

HIGH SCHOOLERS' SAVING FOR COLLEGE JUMPS UP IN 2016



60% of high school students across the country are saving for their higher education, up from 51% in 2015 and the highest level since 2010, according to the College Savings Foundation's seventh annual *How Youth Plan to Fund College* survey of high school students across the country. Of those students saving, 20% say that the primary way of saving is utilizing a 529 college savings plan.

High school students may be modeling good habits in the family: 62% say their parents are saving as well.

"American families are giving saving a big vote of confidence," said Mary Morris, CSF Chair. "We are encouraged to see high school students taking their futures seriously and committing to pursuing – and funding – higher education."

Almost all (89%) high school students surveyed plan to contribute toward all or at least a portion of their education costs – up from 75% one year ago and also at the highest level since the survey's inception.

How High Schoolers Will Fund College

More students are tapping into multiple resources to pay for college, including financial aid, loans, and scholarships, as well as working – right now and during college:

Financial aid: 56% are planning on receiving financial aid and 35% believe they may be eligible to receive some aid to attend college. Over 90% of respondents realize that financial aid awards often include student loans that will require repayment over time.

Student loans: 71% say they plan to or will possibly borrow money outside of financial aid – up from 55% last year. Of those students, three-quarters are concerned about paying back their loans; and 45% think they'll be paying them back for 6-10 years.

Scholarships: 85% plan to or believe they may receive a scholarship.

"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 2015-2016 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 \$19,548, and for a 4-year private college is \$43,921, according to the College Board.

The CSF 2016 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

Employment: 53% already have jobs to accumulate savings for higher education. Looking forward, 63% intend to work while attending college, 31% may work while in college, and of those, 82% envision working part time while at school.

Saving: Not only are more students saving, their saving discipline is having an impact: 78% of savers have accumulated more than \$1,000.

High school students are also knowledgeable about saving strategies. In a new question asked this year, it is interesting to note that 37% of all students knew that saving in a 529 college savings plan could fund graduate education and lifetime learning.

How Parents and Families are Helping:

The lines of communication between parents and their children on the topic of college funding appear to be wide open. More students (86%) have talked with their parents this year about their involvement in funding college than in the past, up 14 points from 72% in 2015.

Of the 62% of parents who students report are saving, 29% are saving primarily through 529 college savings plans. In comparison to last year's survey, parents are saving dramatically more: 68% have saved over \$5,000; a full ten percentage points ahead of 58% in 2015.

Parents also seem to be using sound strategies to boost savings. 57% of students say their parents save a fixed amount per month, up from 52% last year; and nearly half (47%) said their parents started saving sometime between the student's birth and through elementary school, showing a recognition of the positive impact long-term, methodical saving can have on meeting savings goals.

Extended family is also a growing source of support in college funding. 59% of the students expect to receive some money from relatives (grandparents, uncles/aunts) and 23% of students said they are aware that relatives save utilizing a 529 college savings plan.

A Spotlight on High School Savers:

An analysis of the 60% of students who are saving money for higher education reveals that parents who save have children who save. The students who are saving are also working and plan to work in college.

- 94% of high school savers are talking to their parents about their involvement (more than the 89% of those surveyed).
- Substantially more of their parents are saving (79% of high school savers versus 62% of all students surveyed).
- More savers' parents have accumulated more than \$5,000 (75% versus 68% of all surveyed) and are more likely to save a fixed amount per month (66% versus 57%).
- Year over year, substantially more high school savers are already working (74% compared to 53% of youths surveyed) and intend to continue to work while attending college (71% versus 63%).

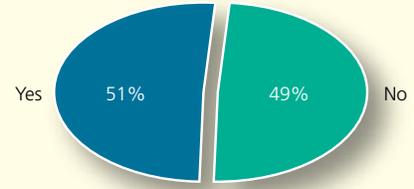
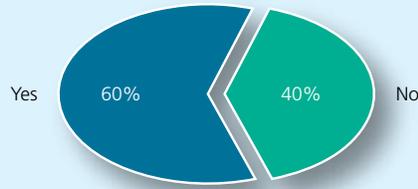
"We are encouraged to see high school students taking their futures seriously and committing to pursuing – and funding – higher education."

**—Mary Morris,
Chair, College
Savings Foundation**

SAVING FOR COLLEGE JUMPS AMONG HIGH SCHOOL STUDENTS

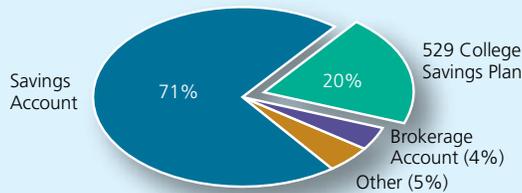
60% are saving this year, compared to 51% in 2015.

Q.
Are you saving for higher education costs?



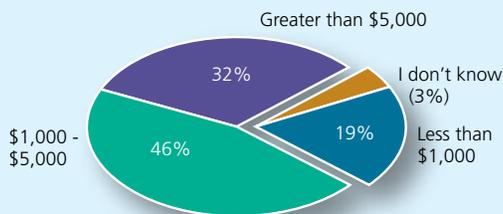
20% of those savers are saving primarily in 529 college savings plans.

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



78% of savers have saved at least \$1,000.

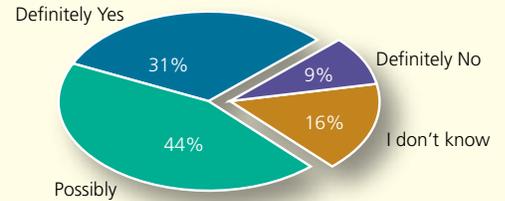
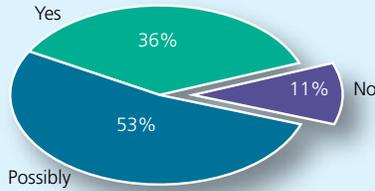
Q.
How much have you saved?



STUDENTS ARE MORE THOUGHTFUL ABOUT FINANCING COLLEGE

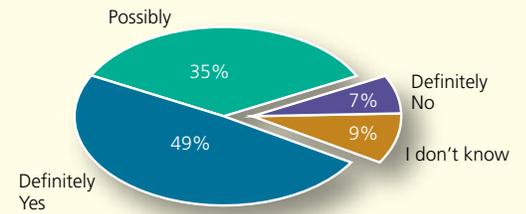
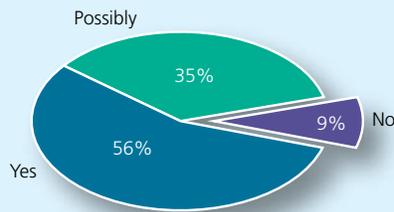
89% intend or may help pay for college, versus 75% last year.

Q.
Do you plan on paying for part or all of your higher education costs?



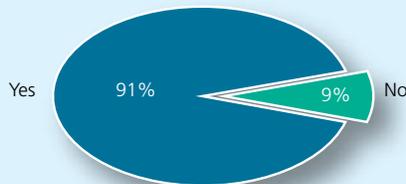
91% will or may get financial aid, up from 84% last year.

Q.
Do you plan on receiving financial aid to attend college?



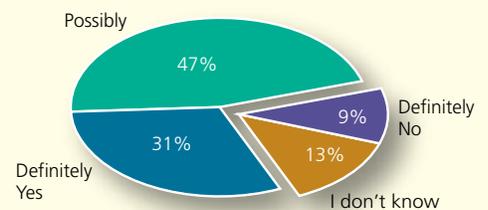
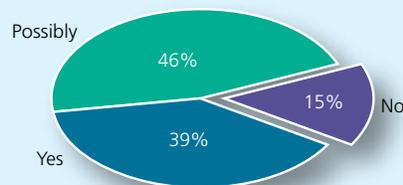
91% know that financial aid can include loans.

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



85% plan on getting scholarships, up from 78% last year.

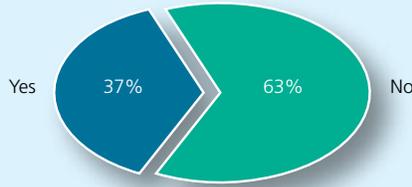
Q.
Do you plan or are you receiving a scholarship to attend college?



37% know they can use 529s for grad school and lifetime learning.

Q.

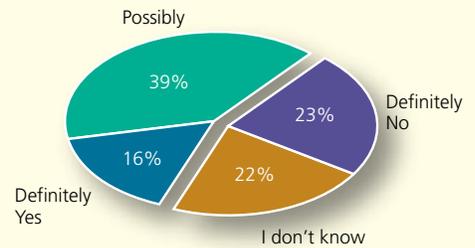
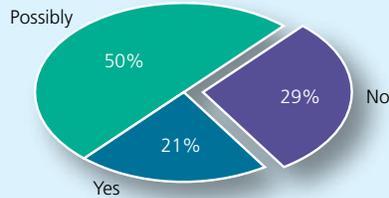
Did you know that saving in a 529 college savings plan can fund graduate education and lifetime learning?



71% will or may plan to borrow, up from 55% last year.

Q.

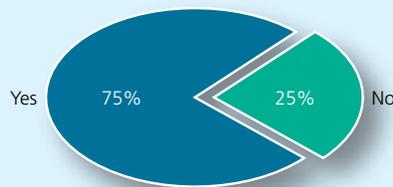
Do you plan on borrowing money outside of financial aid to attend college?



Of the 71% borrowing, three-quarters are worried about paying back loans.

Q.

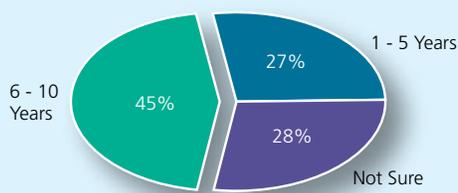
Are you concerned about paying back your loans?



45% of those borrowers expect to be paying back loans for 6-10 years.

Q.

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



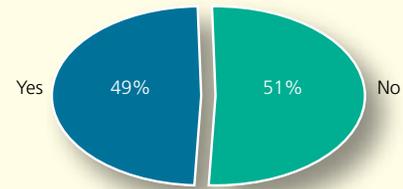
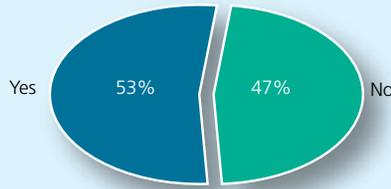
2016

2015

53% are already working, up from 49% last year.

Q.

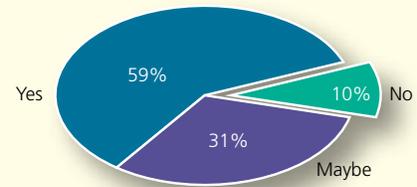
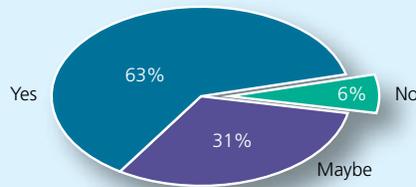
Have you gotten a job in order to earn money for higher education costs?



63% will work while in college, up from 59% last year. Including those who may work, the number jumps to 94%, up from 90% last year.

Q.

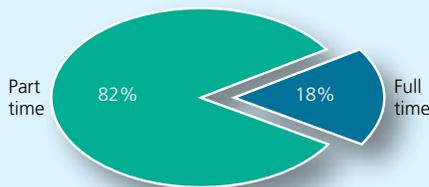
Do you plan to work full or part time while attending college?



Most, 82%, of those who will or may work, will work part time.

Q.

Do you plan to work full or part time?

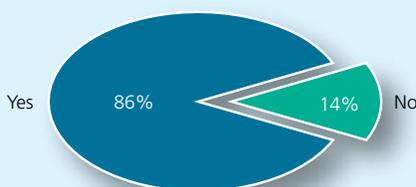


PARENTS AND RELATIVES SAVE

86% of high schoolers talk to their parents, up from 72% last year.

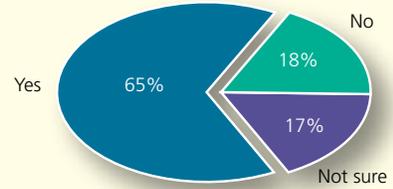
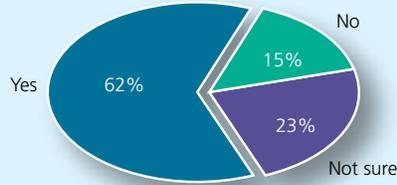
Q.

Have you talked to your parents about their involvement in funding your college education?



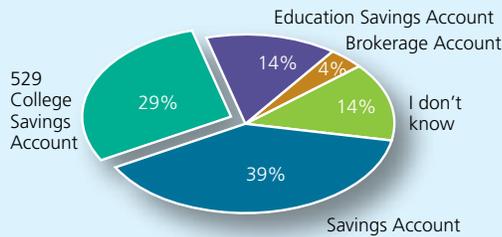
62% of students' parents save, slightly down from 65% last year.

Q.
Are your parents saving for you to attend college?



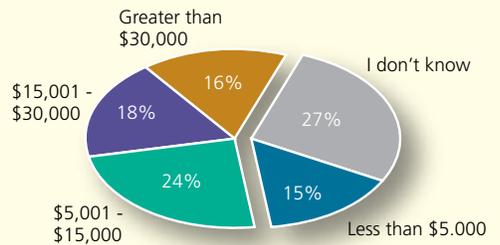
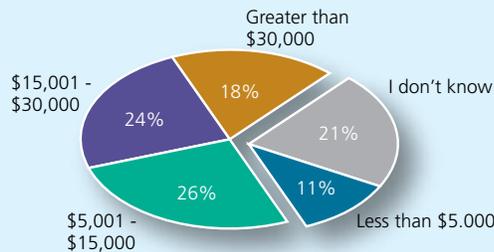
29% of parents who save primarily use 529s.

Q.
What is the primary way that your parents are saving?



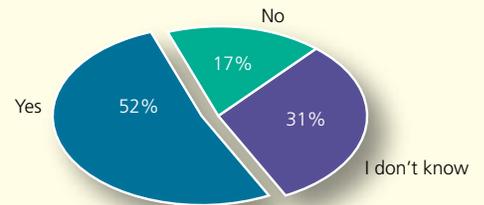
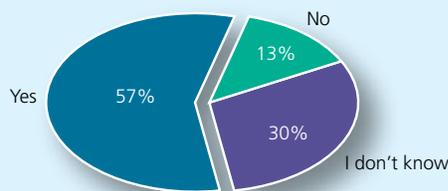
68% of parents have saved more than \$5,000, versus 58% last year.

Q.
How much have they saved?



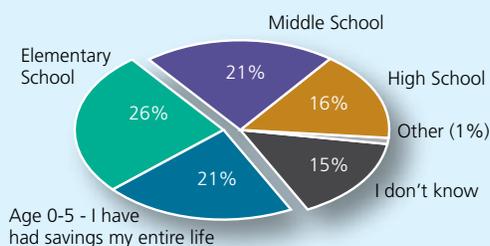
57% of parents who save, save a fixed monthly amount, up from 52% last year.

Q.
Are they saving a fixed amount per month?



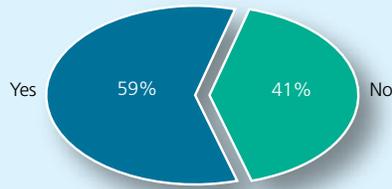
47% of parents who save started when the child was born or in elementary school.

Q.
What age were you when they started saving?



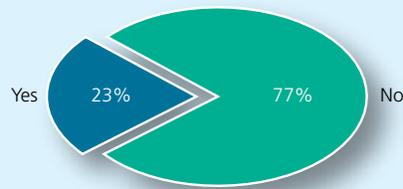
59% of students expect help from relatives.

Q.
Are you expecting to receive money for college from relatives (grandparents, aunts, uncles)?



23% of students are aware that relatives used 529s.

Q.
Do you know if your relatives are saving in a 529 college savings plan?

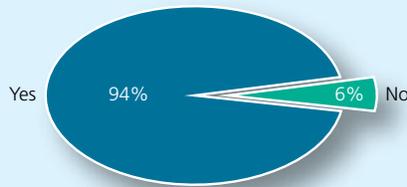


A SNAPSHOT OF HIGH SCHOOL SAVERS

The 60% of students saving reveal good habits and parental role modeling.

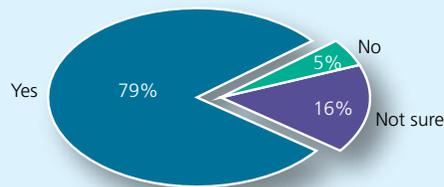
94% of savers speak to their parents about funding college, compared to 89% of total students surveyed.

Q.
Have you talked to your parents about their involvement in funding your college education?



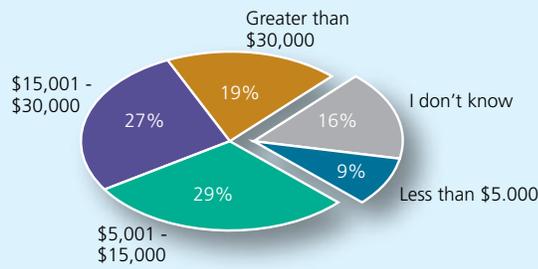
79% have parents who are also saving, compared with 62% of all students surveyed.

Q.
Are your parents saving for you to attend college?



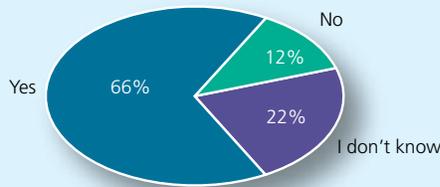
75% of students saving have parents who have saved more than \$5,000, versus 68% of all surveyed.

Q.
How much have they saved?



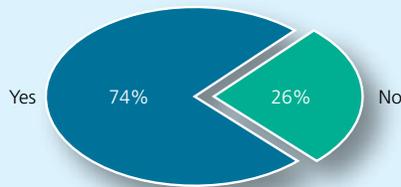
66% of student savers' parents save a fixed amount per month, versus 57% of all surveyed.

Q.
Are they saving a fixed amount per month?



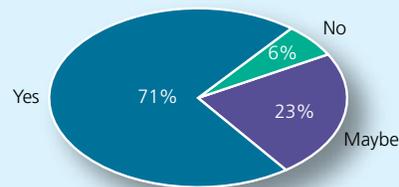
74% of high school savers already have a job, versus 53% of all youth surveyed.

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



71% intend to work, versus 63% of all students surveyed.

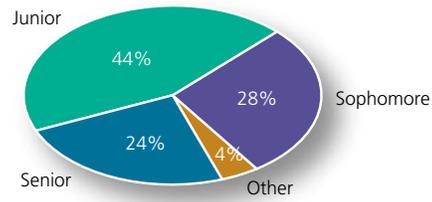
Q.
Do you plan to work full or part time while attending college?



ABOUT THE HIGH SCHOOL STUDENTS

Q.

What year are you in high school?



Q.

Where are you going to school now?

