TIAA

TIAA 2021 Nonprofit Student Debt Survey

Nonprofit and Public Sector Workers Uncertain of Ability to Make Student Loan Payments Once CARES Act Relief Ends

Executive Summary – November 2021

Student debt is a significant burden for employees in the public service and nonprofit sectors.

Nearly six in ten student loan holders are $50,000 or more in debt (57%) with one-fourth being over $100,0000 in debt (24%).

Even before the pandemic, many struggled to pay their student loans:

Prior to the pandemic, about **three in ten were in deferment, forbearance or in bad standing** on their loans. Over one in five were in deferment or forbearance (22%) and nearly one in ten were delinquent or in default (8%).

Those **working in Education were more likely** than those in other sectors to be $50,000 or more in debt (64%), but they are **equally likely to be in good standing** on their loans.

64%

The COVID-19 pandemic continues to impact student loan holders, with almost two-thirds of respondents indicating their income has been reduced compared to their pre-pandemic status.

The CARES Act has provided meaningful relief to student loan holders

The CARES Act benefited four in five (80%) student loan holders through suspended loan payments or other student loan debt relief.

Unfortunately, those who made less than $50k/yr were less likely to have benefited (61%), compared to those making $50-99k/yr (79%) and $100k/yr or more (85%).

95%

Almost all respondents who benefited from the CARES Act said they would experience at least some difficulty in keeping up with student loan debt payments once the relief program ends.

76%

Three in four said it would be "somewhat difficult," "very difficult," or "impossible" to pay their student loan debt without the CARES Act. Over one in seven (15%) said it would have been "impossible."

40%

Two in five said it would be "a great deal" more difficult.

Nonprofit and public sector workers still worry about their student debt

Student loan debt causes at least **a little stress for nearly all** (86%) and some or a great deal of stress for most (55%).

Three in ten have only negative feelings about their student loans (31%), with most feeling frustrated (75%), along with fearful (45%), hopeless (44%), angry (33%), ashamed (30%) and resigned (21%).

Those with only negative feelings are significantly more likely to be **45 years old or older** (50%).

Student debt forces many to put their life on hold

79% Almost 4 in 5 respondents indicate they made decisions in their life or career plans based on their student loan debt.

49% Almost half (49%) made a change in their life plan, such as delaying buying a house (35%).

33% About a third (33%) considered switching careers to a higher paying job in the for-profit sector

27% Over a fourth (27%) report staying in a nonprofit job to qualify for student loan debt relief programs

Student debt remains a barrier to saving for retirement and CARES Act relief was helpful in supporting retirement saving goals

Nearly all student loan holders (87%) contribute to an employer-sponsored retirement plan and student loan debt relief has helped many save for retirement. But many have also not saved for retirement or reduced the amount they save because of student loan debt.

Over one in four (27%) say they reduced the amount they save for retirement because of their student loans, with one in eight (12%) saying they have not started saving for retirement for the same reasons.

41% **Four in ten respondents reported that debt relief programs have allowed or will allow them to begin contributing to a retirement plan or have increased their contribution to a retirement plan.**

Student debt holders don't know how they will pay their student loans when the CARES Act relief program ends

Over a third of these workers (36%) say they will be unable to make their payments from either their take-home pay or savings.

11% **About one in ten said they would ask friends/family for financial assistance.**

11% **Eleven percent said they would reduce or stop retirement plan contributions.**

10% **Ten percent will have to ask for additional forbearance.**

4% **Four percent aren't sure at all how they plan to pay their student loan payments once the CARES Act relief program ends.**

60% **Three in five respondents think their employer has a responsibility to help them with their student loan debt.**

Nonprofit workers depend on Public Service Loan Forgiveness program, but need help navigating the complex program

Awareness of the PSLF Program is quite high, and student loan holders indicated that the program had an impact on their decision to enter—and stay in—a public service or nonprofit career.

87%

More than six out of seven respondents aware of the PSLF program said the program had some impact on their decision to enter a public service or nonprofit career, with nearly two in five (39%) said it impacted their decision "a great deal."

88%

of respondents aware of the PSLF program said the program had impacted their decision to stay in such a career, again with nearly two in five (39%) saying it impacted their decision "a great deal."

For those who were familiar with the PSLF Program but have not tried to enroll, half (50%) said it was because they didn't know. if they qualified.

- Other reasons for not attempting to enroll include not knowing where to get help enrolling (27%), the perceived complicated nature of the process (21%), or simply being too busy to go through with the process (14%).
- One in five individuals (21%) indicated they had not attempted to enroll for "no particular reason."

A much-needed solution to get public sector and nonprofit employees back on track

TIAA works with social impact startup Savi to help nonprofit workers successfully achieve student loan forgiveness through the PSLF program.

The solution acts as a concierge, helping the individual stay in compliance with the recurring and new paperwork requirements of the PSLF program while reducing errors.

When given a short description of the services that Savi offers, nine in ten (90%) of respondents indicated such a tool would be useful to them, with almost half (46%) indicating it would be "very useful."

Since rolling out the program in mid-2020, TIAA and Savi have helped individuals secure $200 million in projected forgiveness. TIAA participants using Savi save an average of $1,880 per year in student loan payments and average a projected forgiveness of more than $51,300 in student debt per person.[1]

[1]Results experienced may not be typical of all participants.

For more information, visit tiaa.org/savi.

Study Methodology
The 2021 TIAA Nonprofit Student Debt Survey was conducted by KRC Research from August 20 to September 9, 2021, via an online survey of 810 Americans ages 21-64 who hold at least a bachelor's degree, are employed, and are currently working for a not-for-profit organization or a government entity and have student loan debt.

About TIAA
TIAA is a leading provider of secure retirements and outcome-focused investment solutions to millions of people and thousands of institutions. It is the #1 not-for-profit retirement market provider[1], paid more than $3.6 billion to retired clients in 2020 and has $1.3 trillion in assets under management (as of 6/30/2021).[2]

About Savi
Savi is a social impact technology startup in Washington, D.C. working to solve the student debt crisis affecting 46 million borrowers by helping them discover new repayment and loan forgiveness options. Founded by long-time student loan experts and advocates, Savi is a public benefit corporation that works with employers, membership organizations, and financial institutions to provide our service as a unique student loan benefit.

[1]Based on data from 56 providers in PLANSPONSOR magazine's 2019 DC Recordkeeping Survey, combined 457, 403(b) and money purchase plan data as of December 31, 2018.

[2]Based on approximately $1.3 trillion of assets under management across Nuveen affiliates and TIAA investment management teams as of 6/30/2021.

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