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DATA SHOWS HIGH CREDIT CARD DEBT AMONG COLLEGE STUDENTS, CALIFORNIA STUDENT AID COMMISSION'S LATEST SPOTLIGHT BRIEF REVEALS

“The eye-opening brief found students have great concern about the amount of debt they accumulate from credit cards and loans while some do not have enough money to make ends meet.”

SACRAMENTO, Calif., Dec. 3rd, 2020 - The California Student Aid Commission (CSAC) today released its latest [spotlight](#) brief on high credit card debt being accrued by college students, data newly extrapolated from its recent [Student Expenses and Resources Survey](#) (SEARS.) The latest brief presents data and insight directly from students about how they utilize credit cards to afford college tuition, basic needs and other vital expenses.

The brief examines students' responses by race and ethnicity, students who live on and off-campus and students with dependents.

The eye-opening brief found students have great concern about the amount of debt they accumulate from credit cards while some do not have enough money to make ends meet. Roughly 60% of students have at least one credit card in their name that is billed monthly. Of those:

- 77% use it to pay for education and/or living expenses during the academic year.
- 70% of those students say it is the only way that they can afford those expenses.
- 61% of them carry over an amount month-to-month, averaging over \$4,300.

Credit card debt among students is one facet of the national crisis of student loan debt, which has only been made worse by the global coronavirus pandemic and subsequent economic fallout.

“College affordability is a national crisis,” said CSAC Executive Director [Marlene Garcia](#). “The data and stories CSAC has collected over the past couple of years all point to one message: students are struggling to cover college costs, from tuition and fees to basic needs like food and housing.”

The brief revealed that while the distribution of race and ethnicity among students with carryover debt is high across the board, Black students carry the highest amount of monthly credit card debt than other students. Credit card debt is also higher among those who live off-campus, are older, and have dependents.

Student respondents also were given the opportunity to provide written comments in the survey, many of whom provided specific examples of their experience with credit card debt and usage:

“Essentially, I use my cards to survive,” said one student from MiraCosta Community College. “Whatever cash I have, I use for rent and minimum monthly credit card payments.”

“I often find myself paying gas or groceries with a credit card because I cannot afford to pay with cash. All my books are purchased on credit and after interest, it breaks my heart to see how much I am really paying simply because I can not afford it,” said a student at California Lutheran University.

“Regarding my credit cards, both are maxed out and have been sent to collection because I don't make enough to pay the minimum and they are not a priority at this time,” said a student from California State University, Bakersfield. “My greatest fear is the future. I feel I am caught in a cycle of needing to borrow money, not being able to pay back, more loans, more credit cards.”

“With the limits to how much I can get through loans to help pay for expenses, I have acquired more credit card debt because my credit cards help me pay for ordinary and emergency expenses. These credit cards have high interest and are a struggle to maintain payments. However, without them, I would starve and be without most things,” said a student at University of California, Irvine.

CSAC conducted the [Student Expenses and Resources Survey](#) (SEARS) in 2019 for the first time in more than 10 years to capture data on the expenses associated with attending college, especially expenses beyond tuition, and the perception of affordability for today's students. The report showed students struggling to balance school and work as they try to earn their degree.

In addition to the credit card debt brief, CSAC released two additional spotlight briefs last year to separate the data and further analyze the initial insight to better understand the financial challenges students face during college, specifically with [housing](#) and [food](#).

As both the administrator of the state's \$2.8 billion financial aid system and advocate for student success, CSAC is committed to understanding students' needs across California and can serve as a resource to help the state navigate financial needs for various student populations, especially during this unprecedented time.

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The California Student Aid Commission administers the state's \$2.8 billion portfolio of student financial aid programs and services, including the Cal Grant, the Middle Class Scholarship, and the California

Dream Act Application. The Commission serves as a resource for policymakers and the public on college affordability and financing issues, and advocates for policy changes to eliminate cost as a barrier to any qualified California student pursuing a higher education. Visit our website at <https://www.csac.ca.gov> or follow us on Twitter @castudentaid.