

\$TUDENT LOAN DEBT

How Big Will the Bubble Grow?

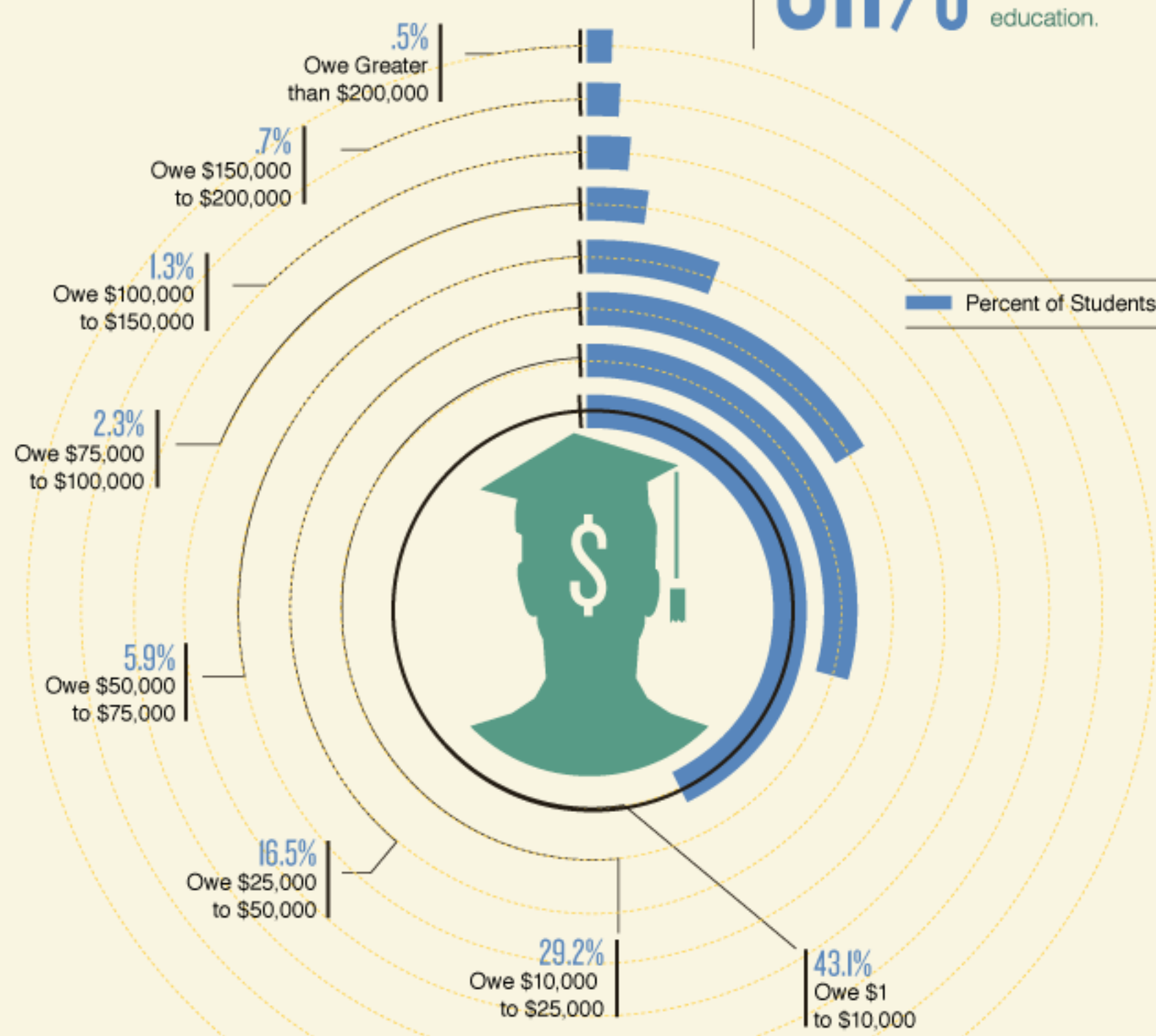
This year, total federal and private student loan debt surpassed \$1 trillion for the first time in education history. The sheer growth of student loan debt has many pundits worrying that we are witnessing another financial bubble in the making.

Below, we take a look at the current state of student debt, and explore what could happen if student debt continues to grow at its current astronomical rate.

The Current Student Debt Report Card

511%

Student loan debt has grown 511% since 1999. The typical borrower now owes between \$10,000 and \$50,000 for their education.



To make matters worse,
14.4%
of these borrowers have a past-due account.



These delinquent accounts constitute
\$85 BILLION
in owed money. Because of these scary statistics, many are looking at student debt as the next big financial crisis.

A Look into The Future

According to the U.S. Department of Education, federal student debt is growing at an annual rate of:

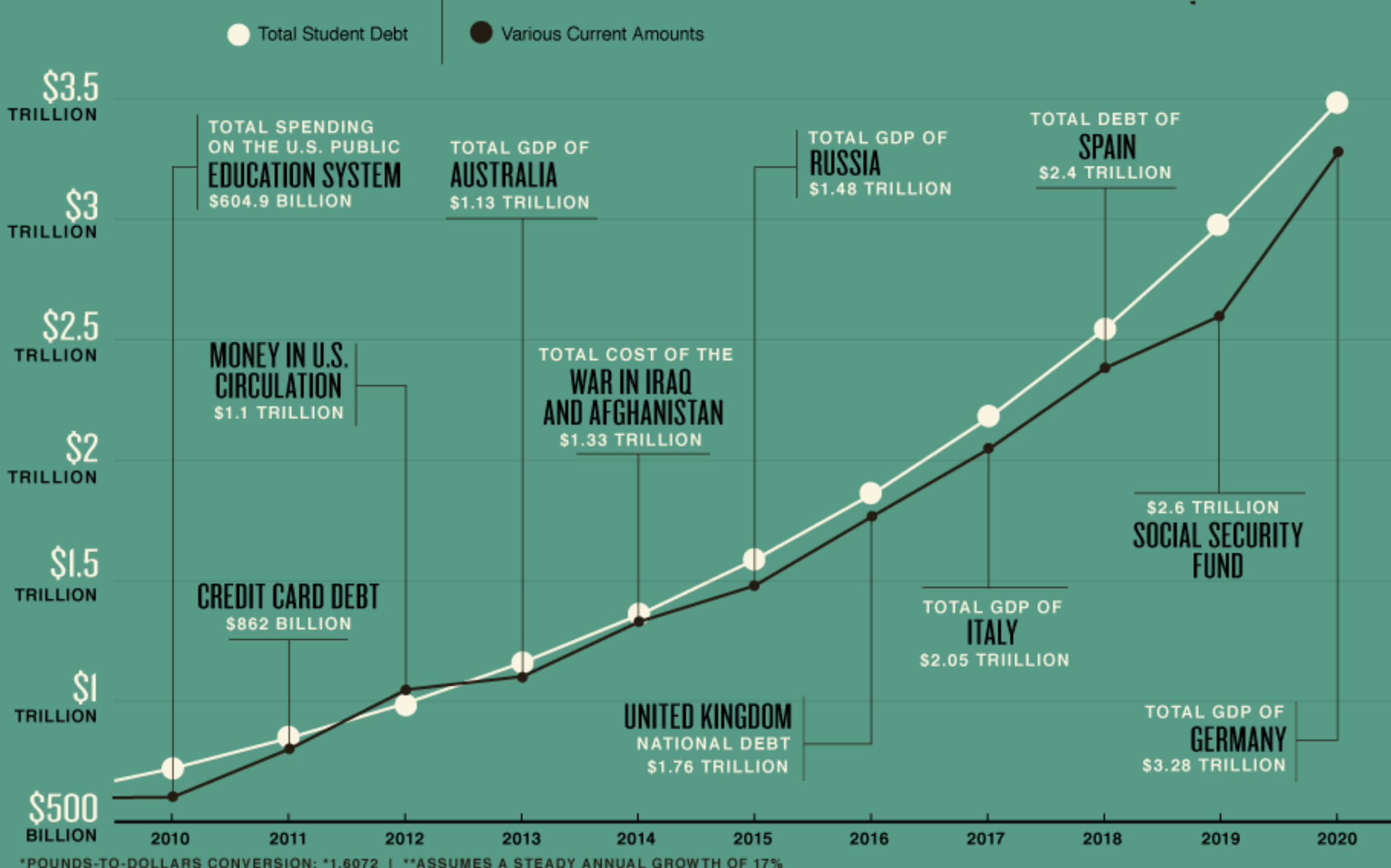
17%

This is more than 7 times the current rate of inflation.

It has already long surpassed the national debt crisis in Greece and shows no signs of slowing down.

\$455,011,951.50

Here is a comparative look at how it's grown in recent years, and what the U.S. could be looking at if it continues at current rates.



By 2030, student debt would hit

\$16,746,622,299,808.

This is more than the current U.S. national debt.

Paying for College

Start Saving Early

If you plan to go to college, or you have a child that you want to help pay for college, saving early is smart, and there are a number of options that you can take advantage of. Here's a rundown of the most common college savings plans:

529 College Savings Plans

Similar to a 401k, a 529 plan gives families a way to save money (tax free) for college.

529 Tuition Savings Plans

Similar to the 529 plan but much more limiting, these plans allow a family to invest for a fixed tuition rate. This option only covers tuition and will limit the student to specific schools.

Coverdell Education Savings Account

Similar to a Roth IRA, this option allows families to deposit funds into a tax-deferred account. As long as the money is used to pay for college or education related expenses, there are no tax liabilities for withdrawals

Free Money

There are millions of dollars available to students in the form of scholarships and grants that, unlike loans, do not have to be paid back. Apply early, and often, and don't limit yourself to just one option.



Choose a Less Expensive College

If your heart is truly set on the Ivy League, consider the idea of starting at a state or junior college and then transferring to the college of your dreams after the first two years.

Student Loans

Opt for federal loans first. They're cheaper and have fixed interest rates, and offer better repayment terms. Private student loans come with variable interest rates, and don't offer perks like income-based repayment and public service loan forgiveness options.

Ways to Minimize

College costs

Before going with a student loan to fund your education, make sure you exhaust all other savings opportunities, some of which may seem obvious, but are often overlooked.

Call (888)224-0697

for Student Loan Relief

www.StudentLoansUS.com

Sources
newyorkfed.org | ed.gov | census.gov
federalreserve.gov | libertystreeteconomics.newyorkfed.org
money.cnn.com | statistics.gr

Created By

credit sesame