



Survey: 63% of Borrowers Think Student Loans are a Scam

42% of student loan borrowers say they have used a payday loan

AUSTIN, TEXAS, USA, August 30, 2022 /EINPresswire.com/ -- While the debate continues to rage over the Aug. 24 announcement to cancel some student loan debt, the consensus is clear that Americans have been struggling to cover day-to-day expenses due to student loan payments.

In fact, almost half of student loan borrowers have used a [payday loan](#) or other high-interest short-term loan to make one or more student loan payments, and 63% believe that student loans overall are a scam, according to a new survey.

More than 42% of student loan borrowers have had to turn to a payday loan or title loan in order to either cover routine monthly bills.

This is a troubling statistic since many payday lenders charge interest above 400% APR and are considered to be so predatory that they're illegal in several states. The average payday loan has \$520 in fees for an initial loan of \$375, and 80% of initial loans are rolled over into new loans when the borrower can't make the payment. More than 90% of payday loan borrowers end up regretting their original loan.

[DebtHammer.org surveyed more than 1,000 Americans](#) to learn their student loan status and their payment situations. Here's what we learned:

Key takeaways:

Many think student loans are a scam: 63% of student loan borrowers think the loans are a scam, with about 25% saying they're worse than payday loans.

They can't afford the payments: More than 65% of borrowers have used some form of predatory lending product to get by, with 30% using a payday loan, 12% using a title loan, 7% using a high-interest installment loan, 8% turning to a cash advance app like Dave and 8% using a Buy Now Pay Later plan to pay for an item they otherwise would not be able to afford.

They lead to regret: About 60% of survey respondents regret their student loans, with 18% saying they wish they'd never pursued higher education at all, 14% saying they feel overwhelmed with

debt and 10% left wishing they'd chosen a less-expensive school. Another 9% regret their loans because they never earned a degree, and 8% regret choosing to attend graduate school.

Read the full report at debthammer.org/student-loans-survey.

DebtHammer is an industry leader in the business of fighting to get Americans out of debt.

Please email media@debthammer.org for more information, or if you would like to schedule a phone or video call with DebtHammer's Founder and CEO, Jake Hill. Feel free to embed any of the visuals included in the report on your website, or to use or edit the raw files as needed. Full data sets are available upon request.

Jake Hill
DebtHammer
+1 214-542-2502
[email us here](#)

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