



# SIX WAYS FOR YOUNG PEOPLE TO REDUCE DEBT

The over 83.1 million<sup>1</sup> Americans who make up millennials—people born in the '80s and '90s—have often faced the daunting task of entering the workforce during times of economic recession or uncertainty. Those lucky enough to find or keep jobs in a contracted market may have faced other hurdles, like paying down historically high levels of debt.

Additionally, according to Student Loan Hero, roughly 69% of graduates leave college with student loan debt. In total, there are roughly 45 million student loan borrowers who hold nearly \$1.71 trillion in student loan debt.<sup>2</sup>

But while millennials have bills to pay, most acknowledge they also need to save—and many are anxious to get started.

**Here are some tips for keeping your head above water and building a savings plan.**

## KNOW WHAT YOU OWE

Make a list of all your loans and their interest rates. Plan to pay off those with the highest interest rates, or those with variable rates that may increase, first.

If you're unemployed, you may be eligible to defer your loans for a period of time. And it's better to ask the loan company about your options than to make assumptions or to default.

## BUILD YOUR CREDIT BY PAYING ON TIME

Pay on time. This is a critically important factor in maintaining a good credit score. It is especially important if you're planning to purchase a home, finance a car, or apply for a small-business loan in the future.

## CREATE AN EMERGENCY FUND.

After organizing your loan repayments, try to put aside a small amount every month for emergencies. It's important to have cash at hand just in case.

## ENROLL IN YOUR 401(K) PLAN.

If your company offers a 401(k) savings plan, enroll. You don't have to contribute the maximum, but if you don't contribute at least enough to get the company's match (if it offers one), you're leaving money on the table.

## MAKE THE MOST OF YOUR AGE.

Save early, save often. You may consider taking advantage of the long-time horizon for your money to grow. Starting today means that you have time to weather ups and downs in the market, and you can take advantage of compounded interest. And, if you're considering life insurance, it is considerably less expensive when you're younger.

## PROTECT YOUR LOVED ONES.

If you pass away, your loved ones may be responsible for paying off your debt. You can help protect them by purchasing group term life insurance through your ACS membership. Since the cost of life insurance is often highly overestimated, you may be surprised to see what the rates are. Visit [acsplans.com/life](https://acsplans.com/life) for more information including features, costs, eligibility, renewability, limitations, and exclusions.

<sup>1</sup>Fuscaldo, Donna. "Managing Millennials in the Workplace." Business News Daily, 2023.

<sup>2</sup>"A Look at the Shocking Student Loan Debt Statistics for 2022," Student Loan Hero, 2021.

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