

College Students and Money

2020



History. Science. Music. You can learn almost anything at college. But what about the ins and outs of managing money?

It may not be the first thing to come to mind, but student loan debt in the U.S. has grown to nearly \$1.64 trillion and 69% of the class of 2019 graduated with debt, making money a top issue for college students.¹ The average monthly payment for borrowers is between \$200 and \$299. They end up behind the eight-ball before they even start.

The basics of personal finance — building a budget, learning how to save money and pay down debt — are not hard to learn, and they can help all students, not just those with student debt. What better time to learn than in college?

Managing Money is Important

Getting a college education has long been part of the American dream. It leads to meaningful and fulfilling careers, life-long friends, and higher earnings.

But earning more is only one part of being financially successful — you also have to manage the money you make.

Most college students, it turns out, are not very good at it. One survey found that only 38% of college students reported having a budget to manage their finances.²

It's not their fault — no one ever taught them about money.

The perfect time to learn, of course, is in college, when learning is what they are doing every day and when they first have to deal with real money issues.

The skills (and habits) they develop in college will stay with them for life and it's a great opportunity to get them on the right track — stick to a budget, don't run up credit cards and save!

Colleges and universities can play a key role in their students' financial futures.



Student Debt

Learning good financial management skills in college has never been more important: about 45 million Americans are burdened with student loan debt.¹

Of more concern: 11.1% of student loans are 90 days or more delinquent or are in default.¹

Whether the loans are held by the Federal Government, a private lender or a college is beside the point — not paying a student loan can impact a person's credit score and result in serious problems down the road when they go to buy a car or a house — it could even undermine employment opportunities.

That's why it is so important to help college students learn how to manage their money. It's a real challenge to make ends meet with student loan payments on top of everything else.

How Colleges & Universities Can Help

It's not possible to eliminate student debt or turn every student into a financial expert, but colleges & universities can help by providing — and promoting — resources that help students make better financial decisions.

The good news? Students are open-minded and tech-savvy and they seek out tools that can help them deal with issues like financial management.

The better news? By teaching them the basics of money management, you'll reduce the financial stress they feel today, increase engagement, and help them be that much better prepared when they graduate and head off into the workforce.

Best Money Moves can help. Mobile, gamified and easy-to-use, Best Money Moves provides practical, unbiased help so students can learn to make smart financial decisions.

If provided as an institutional resource it would get strong usage, and it can be branded by colleges and universities so students know they can trust it.

Best Money Moves can help prepare today's students for tomorrow's financial challenges. Let's get them ahead of the curve, so they're not bogged down by a lifetime of debt and financial stress.



7 in 10

new college graduates have
student loan debt.

SOURCES

1. [U.S. Student Loan Debt Statistics](#), Student Loan Hero, 2020
2. [Money Matters on Campus](#), EVERFI, 2019



This white paper was produced by Best Money Moves.
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