



CollegeSavings
FOUNDATION

HIGH SCHOOL STUDENTS GET DOWN TO BUSINESS IN PLANNING AND PAYING FOR COLLEGE, COLLEGE SAVINGS FOUNDATION SURVEY FINDS



High school students from across the country are taking a pro-active approach to planning and paying for their higher education – with a bolder emphasis on working, saving, and managing costs. The College Savings Foundation’s sixth annual How Youth Plan to Pay for College survey of high school seniors, juniors and sophomores across the country found they showed both the will and the way to fund higher education, including greater use of 529 college savings plans.

This year as in previous years, the vast majority – 82 percent – believe it is their responsibility to pay for at least part of their higher education; and three quarters of students plan on paying for at least part of it. The difference this year, is those students will pay for more: 71 percent plan to pay for over 25 percent of college costs, compared to 53 percent last year.

To get there, they are saving: 51 percent are already saving for higher education, up from 44 percent last year. Additionally, those savers are amassing significantly more: 83 percent of savers have already put aside at least \$1,000 this year (compared to 67 percent last year) and that includes 50 percent saving between \$1,000 - \$5,000 and 33 percent who have socked away more than \$5,000.

Both students and their parents are utilizing 529 plans: 33 percent of all students say that either they or their parents are using a 529 (up from 24 percent last year). Of those students who are saving, 24 percent say that 529 college savings plans are their primary way of saving for higher education costs – up from 10 percent last year.

“We are very encouraged to see that high school students are taking financing of higher education seriously and have already shown themselves to be active planners and savers,” said Mary Morris, Chair of CSF, a leading nonprofit helping American families save for their children’s college education.

Students are also taking practical approaches to savings: 40 percent are willing to forgo material things for college savings (versus 28 percent last year). Nearly half, 49 percent, have jobs to help pay for college – up from 41 percent last year.

Once they get to college, many plan to work full or part time, even though it may cause some of them to lose their full-time student status. Fifty-nine percent are planning to work

“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 2014-2015 continued to rise beyond the rate of inflation. Including tuition, room, board and expenses, the average total cost for an in-state student at a 4-year public college is \$18,943, and for a 4-year private college is \$42,419, according to the College Board.

The CSF 2015 How Youth Plan to Fund College Survey was conducted by the College Savings Foundation using an online survey of over 500 high school seniors, juniors and sophomores across the country, using Survey Monkey with parental permission.

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. www.collegesavingsfoundation.org

– compared to 51 percent last year; and 23 percent of students expecting to work say that this will force them to become a part-time student, compared to 15 percent last year.

Changing Perceptions of What College Means

Respondents were attuned to the effect of costs on their college choices. Overall, half of respondents expect to attend public college, 19 percent community college – exceeding private college at 16 percent – and five percent vocational or career programs (the remainder in none or other categories such as the military). Seventeen percent of all respondents expect to take a gap year.

Nearly a quarter – 23 percent – of all students said that they have had to limit their higher education choices because of costs (19 percent last year) – with 61 percent of those changing to community college, up from 50 percent last year.

Students’ perceptions of higher education options are also shifting. Even though only five percent expect to attend vocation or career schools, 42 percent of all students think of them in the same way as private and public college – double the 21 percent last year.

Dreading the Drag of Student Loans

While students are resisting the overhang of student loans – 55 percent intend on borrowing, down from 72 percent last year – those who must borrow expect to increase their debt load. Sixty-five percent of borrowers will need to borrow more than a quarter of their total education costs, compared to 47 percent of students borrowing last year.

They have other worries about the long-term effect of loans: 84 percent of prospective borrowers are concerned about paying back loans, and 52 percent expect to require 6-10 years to pay them off (up from 42 percent last year). Perhaps these anxieties are driving savings behaviors: 83 percent said that personal savings would have an impact on the final dollar amount of loans they would require.

Regarding financial aid, 84 percent expect to tap into it to help pay for college. Most, 89 percent, are savvy in understanding that the student loan part of financial aid requires repayment over time. Seventy-eight percent expect to receive a scholarship.

On special occasions, students would rather receive money for education than tangible gifts (71 percent versus 66 percent last year). More than half, 53 percent, expect to receive money from relatives, up from 41 percent last year.

The survey also found that more parents are saving as well – 65 percent versus 58 percent last year. Of those saving, 33 percent are using 529s as their primary savings vehicle and over half (52 percent) are saving a fixed amount each month versus 29 percent last year.

Here is how students factor costs into their higher education choices:

- More students believe that costs help decide whether or not to attend college (59% versus 51% last year).
- 75% believe that costs will affect which college they attend, versus 76% last year.
- 51% said costs were a factor in whether to attend part time or full time – versus 40% last year.
- 55% said that costs would be a factor in the selection of a major, compared to 58% last year.

Seniors are serious about paying for college:

- 81% of high school seniors plan to fund part or all of education costs; 89% have decided to save money and 65% have already saved.
- 40% say they or their parents are utilizing a 529 to save.
- 72% are currently employed; and 67% intend to work full- or part-time during their college years.

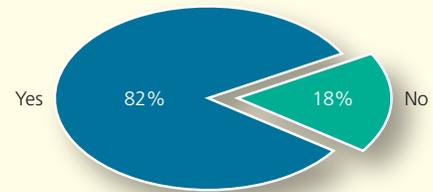
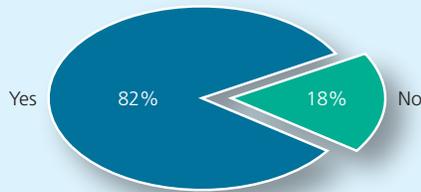
“We are very encouraged to see that high school students are taking financing of higher education seriously and have already shown themselves to be active planners and savers”

*—Mary Morris
Chair of CSF*

HIGH SCHOOL STUDENTS PLAN TO PAY FOR THEIR COLLEGE COSTS

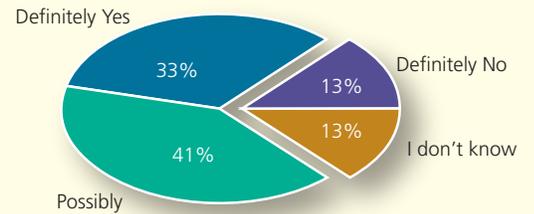
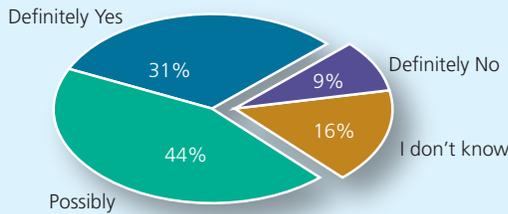
82% say they are responsible for funding college.

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



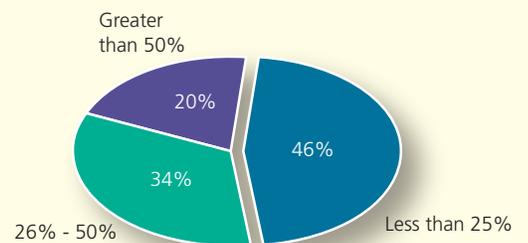
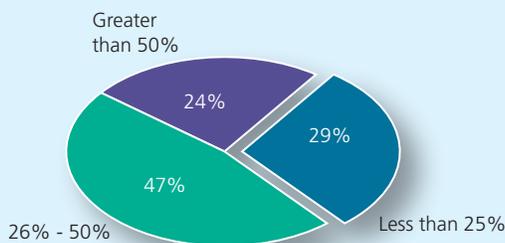
75% plan to pay some college costs.

Q.
Have you planned on paying for part or all of your higher education costs?



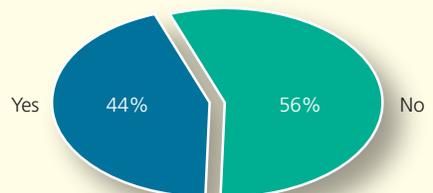
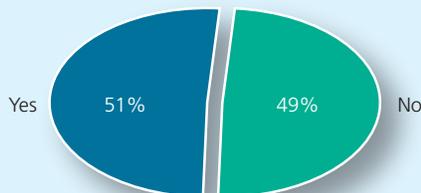
This year students plan to pay more: 71% over a quarter of their costs, up from 53% last year.

Q.
What percent of your total education costs do you plan to pay for?



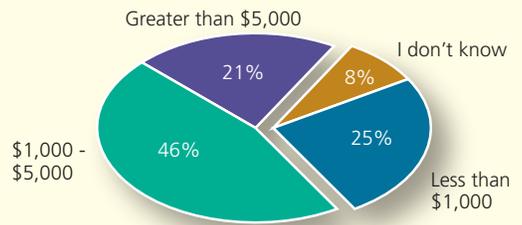
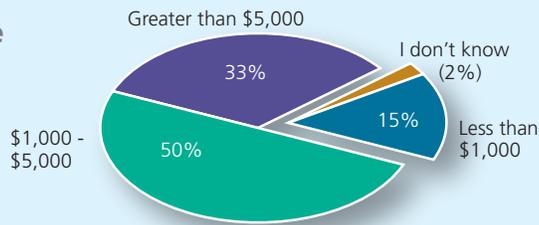
How will they get there? Over half have begun saving — 51% versus 44% last year.

Q.
Have you begun saving for higher education costs?



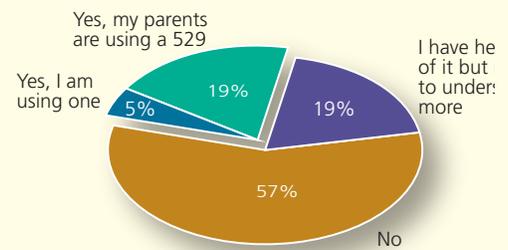
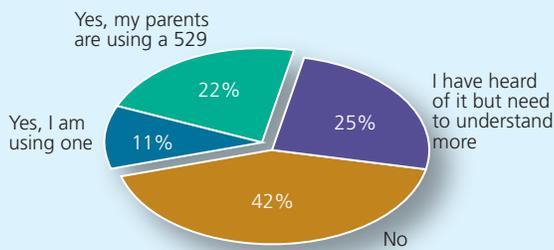
83% of savers have put away at least \$1,000, up from 67% last year.

Q.
How much have you saved?



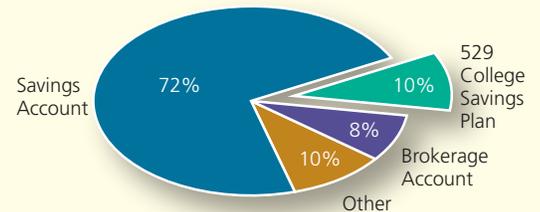
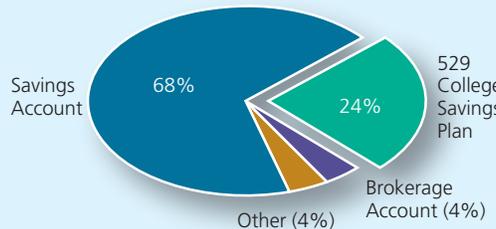
Students and parents are using 529s: 33% versus 24% last year.

Q.
Do you know what a 529 college savings plan is?



24% say 529s are their primary way to save – up from 10% last year.

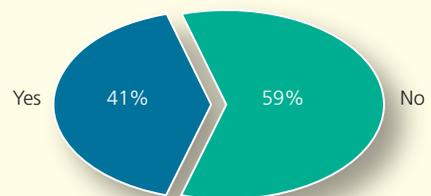
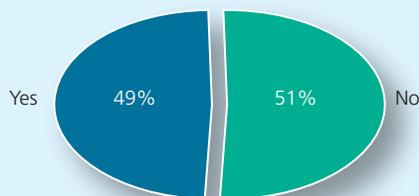
Q.
What is the primary way that you are saving for higher education costs?



HOW STUDENTS ARE GATHERING FUNDS FOR COLLEGE.

They are getting jobs now and will work in college. Nearly half have jobs now versus 41% last year.

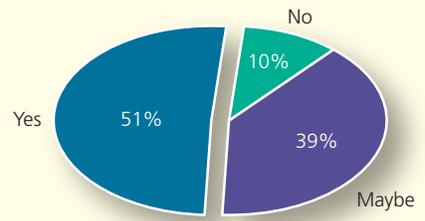
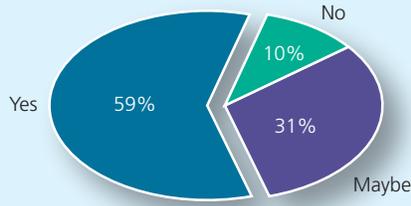
Q.
Have you gotten a job in order to earn money for higher education costs?



59% say they will work in college, up from 51% last year.

Q.

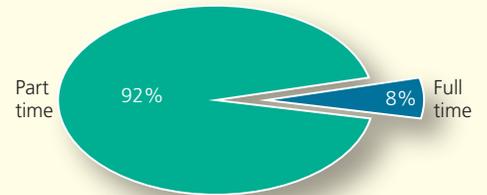
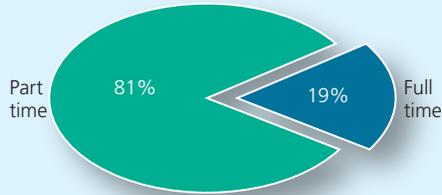
Do you plan to work full or part time while attending college?



19% will work full time – even if it means they will have to attend school part time.

Q.

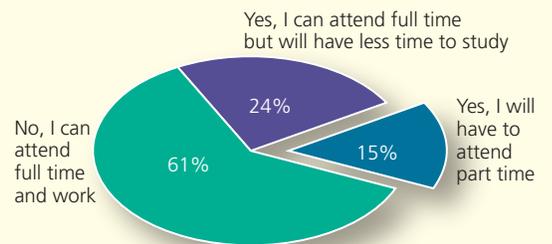
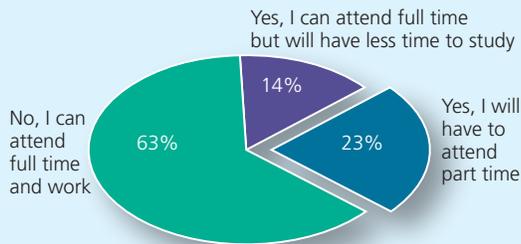
Do you plan to work full or part time?



23% will have to attend part time, up from 15% last year.

Q.

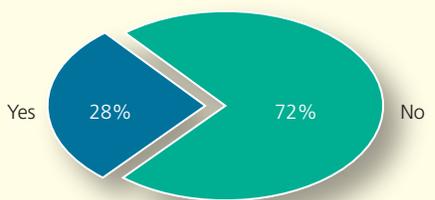
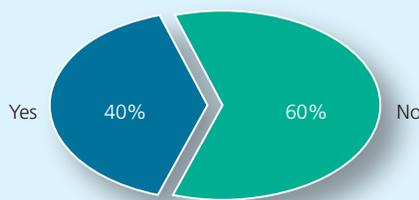
Will this work affect your status as a full- or part-time student?



More students are giving up material things to save: 40% versus 28% last year.

Q.

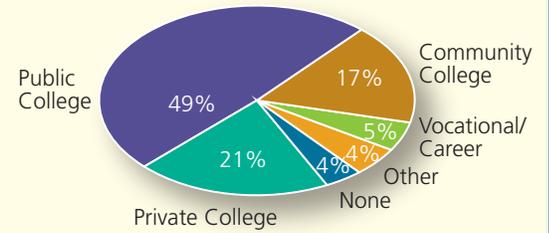
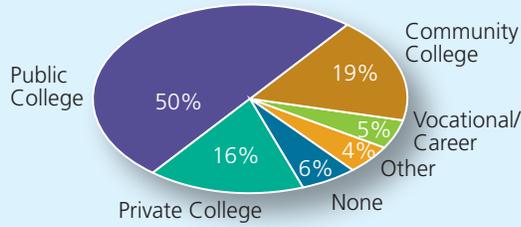
Have you foregone things (i.e. electronics, car, clothing) in order to save for college?



THE CHANGING LANDSCAPE OF HIGHER EDUCATION

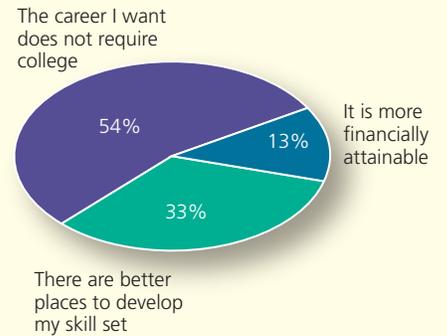
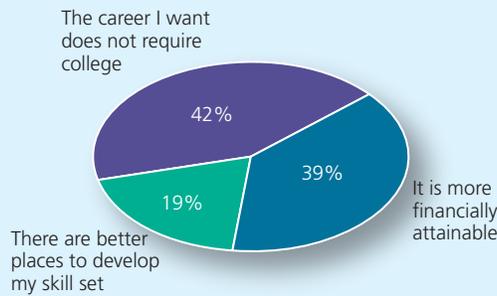
Fewer students are choosing private college.

Q.
What are your immediate future education plans?



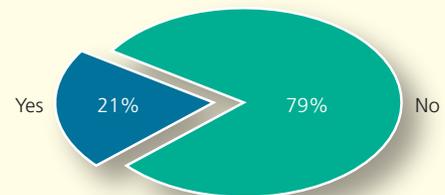
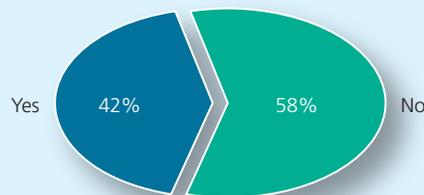
Finances are a big reason some students are choosing vocational or career school.

Q.
Why are you choosing a vocational or career school?



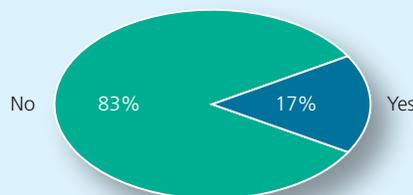
42% of all students view vocational/career schools like traditional college - up from 21%.

Q.
When thinking about college, do you think of vocational and career schools in the same way that you think about public or private colleges?



17% of students are taking a gap year.

Q.
Are you planning to take a gap year?

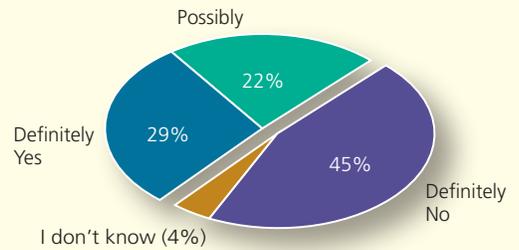
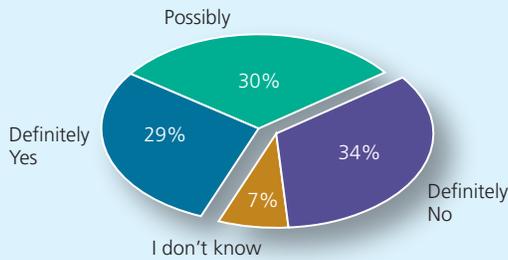


HOW COSTS ARE CHANGING STUDENTS' HIGHER EDUCATION PLANS

59% of all students say costs affect their future plans.

Q.

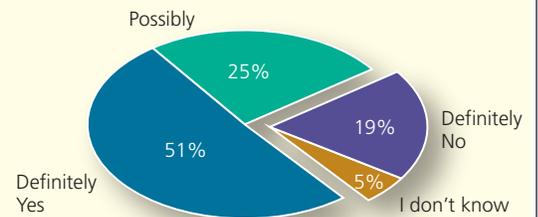
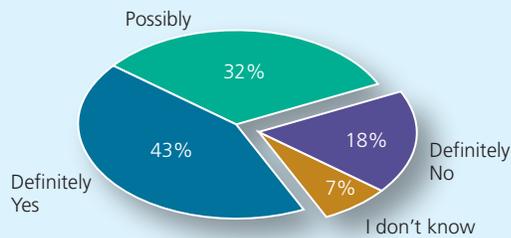
Have costs been a factor in deciding whether or not to attend college?



75% believe that costs will affect which college they attend, versus 76% last year.

Q.

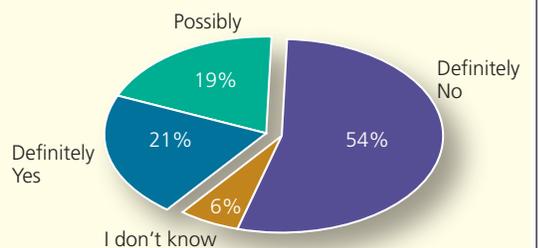
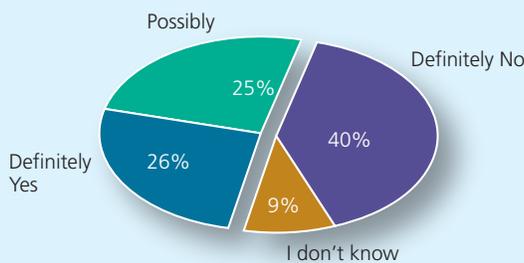
Have costs been a factor in deciding which college to attend?



51% said costs were a factor in whether to attend part time or full time – versus 40% last year.

Q.

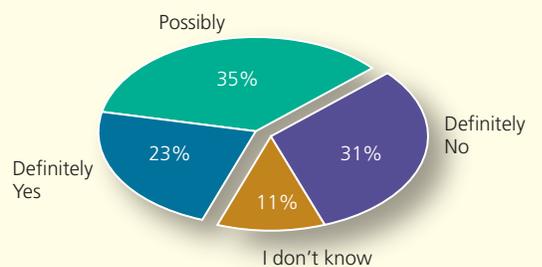
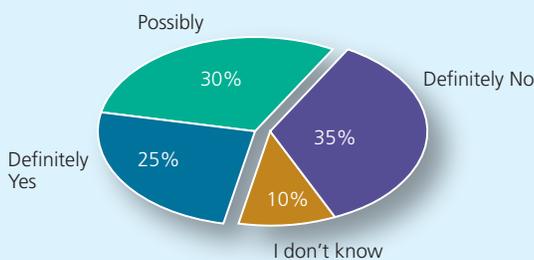
Have costs been a factor in deciding to attend college part time or full time?



55% said that costs would be a factor in the selection of a major, compared to 58% last year.

Q.

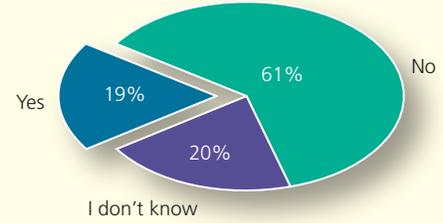
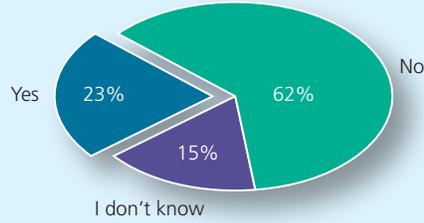
Will costs be a factor in choosing a major (i.e., some careers have a higher starting salary, some careers have steady raises throughout the lifetime of a career)?



23% have had to change their higher education choices because of costs.

Q.

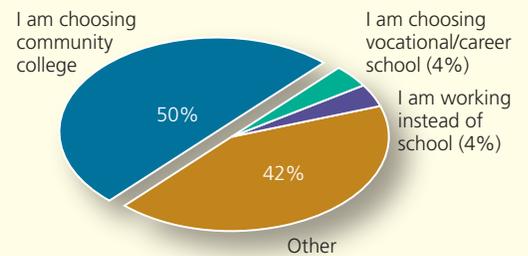
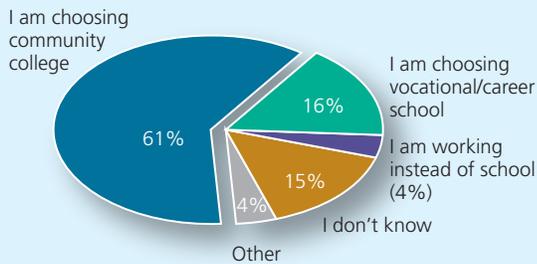
Have you had to change your higher education choices because of costs?



61% of those who had to change their college choice are choosing community college.

Q.

How are you changing your higher education choices?

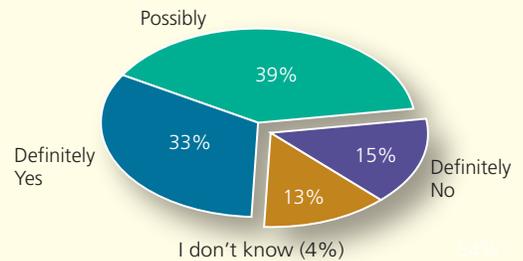
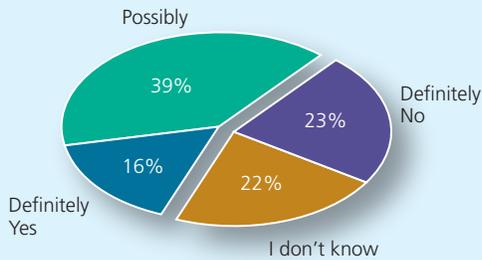


STUDENTS DREAD THE OVERHANG OF DEBT

Fewer plan on borrowing: 55% versus 72% last year.

Q.

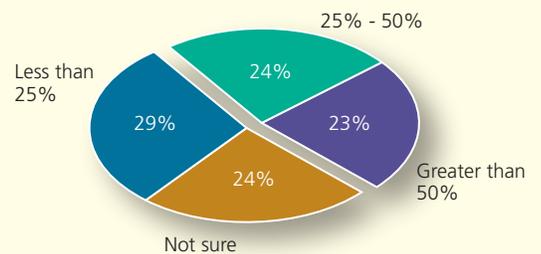
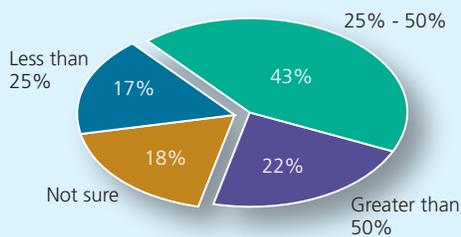
Do you plan on borrowing money outside of financial aid to attend college?



Yet those who will borrow will need to borrow more: 65% over a quarter of the costs, versus 47% last year.

Q.

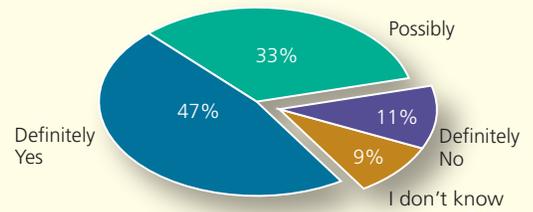
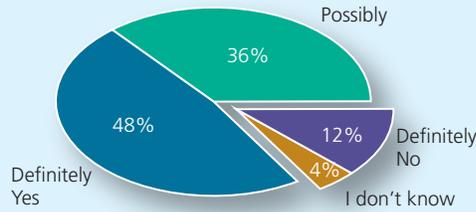
What % of your total education costs do you plan on borrowing?



84% of borrowers worry about paying back loans.

Q.

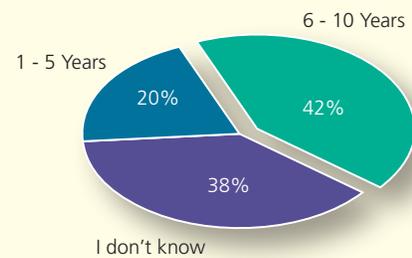
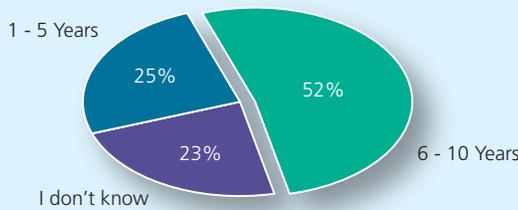
Are you concerned about paying back your loans?



52% say it will take them 6-10 years to pay off loans, up from 42% last year.

Q.

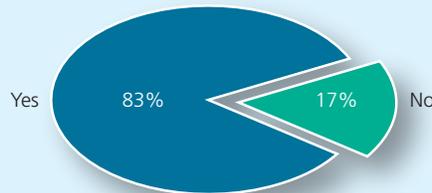
How long do you anticipate it will take you to pay off your student loans?



Most think savings will help.

Q.

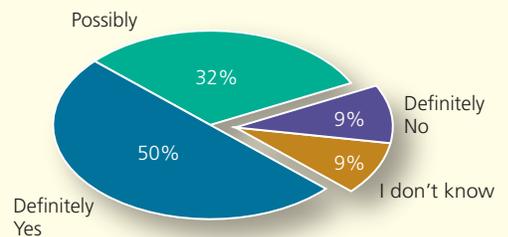
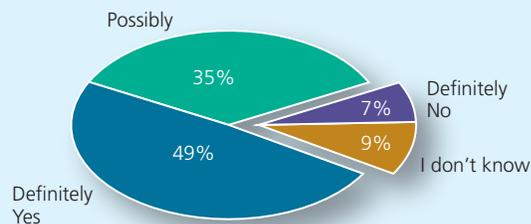
Do you think personal savings would have an impact on the amount of loans you would have to take out?



Other ways to fund college: financial aid and scholarships.

Q.

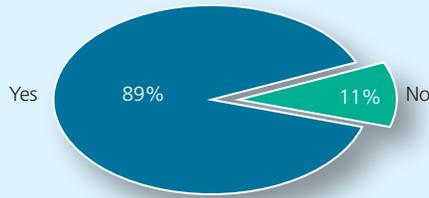
Do you plan on receiving financial aid to attend college?



Other ways to fund college: financial aid and scholarships.

Q.

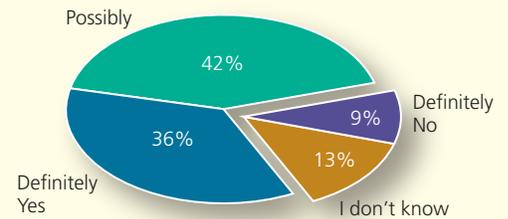
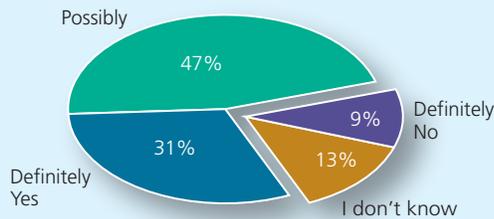
Financial aid packages often include student loans. Are you aware that this part of financial aid requires repayment over time?



78% expect to receive a scholarship.

Q.

Do you plan on/or are you receiving a scholarship to attend college?

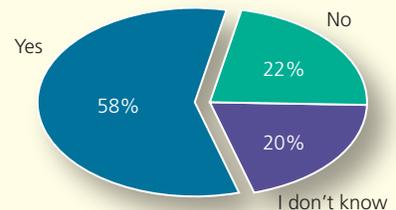
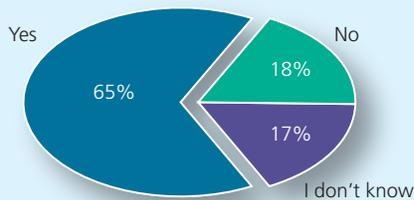


HOW PARENTS AND RELATIVES HELP

65% of parents are saving for their children's college – up from 58% last year.

Q.

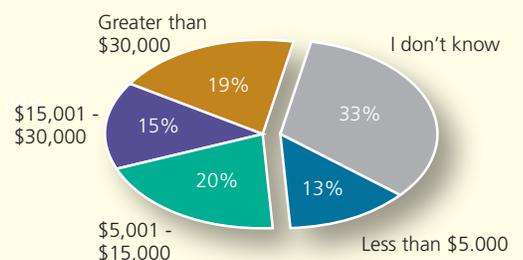
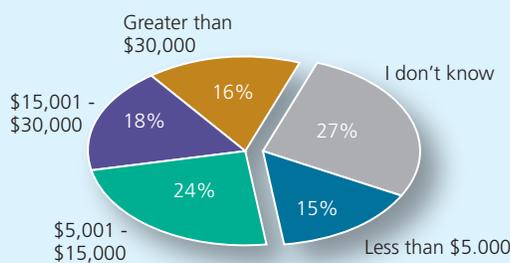
Are your parents saving for you to attend college?



58% of parent savers have saved more than \$5,000 – up from 54% last year.

Q.

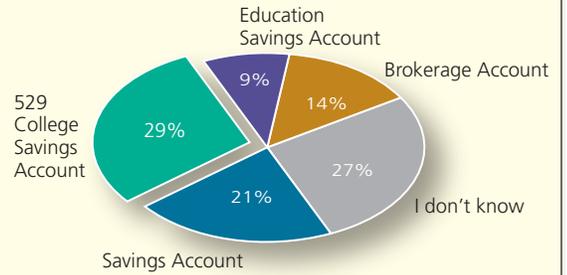
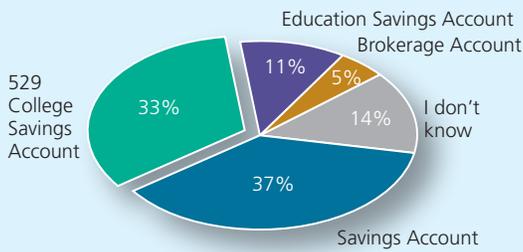
How much have they saved?



33% use 529s as their primary way to save.

Q.

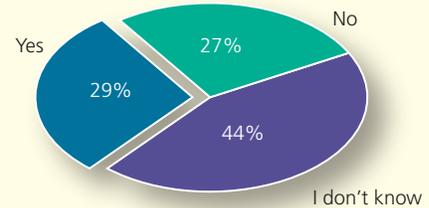
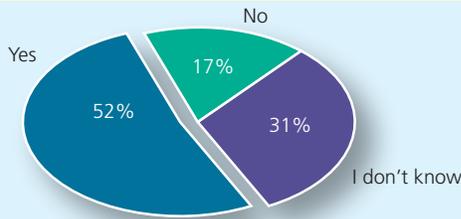
What is the primary way that your parents are saving?



52% of savers put aside money regularly, up from 29% last year.

Q.

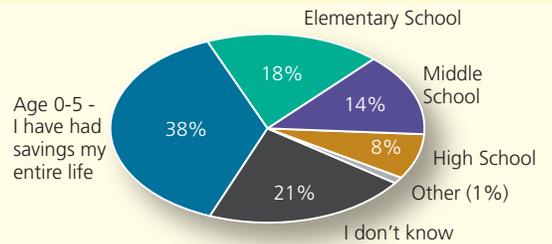
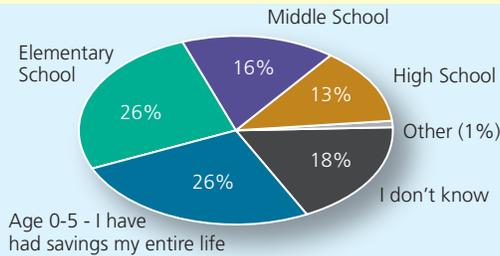
Are they saving a fixed amount per month?



The majority started saving when children were young.

Q.

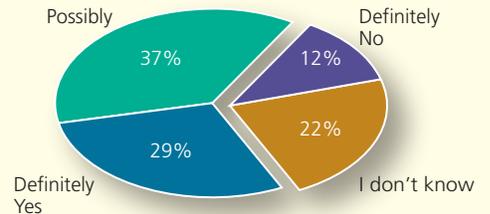
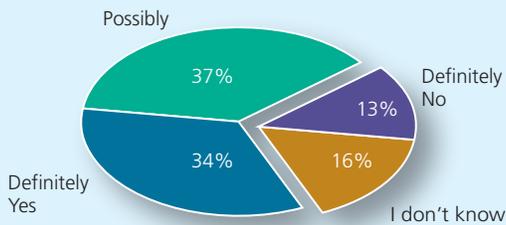
What age were you when they started saving?



71% of students would rather receive education funds than gifts – up from 66% last year.

Q.

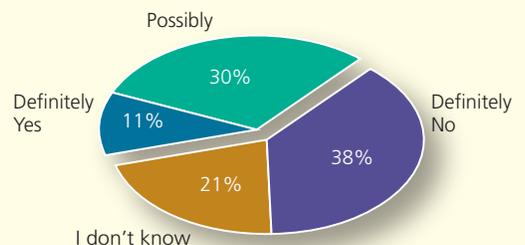
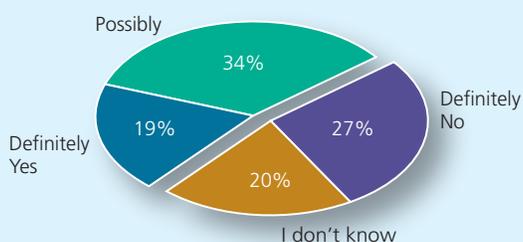
Would you rather receive money for education on special occasions rather than tangible gifts?



More than half, 53%, expect money from relatives, up from 41% last year.

Q.

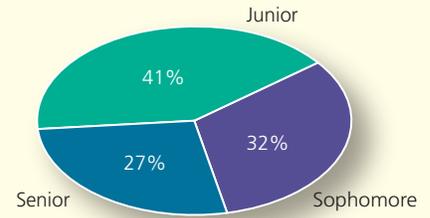
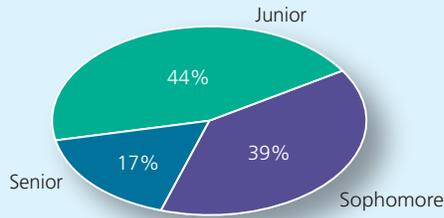
Are you expecting to receive money for college from relatives?



ABOUT THE HIGH SCHOOL STUDENTS

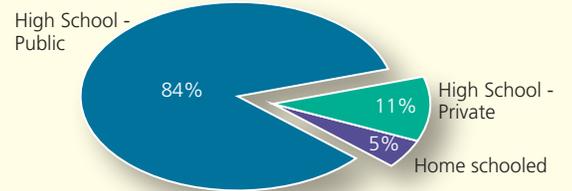
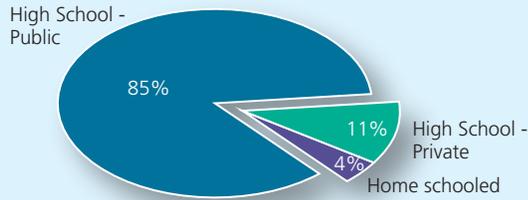
Q.

What year are you in high school?



Q.

Where are you going to school now?



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