



Press Release

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College Students Predict Brighter Outcomes for Their Financial Futures, Despite Lingering COVID Concerns and Rising Credit Card Use

According to new study from AIG Retirement Services and EVERFI, students are poised to move forward with optimism and confidence

NEW YORK, May 12, 2021 – AIG Retirement Services, a leading retirement plan provider for tax-exempt and public sector employers, including education institutions, and EVERFI, a leading social impact education innovator, today announced findings from a new survey of over 20,000 college students nationwide. Despite a year of extraordinary challenge—with remote learning, health scares and high unemployment—college students appear optimistic and confident about their economic situation.

One Year Into COVID, College Students Are Confident

Even with the stress, grief and hardship brought on by the global pandemic, many college students believe they are ready to take care of their finances and are optimistic about their post-graduation job prospects. Over half of college students (58%) say they are confident in their ability to handle their personal finances with three in five (60%) indicating they are prepared to manage their money.

Looking at future employment, more than one-third (39%) do not expect COVID-19 to have any impact on their post-grad job search. While half of the surveyed students (50%) say finding a job after graduation is a source of stress, that number has dropped significantly compared to past years. That number was as high as 68% during the 2018-2019 academic year, and 54% last year.

In line with this unexpectedly positive outlook for employment, students say their salary expectations have also increased, as 17% now expect to make more than \$85,000 per year in their first job after graduation. That level is up considerably from 10% for the 2019-2020 school year.



“As students close the books on a second unprecedented school year, they see a light at the end of the tunnel,” said Rob Scheinerman, Chief Executive Officer of AIG Retirement Services. “Students who find themselves in a good economic situation can take advantage of the opportunity to get a strong start on financial security—saving for retirement, building an emergency fund and paying down debt. Still, the challenges created by the pandemic could linger, so good financial habits will continue to be important for college students as well as for graduates just beginning their careers.”

COVID Still Casting a Shadow

Even with their optimism about the future, college students have felt the effects of COVID-19. Nearly one-third (32%) say the pandemic has placed extra financial stress on their family, and 19% expect to take on more debt because of COVID-19. One in ten (10%) say that the pandemic has led to them losing their job, while 16% have said it has reduced their work hours.

The impact of COVID-19 also extends beyond financial concerns, with 36% of college students saying that they are more anxious and 39% indicating that they have not been able to get the most out of their college experience. Almost one in ten (9%) now say they have gotten sick with or tested positive for the coronavirus. All of this has created a more challenging academic environment with 17% saying they have not been able to focus on their studies.

Rising Credit Card Use Suggests Underlying Concerns

In contrast to the students’ enthusiasm and optimism about the years ahead, an increased use of and reliance on credit cards stand as a warning about the potential for future financial trouble. Nearly half of surveyed students (48%) have a credit card, up from 40% a year ago.

College students now have more credit cards in their wallet than in previous years, with 53% charging to two or more credit cards (up from 41% a year ago and up from 25% in this study’s first year, 2012). Further, 40% of students have more than \$1,000 in credit card debt, and 14% have more than \$5,000. Almost two in five (38%) do not expect to pay their entire credit card bill each month to avoid paying interest.

“We have been encouraged to see college students responding to the COVID pandemic with such resilience but worry they may be getting ahead of themselves financially,” said Ray Martinez, Co-founder and President of



EVERFI. “Financial literacy will continue to be key as students find the right strategies for managing their money and working toward successful financial futures.”

Personal Finance Areas Where Students Are Still Getting Good Grades

Continuing a positive trend seen earlier this academic year, college students also seem to be responding to the challenge with a healthy amount of pragmatism. They are showing some good personal finance habits, with 73% saying they stop spending when cash is running low and 71% checking their bank accounts regularly. These steps could help with managing money in the near term, and the surveyed students also say they will be making moves that promise a more lasting impact. Over two in five (43%) plan to start saving for retirement within the next year, and 44% also plan to build up an emergency fund of 3 to 6 months of living expenses.

Students are also more confident in their plans for repaying student loans. Over three in four college students (77%) plan to pay their loans on time (up from 68% last year), and 75% plan to pay off their student loans in full (up from 66%). Additionally, nearly half (44%) will try to qualify for a student loan forgiveness program.

“Student loan debt is typically a major source of financial stress, but college students have perhaps been buoyed by months of student loan relief and stimulus checks,” said Scheinerman. “Student loans can be a drain on the monthly budget, and employers have the opportunity to create programs and services that help their employees take control of their student loan debt.”

Study methodology

This survey from AIG Retirement Services and EVERFI, fielded from October 1, 2020 – March 31, 2021, is a nationally representative sample of 20,181 college students from 135 higher education institutions located in 34 states.

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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.

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American International Group, Inc. (AIG) is a leading global insurance organization. AIG member companies provide a wide range of property casualty insurance, life insurance, retirement solutions, and other financial services to customers in approximately 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

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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. In 2020, the company was recognized as one of the World's Most Innovative Companies by *Fast Company* and was featured on *Fortune Magazine's* Impact 20 list. 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 or follow us on [Facebook](#), [Instagram](#), [LinkedIn](#), or [Twitter](#) @EVERFI.