



**Lutheran Social Service  
Financial Counseling**  
serves 10,000 families each  
year, primarily in Minnesota,  
from all income levels, with  
budget and debt counseling,  
credit report coaching,  
student loan counseling,  
debt management plans,  
foreclosure prevention,  
and housing counseling.



## Support

# Student Loan Repayment Counseling

## IMPACT OF STUDENT LOAN DEBT ON BORROWERS AND MINNESOTA'S ECONOMY

70% of those graduating college in MN have student loan debt.  
Average student loan debt for college graduates in MN is \$30,894.

Borrowers who become delinquent on their payments find their credit scores drop by 100 points or more, and credit scores are used by employers, landlords, lenders, and to determine insurance rates.

Student loan payments leave less room for borrowers for other expenses – renting apartments, buying homes, paying household bills, and establishing small businesses. Every \$250 per month in student loan debt reduces a household's home purchasing power by \$44,000.

## The Request

An appropriation could assist up to 2,400 borrowers per year. This would include continued research on outcomes demonstrating the impact of counseling for borrowers.

## The Benefit

Individualized student loan repayment counseling will help borrowers develop a holistic budget, pay off their debt, and develop a plan for a healthy financial future. This will greatly benefit borrowers, lenders, and Minnesota's economy by supporting our future workforce, small business owners, homeowners and taxpayers.

# OUTCOMES From the 2015-2016 Student Loan Repayment Counseling Pilot

- 1673** borrowers served in 73 out of 87 counties
- 99.5%** remained current
- 53.5%** back on track
- \$12,732,006** of student loans brought into good standing with counseling
- 97.6%** developed a monthly budget plan
- 85.8%** feel more confident regarding repayment
- 66.67%** increased their credit score within one year, by an average of 45 points
- 133** separate Minnesota schools represented
- \$56,693** average federal student loan debt
- \$33,302** average private student loan debt



## Potential Funding Options for Student Loan Repayment Counseling

Number of Borrowers Served Per Year	Total Annual Amount	Total Biennial Amount
A. 2,400	\$375,000	\$750,000
B. 1,600	\$250,000	\$500,000
C. 1,000	\$150,000	\$300,000

**Lutheran Social Service  
of Minnesota**

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