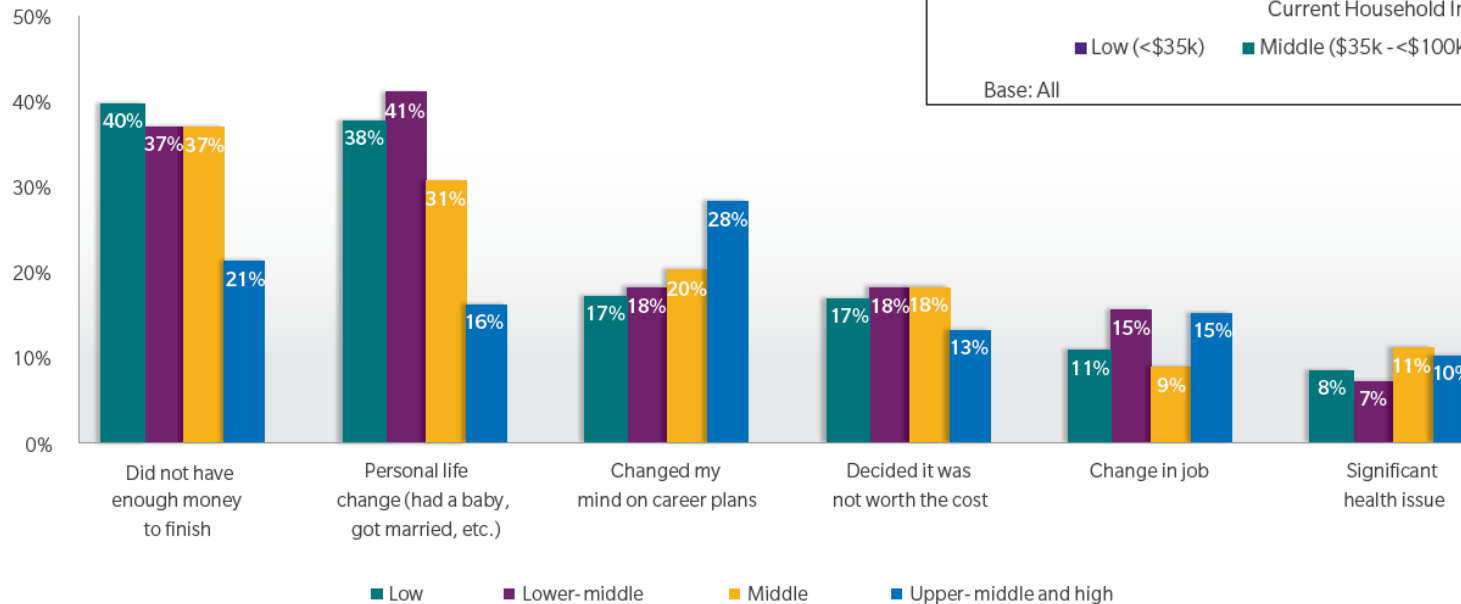


Figure 20: Reasons for not completing degree by perceived family income in childhood



# Thirty percent of young adults who attended college report being the first in their family to do so\*

First-in-family graduates were more likely to report facing challenges in the pursuit of their degree

Figure 18: Challenges faced by degree holders by family education status

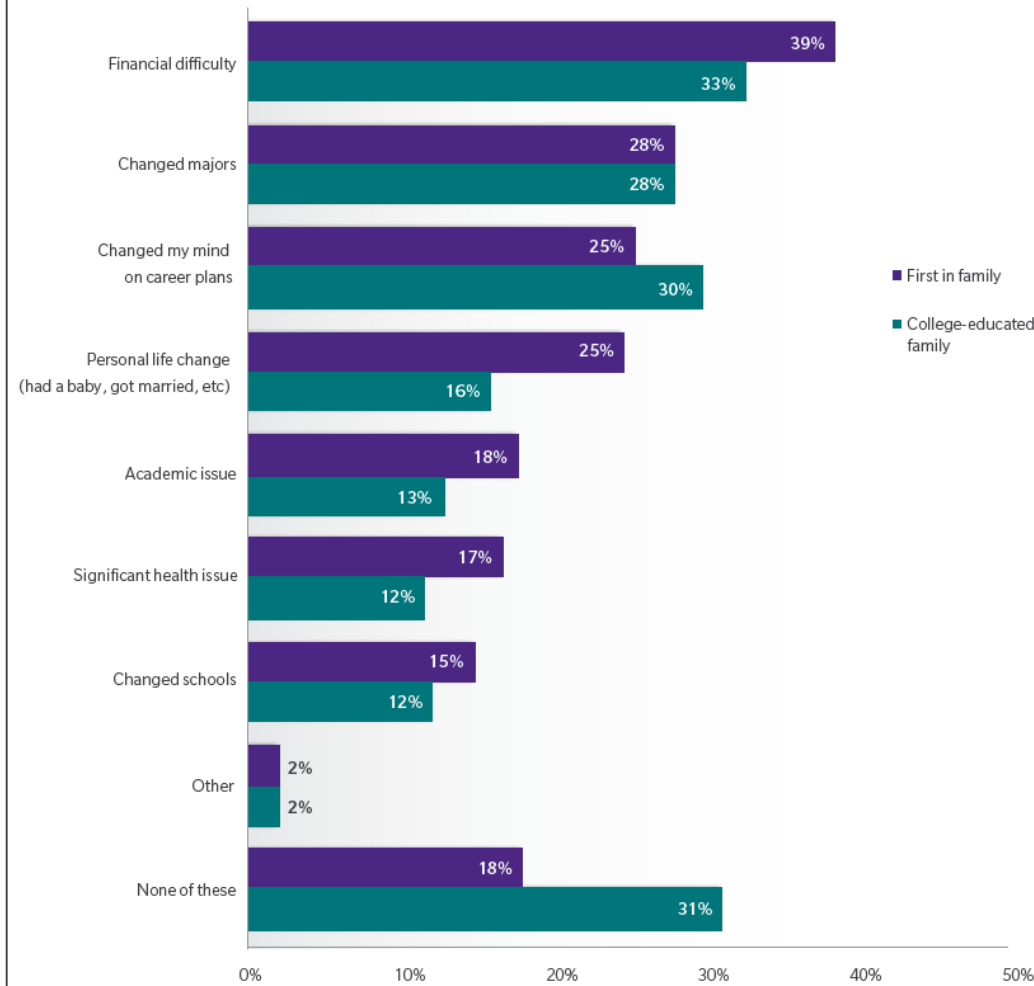
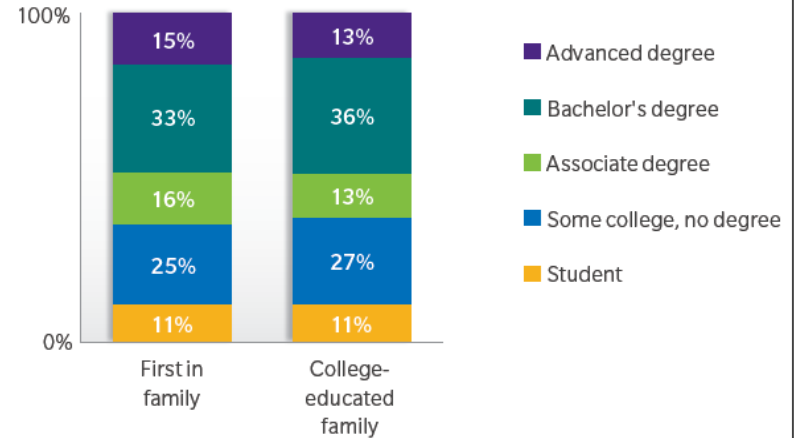


Figure 17: Degree completion by family college attendance status

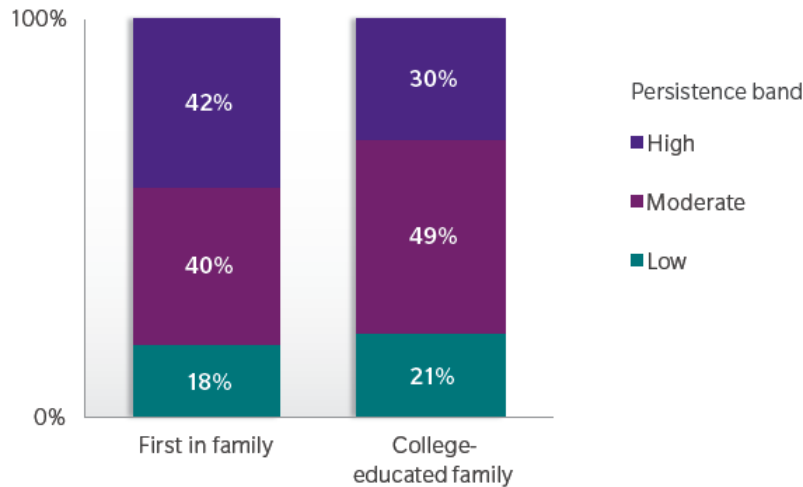


Base: Education (attended some college)

- Overall, 82 percent of first-in-family graduates said they faced a challenge in pursuit of their degree, compared to 69 percent of graduates from a college-educated family.
- Young adults from low or lower-middle-income households are more likely to be the first in their family to attend college (37%), compared with young adults who report growing up in a middle-income household (26% are first-in-family) or an upper-middle- or high-income household (25% are first-in-family).

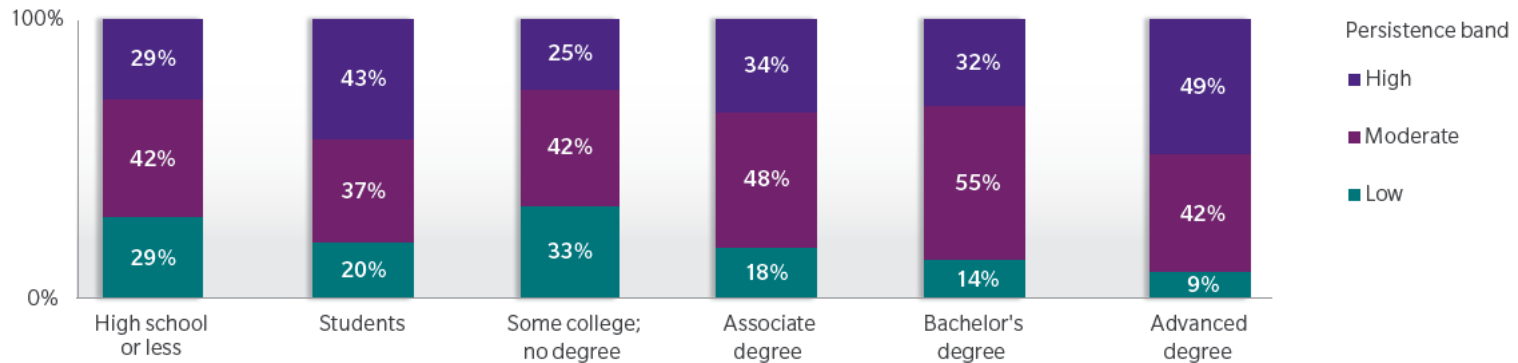
# Persistence among young adults shows up strongly in those who achieve degrees and those meeting financial milestones

**Figure 36: Persistence band by family educational status**



- Young adults' responses to attitudinal statements about overcoming challenges, working to achieve goals and problem solving were used to develop a persistence index with three "bands" of persistence.
- Those who were first in their family to attend college were more likely to score in a high persistence band

**Figure 35: Persistence band by educational attainment**



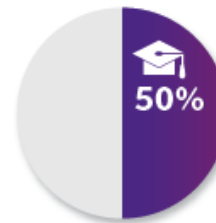
# Young adults who complete a degree are more likely to own a home, even if they borrowed to finance their education

## Home Ownership

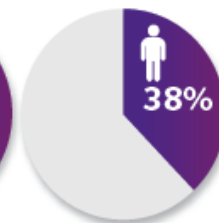


56% of degree holders who did not borrow and 46% of degree holders who borrowed for their education own a home; regardless of borrowing status degree holders are more likely to own a home than non-degree holders:

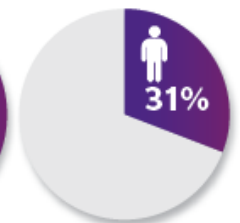
50% of degree holders own a home (A)  
 38% of adults with a high school education or less own a home (B)  
 31% of adults who have attended some college but do not have a degree own a home (C)



A

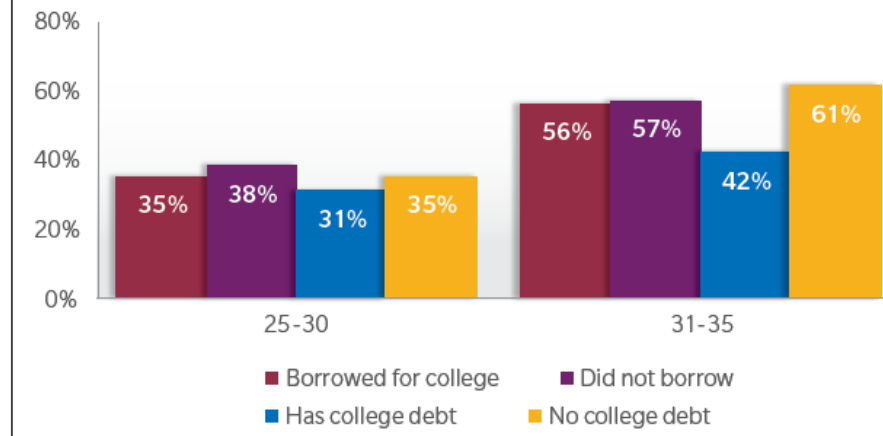


B



C

Figure 65: Homeownership rate by age and college borrowing status

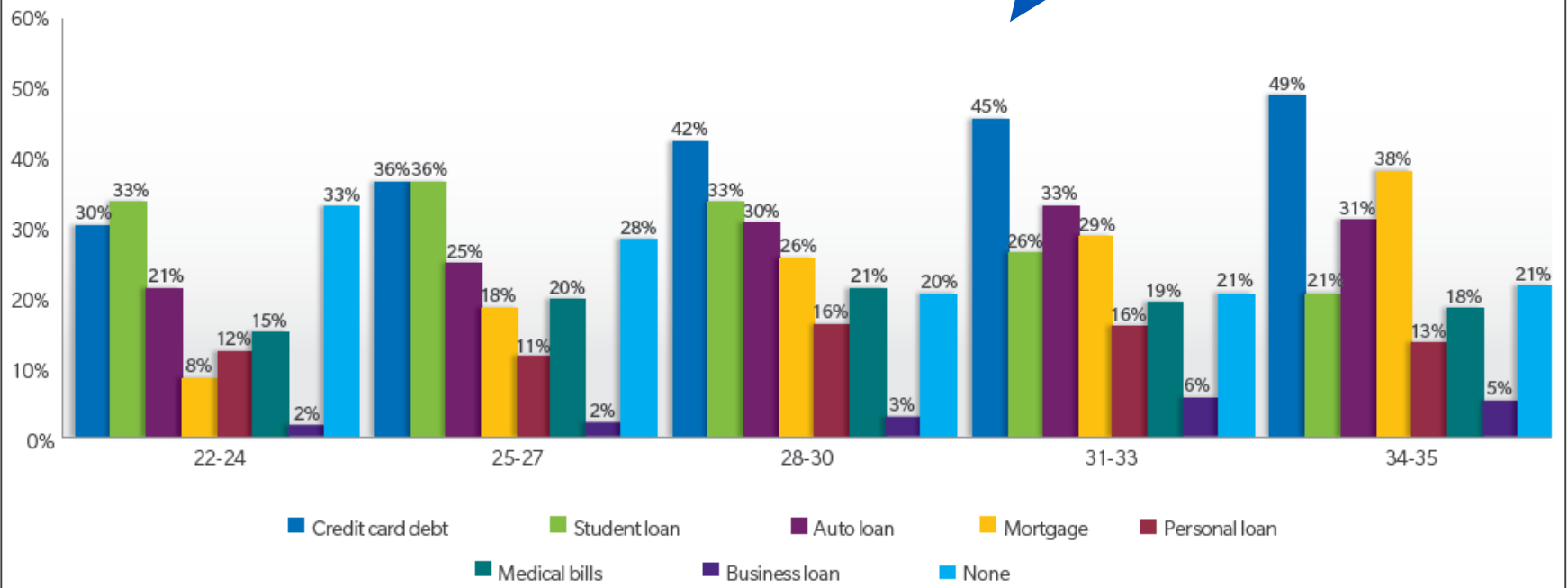


# For young adults with some form of debt, fewer report having trouble making payments in 2017 compared to prior years

One in three (35%) reports having recently had trouble making all of his or her payments, continuing the positive trend down from a high point in 2015 of 52 percent.

Most young adults have some type of debt (75%), whether it is an auto loan, credit card balance, mortgage, student loan, medical bill, or other debt.

**Figure 59: Percentage with type of debt by age**





# Young adults are saving, but retirement is not yet a priority

- Consistent with prior years' findings, nearly all (93%) young adults between 22 and 35 report that they are saving, but retirement isn't yet a priority. Only 31 percent of young adults report that they are saving for retirement.
- Those who have earned a degree are more likely than those who have not to be saving.
- Emergency funds (40%) and vacation funds (38%) are the two most common savings goals.

Figure 71: Percentage saving for goal

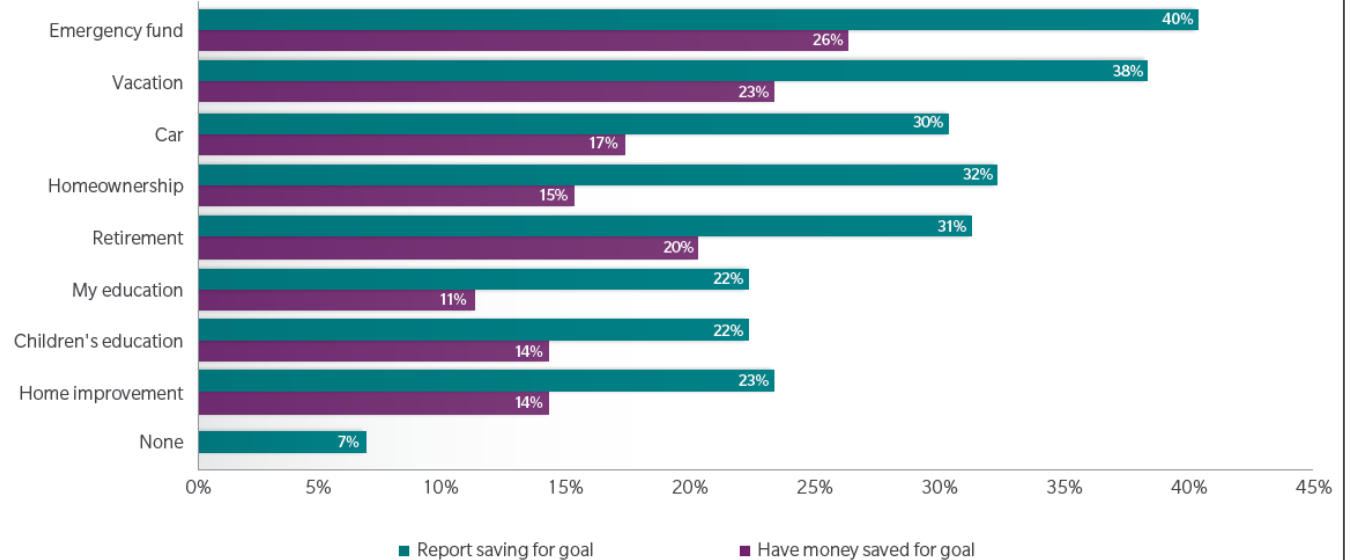
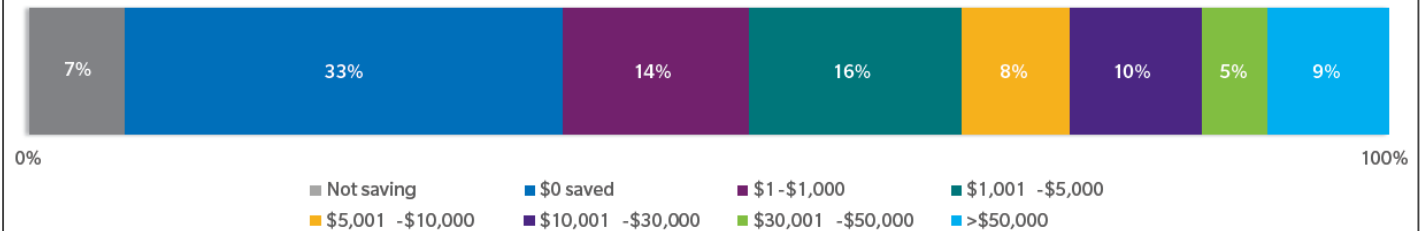
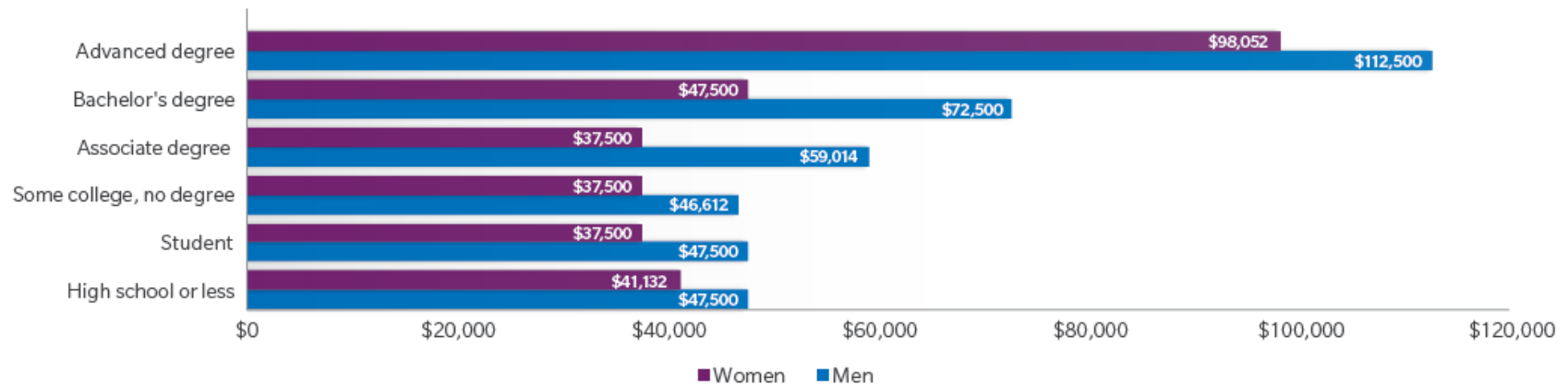


Figure 72: Savings amount distribution

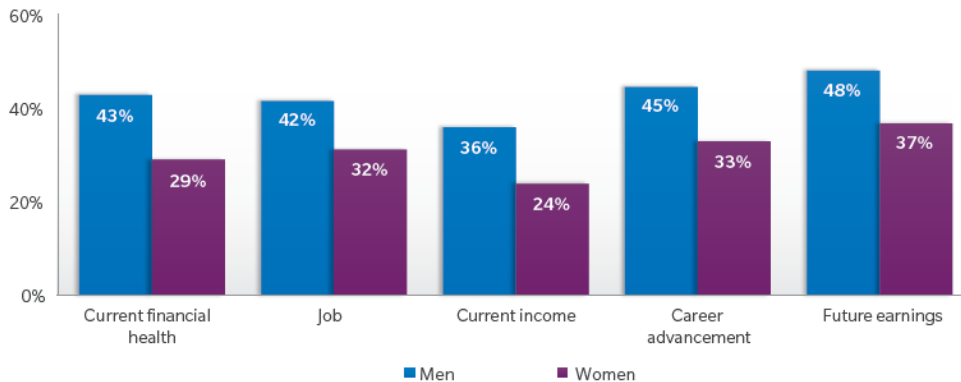


# There continues to be a gender pay gap among young adults

**Figure 52: Median personal income by level of education and gender**

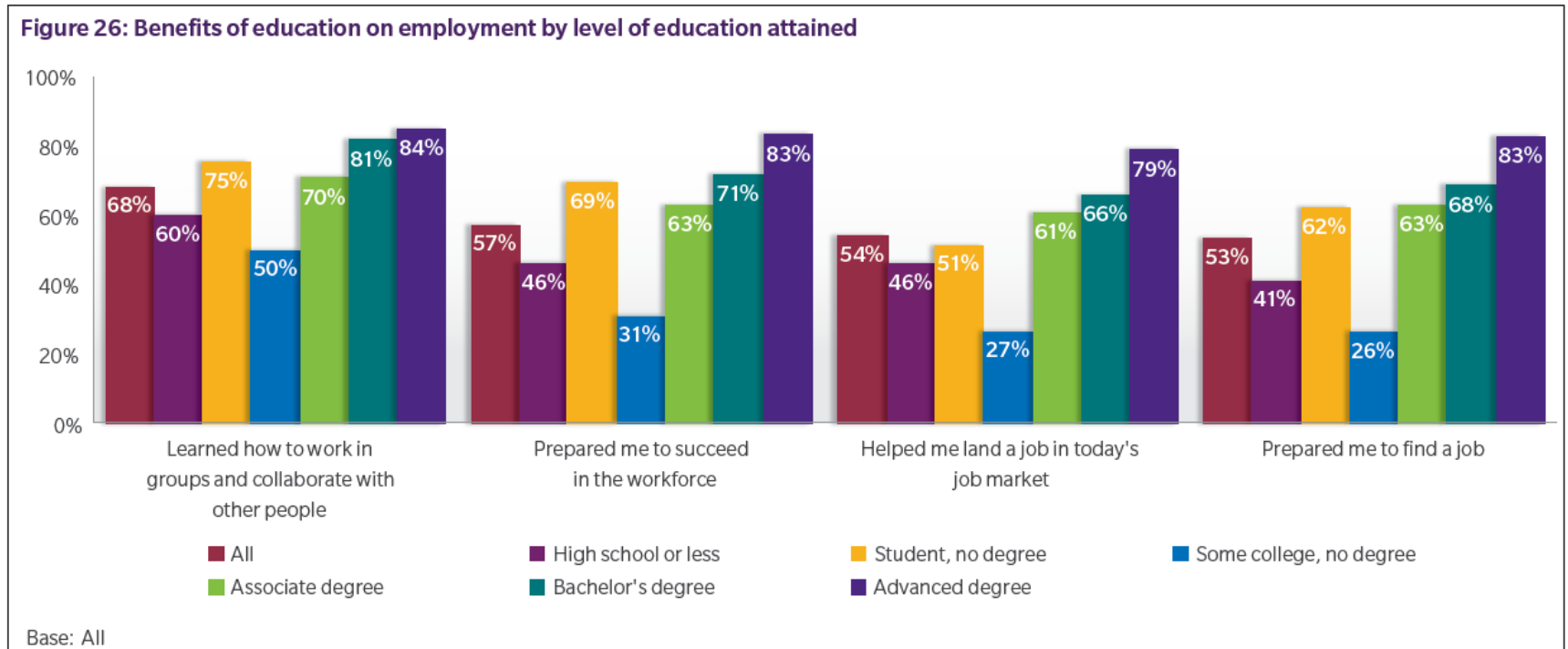


**Figure 54: Percentage very positive about financial health and job by gender**



- Young women working full time have a self-reported median income of \$15,000 less than men do (\$47,500 for women and \$62,500 for men) despite reporting a nearly equal number of years in their current jobs and field.
- Women are less likely to be very positive about their financial health, job and income than their male peers, even when considering their prospects for future earnings and career advancement.
- Some of this is explained by field of study. Women who earned a degree in a STEM field earn the same medium income as their male peers.

# Those who completed a degree see college as a worthwhile investment, whether or not they borrowed to pay for school



- Seventy-five percent of degree holders who borrowed and 79 percent of degree holders who did not borrow believe their education was a worthwhile investment. That's compared to 43 percent of those who attended some college but did not complete.
- Nearly three-quarters (72%) of degree holders say their education prepared them for the workforce, and 70 percent say their education prepared them to find a job.



NAVIENT.