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Money Under 35: How young adults are faring financially in today's economy

WILMINGTON, Del., Dec. 09, 2015 (GLOBE NEWSWIRE) -- A new study on the financial health of young Americans — *Money Under 35* — found that most young adults are rated in "good" financial health, saving money, managing their credit, and looking to buy homes and start families. The study, conducted by Navient and the global market research company Ipsos, is based on a survey of more than 3,000 adults aged 22 to 35.

Download an infographic with highlights of the Money Under 35 study

The study collected employment information, income data, amount and types of debt, and amount of savings, as well as attitudinal and behavioral predispositions, to determine how young adults are faring financially in the years following the Great Recession. This data was included in a financial health index to benchmark changes in financial health over time.

"Understanding the financial health of young Americans is critical to ensuring our public policies meet the needs of the next generation," said Jack Remondi, president and CEO, Navient. "*Money Under 35* provides valuable insights that show that despite economic challenges, young adults are exhibiting considerable resilience. A key takeaway is that completing a degree is a more important factor in financial health than whether an individual borrowed for a degree, underscoring the value of educational attainment. As a servicer, we agree, and have recommended that policies do more to ensure students graduate."

"*Money Under 35* examines multiple facets of financial health among young Americans, so creating an index facilitates understanding the aggregate data in one simple measure," said Michael Gross, vice president, Ipsos. "Not only does the index provide a good summary, but the index can be tracked over time, providing additional context on how well young adults are managing their individual economic issues. It is encouraging to see that overall, young adults are generally in good financial health and are implementing strategies to create a solid financial future."

Key findings from *Money Under 35* include:

- **Financial health improves with age and education**. Sixty-three percent of young adults score in the "good" financial health range, while 20 percent are in "excellent" and 17 percent are in "poor" financial health. Age 30 is a turning point in moving from "good" to "excellent," and the higher the educational degree, the more likely an individual is to be in "excellent" financial health.
- **Ninety-four percent of young adults are saving**. The top priority is an emergency fund followed by saving for a home and for children's education.
- **Among individuals who complete a degree, young adults who borrowed for college are more likely to have a mortgage** (35% for borrowers compared to 24% for non-borrowers among bachelor's degree holders, and 45% for borrowers compared to 37% for non-borrowers for advanced degree holders).
- **Among bachelor's and advanced degree holders, borrowing for college does not deter family formation**. Bachelor's degree holders who borrowed for college are equally likely to have children (39%) as those who did not borrow (40%) and to be married (52% for both groups). Advanced degree holders who borrowed for college are more likely to be married (70%) and have children (51%) than are advanced degree holders who did not borrow (62% and 42%, respectively).
- **Those who borrowed for college—even if they have paid off their loans—are more likely to be worried about debt.** Seven in 10 who paid off their student loans indicate they are worried about debt compared to half who never borrowed.
- **Young people who did not complete their college degree and who borrowed indicate more financial concerns than those who didn't study beyond high school.** Sixty-three percent of those who borrowed but didn't complete a degree and who have not yet paid off their student loans say they are worried about paying bills each month, higher than those who did not attend college at all (54%).
- **Young adults make conscious spending decisions**. Eight in 10 young adults report checking their finances before making a purchase.
- **Young adults' self-assessment of financial well-being is above average**. The typical self-assessment of financial health is above average, 6.2 on a scale of 1-10, trending higher with age and education level.

Navient's *Money Under 35* study is available at navient.com/moneyunder35.

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