

# Educational Lending - US - 2023

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## This report looks at the following areas:

- Factors in selecting a private loan option
- Current repayment behaviors
- Parent behaviors toward student loans
- Student loan future payment plans
- Existing loan amounts and repayment timing
- Attitudes toward educational lending

Nearly three in four consumers with student debt expect future loan forgiveness to assist them in the repayment of their loans, illustrating a common expectation for the government to cancel some portion of outstanding balances. Although the current student loan forgiveness plan rests in limbo awaiting a Supreme Court ruling, the anticipation of forgiveness down the line has already impacted the considerations that students have when selecting between lending options.

Inflation has caused personal savings rate to plummet in recent months, putting an end to a brief period in which parents were able to contribute more to their children's tuitions. This will cause an uptick in the demand for private loans, with the significant cost of higher education providing a challenge for many prospective students.

The perceived value of a college degree will drive future trends in the demand for student loans. Most consumers ultimately feel that their education was worth the amount they paid for, suggesting that most graduates are willing to make significant financial sacrifices to obtain a degree. However, more than two in three parents think it will be too expensive for their children to attend college in the coming years.

In the short term, private lenders will have an opportunity to capture greater market share due to declines in federal loan totals and personal savings rates. Consumers are considering a wide range of factors when selecting between



“Although the ultimate destiny of federal student loan forgiveness hangs in limbo preceding a Supreme Court ruling, student loan customers have already adjusted their attitudes in anticipation of a changing educational lending landscape.”

– **Patrick Rahlfs, Senior Research Analyst**

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competing lenders, providing ample room for competitors to pick a unique lane to connect with incoming students.

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