

## Does the Perceived Burden of Student Loan Debt Affect Saving Behaviors?

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The purpose of this study was to analyze the impact of the presence of student loans and the concern associated with paying off student loans on saving behaviors. Specifically, the impact of whether the respondents were concerned that they may not be able to pay off their student loans on retirement accounts, other investments and securities, and emergency funds, was explored. The 2012 Financial Industry Regulatory Authority (FINRA) data were utilized in this study (FINRA, 2013). The sample was limited to those who indicated that their highest level of education was some college or more and those who were 25 years old or older. Logistic regression was used where the dependent variables were binary representing specific saving behaviors. The dependent variables were coded one for those with retirement accounts (those through their employers or other types that they set up themselves), those with other types of investments or securities, and those with emergency funds.

The odds of having a retirement account, investments and securities, or an emergency fund were significantly lower for those who were concerned about their ability to pay back the student loan compared to those without student loans. Compared to respondents who did not have student loans, the odds of having investments and securities or an emergency fund were significantly lower for those who had a student loan and were not concerned about paying back the loan. After controlling for a number of financial attitudes, behaviors, economic situations, and socio-demographic factors, presence of student loans and whether concerned about ability to pay back or not, were still significantly associated with saving behaviors except for retirement accounts through an employer and presence of a student loan and being concerned about ability to pay back the loan(s).

### References

FINRA. (2013). *Financial capability in the United States. Report of findings from the 2012 National Financial Capability Study*. Retrieved from [http://www.usfinancialcapability.org/downloads/NFCS\\_2012\\_Report\\_Natl\\_Findings.pdf](http://www.usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf)

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