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U.S.

Recent Grads Doubt College's Worth

One of the main reasons is student debt, which is delaying millennials from starting families, businesses



The University of the South quad in Sewanee, Tenn., in March 2015. PHOTO: ASSOCIATED PRESS

By **DOUGLAS BELKIN**

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Recent college graduates are significantly less likely to believe their education was worth the cost compared with older alumni and one of the main reasons is student debt, which is delaying millennials from buying homes and starting families and businesses.

The insight into the generational divide comes courtesy of the second annual Gallup-Purdue Index, which polled more than 30,000 college graduates during the first six months of this year.

Former Indiana Governor Mitch Daniels created the survey when he became president of Purdue University in 2013 in an effort to better understand the value of a college education from the people who should know best—alumni.

The steep decline in the perception of whether a degree was worth the

cost startled Brandon Busteed, Gallup's executive director for education and workforce development.

"When you look at recent graduates with student loans it gets really ugly, really fast," he said. "If alumni don't feel they're getting their money's worth, we risk this tidal wave of demand for higher education crashing down."

The survey found that where students went to school had little impact on their perception of the value of their degree unless they went to a for-profit institution, in which case it plummeted.

Overall, 52% of graduates of public schools "strongly agreed" that their education was worth the expense, compared with 47% of private-school graduates. Among graduates of private for-profit universities, just 26% felt the same.

About two-thirds of college students graduate with debt, with an average load of about \$35,000.

According to the Index, only 33% of alumni who graduated between 2006 and 2015 with that amount of debt strongly agreed that their university education was worth the cost. Among all graduates 50% strongly agreed it was worth the cost.

That debt also has significant ramifications for life after college.

Graduates with loans exceeding \$25,000 were 16 percentage points more likely to delay going back to school for training or another degree, compared with graduates with debts of less than \$25,000.

Those heavily indebted graduates were 17 percentage points more likely to delay buying a car and 16 percentage points more likely to put off buying a house. They also were more likely to delay marriage, start a business, have children or move out of their parents' homes.

The "results serve as another reminder that student loan debt can be a significant obstacle to a student's future success—and, in some cases, a long-term handicap," Mr. Daniels said in a statement on Monday.

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