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**FIDELITY® SURVEY FINDS NEARLY SEVEN IN TEN HIGH SCHOOL SENIORS  
THINK MEETING COLLEGE COSTS IS OVERWHELMING**

**Despite Cost Concerns, More High School Seniors  
Believe a College Education is a Minimum Requirement for a Decent Job**

BOSTON, May 25, 2010 – Fidelity Investments®, a leading provider of 529 college savings plans, today announced the results of its second annual study, College Bound and Cost Conscious: A Survey of High School Seniors, and found this year that financing a college education is a major concern for most seniors as they head toward graduation day.

With college tuition rates rising 5.4 percent per year and the average total cost of a four-year public or private school reaching \$124,600<sup>1</sup>, 69 percent of high schools seniors agree that saving for education expenses is too overwhelming. Yet, in the face of an increasingly competitive job market and significantly higher nationwide unemployment rates for Americans without a college degree<sup>2</sup>, 80 percent of seniors believe a college education is a minimum requirement for a decent job (up from 74 percent in 2009).

“High school seniors recognize the critical difference a college degree can have on their future, yet college costs are weighing heavily on their minds,” said Joe Ciccariello, vice president, Fidelity Personal and Workplace Investing. “This highlights how important it is for families to save early and regularly in a dedicated account and to make sure they get the guidance they need around financing their child’s college education.”

One reason that cost may be such a worry is that one-third (33 percent) of high school seniors indicate no dedicated college savings account has been set up for them, and nearly half (49%) of those surveyed received less grant and scholarship money than expected.

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<sup>1</sup> Fidelity calculation based on the Trends in College Pricing: 2009, College Board’s estimated total costs for an average 4-year college (private and public) beginning school year 2010-2011.

<sup>2</sup> Bureau of Labor Statistics: March 2010 unemployment data showing 10.8 percent unemployment rate for those without a college degree compared to 4.9 percent with a degree.

“When we looked at seniors who had a dedicated college savings account, such as a 529 College Savings Plan, we found they were less concerned with paying for college and saving for education expenses and more focused on being admitted to the best schools and achieving good grades in college,” said Ciccariello. “One simple thing that all parents can do to help alleviate the stress surrounding college costs is to actively engage their kids in discussions around paying for college and work together to come up with a viable financial plan.”

To help families make better informed college planning decisions, Fidelity offers complimentary financial guidance provided by dedicated college planning representatives who can help answer questions around college savings options, including opening a 529 plan.

### **More Seniors Prepared to Pay Some of Their Own Education Costs**

Recognizing the effect a college degree can have on their future, more high school seniors are willing to pay a significant portion of their own education expenses: 95 percent believe they should pay for at least some of their education costs (up from 90 percent in 2009), and among those, 60 percent believe they should pay at least half. When asked where they expect the money to come from, the funding sources cited were working during school (77 percent), scholarships (77 percent), loans (55 percent), savings (54 percent) and grants (50 percent).

One area where seniors are taking on more responsibility is with their student loans. Nearly three quarters (72 percent) said they will pay back most or the entire loan themselves, and over half (55 percent) of seniors planning to use loans expect to pay down some of their debt while still in school. More than half (53 percent) expect to pay back between 21 and 50 percent of their loan before they graduate -- a percentage that could translate into as much as \$14,099<sup>3</sup> over four years.

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<sup>3</sup> Assumes an average debt load of \$24,651 (U.S. Dept. of Education) upon graduation, he/she is a dependent who qualified for the maximum unsubsidized Stafford loan amount of \$19,000 and then acquired a Plus loan for the remaining \$4,200 for a total of \$23,200 with an interest rate of 6.8% and 8.5% respectively; total loan, principal and interest is \$32,487 with a ten year term.

“This research tells us that college-bound kids need to be a part of the discussions around paying for college,” said Jeff Troutman, vice president, Fidelity Investments Institutional Services, Company, Inc. “When considering financial planning around college costs, financial advisors may want to consider engaging kids along with their parents early on in the planning discussions. This will help reinforce the importance of planning ahead for major expenses and promote the value of good savings habits. Then families can focus on evaluating colleges based on critical factors like academic profile and personal fit versus strictly affordability.”

### **High School Seniors Are Optimistic About Their Future**

More than three quarters (79 percent) of high school seniors believe the current economic environment makes this a good time to be in college, and while college cost is certainly top of mind, it does not seem to be affecting their future career choice. Of the 75 percent of high school seniors who already know which major or field of study they will be pursuing in college, only 12 percent picked their future career path based on that field’s earning potential, while three quarters (76 percent) said their personal interest in the subject/field had the most impact on their choice.

In addition to putting personal interest above earning potential, 88 percent of seniors are optimistic about securing a job once they graduate. That optimism also extends to today’s college graduates as 62 percent of high school seniors believe today’s college graduates are finding jobs in six months or less.

Although they are optimistic about their ability to secure future employment, seniors indicated they would be likely to use temporary strategies if faced with a difficult job market upon college graduation:

- 30 percent would consider moving in with their parents after college;
- 53 percent would consider pursuing options for continued higher education until the economy improves;
- 79 percent would consider getting a part-time job while looking for full time work;
- 49 percent would be willing to take an unpaid internship to get “on the job” training.

### **Five Educational Steps to Take Five Years Before the Tuition Bill Arrives**

Families with children who will be entering high school in the next few years can take some simple steps now that will help them be better prepared to meet tuition costs in the future. In a recent Fidelity Viewpoint article, five measures are outlined with steps parents can take five years before their child goes off to college.

These include strategies such as understanding the financial aid process and how to potentially improve eligibility, getting familiar with grants, scholarships and loans, and revisiting investments in a child's college savings account.

Though five years before a child goes to college may not seem like much time to improve your finances, there are actually a lot of things parents can do to better position themselves to pay for tuition costs. For more information about this and other Fidelity Viewpoints, visit [fidelity.com/viewpoints](https://www.fidelity.com/viewpoints).

Parents can also visit Fidelity's College Planning Web Portal on [Fidelity.com](https://www.fidelity.com) to research and understand the college savings options that are available so they can make the right choices that may help ensure a successful educational experience. Fidelity's College Planning Web Portal features the following tools and resources:

- [Fidelity College Planner](#) provides tuition and expense information for thousands of private and public colleges and universities, helps investors determine how much they need to save for college education and calculates potential savings growth in a tax-advantaged 529 account.
- [529 State Tax Deduction Calculator](#) helps investors determine if there is a significant tax advantage to investing in the 529 plan offered in their state of residence.

Fidelity not only offers this complimentary financial guidance online, but also through dedicated college planning phone representatives and educational seminars at the firm's 134 Investor Centers across the country.

Fidelity also provides financial advisors with 529 plan information, marketing support and online planning tools such as the 529 State Tax Deduction Calculator and the College Savings Planning tool. By incorporating college savings into a broader financial planning interaction, advisors can strengthen and broaden their client relationships. For more information about Fidelity's college savings resources, advisors can visit [advisor.fidelity.com/529](http://advisor.fidelity.com/529) or call Fidelity at 1-800-544-9999.

### **About College Bound and Cost Conscious: A Survey of High School Seniors**

Fidelity Investments' College Bound and Cost Conscious: A Survey of High School Seniors research examines college savings behaviors, attitudes and expectations of 2010 High School Seniors planning to attend college this fall. A national online survey of 512 high school seniors ages 17-18 was conducted by JLA Strategic Research, an independent research firm, from April 12 - April 24, 2010. The results of Fidelity Investments' College Bound and Cost Conscious: A Survey of High School Seniors research may not be representative of all students meeting the same criteria as those surveyed for this study.

### **About Fidelity Investments Institutional Services Company, Inc.**

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### **About Fidelity Investments**

Fidelity Investments is one of the world's largest providers of financial services, with assets under administration of \$3.4 trillion, including managed assets of \$1.5 trillion, as of April 30, 2010. Founded in 1946, the firm is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing and many other financial products and services to more than 20 million individuals and institutions, as well as through 5,000 financial intermediary firms. For more information about Fidelity Investments, visit [www.fidelity.com](http://www.fidelity.com).

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Units of the portfolios are municipal securities and may be subject to market volatility and fluctuation.

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