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Educators making plans to put student loan payments back in their budgets

Student Loan Solutions accounts can help educators receive Public Service Loan Forgiveness for balance of student loan debt

SPRINGFIELD, Ill., Sept. 13, 2023 – Half of educators with student loan debt say that resuming federal payments in October will have a major impact on their household’s finances. The new data, released by Horace Mann today, underscores the importance of supporting educators’ financial wellness at a time when many public schools report difficulty filling teacher vacancies.

After the three-year U.S. student loan payment pause spurred by the COVID-19 pandemic ended, interest began accruing on federal student loan debt on Sept. 1. The first payments are due in October.

About half (51%) of educators with student loan debt said this will have a major impact on their financial wellness, according to a Horace Mann Educators Advisory Panel survey. An additional 25% said it will have a minor impact on their financial wellness, while 23% said it would have no impact.

Educators plan to adjust their budgets to accommodate the additional expense by:

- Cutting back on non-essentials like hobbies, restaurants and vacations (76%);
- Saving less, or using savings to meet expenses (62%);
- Considering working a second job (51%); and
- Cutting back on essentials, such as food or clothing, or finding lower-cost alternatives (48%).

“Educators are critical to the success of our communities, and their financial stress is apparent in the measures they are considering come October,” said Horace Mann Vice President Tom Kammerer. “Educators shouldn’t have to get a second job or cut back on essentials just to continue their important work for our communities.”

Loan forgiveness still an opportunity for educators

There is an avenue for U.S. educators to address their disproportionately high student loan debt. Through the Public Service Loan Forgiveness Program, educators can have the balance of their federal student loans forgiven after 10 years of qualifying payments. The program, enacted in 2007 to even the playing field between private and public sector job opportunities, is unaffected by the Supreme Court’s June decision to block the Biden administration one-time forgiveness plan.

“The good news for educators is that they are eligible for qualifying monthly payments during the federal pause, which means they are over three years closer for forgiveness,” Kammerer said. “Through Horace Mann’s Student Loan Solutions program, all K-12 educators can get free online help on how to navigate the student loan forgiveness process, including certifying employment with eligible employers.”

Educators can sign up at horacemann.com/student-loan-debt-help. Administrators interested in providing Student Loan Solutions as a no-cost district-wide benefit offering can get more information at horacemann.com/student-loan-debt-help/schools.

The Horace Mann Educator Advisory Panel data is from a nationally representative survey of 441 U.S. educators, including public school K-12 teachers, administrators and support personnel. It was fielded in July following the Supreme Court decision. Full results are available at horacemann.com/repayments.

About Horace Mann

Horace Mann Educators Corporation is the largest financial services company focused on helping America's educators and others who serve the community achieve lifelong financial success. The company offers individual and group insurance and financial solutions tailored to the needs of the educator community. Founded by Educators for Educators® in 1945, the company is headquartered in Springfield, Illinois. For more information, visit horacemann.com.

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