

# 2024 Planning & Progress Study

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## College Savings and American Debt

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI and its subsidiaries.

# Background & Methodology

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## Background

The 2024 Planning & Progress Study, a research series from Northwestern Mutual, explores US adults' attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people's long-term financial security.

## Methodology

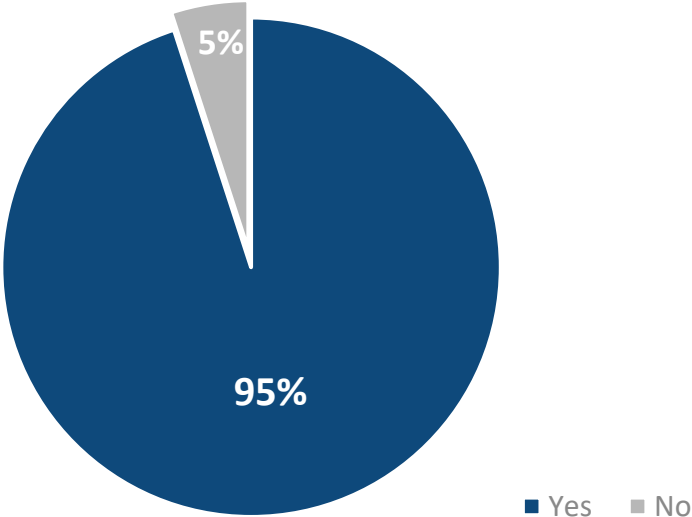
The Harris Poll conducted a total of 4,588 online interviews among the general U.S. adult (18+) population between January 3<sup>rd</sup> and January 17<sup>th</sup>. Included in this overall total is a sample of 831 High-Net-Worth individuals (those with total household investable assets, excluding pensions, retirement plans and property, greater than \$1,000,000).

Data for the general U.S. population (including the High-Net-Worth oversample) were weighted to Census targets for education, age, gender, race/ethnicity, region and household income. A full methodology is available.

Among American parents saving for college for their children's education, 95% say they expect to cover more than half of the cost for their children.

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**% Parents saving for college who expect to cover more than half of cost for their children**



BASE: PARENT SAVING FOR COLLEGE FOR A CHILD (n=580)

Q2024aj If you are saving for your child/children to attend college, do you expect them to be responsible for contributing to the cost?

While about one in three (36%) parents say they will pay for the full cost, two in three (64%) expect their child to pay something.

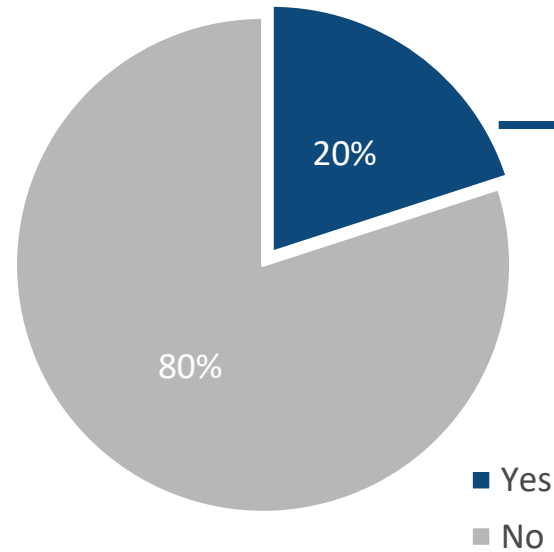
**Parents saving for college for their children say they expect their kids to contribute the following:**

Nothing (parents will have full responsibility)	36%
Up to a quarter	37%
Between a quarter and half	22%
More than half	5%

Expect child to pay something  
64%

# Two in ten American adults (led by 40% of Gen Z) are saving for college, either for themselves or a family member.

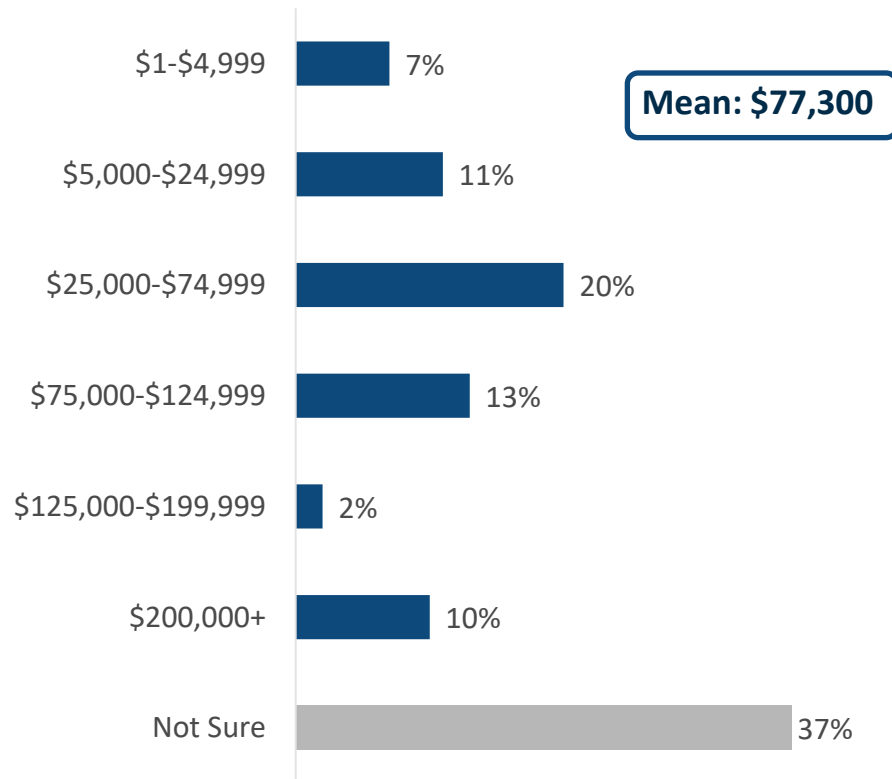
Saving for college, either for yourself or an immediate family member



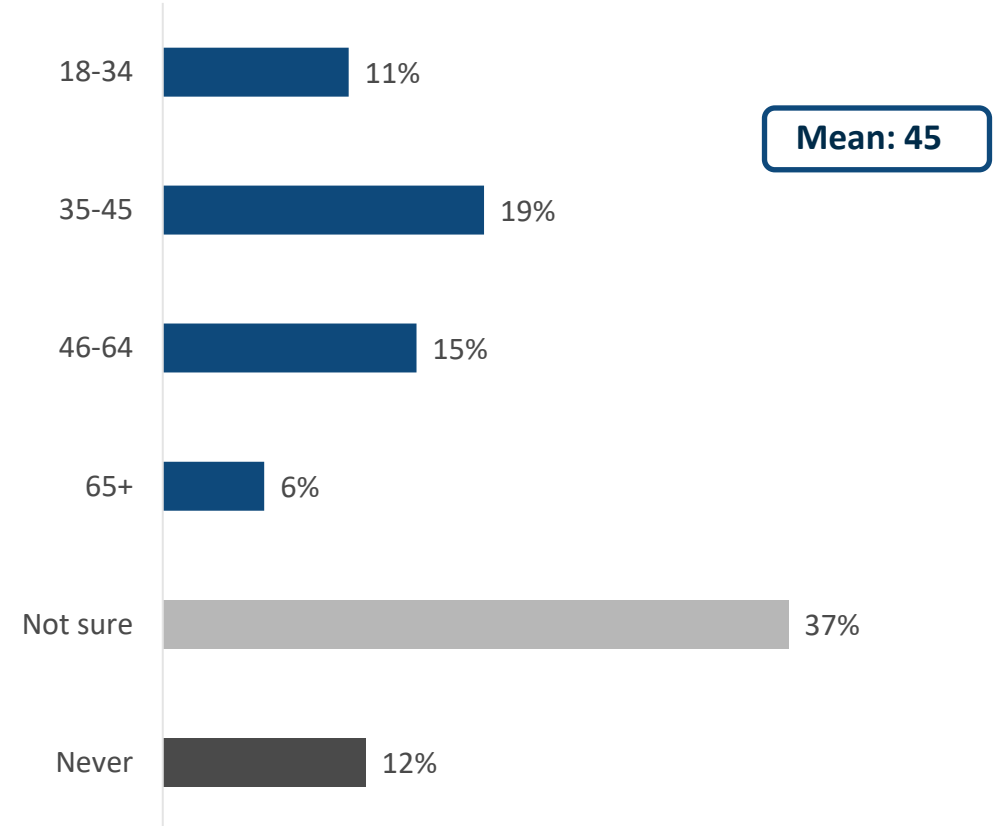
	% Saving for College
All	20%
Gen Z	40%
Millennials	28%
Gen X	19%
Boomers+	4%

On average, adults in America expect the total cost of college to be \$77,300 and aim to pay it off by the age of 45.

### Estimated Cost of College/Higher Education



### Anticipated age of student debt payoff



**BASE: HAS STUDENT DEBT (n=801)**

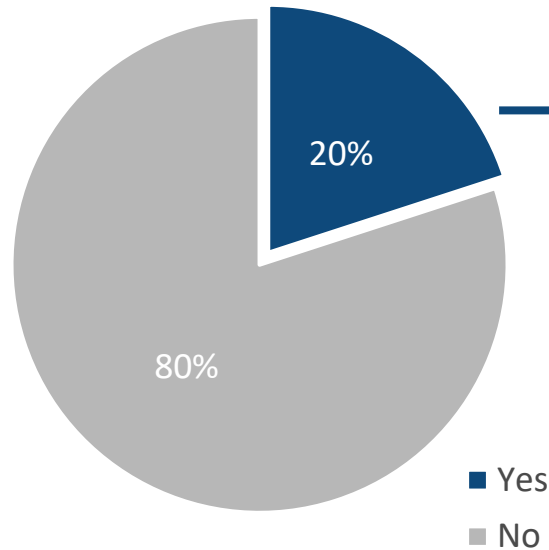
**Q2024ai** How much do you estimate college or other forms of higher education will cost you and your immediate family?

**BASE: HAVE STUDENT DEBT (n=756)**

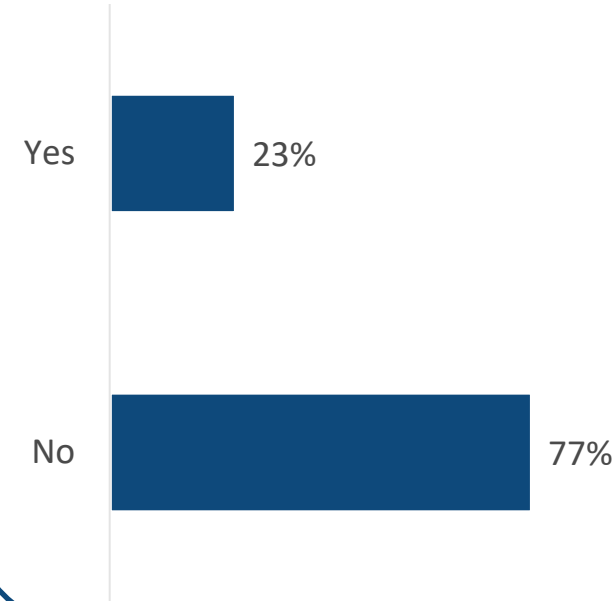
**Q2024am** What age do you think you will pay off your student debt?

Among those who are saving for college for either themselves or an immediate family member, 23% are still paying off their own student debt.

Saving for college, either for yourself or an immediate family member



% Saving for college while paying off own student debt



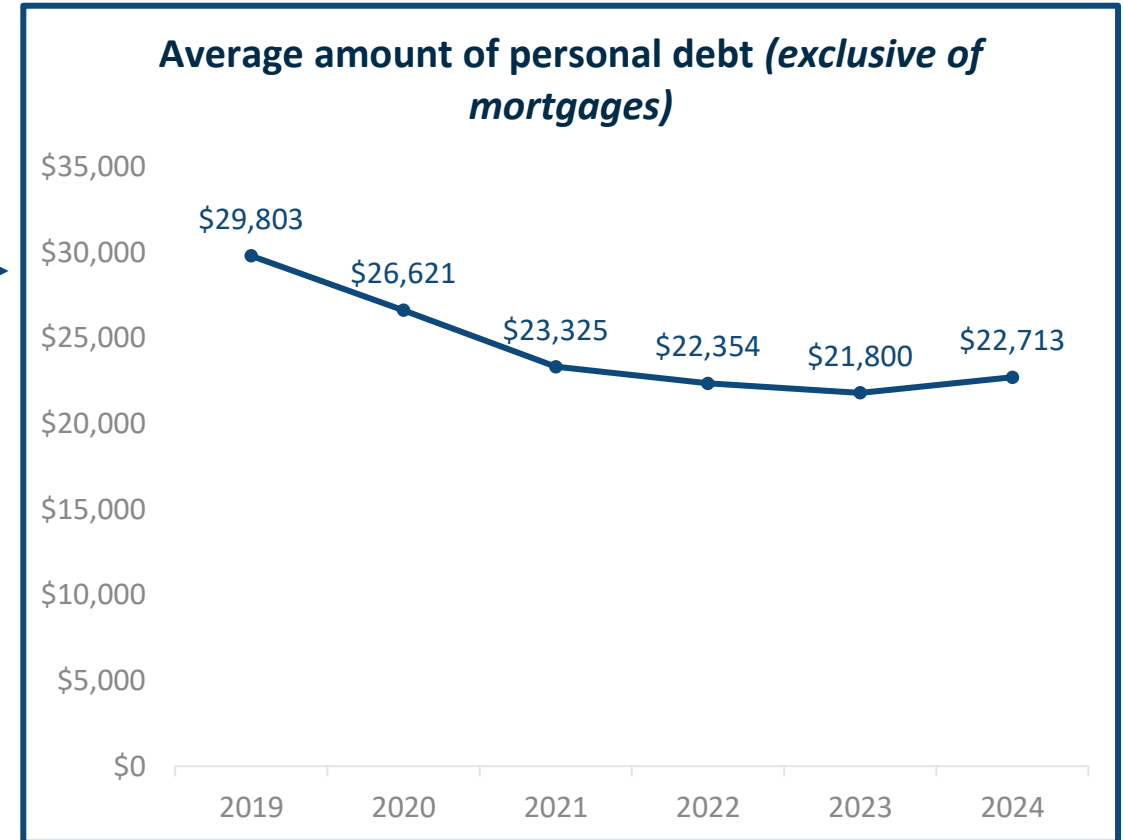
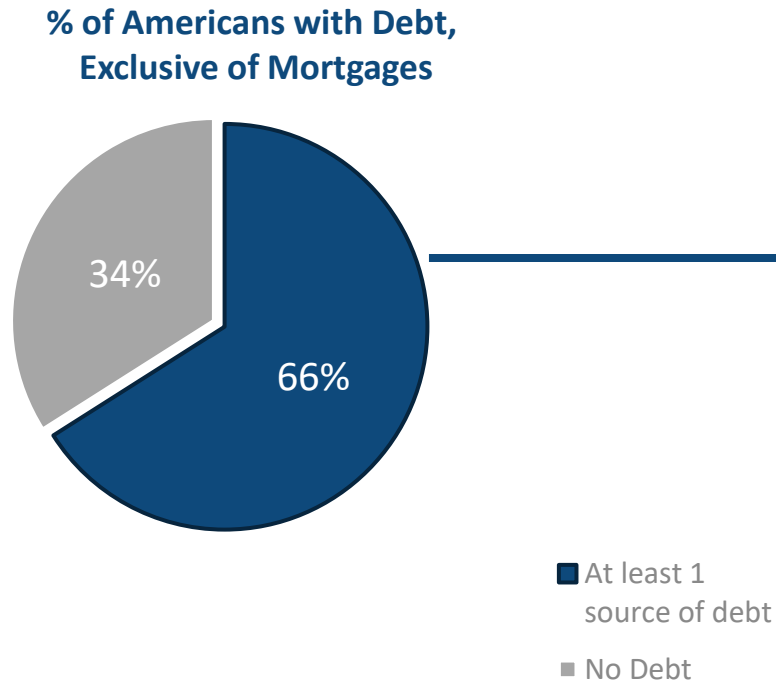
**BASE: ALL QUALIFIED RESPONDENTS – 2024 Gen Pop (n=4588)**

**Q2024ah** Are you saving for college, either for yourself or an immediate family member

**BASE: ALL QUALIFIED RESPONDENTS – 2024 Gen Pop (n=915)**

**Q2024AK** Do you have (or did you have) student debt?

Americans' personal debt, exclusive of mortgages, ticked up slightly between 2023 and 2024. Two-thirds (66%) of Americans currently hold at least some personal debt, and the average amount people owe is \$22,713.





The primary source of debt is credit cards, which account for more than double the #2 source (car loans) and more than triple the #3 source (education).

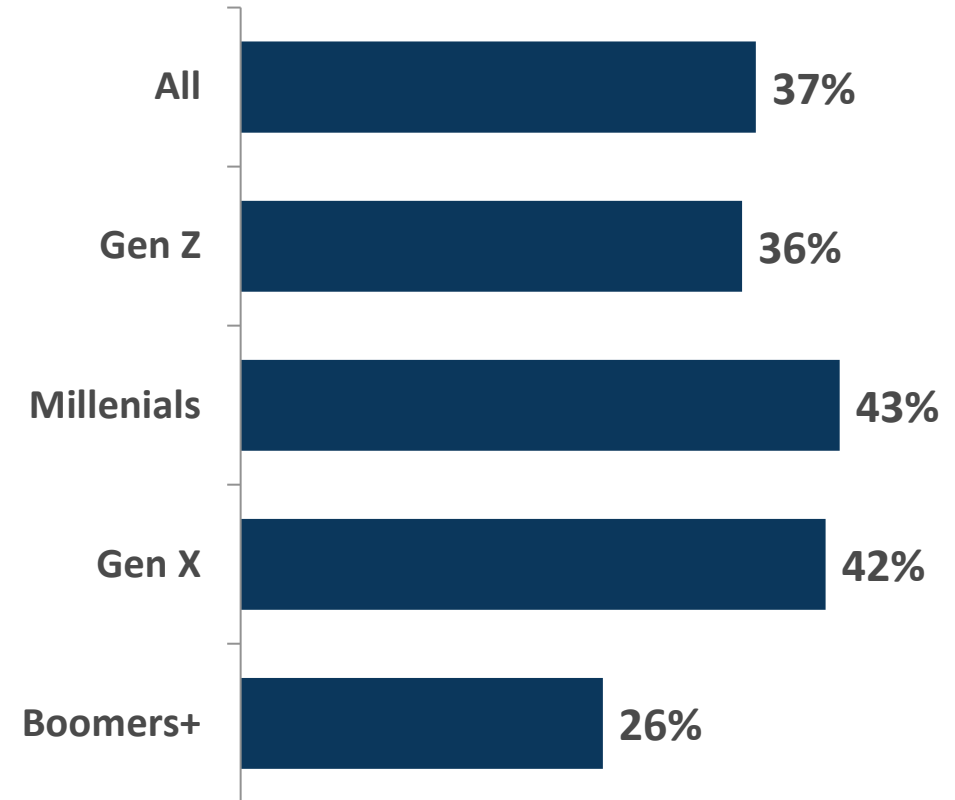
What is Your Main Source of Debt? Please Select One.*					
	All	Gen Z	Millennials	Gen X	Boomers+
Credit card bills	28%	21%	30%	30%	29%
Car loan	13%	10%	13%	15%	13%
Personal education loans	8%	17%	11%	6%	2%
Medical debt	7%	8%	9%	9%	5%
Educational expenses for children/family	5%	7%	6%	5%	2%
Caring for loved ones	3%	6%	4%	2%	1%
I have no debt	34%	31%	25%	31%	46%

Gen X and Millennials carry the most personal debt. In fact, 42% of Gen X'ers and 43% of Millennials say their personal debt is at or near its highest levels ever.

Average debt, exclusive of mortgages

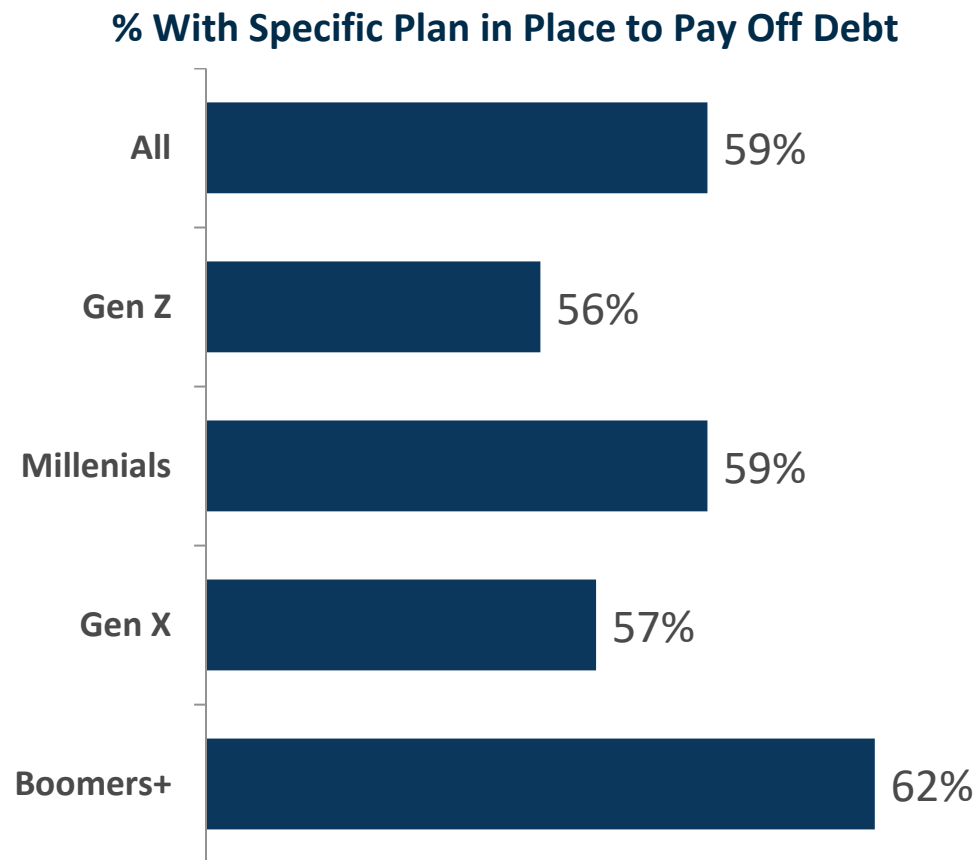
All	\$22,713
Gen Z	\$16,478
Millennials	\$24,833
Gen X	\$28,670
Boomers +	\$18,272

% At or Near Most Debt Ever

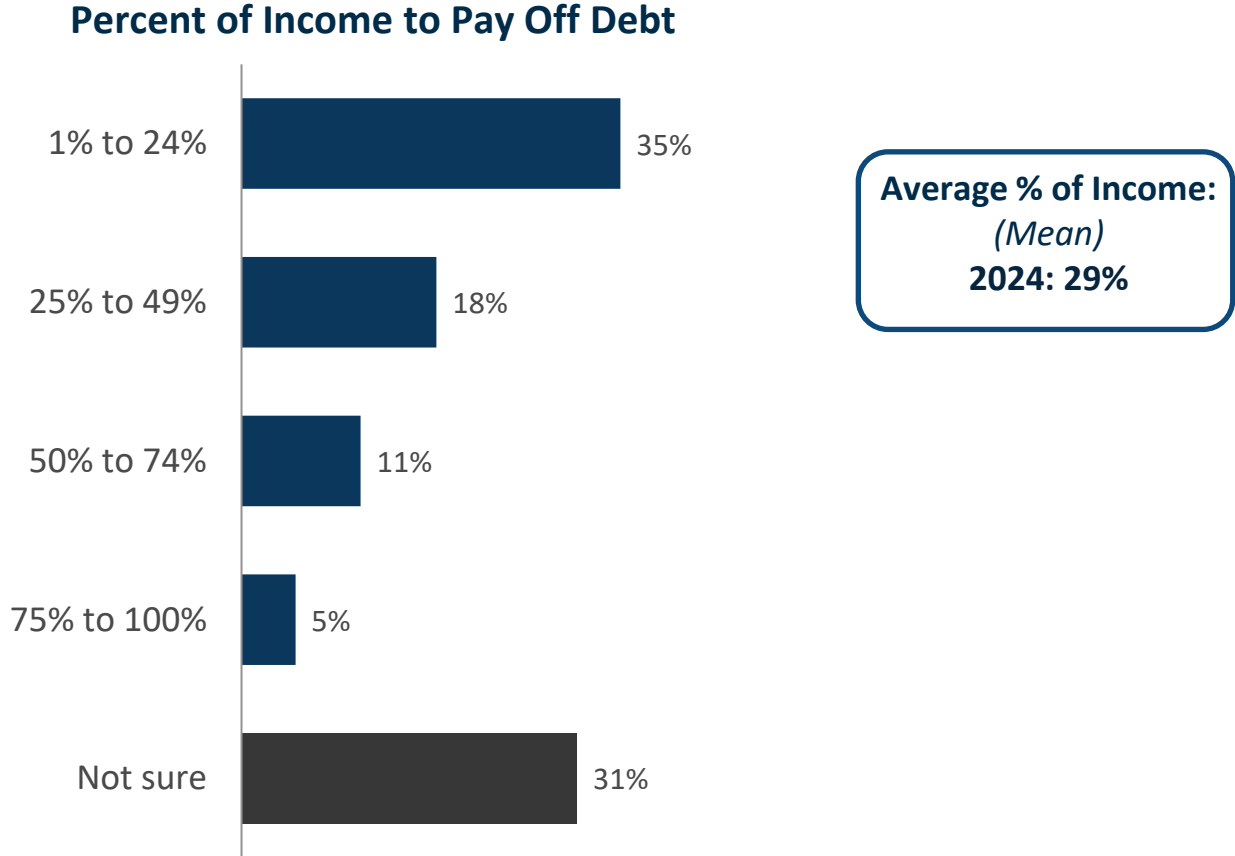


Meanwhile, fewer than six in ten Millennials and Gen X'ers say that they have a specific plan in place to pay down their debts.

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For people who carry personal debt, an average of 29% of their monthly income goes toward paying it off.



BASE: THOSE WITH SOME DEBT – 2024 Gen Pop (n=2844)

QDB1. What percentage of your monthly income goes to paying off debt (excluding your primary home mortgage)?

64% of adults say they prioritize paying down debt versus 36% who put saving first. That continues a two-year trend which has seen a growing urgency to focus on debt first.

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**Which do you prioritize?**

	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Saving money</b>	43%	39%	<b>36%</b>
<b>Paying down debt</b>	57%	61%	<b>64%</b>

**BASE: THOSE WITH SOME DEBT – 2024 Gen Pop (n=2844); 2023 Gen Pop (n=1777); 2022 Gen Pop (n=1581)**

**Q28. Between the two, which do you prioritize more?**

The number of people who report having specific plans to pay off their debt has dropped over the same period, from 64% in 2022 to 59% today.

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**Specific plan in place to pay off debt?**

	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Yes</b>	64%	61%	<b>59%</b>
<b>No</b>	36%	39%	<b>41%</b>

**BASE: THOSE WITH SOME DEBT – 2024 Gen Pop (n=2844); 2023 Gen Pop (n=1777); 2022 Gen Pop (n=1581)**

**N9. Do you have a specific plan in place to pay off your debt?**

Saving is more of a priority for younger adults whereas paying down debt becomes more of a priority as people age.

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Which do you prioritize more?	All	Gen Z	Millennials	Gen X	Boomers+
Saving money	36%	48%	42%	35%	25%
Paying down debt	64%	52%	58%	65%	75%

The number of U.S. adults who lack clarity on how much they can afford to spend now vs. how much to save for later has risen from a quarter (26%) in 2021 to a third (34%) today.

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**Do You Have Clarity on Exactly How Much You Can Afford to Spend Now Vs. How Much You Should Be Saving for Later?**

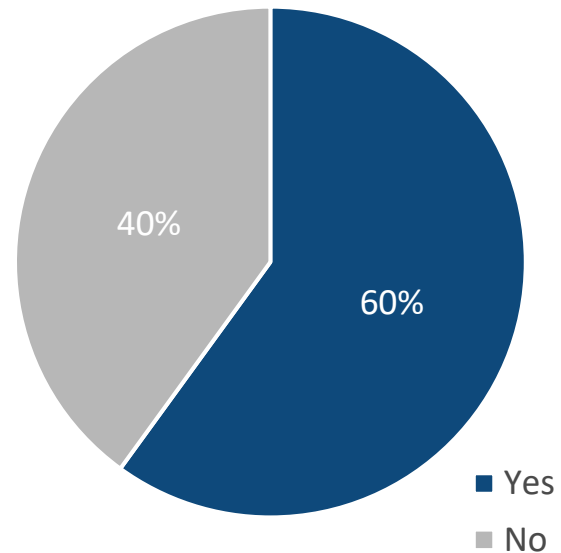
	2021	2022	2023	2024
Yes	74%	71%	70%	<b>66%</b>
No	26%	29%	30%	<b>34%</b>



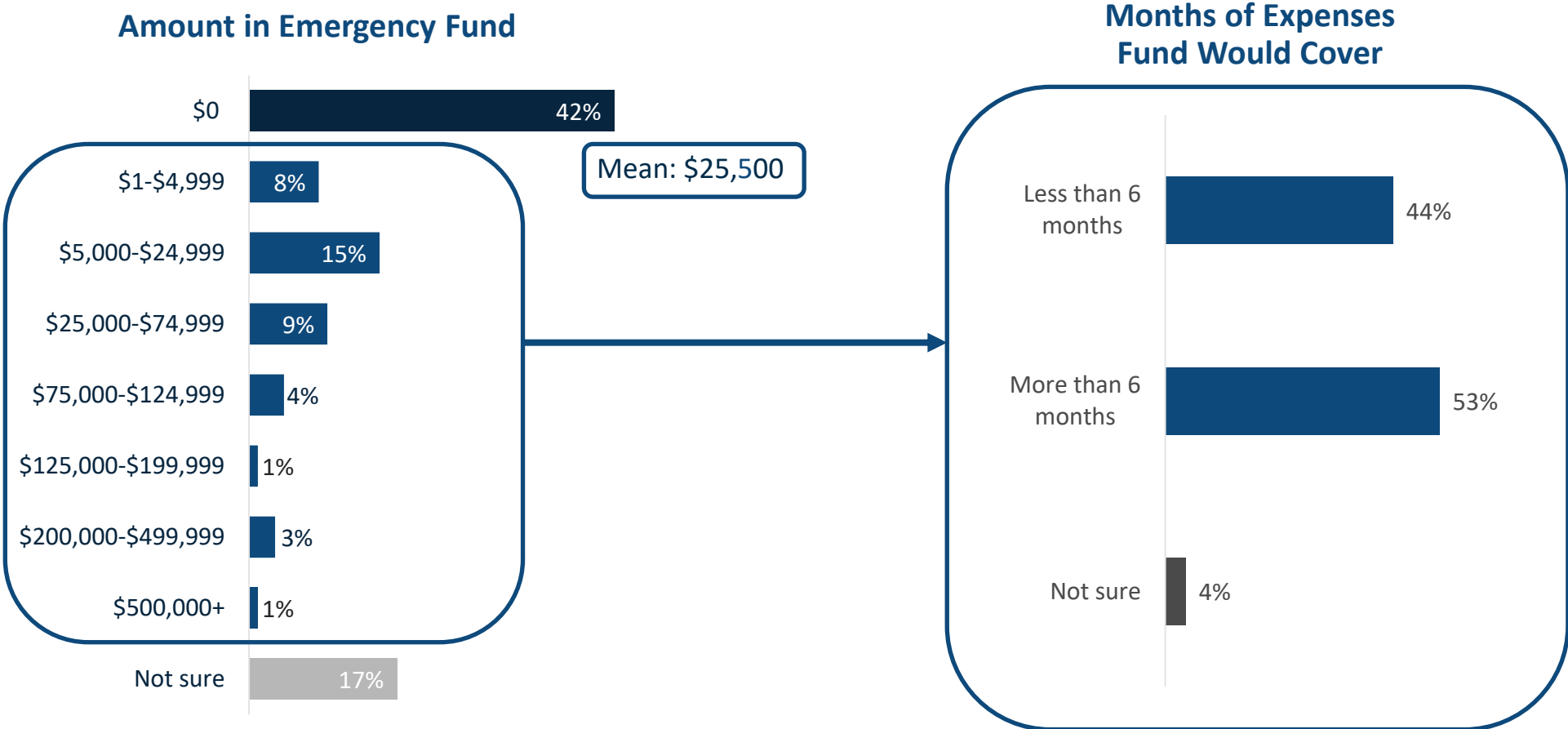
Six in ten (60%) Americans say they have an emergency fund – cash or other liquid assets independent of money earmarked for specific goals such as retirement funds in a 401k or IRA. That means four in ten Americans (40%) do not have any emergency savings.

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**% of Americans with an  
Emergency Fund**



Among those who do have emergency funds, the average amount they have saved is \$25,500. Only half (53%) say their savings would be enough to cover more than six months of expenses.



**BASE: ALL QUALIFIED RESPONDENTS (n=4588)**

**Q2024G** How much do you have in your emergency fund (i.e., cash or other liquid savings independent of money earmarked for specific goals such as retirement funds in a 401k or IRA)?

**Q2024H** How many months of expenses would your emergency fund cover if needed? (Among those with an emergency fund; n=2764)