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Money Under 35: Second annual survey on millennial financial health underscores importance of college completion

WILMINGTON, Del., Oct. 20, 2016—The second annual Money Under 35 survey shows an improved financial picture for young adults compared to 2015, and shines a spotlight on the benefits of college completion. Money Under 35 is a national study conducted by Navient and the research company Ipsos. Now in its second year, it is based on a nationally representative sample of 3,069 Americans aged 22 to 35 and provides a snapshot of how young adults are faring financially in the current economy.

"As a group, young adults are experiencing the benefits of the recovery in terms of employment and wages, but these benefits are skewed toward those with a college degree," said Jack Remondi, president and CEO, Navient. "Money Under 35 highlights the importance of college completion. Those who started but do not complete a degree are the group the most likely to have poor financial health, even when compared to their peers with high school education or less. This finding underscores the importance of providing would-be graduates more information up-front to ensure they understand the full cost, and value, of a degree – especially if they are taking out student loans."

"The second edition of this important annual survey on the financial health of young Americans shows improvements across the board," said Julia Clark, senior vice president, Ipsos. "Young adults this year rate their own financial health higher than last year, and they also report higher satisfaction with their prospects for advancement and earnings. As unemployment in the U.S. drops, it seems clear that young Americans – especially those with a college degree – are benefiting."

Key findings from Money Under 35 include:

- **Young adults see themselves as more financially secure in 2016 than in 2015.** More young adults report being employed full time compared to last year. The vast majority (83%) are in "good" or "excellent" financial health this year according to the Money Under 35 index, with an increase in those scoring in the "excellent" range compared to 2015.
- **Those with a college degree are better off financially than those without.** Degree holders are more likely to be employed, earn higher wages, have a higher credit score, and are more likely to buy a home, than those without a degree. Associate degree appears to be the breaking point for improving financing health.
- **Those who attended college but did not earn a degree are the most likely group to have poor financial health—including when compared to their peers with a high school education or less.** Young adults with some college but no degree have the lowest self-reported assessment of financial health, the lowest median income, and tend to have the lowest credit score of all education categories, including degree holders and those with a high school education or less.

- **Financial outcomes for those who borrowed to earn a degree are better than those without a degree, and are not statistically different from non-borrowing degree holders.** Individuals with an associate degree or higher have higher self-assessments of their own financial health compared to those without a degree, regardless of student loans. Borrowers are also as likely to have a good or excellent credit score compared to peers at the same education level who did not borrow. Borrowers and non-borrowers with a degree are equally likely to have a mortgage.
- **The vast majority of young adults report they are saving, but their savings goals are mostly short-term**, such as for an emergency fund, a vacation, or a car. Only 3 in 10 report saving for retirement; of those with retirement savings, 35 percent have saved more than $5,000. Just 7 percent of young adults report they are not saving at all. Of those who do have savings goals, 6 percent say they haven't saved anything yet and another 17 percent report having saved $1,000 or less.
- **There are significant disparities between men and women on earnings and financial health self-assessments.** Men working full-time have a self-reported median income $30,000 higher than women ($72,500 compared to $42,500). This gap narrows considerably, but still exists, for young adults who studied in STEM fields. (These women are paid $5,000 less compared to their male counterparts.)

Navient's Money Under 35 study is available at navient.com/moneyunder35. Connect with @Navient on Facebook, Twitter and LinkedIn.

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About Navient
As the nation's leading loan management, servicing and asset recovery company, Navient (Nasdaq:NAVI) helps customers navigate the path to financial success. Servicing more than $300 billion in student loans, the company supports the educational and economic achievements of more than 12 million Americans. A growing number of public and private sector clients rely on Navient for proven solutions to meet their financial goals. Learn more at navient.com.

About Ipsos
Ipsos is a global independent market research company ranking third worldwide among research firms. With offices in 87 countries, Ipsos employs over 16,000 staff globally and generated approximately €1.79 billion in revenue in 2015.

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