



Creighton University Professor Links Student Loan Crisis to Financial Literacy for MyBankTracker.com

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New study reveals the 10 states with the worst student loan debt

Foster City, CA – April 30, 2020 – Outstanding student loan debt stands at \$1.6 trillion in the United States. While there is some federal student loan relief during the coronavirus pandemic, student loan debt will continue to be a major financial burden for Americans. A [recent study](#) by MyBankTracker.com finds the problem to be worse in certain states. The personal finance site reached out to an economics professor for his thoughts on how we got here.

"Teaching financial literacy in college is simply too late. By that time, many students have sealed their long-term fate by incurring burdensome student loans," says Robert R. Johnson, [business and economics professor at Creighton University](#). "I am an advocate of preparing students for the real world by teaching financial literacy in high schools. And, this education need not be extensive. Budgeting, taxes, and debt (including mortgage debt and student loan debt) are the major topics that need to be covered."

"Both the financial crisis of 2008-09 and the burgeoning student loan crisis were the results of a lack of financial literacy. Today's student loan crisis, at its core, is caused by a simple misunderstanding of how burdensome debt can be," Johnson speculates. Student loan debt is growing fast, in part because people are falling behind on their payments. In nearly half the states the number of loans that are delinquent by over 90 days has risen in the past five years. If this is happening when the job market is good, imagine what kind of problems a likely recession from the coronavirus pandemic could bring.

Key Highlights

- In five states, the amount of debt owned per person rose by over 30% in the past five years
- Average student loan debt per person in Washington D.C. is more than *twice* the national average *plus* more than *any* other state *and* more than 3x the amount per person in Wyoming, which has the lightest student loan burden
- North Carolina, Nevada, Delaware, Georgia and South Carolina have seen the amount of student loan debt owed per person rise by over 30% in the past five years
- Delinquency rates in Hawaii, Iowa and Kentucky *expanded* by at least 25% in the past five years while the rate in Maine *shrunk* by about 30%

The Five States with the Worst Student Loan Debt Problems

- **Georgia** ranks among the ten worst in three out of four categories. It is second worst for student loan debt outstanding per person. That number has grown by 31.91% over the past five years, the fourth-fastest growth rate.
- **South Carolina** has seen student loan debt grow quickly over the past five years. Its 30.95% rate of debt growth ranks fifth in the nation. About 13.98% of student loan debt is more than 90 days late, making it seventh worst in the nation.
- **Delaware** has the third fastest growing debt problem in the country, growing per person by 31.96% in the past five year. The portion of loans that are very late grew by 16.77% over the same period, which is fourth-fastest.
- **Kentucky** has a problem with late loans. The state is second worst with 15.66% of loans more than 90 days late. This has grown by 25.57% over the past five years, third-fastest overall.
- **North Carolina** has a problem that is getting worse, fast. Student loan debt per person has grown by 36.41% over the past five years, the fastest in the nation.

"Looking at that problem state-by-state reveals where people might feel that problem is most urgent," says Richard Barrington, the analyst who conducted the study. "Depending on how long the pandemic lasts, people may be worried about making their payments. Our study includes several steps people can take to manage their student loan burdens."

Methodology

MyBankTracker looked at four criteria: (1) the dollar amount of student loan debt owed per adult consumer in the state, (2) the growth rate in each state's student loan debt burden in the last five years, (3) the percentage of student loan debt in the state that is more than 90 days overdue and (4) the rate at which delinquencies in the state have increased in the past five years. All 50 states plus the District of Columbia were ranked according to each of the above criteria, and then those rankings were averaged to come up with an overall list.

To view the full interview and study on student loan debt visit: [Which U.S. States Have the Worst Student Loan Debt Problems?](#)

The author of the study, Richard Barrington, is available for comment. He has more than 30+ years of experience in the financial industry and can explain strategies like [student loan refinancing options](#) to help people struggling with student loan debt.

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[MyBankTracker.com](#) is an independent comparison website helping consumers make smart banking and financial decisions. The mission is to match consumers to their perfect bank by providing and tracking in-depth information on more than 5,000 banks, credit unions and financial products. Using a combination of technology and money management expertise, MBT provides personal finance comparison tools and educates consumers to optimize their relationships with banks and lenders.

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