

## HIGH SCHOOL STUDENTS ARE CHARTING THEIR OWN COURSE IN FUNDING COLLEGE, SAYS COLLEGE SAVINGS FOUNDATION'S SECOND ANNUAL SURVEY OF 16- AND 17-YEAR OLDS

### Half are already saving and setting their sights on public colleges

College-bound students are taking their future into their own hands by saving and sacrificing more, making economical college choices and becoming more knowledgeable about the costs of borrowing.

These are key findings of a survey of 16- and 17-year olds headed for higher education, the second annual *How Youth Plan to Fund College* issued by the College Savings Foundation, a leading nonprofit helping American families save for their children's college education.



Nearly three quarters (72 percent) of the high school students surveyed think it's their responsibility to help fund their college education, and 65 percent are planning to use their own funds to pay for college, reinforcing key trends revealed in the 2010 survey. Yet this year students expect to contribute more of their own funds: 58 percent will cover more than one-quarter of their college costs, compared to 52 percent last year, and nearly one-in-five (18 percent) will contribute more than half of their college costs – up from 12 percent last year.

How will they get there? Seventy-three percent have decided that they want to save and nearly half – 48 percent – of the students have already started, each three points higher than last year. But the big jump occurs in the actual dollars saved: 69 percent of those students who are saving have already saved more than \$1,000 – up from 62 percent one year ago. Roughly one quarter - 23 percent – have amassed more than \$5,000 – up from 19 percent last year.

A key finding was that more students are setting their sights on affordable four-year schools. Over half, 51 percent, are looking at public colleges, up from 44 percent last year and pulling from both four-year private schools and community colleges. Sixteen percent are considering private universities (down from 18 percent last year); and 19 percent are looking at community colleges, down from 22 percent.

“Today's high school students are tackling the escalating costs of college by saving and becoming more educated about their costs and choices,” said CSF Chairman Roger Michaud.

The costs of college are foremost in the students' minds: 79 percent said that the costs of school influenced their further education plans, similar to 77 percent last year; and 83 percent of those said that costs are a factor in which college they plan to attend (86% in 2010)

To meet those costs, students are supplementing their own funds with financial aid and student loans. Forty-seven percent definitely expect to receive financial aid, with an additional 34 percent possibly expecting it, (totaling 81 percent versus 85 percent last year).

“529s,” as they are called, are intended to support families in meeting the relentlessly rising expenses of a college education. The average annual tuition costs of attending a 4-year public and a 4-year private college or university in 2010--2011 have increased over those of a year earlier. Including room, board and expenses, the total in-state costs for a 4-year public college are \$16,140, up 6.1 percent; and for a 4-year private college are \$36,993, up 4.3 percent, according to The College Board. Assuming such costs increase by 5% a year, the projected cost of college in 15 years will be more than \$100,000 for a 4-year public college and more than \$200,000 for a 4-year private college.

**The College Savings Foundation (CSF)** is a Washington, D.C.-based not-for-profit organization whose mission is to help American families achieve their education savings goals, by working with public policy makers, media representatives and financial services industry executives in support of education savings programs. For more information on CSF and its mission, please access [www.collegesavingsfoundation.org](http://www.collegesavingsfoundation.org)

Although somewhat fewer students are expecting to borrow for college (62 percent versus 66 percent last year), they are still worried about it: 92 percent of borrowers are concerned about their debt burden after college, similar to last year.

New questions this year found that a majority of students are eager to learn how to deal with college costs: 52 percent wished that their current high school offered financial literacy for them and their families to prepare for college costs. Although 43 percent of students had access to high school courses on planning for college and its expenses, only 32 percent felt their high school had adequately prepared them.

“There is a clear demand for greater financial literacy among students and their parents,” Michaud said. In CSF’s annual survey of parents, *The State of College Savings*, 90 percent thought there was a need for financial literacy in the classroom.

Meanwhile, high school students are working on a number of fronts to enhance their college savings:

- 72 percent would rather receive money for education on special occasions rather than tangible gifts, as in last year’s survey
- 47 percent thought that friends or relatives might help with their college costs, up from 42 percent
- Over half, 52 percent, of those who have decided to save have gotten jobs to help, up from 48 percent last year
- The number of high school savers willing to forgo things like electronics, cars or vacations jumped to 66 percent in 2011, compared to 54 percent in 2010
- Twice as many high school savers are using 529 college savings plans than last year (16 percent versus 8 percent); and fewer are using plain vanilla savings accounts (68 percent, down from 80 percent last year)

## Future Debtors have Done Their Homework

Students also expect to be covering more of their college costs by taking on debt. Nearly half, 49 percent, of students who are borrowing will use those funds to pay between one-quarter and one-half of all educational expenses, up from 41 percent last year.

The difference this year is that more high school students have done their homework on the costs of indebtedness: 30 percent of students who are planning to borrow have projected the total amount they will have to borrow, as compared to 20 percent last year. Twenty-two percent have projected the total monthly loan repayment amount that they will have to pay after graduation, versus 18 percent last year.

## The Role of Parents in Funding College

At the end of the day, what are parents doing to help their children fund college? Two-thirds (66 percent) of students had talked with their parents about the cost of college, down from 70 percent last year. Two-thirds (63 percent) of students had talked to their parents about their involvement in funding their children’s college. Thirty nine percent of parents are actually saving and employing successful saving strategies:

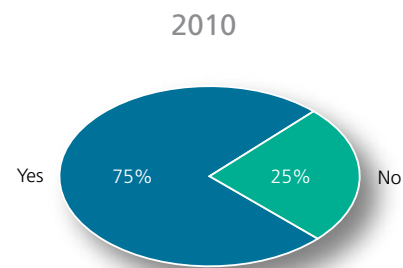
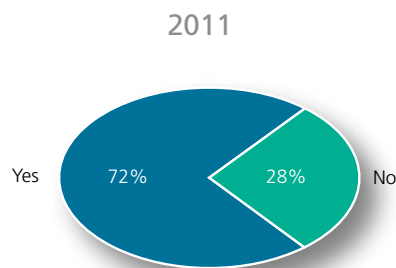
- 57 percent of those parents who are saving had saved more than \$5,000, up from 47 percent last year
- 41 percent of them are saving a fixed amount every month, up from 32 percent
- 29 percent are using a 529 college savings plan, up from 17 percent

Fifty percent of students were Pleased or Very Pleased with the amount that their parents had saved for college, up from 45 percent last year.

The 2011 CSF *How Youth Plan to Fund College* survey was conducted by Zoomerang of over 500 16- and 17-year old high school students across the country, with parental permission.

## TAKING CHARGE OF COLLEGE COSTS: STUDENTS SAY IT'S THEIR RESPONSIBILITY TO FUND HIGHER EDUCATION

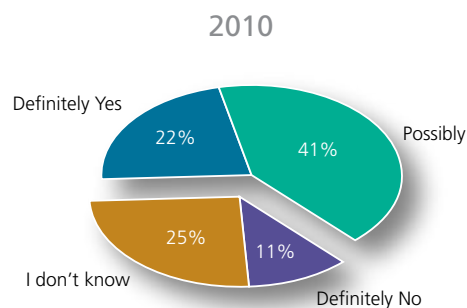
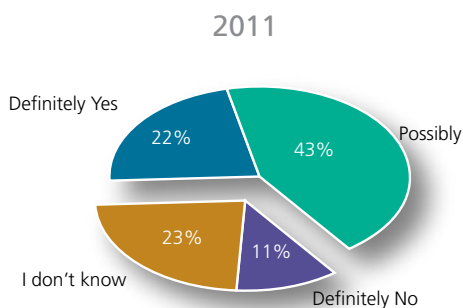
**Q** Do you think that it is your responsibility to fund part or all of your higher education?



## SAVINGS: STUDENTS ARE WILLING TO SAVE AND SACRIFICE FOR COLLEGE

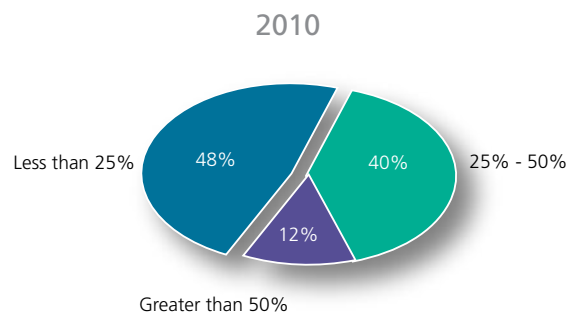
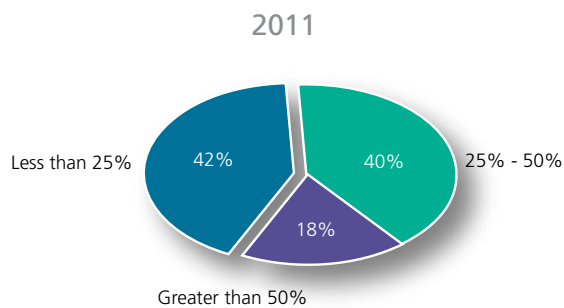
65% said they planned on using their own funds for college

**Q.** Have you planned on using your own funds to pay for part or all of your college or higher education costs?



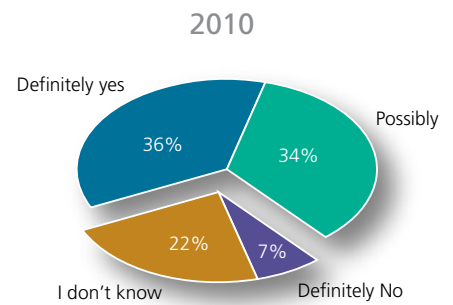
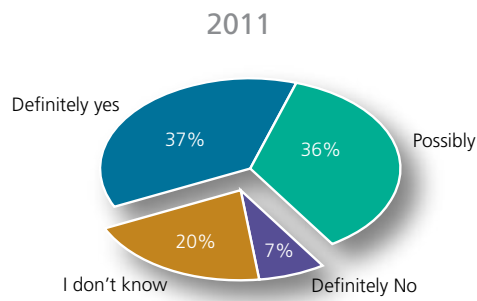
Of the 65% of students planning on using their own funds, 58% will cover more than 25% of their college costs, up from 52% last year

**Q.** What percent of your total education costs are you planning on using your own funds for?



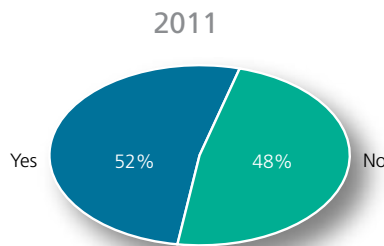
**How will they get there? Planning and saving: 73% said they would save, up from 70%**

**Q. Have you decided that you want to save money for college or post-secondary school?**



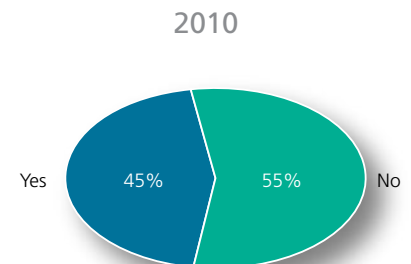
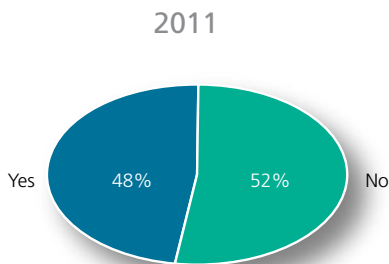
**How will they do that? Over half will get a job**

**Q. Have you gotten a job in order to earn money so you can save for college or post-secondary school?**



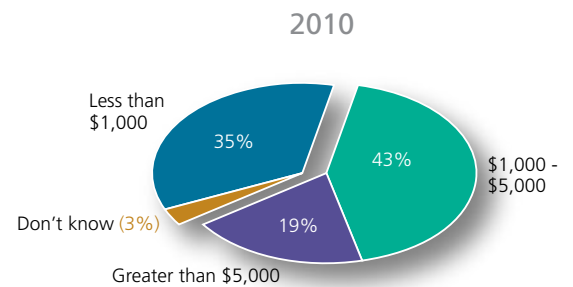
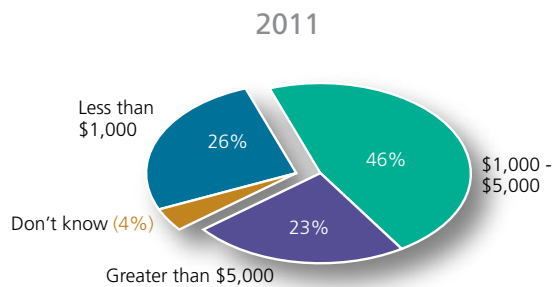
**48% have already begun to save**

**Q. Have you begun saving for college or post-secondary school?**



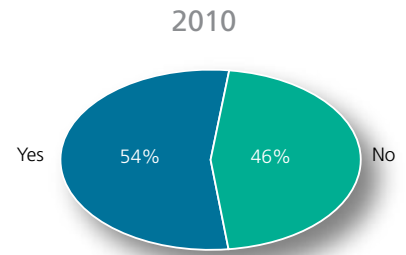
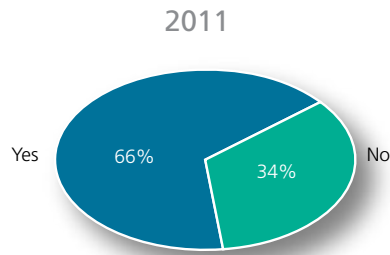
**Of those who are saving, 69% are saving more than \$1,000, up from 62% last year**

**Q. How much have you saved?**



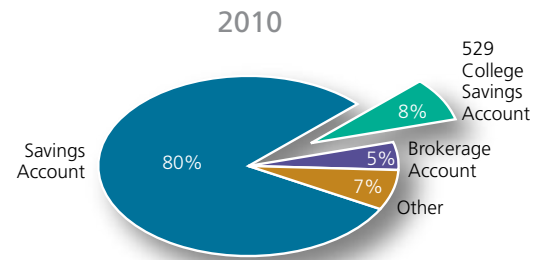
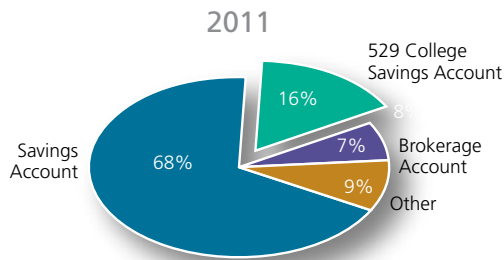
Of those who have begun saving, 66% will sacrifice for that goal, up from 54% last year

**Q. Have you foregone things (i.e. electronics, car, vacation) in order to save for college?**



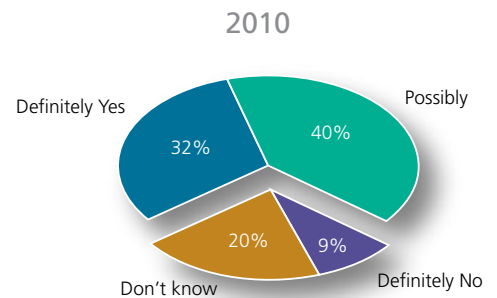
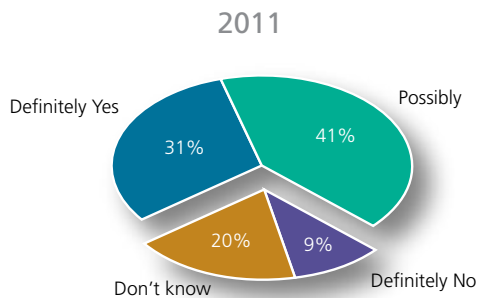
Of those who have begun saving, those using 529s have doubled to 16% from 8% last year

**Q. How are you personally saving for college or post-secondary school?**



As in last year, 72% of all students prefer college funds over material gifts

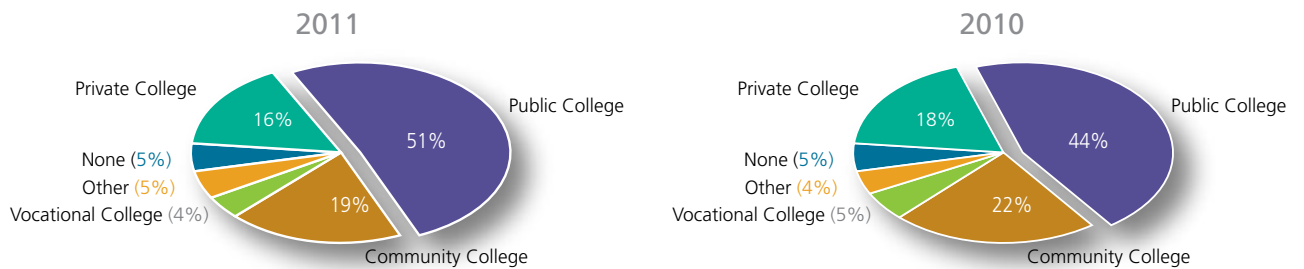
**Q. Would you rather receive money for education on special occasions rather than tangible gifts?**



## MAKING CHOICES: HOW COLLEGE COSTS AFFECT STUDENT PLANS

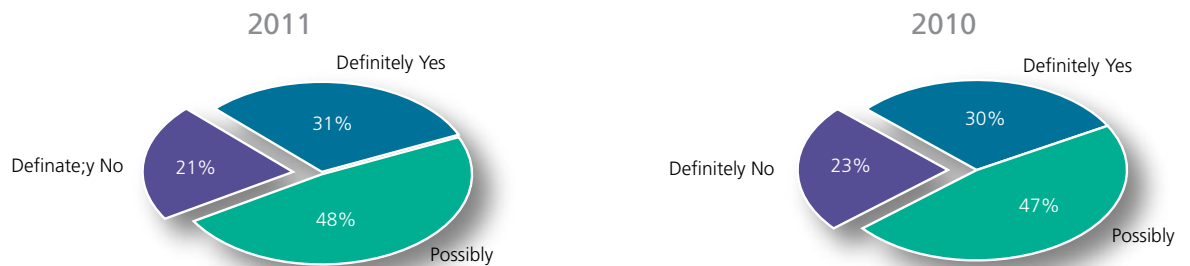
Over half of students are flocking to public colleges, 51% versus 44% last year

**Q. What are your future education plans?**



79% said that costs affect their plans, similar to last year

**Q. Have the costs of school influenced your further education plans?**



## SUPPLEMENTING SAVINGS: STUDENTS RELY ON DEBT, AID AND SCHOLARSHIPS

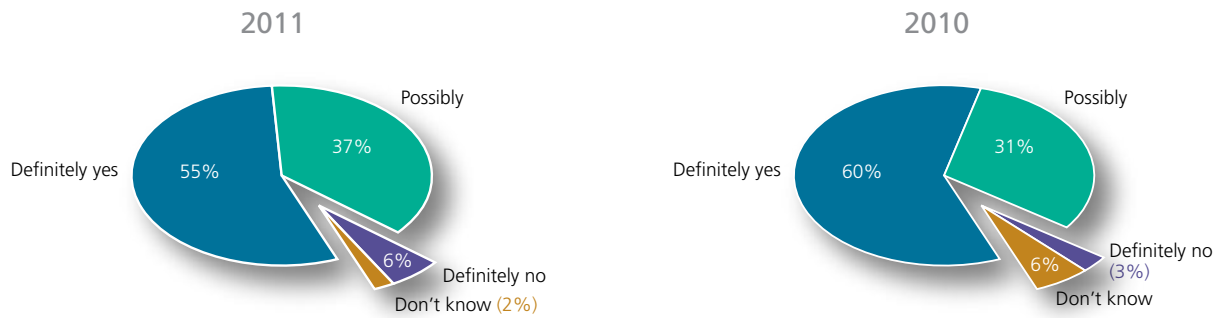
62% are planning to borrow, compared to 66% last year

**Q. Do you plan on borrowing money to attend college/post-secondary school?**



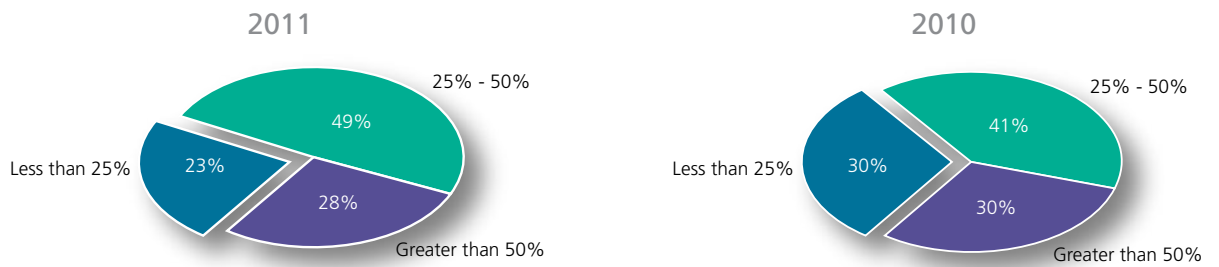
**But 92% of those who are borrowing are still worried**

**Q. Are you concerned with the debt burden you may be faced with after college or higher education?**



**Student borrowers will use debt to cover more costs: 77% will borrow more than 25% of total education costs, versus 71% last year**

**Q. What % of your total education costs do you plan on borrowing?**



**More student borrowers have done their homework: 30% have projected their total borrowing versus 20% last year**

**Q. Have you projected the total amount you will have borrow in order to graduate?**

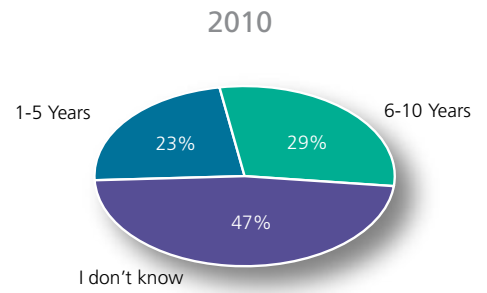
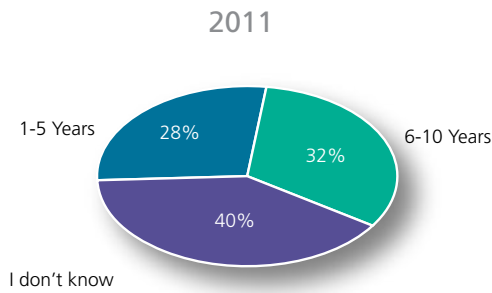


**22% have projected the monthly repayment amount versus 18% last year**

**Q. Have you projected the total monthly loan repayment amount you will have to pay after graduation?**



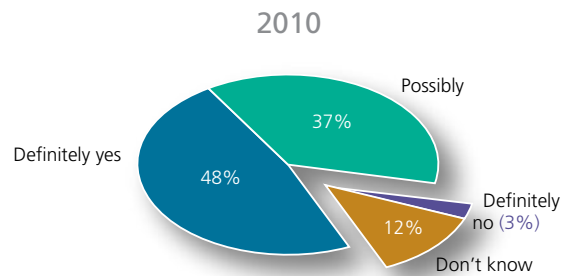
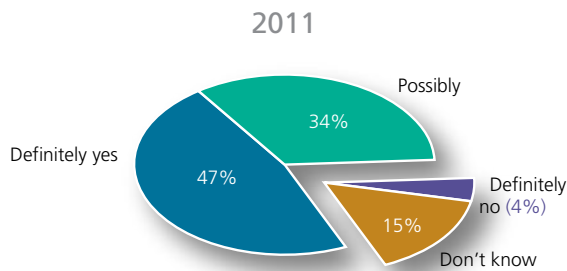
**Q. How long do you anticipate it will take you to pay off your student loans?**



**FINANCIAL AID**

**81% of all students are expecting financial aid, compared with 85% last year**

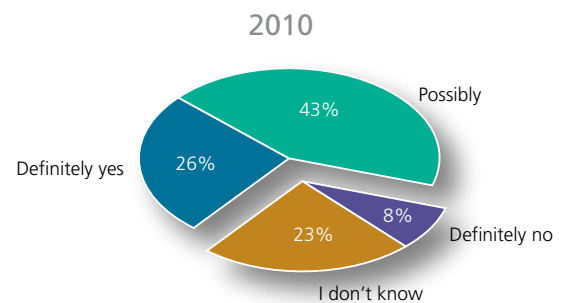
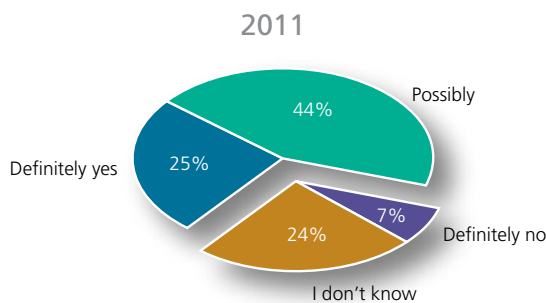
**Q. Do you plan on receiving financial aid to attend college/post-secondary school?**



**SCHOLARSHIPS**

**69% expect scholarships, as in 2010**

**Q. Do you plan on/ or are you receiving a scholarship to attend college/post-secondary school?**

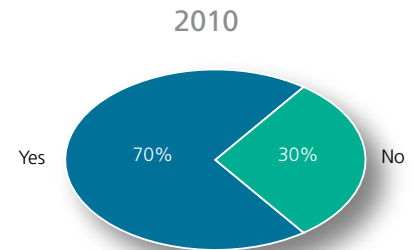
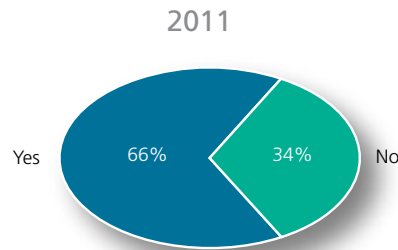


## OTHER PEOPLE'S MONEY: STUDENTS TALK TO PARENTS AND RELATIVES

At the end of the day, how are parents and relatives helping?

66% talk with their parents, compared to 70% last year

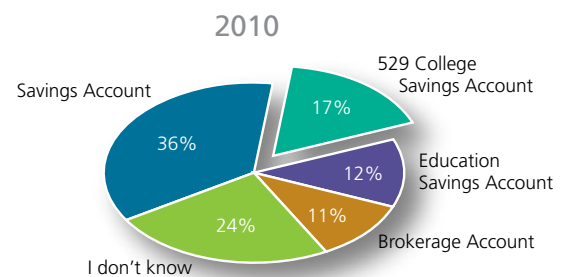
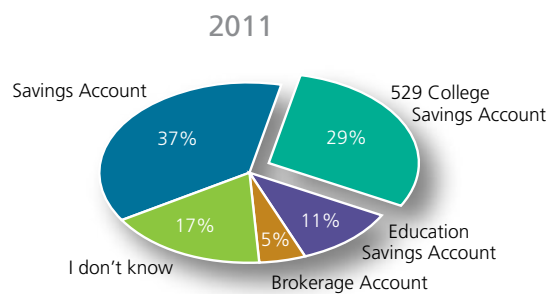
**Q.** Have you talked to your parents about how much college costs?



Students say 39% of parents saving. How are they doing this?

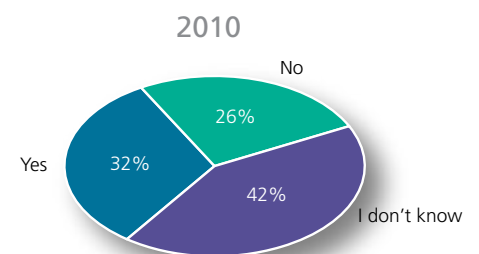
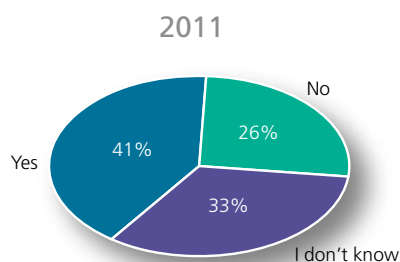
Nearly twice as many parents are investing in 529s: 29% versus 17% last year

**Q.** How are your parents savings?



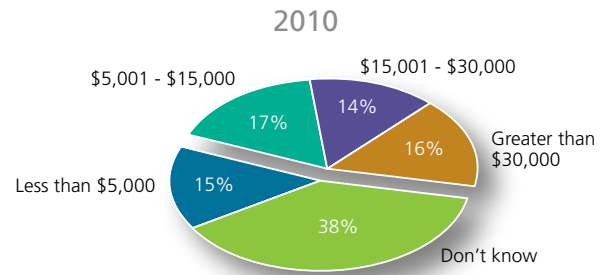
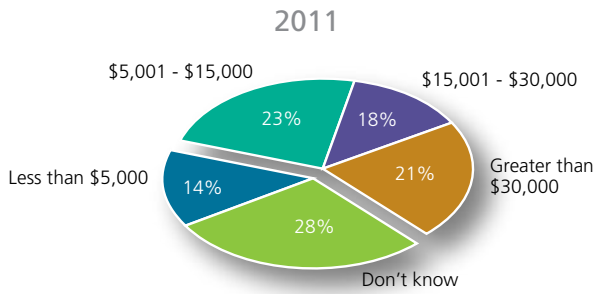
41% of parent savers are putting away a fixed amount, up from 32%

**Q.** Are they saving a fixed amount per month?



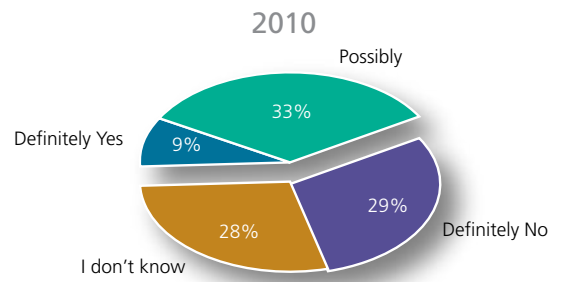
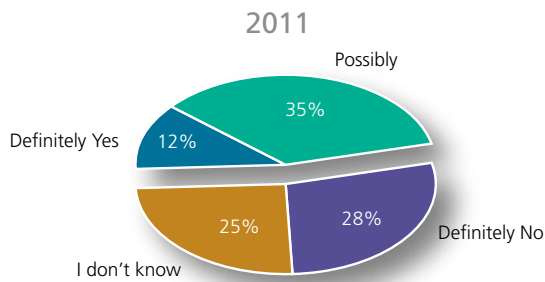
**57% of parent savers have saved over \$5,000, up from 47% last year**

**Q. How much have they saved?**

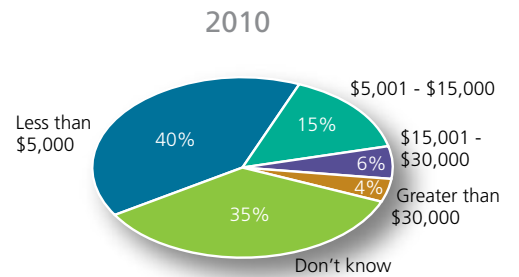
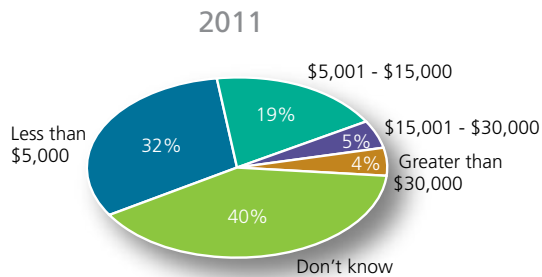


**Help from relatives: 47% of students expect it, up from 42%**

**Q. Are you expecting to receive money for college from relatives?**

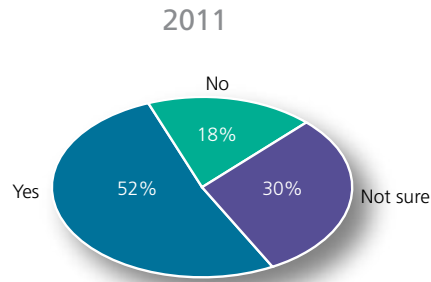


**Q. If you are expecting to receive money from relatives, how much money are you expecting to receive?**

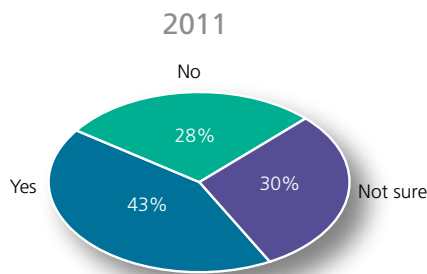


# HIGH SCHOOL STUDENTS WANT TO BE MORE PREPARED

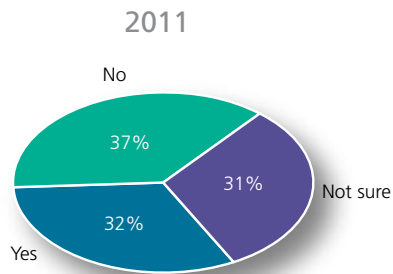
**Q.** Do you wish that your current high school offered financial literacy to you and your family to prepare you for college costs?



**Q.** Does your current high school offer courses on planning for college and college expenses?

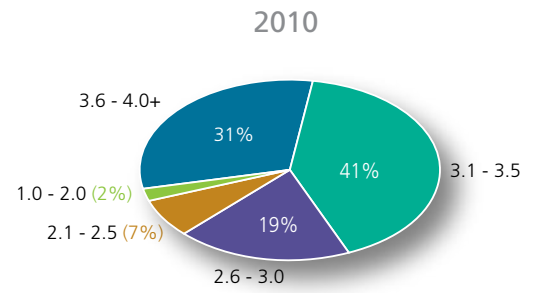
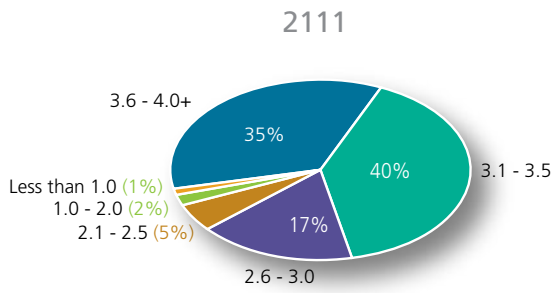


**Q.** Do you feel that your current high school has prepared you to adequately prepare for future college costs?

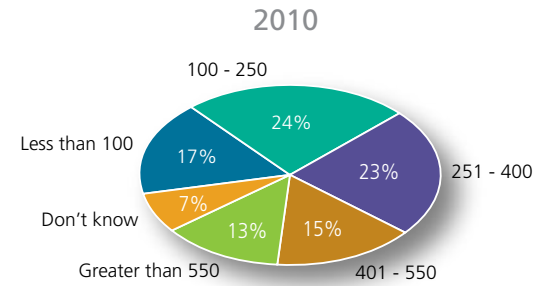
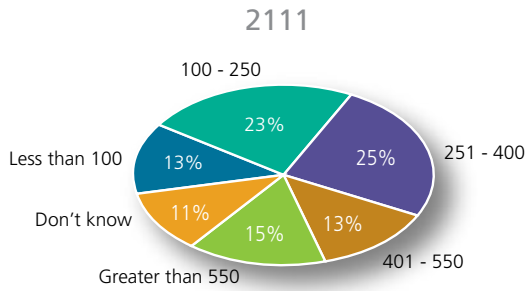


# ABOUT HIGH SCHOOL STUDENTS:

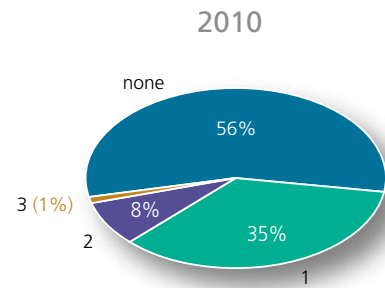
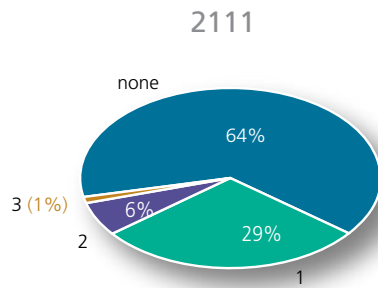
**Q. What is your Grade Point Average?**



**Q. What is the size of your High School graduating class?**



**Q. How many siblings do you have in or within one year of college or career school?**



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