



## **COVID-19 Raises Anxiety Levels for College Students by Presenting Extraordinary Health and Financial Challenges**

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*Students are demonstrating strong financial habits that could help them through these difficult times*

NEW YORK--(BUSINESS WIRE)--Nov. 11, 2020-- AIG Retirement Services, a leading retirement plan provider for tax-exempt and public sector employers including education institutions, and EVERFI, the nation's leading social impact education innovator, today announced the results of a new survey of over 7,000 college students nationwide on topics ranging from the impact of COVID-19 on their education, to personal finance and mental health.

### **Impact of COVID-19**

The findings reveal that 41% of college students are feeling more anxious about the current school year due to the global pandemic and less than half (47%) say they feel prepared to manage their stress and anxiety. Students are also worried about their health and well-being, saying their three biggest COVID-19 concerns are getting sick (42%), the well-being of their family (39%) and their mental health (35%).

The high level of uncertainty also has financial implications, with one-third (32%) saying COVID-19 has placed extra financial stress on their family. To meet these challenges, one in four college students (23%) have considered applying for or have already applied for additional scholarships and grants. Similarly, because of the pandemic, one in five (21%) have considered or have already taken on additional work to help pay for the cost of college.

### **College students are developing strong financial habits amid pandemic**

Surprisingly, despite all the new stress and uncertainty, college students surveyed this year are showing better financial preparedness and financial habits than previous years. These improvements in college student personal finance habits include:

- 75% stop spending when cash is running low, up from 64% in the 2019-2020 academic year;
- 72% check their bank account balances regularly, up from 65%; and
- 57% always make more than the minimum payment on their credit card, up from 42%.

Looking ahead, students plan to carry several already good financial habits into the future:

- **Student Loans:** 76% of college students plan to make their college student loan payments on time, up from 68% last year. Similarly, 76% plan to pay off all their student loans in full, up from 66%.
- **Credit Cards:** In the next year, 71% of respondents plan to pay off their credit card bills on time, up from 60%. Further, 61% plan to pay their entire credit card bill each month to avoid paying interest, up from 52%.
- **Budgeting:** In the year ahead, 53% plan to create a budget to track their spending and saving, modestly up from 48%. Further, 57% plan to follow a budget to limit their spending, a small increase from 53%.

"Despite the toll the pandemic has taken on their well-being, college students have proven to be resilient in the face of hardship," said Rob Scheinerman, Chief Executive Officer of AIG Retirement Services. "This generation is demonstrating positive personal finance behaviors that will make a real difference for their future. Our hope is they come out of this pandemic safely and in good health—prepared with the financial tools that can serve them well for years to come."

### **Many still want the classic college experience**

What may come as a relief for universities amid significant investments in health and safety measures, most students still seem to want the college experience they signed up for.

Just 5% of the students surveyed gave any thought to transferring schools and only 10% considered delaying the completion of their studies until they could safely return to campus in person. In parallel, just 16% said they weighed staying home with their parents while completing their studies, showing a strong preference for building their independence away at school.

"The pandemic has raised questions about what the future of a college education might look like, but the students have spoken: they still want the classic college experience, campus and all," said Ray Martinez, President of EVERFI. "Confronted with circumstances that would have been unimaginable a year ago, college students are determined to stay the course and want to make the best of an undesirable situation."

### **Areas of concern and financial vulnerability**

Even though college students appear to be pursuing many positive financial behaviors, the survey found some areas of concern that demonstrate financial vulnerability. Two in five students (38%) are worried about having enough money to last the semester, and 40% of respondents said they wouldn't be able to pay off a major unexpected expense.

Financial debts could become a challenge, as 57% said they will have student loans by graduation and 35% said they have at least two credit cards (with 17% having three or more). Possibly to address these debts, a small, but significant number of students plan to turn to a payday lender at some

point over the next year.

## Study methodology

This survey from AIG Retirement Services and EVERFI, fielded from August 28 – September 28, 2020, is a nationally representative sample of 7,099 college students from 64 higher education institutions located in 26 states.

### About AIG Retirement Services

For more than half a century, AIG Retirement Services has served as a leading defined contribution retirement plan provider for tax-exempt and public sector employers, including healthcare, K-12, higher education, government, religious, charitable and other nonprofit organizations. AIG Retirement Services has more than \$100 billion in total assets under administration, managing thousands of plans serving approximately 1.8 million participants. It includes the VALIC family of companies: The Variable Annuity Life Insurance Company and its subsidiaries, VALIC Financial Advisors, Inc. and VALIC Retirement Services Company. Additional information can be found at [www.aig.com/RetirementServices](http://www.aig.com/RetirementServices).

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### ABOUT EVERFI, INC

EVERFI is an international technology company driving social change through education to address the most challenging issues affecting society ranging from financial wellness to prescription drug safety to workplace conduct and other critical topics. Founded in 2008, EVERFI is fueled by its Software-as-a-Service (SaaS) community engagement platform and has reached more than 41 million learners globally. Recognized as one of the World's Most Innovative Companies by Fast Company in 2020, EVERFI powers community engagement in a sustained manner to empower individuals and organizations to make an impact within their communities. Some of America's leading CEOs and venture capital firms are EVERFI investors including Amazon founder and CEO Jeff Bezos, Google Chairman Eric Schmidt, Twitter founder Evan Williams, as well as Advance, Rethink Education, Rethink Impact, The Rise Fund, and TPG Growth. To learn more about EVERFI and how you can #answerthecall please visit [everfi.com](http://everfi.com) or follow us on [Facebook](#), [Instagram](#), [LinkedIn](#), or [Twitter](#) @EVERFI.



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