



April 24, 2017

New study shows students want better financial information sooner

Students reveal disconnect between student expectations and observed borrowing trends

WILMINGTON, Del., April 24, 2017 (GLOBE NEWSWIRE) -- A new survey of high school and college students finds expectations about paying for college and borrowing are often out of step with reality. The study, conducted by Navient and the financial education group EverFi, found just 41 percent of high school seniors expect to borrow to pay for college. However, that number jumps to 61 percent among college freshmen—a number much more in line with actual trends.

An infographic accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/1c139c00-82fd-4123-9e3a-620355c58708>

[The report, Financing Higher Education: A Call for Better Planning](#), draws from a survey of 22,000 high school students and 12,000 college students to explore expectations and experiences in paying for college.

"These findings reveal too many young Americans pursue higher education without all the information necessary to have a full understanding of how they will pay for their degree, or the ultimate affordability of the loans they take on," said Jack Remondi, Navient president and CEO. "Better information sooner is essential to empowering prospective college students to make more informed decisions about where to attend, what major to pursue, and how to pay for a degree. With two-thirds of all federal defaults coming from borrowers who owe less than \$10,000, a likely sign of non-completion or the ultimate affordability of the loans they take on, it is clear students need better information before borrowing. We have long called for better information and improved financial counseling before students borrow, and this study should encourage policymakers to take action on those recommendations."

"I still remember how challenging it was to finance my own college education. This study reveals just how vital financial education is to equip students as they prepare to plan for their future," said Ray Martinez, EverFi co-founder and president of Financial Education. "By providing free access to digital financial education opportunities, Navient is helping students better prepare to realize their higher education goals and to help ensure their ongoing financial prosperity."

Key findings from the report include:

- 1 **For many students, realistic plans for paying for the full costs of a college degree are realized only after they have arrived on campus.** Forty-one percent of high school seniors expect to borrow to finance their degree. However, 61 percent of college freshman expect to borrow at some point during their college career.
- 1 **First-generation college students are more likely to consider non-loan options to pay for school.** First-generation students are more likely to plan to work while in school than their peers with at least one parent who attended college. First-generation students are also more likely to consider managing college costs by taking time off from school, working, attending community college, or living at home.
- 1 **Students want personalized information.** Seventy-eight percent of first-generation students and 74 percent of students with college-educated parents are open to receiving personalized advice based on their Free Application for Federal Student Aid data.

Based on these findings, Navient recommends additional information and education to support students, including:

- 1 Financial aid award letters which include the full cost of obtaining a degree;
- 1 Guidance provided prior to choosing a school on how to assess the potential economic benefits and costs of a potential field, including college and program selection; and,
- 1 For those who choose to borrow, information to help minimize the total amount borrowed and the likely affordability of what they plan to borrow.

To increase financial capability among consumers with student loans, Navient and EverFi in 2014 launched the [Path to Success](#), a series of free and award-winning interactive videos on a range of topics, such as: budgets, career planning,

credit scores, military education loan benefits, student loan repayment options, interest rates, and savings and investments. Free of charge and available to the public, the web-based program brings financial concepts to life for today's digital generation.

About Navient

Navient (Nasdaq:NAVI) is a Fortune 500 company that provides asset management and business processing solutions to education, healthcare, and government clients at the federal, state, and local levels. The company helps its clients and millions of Americans achieve financial success through services and support. Headquartered in Wilmington, Del., Navient employs team members in western New York, northeastern Pennsylvania, Indiana, Tennessee, Texas, Virginia, and other locations. Learn more at navient.com.

About EverFi, Inc.

EverFi, Inc. is the education technology innovator that empowers K-12, higher education, and adult learners with the skills needed to be successful in life and work through its comprehensive critical skills platform focused on Financial Education, Digital Citizenship, STEM Career Readiness, Diversity and Inclusion, Entrepreneurship, Character Education, and Health and Wellness. The EverFi Education Network is powered by over 3,300 partner organizations across all 50 states and Canada and annually reaches over 6 million learners. Learn more at everfi.com.

Contact:

Nikki Lavoie, 302-283-4057, nikki.lavoie@navient.com

Brian Cooley, 202-625-0011 x352, brian@everfi.com