

Kansas City Star - August 26, 2010

Kansas City Star – Dollars and Sense

By Steve Rosen



More parents socking away money for college, survey shows

More parents of college-bound students say they're putting money away to cover the costs of tuition, room and board, a new survey shows.

The fourth annual State of College Savings found that 65 percent of the parents surveyed said they are saving for their children's college education. That's up from 59 percent last year, according to the College Savings Foundation, which conducted the survey.

In addition, the number of parents who said they weren't saving at all fell to 35 percent this year from 41 percent in 2009, the study said.

"It is clear from the survey findings that parents are shifting their behavior toward greater and more consistent savings," said Peter Mazareas, chairman of the nonprofit.

The survey was based on interviews with 800 parents across the country.

Other findings:

--One in four of all respondents owns a 529 state-sponsored college savings plan, such as the MOST plan in Missouri or Learning Quest in Kansas. Of those 529 holders, 56 percent are using automatic savings options, up from 49 percent last year.

--The appetite for student loans appears to be declining. About 62 percent of the parents said they anticipate using loans to pay for college, down from 71 percent last year.

--Parents appear to be less reliant on their kids to carry the burden, with 40 percent saying they do not expect their children to finance college costs, up from 32 percent last year. They do expect children to contribute in other ways, through jobs, scholarships and grants and fellowships.

--More parents have increased their savings, despite the tough economy. Fifteen percent said they are saving more for college this year over last, almost double the 8 percent from 2009.

Submitted by Steve Rosen on August 26, 2010 - 1:00am.

#