



HOW AMERICA SAVES FOR COLLEGE 2013

Sallie Mae's National Study of Parents with Children under Age 18
Conducted by Ipsos Public Affairs



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1: ABOUT THIS STUDY



Sallie Mae has conducted an ongoing study, *How America Pays for College*, annually since 2008. Through that study, we are able to provide a clearer picture of how the typical American undergraduate is paying for college today.

An important slice of the paying-for-college funding pie is parent savings.

Understanding how families plan for college and the choices they make long before their child enters college—particularly behaviors related to saving for college—helps shed light on the need families have to assemble their total funding from a wide variety of resources—from extended family contributions, to grants, to loans—when the college bill arrives.

To that end, Sallie Mae has conducted *How America Saves for College*. The report provides insight into the savings behaviors of parents with children under the age of 18 whom parents believe have some possibility of attending college. It also reveals attitudes about college, confidence in ability to save for college, and competing priorities for families' saving dollars.

This report is the third in the *How America Saves for College* series conducted since 2009. Interviews took place in August 2012 with a nationally representative sample of more than 1,600 parents.

As the nation's No. 1 financial services company specializing in education, Sallie Mae is committed to presenting findings from this study on a regular basis.

2: OVERVIEW OF FINDINGS



Sallie Mae's *How America Saves for College* 2013 shows American families overwhelmingly expect their children to attend college and that most parents are optimistic about their ability to save for it. It also shows that anticipated savings often don't tie to the amount that families are currently saving, nor meet with the reality of the cost of college. Families who have set a savings goal for themselves plan to save close to \$39,000 for each child's college education costs. When asked another way, parents who are saving plan to save about 32 percent of the future cost of college. Based on families' current savings behaviors, actual savings will amount to about half their goal amount.

PLANNING AND CONFIDENCE

Most families do not have a plan for paying for college. About two in five say they have a plan, with savers being three times more likely than non-savers to have a plan. About half of those who are saving have not yet set a savings goal. Savers are 50 percent more likely to say they are saving an amount their household can afford rather than how much they think will be needed. Yet they are optimistic. Seventy percent of those with a set goal are confident they will meet that amount; 50 percent of those without a set goal are confident they will save 10 percent of future college costs (the approximate percentage of college costs funded through parent savings in academic year 2011-12).

When surveying all parents—not just savers—38 percent are confident in their ability to meet the future costs of college. When asked how they feel about saving for college, parents were twice as likely to say “overwhelmed” than they were to say “confident.” Even so, among non-savers, 29 percent plan to begin saving within the next year and an additional 12 percent plan to begin within the next five years. Among savers, 30 percent plan to increase their annual savings amount in the next year and an additional 28 percent plan to increase within the next five years.

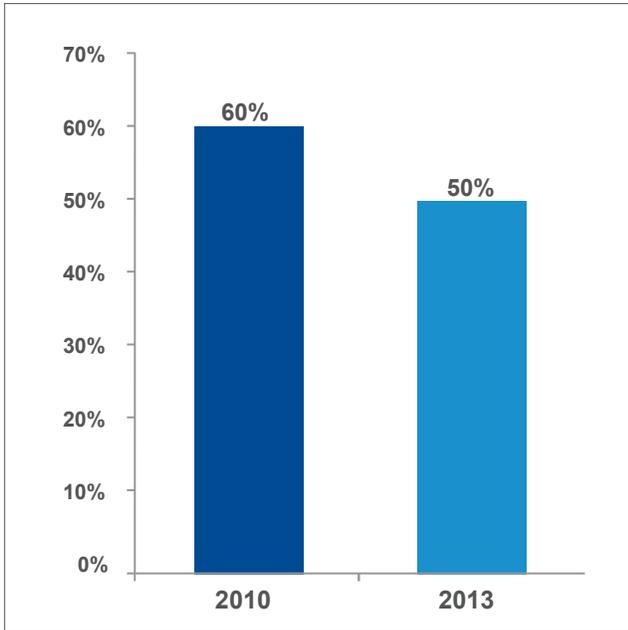
INTENDED PAYING FOR COLLEGE SOURCES

Parents realize that the majority of college costs will be paid from sources other than their savings and income. Their predicted use of sources to pay future college costs—scholarships, grants, student contributions, and borrowing—are remarkably close to the actual use of sources paid for college today. Although the overestimation on financial aid resources, and resulting underestimation of personal contributions and borrowing—particularly by the student—is slight, it is concerning as saving is less equivocal than is planning for scholarship and grant aid.

DECLINE IN SAVING

The majority of parents believe in the value of a college education. At least eight in ten parents agree that college is an investment in their child's future, that college is part of the American dream and that a college degree is more important now than it used to be. While 86 percent of parents agree they are willing to stretch themselves financially to obtain the best opportunity for their child's future, the 2013 data uncovers a significant decline in the savings of American families for their children's college education, both in terms of the proportion of families who are saving and the amount that they are saving. This decline in savings since 2010 is likely a response to a protracted, weak economy and more urgent priorities in the allocation of family income. Families are focusing on “rainy day” savings, general non-dedicated savings, and retirement rather than college-specific savings.

FIGURE 1 — PARENTS OF CHILDREN UNDER 18 SAVING FOR COLLEGE, OVER TIME



Half of families are not saving for college at all. This is commonly due to not having enough money to save; indeed, those not saving for college are much more likely not to be saving for anything compared to college savers. Not saving for college is more common in low-income families and where parents themselves did not attend college.

SAVING FOR COLLEGE TRIGGERS

For those saving for college, the life-events that prompted them to start are varied. The most frequent event, for one-third of saving parents, was the birth of their child. One-quarter report they were prompted when their child started school, one-fifth when they heard about the costs of college from friends or family, and another one-fifth when their child expressed an interest in going to college. Other less ubiquitous events include advice from a financial advisor, a family member opening an account for the child and the parents paying off their own student loans.

SAVINGS VEHICLES

Among those saving for college, the most frequently used vehicles are general savings accounts or CDs followed by 529 plans. Overall, parents are more likely to use savings vehicles not designed specifically for college savings—including CDs, checking accounts,

investment accounts and retirement accounts—than they are to use dedicated college-savings vehicles such as 529 plans, College savings rewards programs, Coverdell Education Savings accounts, prepaid state tuition plans or a Uniform Gift to Minors Act (UGMA) account.

More than one-quarter of those saving for college are using 529 plans. Attributes that motivated users to open 529 plans include tax benefits, the low fees, its being an age-based investment which can be cashed out when the child begins college, and having an account dedicated to college savings. Among those not saving for college, 63 percent say they would be motivated to save in a 529 plan if their employer offered one with an automated payroll deduction. The likelihood of their opening a 529 plan increases to 78 percent if their employer offered a matched contribution.

WHY SOME PARENTS AREN'T SAVING

While some families are not saving for college because they are focusing on other priorities, or just haven't gotten around to starting a savings account, others are focused on alternate routes to paying. Fully one-quarter believe that their children will be eligible for financial aid or scholarships and that saving is not necessary, and 11 percent feel it is the child's responsibility to pay for college.

Looking ahead, it behooves all of us with a stake in higher education to consider ways to encourage families who have some expectation that their child will attend college to save for that future college education. Encouragement can come from helping families understand future college costs, assisting savers with setting appropriate goals, identifying saving motivators, familiarizing parents with savings options, and providing tools to help parents and children get started. Critical to the conversation as well is helping families understand both the opportunities provided through financial aid and its limits.

If the costs of college continue to rise, or the availability of scholarships erodes, the absence of significant planning and saving for college costs could curtail opportunities for families to send their children to college.



3: DISCUSSION OF FINDINGS

FAMILIES ARE OPTIMISTIC ABOUT SAVING FOR COLLEGE

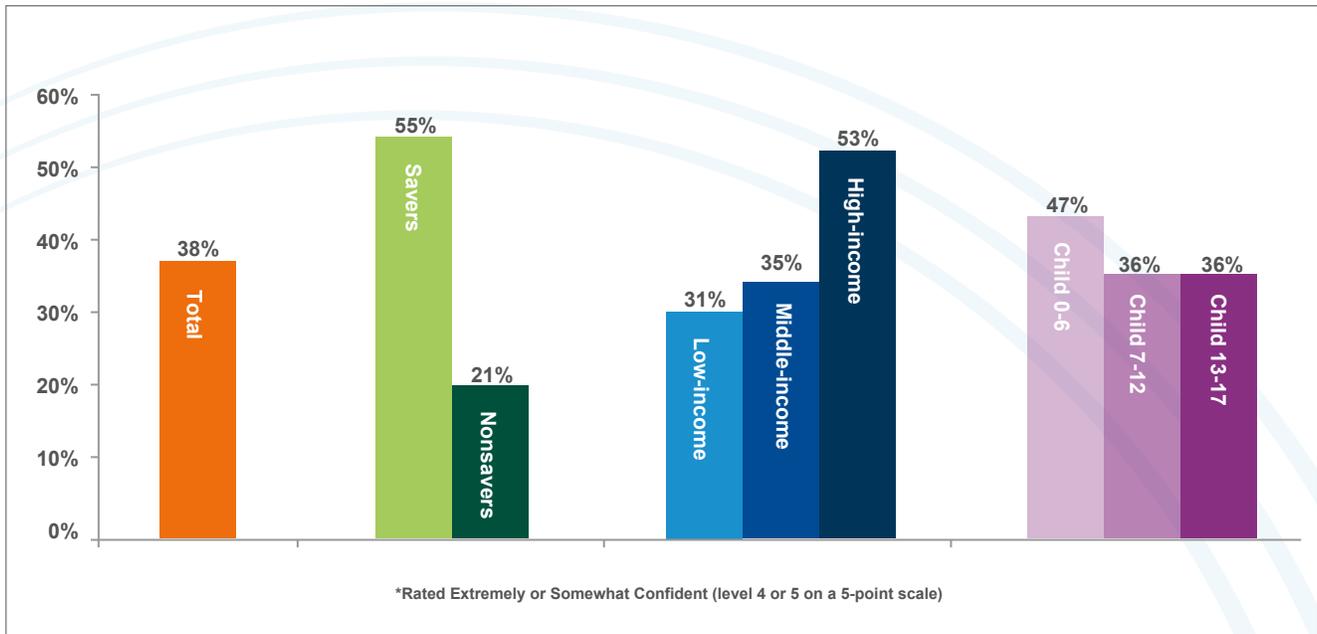
How America Saves for College 2013 indicates that American families have set the bar high in terms of their savings goals.

Among those currently saving for college, the average family plans to save \$38,953 per child.¹ High-income families plan to save \$53,439, approaching twice as much per child than low-income families who plan to save \$29,404 and middle-income families who plan to save \$30,375.² Families base these savings expectations on how much they can afford (45%) and how much they think will be needed in total (31%).

However, based on families’ reported current savings habits, our analysis uncovers a substantial savings gap between the amounts parents expect to have saved and what they will actually have saved. Our model estimates that, on average, parents will save \$19,784 per child by the time their children turn 18.³

This is only half the amount that they predict they will have saved per child by the time their children are in college.

FIGURE 2 — PARENTS WHO FEEL CONFIDENT* ABOUT MEETING THE COSTS OF COLLEGE



¹ Average number of children under age 18 likely to attend college is 1.6 per family.

² Family income parameters for this study are: high-income family earns \$100,000 per year or more; middle-income family earns \$35,000 up to \$99,999 per year; low-income family earns less than \$35,000 per year.

³ Model was calculated by adding family’s total savings per child to last year’s savings per child times the number of years until the child turns 18.

Low-income parents have the largest gap between their expectations and their projected savings. Our model shows that low-income parents are projected to save 32 percent of their expected total, compared to middle-income parents who are projected to save 48 percent of their expected total and high-income parents who are likely to save 64 percent of their expected total.

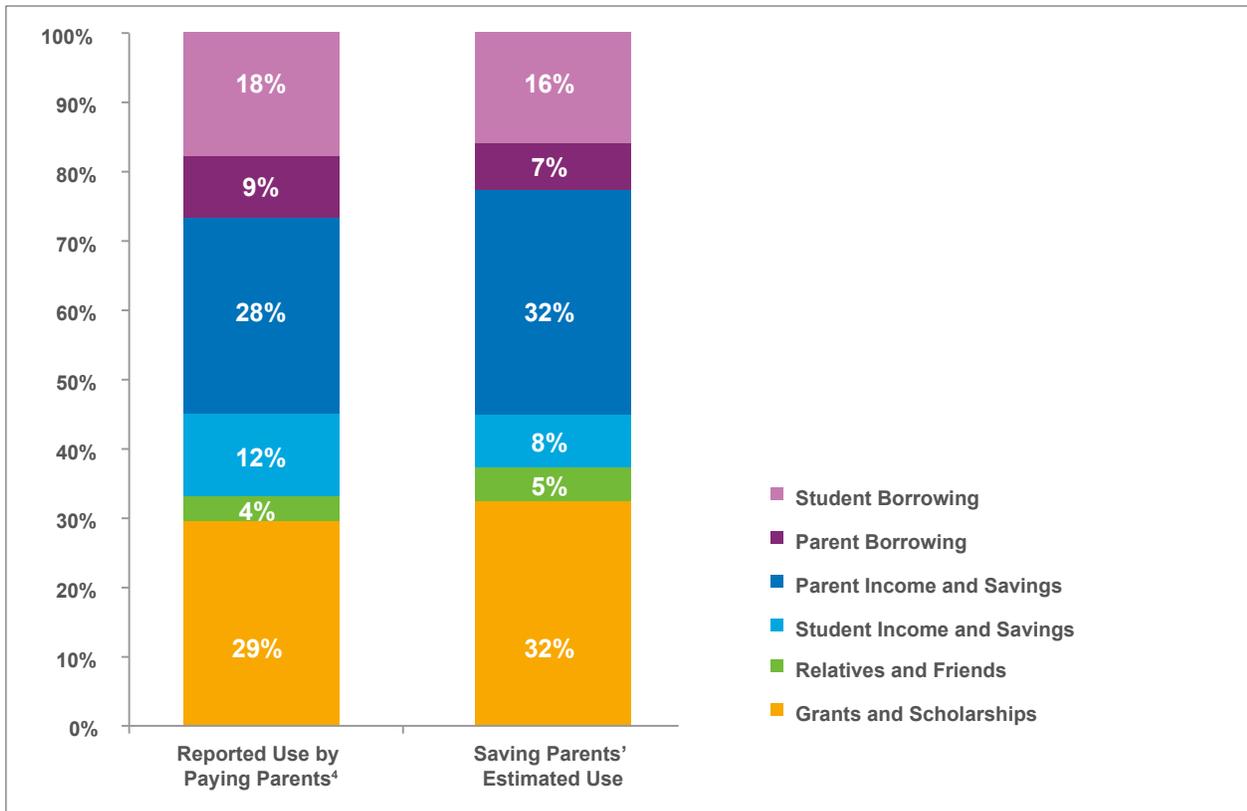
Related to these expectations, just over one-third of families (38%) are confident they can meet the full costs of their children’s college education. Current savers and high-income families are most confident about being able to save for college (55% and 53% respectively, compared to just 31% among low-income and 35% confidence among middle-income families).

PARENTS EXPECT TO PAY ONLY A PROPORTION OF THE FULL COST OF COLLEGE

American families expect that most of the costs of their children’s college education will be paid by sources other than their own savings. The average family expects that 32 percent of the cost of college will come from grants and scholarships, and that 32 percent will come from parent income and savings.

The rest is expected to be paid through a combination of student borrowing (16%), parent borrowing (7%), student income and savings (8%), and relatives and friends (5%). Only 9 percent of families are expecting to pay the full cost of college from their savings.

FIGURE 3 — EXPECTED PORTION OF COLLEGE TO BE PAID FROM EACH SOURCE COMPARED WITH ACTUAL SOURCES USED IN 2011-12



⁴ Sallie Mae and Ipsos, *How America Pays for College* 2012

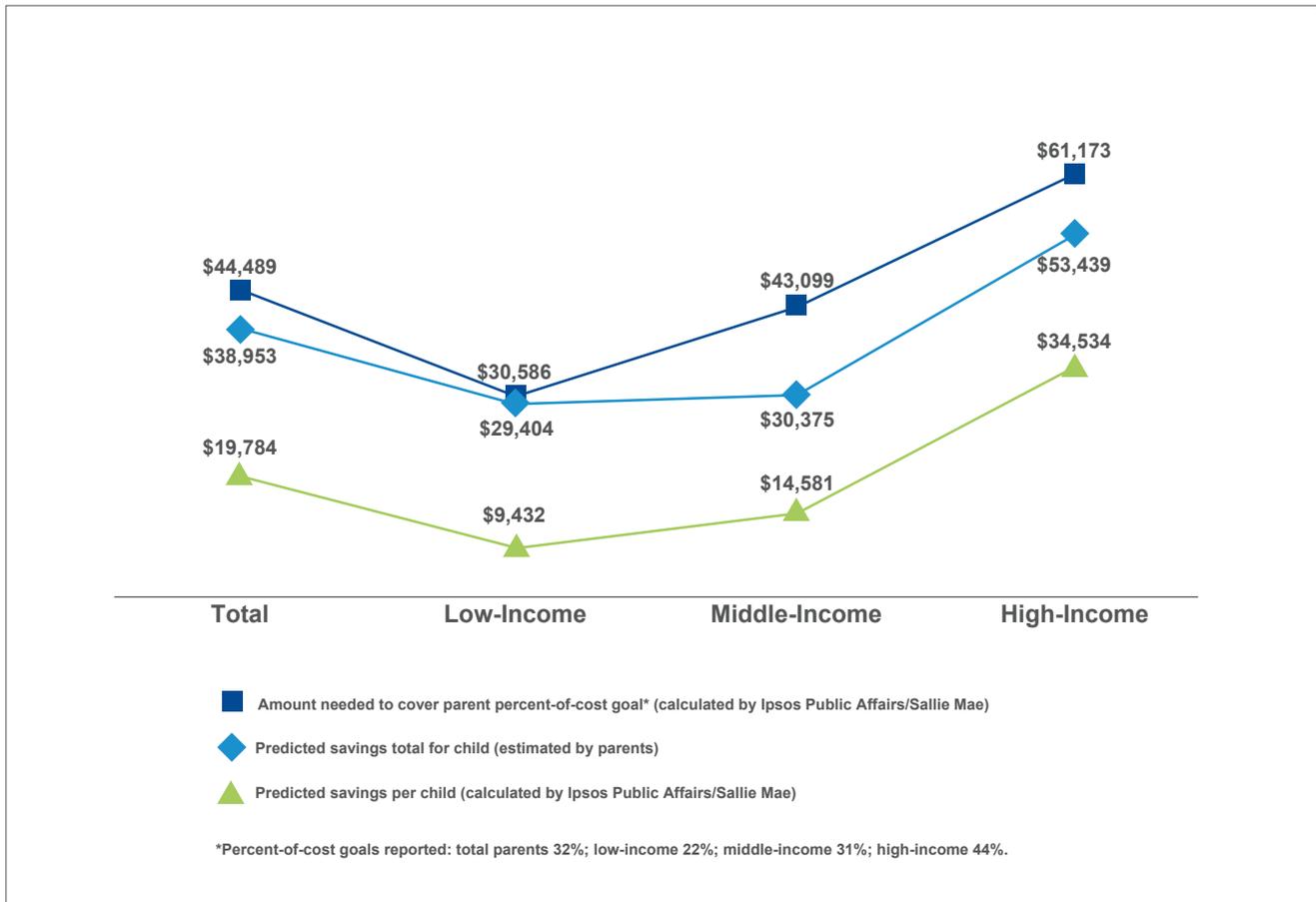
Families are correct about the general distribution of college payments, but slightly overestimate how much will come from grants and scholarships and underestimate how much they will have to pay out-of-pocket and borrow. *How America Pays for College 2012* found that parents of children in college currently pay 9 percent of total tuition costs from their savings, 19 percent of the total cost from out-of-pocket income and 9 percent from parent borrowing. In addition, 29 percent of the total costs come from grants and scholarships.

Based on their expectations about how much they expect to save and the proportion they will contribute to their children’s college education, families are generally behind on their own goals but don’t realize it. According to Sallie Mae’s College Cost Calculator, the cost of

attending a four-year program in ten years is estimated to be \$139,028 at a public institution, or \$248,878 at a private institution.⁵ For those with children who will be attending college in the next five years, the cost is likely to be \$99,125 for four years at a public institution and \$203,114 at a private institution.

In figure 4, the amount needed to cover parent percent-of-cost goal is calculated on the example of families whose first child will be attending a public four-year college in ten years. On average, parents expect to pay 32% of the total cost of college from their savings and income, which at a public four-year college would be \$44,489. However, based on their current savings habits, they are projected to save less than half that amount (\$19,784), leaving the rest to be paid through their current income.

FIGURE 4 — GAP BETWEEN PARENTS’ SAVINGS GOALS AND PROJECTED SAVINGS



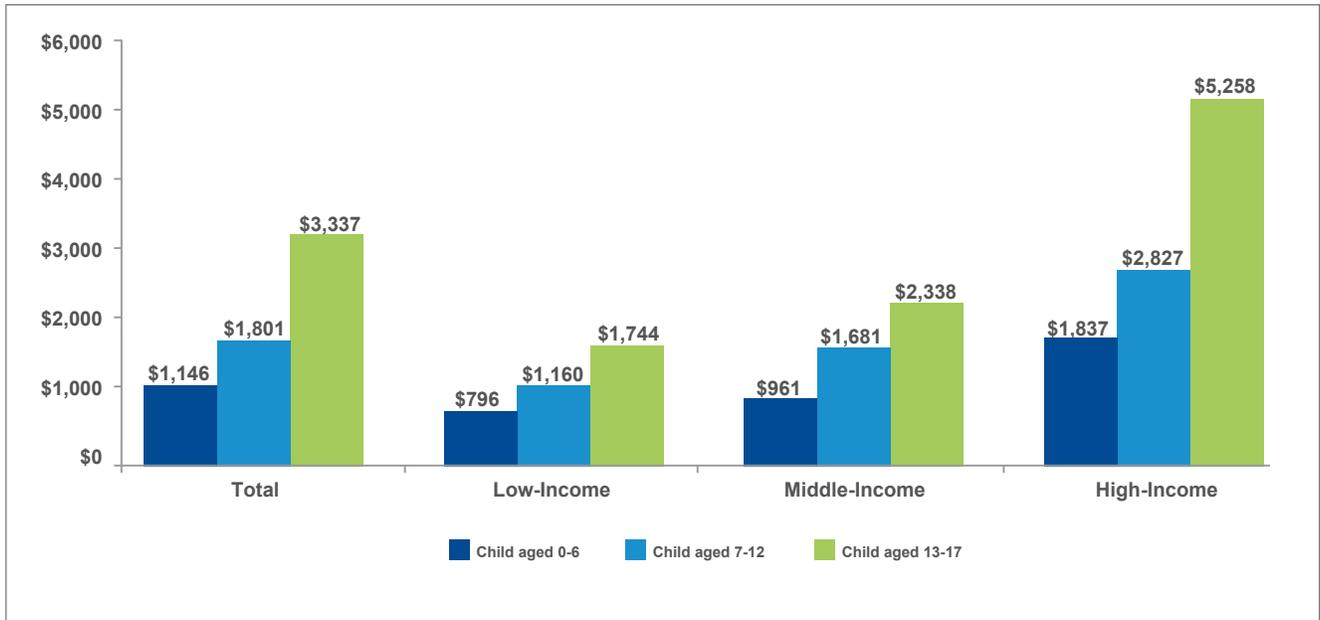
⁵ Calculated using Sallie Mae College Cost Calculator. <http://www.collegeanswer.com/tools/college-cost-calculator/default.aspx>. Current tuition rates are provided by U.S. Department of Education’s National Center for Education Statistics. <http://nces.ed.gov/fastfacts/display.asp?id=76>

PARENTS ARE OPTIMISTIC THAT THEIR ABILITY TO SAVE WILL IMPROVE

This gap between expectations and likely savings may reflect optimism about being able to save more in the future: families feel that they need to save more for their children’s college education, though they don’t expect to be able to start saving more immediately. Among current savers, half (53%) of families say that they will increase their savings in the next five years, compared to just 30 percent who say they plan to save more in the next year. This suggests that saving more for college is a priority but not an immediate one, particularly among parents of younger children. Families with children age 0-6 are more likely to plan to increase their annual savings in the next five years (52%) than families with children 7-12 (42%) or families with teens (35%).

Families with younger children are currently saving less than those with older children. Last year, parents of children aged 0-6 who have started saving averaged \$1,146 in savings, compared to \$3,337 among parents of children aged 13-17. This pattern is consistent across income groups, as even high-income parents of older children (\$5,258) save over twice as much as high-income parents of young children (\$1,837). The tendency of parents of younger children to save less is consistent with those parents planning to increase their savings over the next five years.

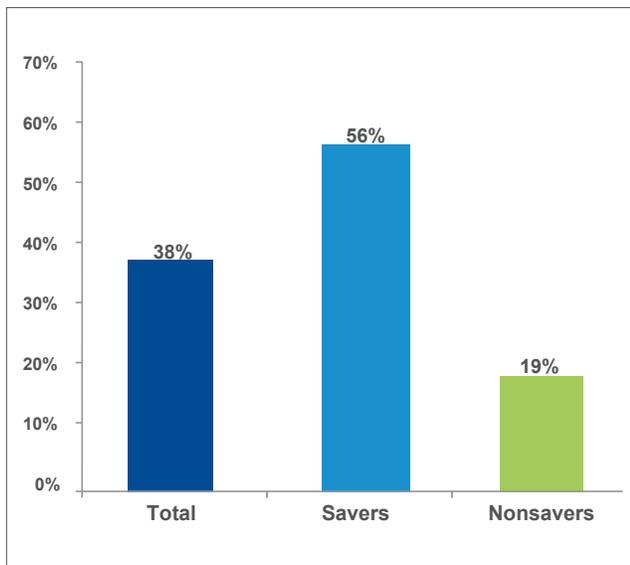
FIGURE 5 — LAST YEAR’S AVERAGE SAVINGS BY AGE OF OLDEST CHILD, BY INCOME GROUP



ONE-THIRD OF FAMILIES HAVE A PLAN TO PAY FOR COLLEGE

How America Saves for College 2013 finds that despite 70 percent of families believing that they will save the amount they expect to save by the time their children enter college, only 38 percent have created a plan to pay for the full costs of their child’s college education.

FIGURE 6 — HAVE A PLAN TO PAY



More than half (56%) of current savers have a plan to pay for college, compared with 19 percent of non-savers. Those who have saved more than \$3,000 for their children’s college education are more likely to say they have a plan to pay for college than those who have saved less than this. High-income families are

also more likely to have a plan to pay for college: over half (54%) of high-income families have a plan to pay for college, compared to 36 percent of middle-income families, and 29 percent of low-income families.

The likelihood of having a plan to pay the cost of college is not directly correlated to the age of children in a family. Families with children under six years old are just as likely to have a plan to pay for college (36%) as families with children aged between 13 and 17 (38%) and between seven and 12 (39%).

Nearly half (44%) of families have discussed paying for college with their children. Savers are more likely to have had this conversation (49%), although non-savers also discuss paying for college as a family (39%). Among families with teenage children, over half (55%) have talked to their children about paying for college, and an additional 24 percent plan to discuss the topic with their children. Surprisingly, the responsibility for children saving for college appears not to be a top priority, even among those with children closest to college age: seven-in-ten (72%) families with teenage children say that their children do not have a separate savings account for college to which the teen contributes directly.

FAMILIES ARE SAVING LESS FOR COLLEGE

How America Saves for College 2013 demonstrates that American families are struggling to save for their children’s college education: where in 2010 nearly two-thirds (60%) of families were saving, this year only half report saving. Not only are fewer families saving, but the families that are saving are saving less, an average of \$11,781 in 2013, compared with \$21,615 in 2010.⁶

Saving behavior depends heavily on household income. Nearly two-thirds (63%) of high-income families have started saving for their children’s college education, compared with 52 percent of middle-income families and 37 percent of low-income families. High-income families have saved an average of \$19,741, while those in middle-income families have saved an average of \$9,520 and low-income families have saved an average of \$5,093. However, last year, low-income families saved double the proportion of their income (6%) than middle- and high-income families (3%).

Roughly the same proportion of White (48%), Black (53%), and Hispanic (50%) families are currently saving for their children’s college education. However, White families have saved more on average than Black or Hispanic families (\$11,990, compared with \$9,775 and \$7,039, respectively). This is highly correlated with household income.⁷

While the proportion of families saving is the same regardless of the age of their oldest child, families with an oldest child aged between 13 and 17 years old have saved in total 61 percent more, on average, than those with children aged between 7 and 12 years old (\$14,870 compared with \$9,003) and nearly three times more than those with children under the age of seven (\$5,575). The amount saved in the last year increases with the age of the oldest child.

FIGURE 7 — AVERAGE TOTAL AMOUNT SAVED FOR COLLEGE, BY INCOME OVERLAID BY ANNUAL AMOUNT SAVED AS A PROPORTION OF INCOME

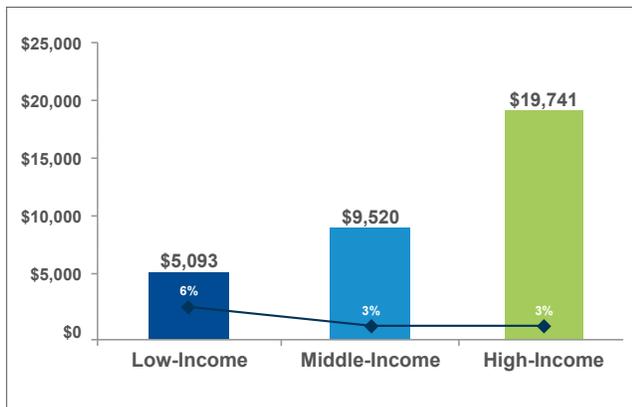
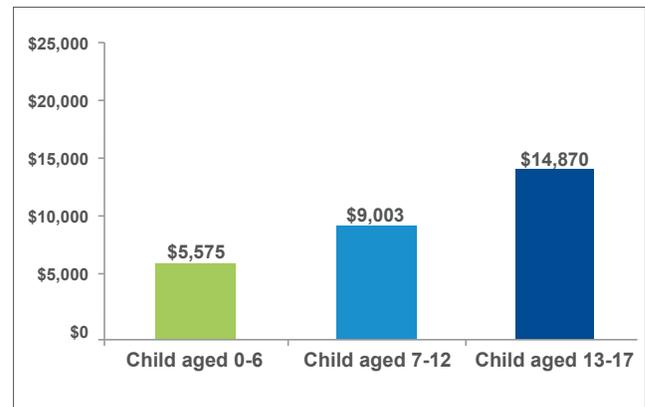


FIGURE 8 — AVERAGE TOTAL AMOUNT SAVED FOR COLLEGE, BY AGE OF OLDEST CHILD



⁶ Original figures from 2010 were re-adjusted for comparability with current sample. Difference in savings amounts may also be attributed to a change in methodology where 2013 asked about multiple children (then averaged the total per child) and 2010 asked about savings for only one child. (Parents may have included college savings for all children in 2010 which were not then averaged per child.)

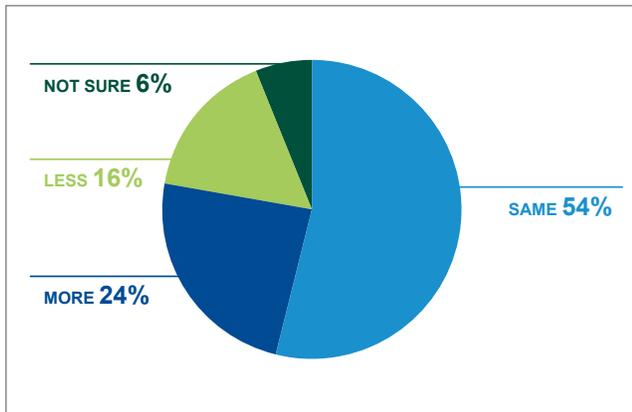
⁷ Low-income families save less than higher-income families. A higher proportion of the Black and Hispanic respondents than White respondents are low-income and a higher proportion of White respondents than Black and Hispanic respondents are high income. See the Technical Notes for Sample Design details.

DECLINE IN SAVINGS IS IN RESPONSE TO A TOUGH ECONOMY AND MORE URGENT PRIORITIES

The economic decline has greatly affected the average American family’s ability to save, including their ability to save for college: recent Bureau of Economic Analysis data shows the personal savings rate (as a percentage of disposable income) has fallen from 5.1 percent, or \$1,832, in 2010 to 3.7 percent, or \$1,407, in the third quarter of 2012.⁸ This represents a 23 percent decline.

How America Saves for College 2013 finds that while 54 percent of families who are saving say that they saved the same amount for college in the last year as they had in the previous year, 16 percent of families saved less for college in the last year. Their reasons for saving less include a combination of unexpected expenses in the past year (54%), higher cost of living (49%), and lower income compared to the previous year (47%).

FIGURE 9 — SAVINGS CONTRIBUTION FOR COLLEGE THIS YEAR COMPARED TO LAST YEAR REPORTED BY PARENTS WHO SAVE



While half of families are saving specifically for college, parents are more likely to be saving in general funds rather than college-specific savings vehicles, using checking accounts (27%), general savings funds (42%), or retirement savings accounts (17%). This perhaps reflects the uncertainty that families feel about the future of their earnings and the desire to retain flexibility

for the use of those funds. Among these savers, about half report that the money is “there” if needed for college but it is not being saved for the express purpose of college.

Among families who have not started saving for college, 45 percent say they are focusing on other savings priorities instead. A 2012 survey of parents commissioned by the Certified Financial Planner Board of Standards and the Consumer Federation of America found similarly, showing that, since the recession, parents are more likely to save for short-term goals over longer-term goals such as saving for their child’s college education.⁹

RETIREMENT

Although more families are currently saving for their retirement than for their children’s education, families frequently plan to draw from retirement savings to help cover the costs of college. Among families who say they are saving for college through their retirement fund, one-third intend to use these savings for college. The other two-thirds (66%) of families say that they would use their retirement savings to pay for their children’s college education if necessary. As children approach college age, families become more comfortable with the idea of using retirement savings to pay for college. Less than half (44%) of families with children under six years old would use retirement savings to pay for college, while more than 7 in 10 (74%) families with teens would use their retirement for college. It seems that, as their children grow older, the urgency among families to find funds for college intensifies.

⁸ Bureau of Economic Analysis, September 2012 report. <http://www.bea.gov/newsreleases/national/pi/2012/txt/pi0912.txt>

⁹ Consumer Federation of America, 2012 Household Financial Planning Report. http://www.cfp.net/downloads/2012_Household_Financial_Planning_Survey.pdf

SOME FAMILIES ARE NOT SAVING AT ALL FOR COLLEGE

While the amounts families are able to save differ markedly by income group, propensity not to save at all is high in the middle- and low-income groups, 48 percent and 63 percent respectively, compared with just 37 percent of high-income families not currently saving for their children’s college education.

Families who are not saving for college are, not surprisingly, less inclined to make an investment in their children’s college education. For example, two-thirds of current savers (67%) strongly agree that they would be willing to stretch themselves financially to pay for their children’s college degree, compared to less than half of non-savers (46%).

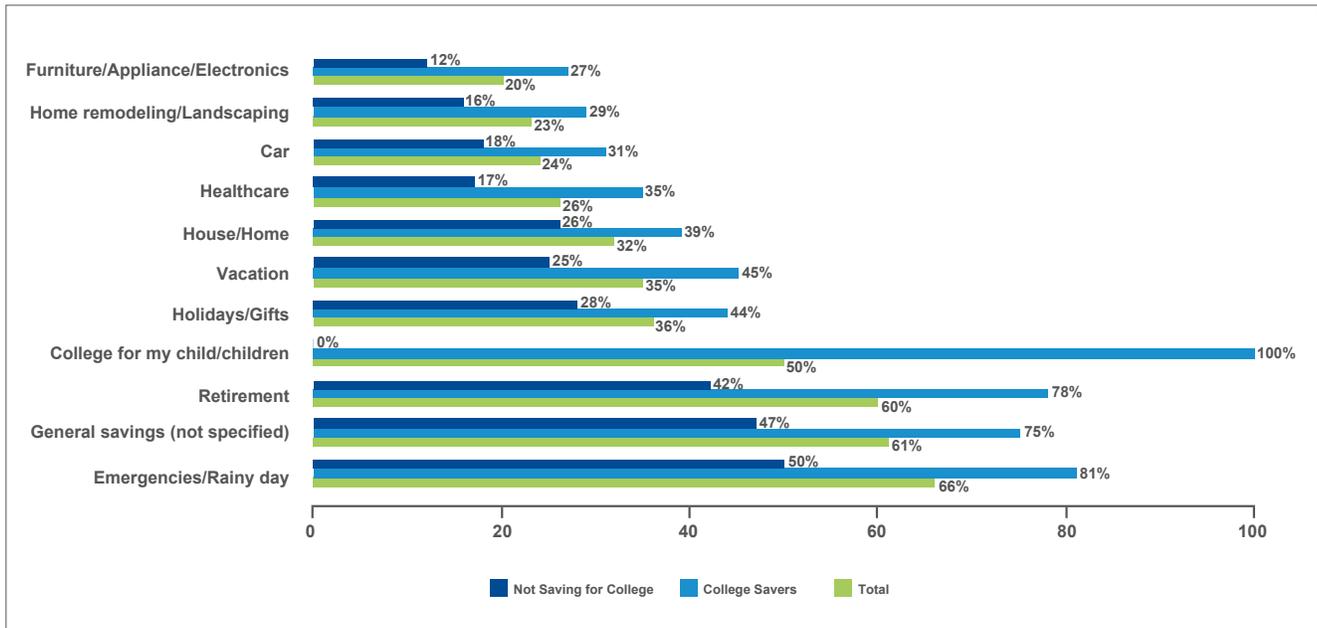
Families who are not saving for college are more likely to have parents with no more than a high-school education (45%) than those who are saving (29%). Among families where parents’ highest level of education was high school, 77 percent agree that their

children will make more money with a college degree, compared to 89 percent of families with parents who have a college degree.

In addition, fewer parents (55%) whose highest education was high school agree that they would send their children to college for the social experience regardless of whether their children would make more money with a degree compared to parents with a college degree (70%).

Those who have not started saving for college report not having enough extra income as a reason for not saving for college (72%). Those not saving for college are less likely to be saving for other goals as well. However, half of those who are not saving for college have a “rainy day” fund, nearly half (47%) put extra income into general savings, and two in five (42%) report that they are focusing on retirement.

FIGURE 10 — SAVINGS GOALS, BY COLLEGE SAVING STATUS



In addition to competing savings priorities, there is some expectation among those not saving for college that having savings will affect the ability of their children to win scholarships or receive financial aid. Nearly one-quarter (24%) of non-saving families report that a major reason for not saving is because they expect their children to qualify for enough scholarships or financial aid to cover the costs of college. Furthermore, 10 percent of families believe that having savings would prevent their children from receiving financial aid.

While scholarships, grants and other gift aid should be pursued, they should be considered as a resource in addition to savings rather than a resource in lieu of savings. In academic year 2011-12, 61% of students received some type of scholarship or grant, covering 29% of total college costs.¹⁰

CONCLUSIONS

How America Saves for College 2013 has found that families are optimistic about their ability to save for their children's education. However, the data show a gap between expected savings, likely savings, and the likely costs of college. In addition, parents expect more funding to come from financial aid and scholarships than is probable given what we know about how American families pay for college.

Both the number of families saving for college, and the amount that they are saving, has declined significantly since the previous study conducted by Sallie Mae in 2010. Families are reporting difficulty setting aside funds for their children's education, and have identified

higher priorities for the allocation of household income. Where families are saving, they are focusing on retirement funds or more general vehicles such as "rainy day" funds.

The decline in families saving for college and a lack of pragmatism about the future cost of college are major issues for the future of college financing. Understanding the motivations for families to save, and communication around the vehicles that could enable them to do so will be a key focus for organizations aiming to influence this important area.

¹⁰ Sallie Mae and Ipsos, *How America Pays for College 2012*.

4: FREQUENCY OF USE OF SAVINGS VEHICLES



General savings accounts or CDs are the most popular type of savings vehicles. Used by 42% of families to save for college, who have an average of \$2,145 in this type of savings vehicle, these savings constitute 18 percent of their total college savings.

Low-income families are much more likely to use general savings accounts or CDs (52%) than middle-income (39%) and high-income families (42%). In addition, low-income families have as much saved (\$1,706) as middle-income families (\$1,667) in these types of accounts, but much less than high-income families (\$3,175). Hispanic (48%) and Black (51%) families are slightly more likely to use these general savings accounts to save for college than White families (41%).

Parents of children ages 13 and older are slightly more likely (46%) to use general savings accounts to save for college than parents of children ages 7-12 (39%).

The second-most used vehicle for college savings is the 529 college savings plan. Twenty-seven percent of families saving for college use a 529 plan, with an average of \$2,331 saved, representing 20% of total college savings.

“TRIGGERS” FOR SAVING AND THE ROLE OF DEDICATED COLLEGE SAVINGS VEHICLES

How America Saves for College 2013 finds that a number of “triggers” prompt families to start saving for their children’s college education. The most frequent among those who have started saving were when their children were born (34%) and when their children started school (24%). Other factors include when children express an interest in going to college (20%), and when they learned about the costs of college from friends and family (20%). Lesser influences include being encouraged to save from a financial advisor (9%), a relative opening an account for the child (9%), and parents paying off their own student loans (6%).

Dedicated college savings plans, such as 529 plans, have been developed as a means to encourage families to save for their children’s college education. However, only 27 percent of families who are currently saving for their children’s college education have an account in a 529 plan. High-income families are most likely to use 529 plans (41%), while less than a quarter of middle-income (22%), and low-income families use them (16%).

General awareness of 529 savings plans is low. Only 37 percent of those who do not use a 529 plan have heard of the savings vehicle. Families who do not use 529 plans say that they would rather save for college in a different way (21%), that they can’t afford to save for college at all (20%), or that they don’t know enough about the plans to use them (17%).

Understanding the motivations of those who use dedicated college savings plans might be helpful in designing communications to encourage those not currently using such vehicles. The data show that primary motivations among users are: tax benefits (27%), low fees (20%), and having dedicated savings that can’t be used elsewhere (18%). Two-thirds of families without 529 plans (66%) would be likely to open one if their employer offered automated payroll deduction; that proportion increases to 82 percent should their employer offer a matching contribution.

By ethnicity there is little difference in the frequency of use of 529 plans. However the amount saved in this type of savings vehicle varies by demographic group. White families have an average amount of \$2,704 saved in 529 plans, higher than the average amount saved by Black families (\$998) and Hispanic families (\$364). By age of child, parents of children aged 7-12 are less likely to use a 529 plan (20%) than parents of 0-6 year olds (32%) and parents of teens (28%). Parents of teens have an average amount of \$3,184 saved, higher than the average amount of parents with children aged 7-12 (\$1,248) and parents of children aged 0-6 (\$478).

Other popular savings vehicles include a checking account (27%), investments such as stocks or mutual funds (23%), and college savings rewards

programs (21%). The least-used college savings vehicles include Coverdell Education Savings Accounts (15%), pre-paid or guaranteed state college plans (13%), UGMA/UTMA accounts (13%), and trusts (13%).

Parents of teens have saved more in total than parents of younger children, and have saved a higher average amount in almost every type of college-savings vehicle. However, parents of children ages 0-6 have saved almost twice as much in checking accounts than parents of older children, and parents of children ages 7-12 have saved almost three times more, on average, in rewards programs than both parents of younger children and parents of teens.

Full breakdown of frequency of use and average savings can be found in tables 1a-d.

Q. How much money have you saved in total and in the last year for the education of your child/children in each of the following types of savings or investments?

	Total		
N	816		
	% Using	Avg amount saved last year	Avg amount saved total
General savings/CDs	42%	\$562	\$2,145
529 plan	27%	\$453	\$2,331
Checking account	27%	\$260	\$632
Investments	23%	\$280	\$1,514
Rewards program	21%	\$306	\$1,222
Retirement account	17%	\$224	\$1,279
Coverdell/Education IRA	15%	\$131	\$382
Prepaid state plan	13%	\$121	\$388
UGMA/UTMA	13%	\$50	\$380
Trust	13%	\$93	\$829
Some other way	18%	\$163	\$679
Total average savings		\$2,643	\$11,781

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: Parents saving for college

Table 1b — Percent of Families Saving for College through Vehicle and Average Amounts Saved*, by Race/Ethnicity

N	White			Black			Hispanic		
	593			107			162		
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings/CDs	41%	\$636	\$2,339	51%	\$522	\$2,119	48%	\$367	\$1,957
529 plan	28%	\$475	\$2,704	28%	\$254	\$998	23%	\$102	\$364
Checking account	27%	\$280	\$635	42%	\$281	\$961	49%	\$394	\$1,048
Investments	26%	\$358	\$1,979	19%	\$92	\$392	23%	\$127	\$508
Rewards program	17%	\$199	\$449	19%	\$160	\$1,515	21%	\$80	\$646
Retirement account	16%	\$167	\$1,029	24%	\$378	\$1,510	20%	\$119	\$878
Coverdell/ Education IRA	13%	\$40	\$316	23%	\$110	\$308	19%	\$34	\$330
Prepaid state plan	14%	\$155	\$498	15%	\$46	\$124	19%	\$44	\$266
UGMA/UTMA	14%	\$64	\$505	15%	\$16	\$76	18%	\$52	\$410
Trust	12%	\$70	\$671	19%	\$127	\$1,439	18%	\$28	\$227
Some other way	20%	\$191	\$865	22%	\$188	\$334	22%	\$70	\$405
Total average savings		\$2,635	\$11,990		\$2,174	\$9,775		\$1,417	\$7,039

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: Parents saving for college

Table 1c — Percent of Families Saving for College through Vehicle and Average Amounts Saved*, by Income

N	<\$35k			\$35-100k			>\$100k		
	170			392			254		
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings/CDs	52%	\$391	\$1,706	39%	\$391	\$1,667	42%	\$941	\$3,175
529 plan	16%	\$39	\$250	22%	\$330	\$1,661	42%	\$919	\$4,758
Checking account	49%	\$347	\$1,048	21%	\$157	\$338	21%	\$358	\$808
Investments	14%	\$24	\$71	23%	\$228	\$886	28%	\$531	\$3,453
Rewards program	17%	\$36	\$652	21%	\$282	\$1,476	26%	\$522	\$1,210
Retirement account	19%	\$88	\$292	16%	\$218	\$1,430	18%	\$325	\$1,704
Coverdell/ Education IRA	17%	\$31	\$143	10%	\$49	\$116	23%	\$325	\$952
Prepaid state plan	17%	\$24	\$68	12%	\$105	\$373	15%	\$211	\$626
UGMA/UTMA	14%	\$10	\$26	10%	\$44	\$315	17%	\$85	\$717
Trust	19%	\$62	\$489	10%	\$30	\$880	15%	\$209	\$977
Some other way	28%	\$120	\$348	16%	\$148	\$378	17%	\$213	\$1,361
Total average savings		\$1,172	\$5,093		\$1,982	\$9,520		\$4,639	\$19,741

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: Parents saving for college

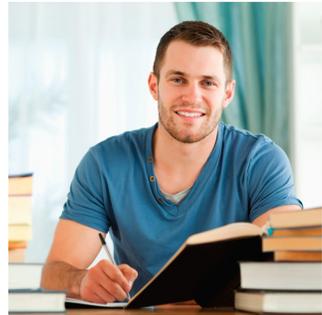
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FREQUENCY OF USE OF SAVINGS VEHICLES

Table 1d — Percent of Families Saving for College through Vehicle and Average Amounts Saved*, by Age of Child

N	Ages 0-6			Ages 7-12			Ages 13-17		
		178	238	334					
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings/CDs	43%	\$289	\$1,364	39%	\$261	\$1,345	46%	\$555	\$2,464
529 plan	32%	\$272	\$478	20%	\$226	\$1,248	28%	\$624	\$3,184
Checking account	48%	\$238	\$876	19%	\$179	\$364	22%	\$157	\$465
Investments	20%	\$37	\$92	23%	\$189	\$1,060	26%	\$444	\$2,578
Rewards program	21%	\$38	\$859	27%	\$445	\$2,460	20%	\$383	\$718
Retirement account	17%	\$32	\$324	14%	\$161	\$455	20%	\$299	\$2,122
Coverdell/Education IRA	22%	\$40	\$274	10%	\$31	\$365	16%	\$264	\$501
Prepaid state plan	18%	\$102	\$152	13%	\$114	\$497	13%	\$160	\$513
UGMA/UTMA	20%	\$31	\$312	10%	\$19	\$101	13%	\$78	\$484
Trust	18%	\$19	\$651	15%	\$91	\$820	11%	\$148	\$1,092
Some other way	23%	\$47	\$194	13%	\$85	\$288	19%	\$227	\$750
Total average savings		\$1,146	\$5,575		\$1,801	\$9,003		\$3,337	\$14,870

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
 Base: Parents saving for college



5: DATA TABLES

The following section lists the questions as worded in the 2013 survey and the summary responses by various population segments.

- Respondent base is all parents unless otherwise noted.
- N is the weighted sample size of the segment within the respondent base.

Q. To what extent do you agree or disagree with the following statements.

Strongly agree, Somewhat agree, Neither agree nor disagree, Somewhat disagree, Strongly disagree

- a. I want my child(ren) to attend college because they will earn more money with a college degree.
- b. A college education is part of the American Dream.
- c. I am willing to stretch myself financially to obtain the best opportunity for my child/children’s future.
- d. College is an investment in my child/children’s future.
- e. I would send my child/children to college for the intellectual and social experience regardless of whether they earned more money with a college degree.
- f. Having a college degree is more important now than it used to be.

Table 2 — Reasons for Continuing Education, Rated “Strongly Agree”

	% Strongly Agree											
	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1620	816	804	1236	203	326	465	751	405	327	479	645
Earn more money	54%	60%	47%	53%	59%	60%	58%	52%	53%	53%	52%	54%
American dream	51%	60%	43%	51%	54%	54%	54%	51%	51%	48%	54%	50%
Stretch financially	57%	67%	46%	54%	67%	63%	63%	55%	53%	64%	57%	53%
Investment in future	68%	78%	59%	68%	68%	63%	69%	67%	70%	69%	69%	65%
Experience regardless of earnings	32%	38%	26%	33%	39%	48%	38%	28%	32%	43%	31%	28%
Degree more important now	55%	60%	50%	56%	58%	58%	60%	51%	57%	61%	52%	52%

Base: All parents

Table 3 — Reasons for Continuing Education, Scale 1-5

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Earn more money	1620	54%	29%	12%	4%	1%
American dream	1620	51%	32%	13%	3%	1%
Stretch financially	1620	57%	29%	11%	2%	2%
Investment in future	1620	68%	23%	7%	1%	1%
Experience regardless of earnings	1620	32%	29%	22%	11%	6%
Degree more important now	1620	55%	25%	14%	5%	1%

Base: All parents

Q. To what extent, if at all, do you agree or disagree that your family has created a plan to pay for the costs of the undergraduate college education of your child/all your children who are planning to attend.

Table 4 — Have a Plan to Pay for College

	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
Weighted N	1620	816	804	1236	203	326	465	751	405	327	479	645
Strongly agree	17%	29%	5%	14%	11%	21%	12%	16%	26%	17%	19%	17%
Somewhat agree	21%	28%	14%	22%	22%	18%	17%	20%	27%	19%	20%	21%
Neither agree nor disagree	22%	20%	25%	22%	27%	22%	28%	23%	14%	22%	25%	22%
Somewhat disagree	22%	16%	27%	23%	22%	16%	23%	23%	19%	21%	16%	24%
Strongly disagree	19%	9%	29%	18%	19%	24%	20%	18%	23%	20%	20%	16%

Base: All parents

Q. [Children not currently in college] What percentage of the total education costs for your child/children will come from, or do you expect to come from, the following sources?

Table 5 — Sources Expect to Use to Pay for Child's Future College

Average* Percent Each Source Will Contribute

	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1620	816	804	1236	203	326	465	751	405	327	479	645
Parent savings or current income	32%	41%	23%	31%	26%	30%	22%	31%	44%	34%	35%	29%
Scholarships from college/state/other	17%	16%	19%	17%	24%	14%	19%	18%	15%	17%	14%	20%
Children's (student) loans	16%	14%	18%	17%	12%	12%	13%	19%	13%	13%	15%	18%
Government grants or financial aid	15%	11%	20%	15%	19%	17%	24%	14%	8%	14%	14%	17%
Children's savings, or current income	8%	8%	7%	7%	7%	9%	8%	7%	8%	9%	9%	6%
Parent loans	7%	7%	7%	8%	9%	11%	8%	7%	7%	10%	7%	7%
Grandparent/friends/family contributions	5%	4%	6%	4%	4%	7%	6%	4%	5%	5%	7%	3%

*Mean calculation includes zeros

Base: Parents without a child currently enrolled in college

Q. [Parents with children currently in college] What percentage of the total education costs for your child/children will come from, or do you expect to come from, the following sources?

Table 6 — Sources Used to Pay for Currently Enrolled College Children

Average* Percent Each Source Contributes

	Total	Savers	Nonsavers
Weighted N	146	76	70
Parent savings or current income	32%	40%	23%
Children's (student) loans	19%	20%	18%
Government grants or financial aid	19%	13%	25%
Scholarships from college/state/other	17%	13%	21%
Parent loans	7%	9%	6%
Children's savings, or current income	5%	4%	6%
Grandparent/friends/family contributions	2%	2%	1%

*Mean calculation includes zeros

Base: Parents with children currently enrolled in college

Q. How confident do you feel about being able to meet the costs of your child/children’s college education?

Table 7 – Confidence in Ability to Meet Future College Costs

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1620	816	804	1236	203	326	465	751	405	327	479	645
Extremely confident	13%	18%	8%	12%	16%	16%	13%	10%	20%	20%	11%	13%
Somewhat confident	25%	37%	13%	25%	23%	26%	18%	26%	33%	27%	25%	24%
Marginally confident	28%	27%	29%	27%	31%	24%	23%	29%	30%	25%	28%	27%
Somewhat unconfident	19%	12%	25%	20%	18%	16%	26%	20%	8%	15%	19%	22%
Extremely unconfident	15%	6%	25%	17%	13%	18%	19%	16%	9%	14%	16%	15%

Base: All parents

Q. [Parents with multiple children] Do you expect to take the same approach to paying for college for all of your children?

Q. [Parents with multiple children not expecting to take same approach] Why do you NOT expect to take the same approach for each of your children when it comes to paying for college?

Table 8 – Expecting to Take Same Approach for College Paying for All Children

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	976	453	523	737	120	193	256	462	258	147	255	405
Yes	73%	86%	62%	73%	78%	80%	65%	79%	71%	87%	76%	74%
No	6%	3%	9%	7%	4%	3%	5%	4%	11%	2%	2%	5%
Don't Know	21%	11%	29%	21%	18%	18%	30%	17%	18%	11%	23%	22%

Base: Parents with multiple children planning to attend college

Table 9 – Reasons Not Taking Same Approach

	Total
N	62
Children will attend different school types requiring different levels of support	35%
Expect one child to have a scholarship where another will not	34%
Expect to earn more by the time younger child/children go to college	21%
One child has a different parent not in this household who will contribute to the cost of college	17%
One child will have another source of personal income to pay for college	15%
Other	18%
Not sure	15%

Base: Parents with multiple children planning to attend college and who do not expect to use the same approach to paying for all children

Q. How much did you save in total and in the last year for each of the following?

Table 10a — Percent of Families Saving for Each Goal and Average Amounts Saved*, by College Saving Status

	Total			College Savers			College Nonsavers		
N	1620			816			804		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/ Rainy day	66%	\$1,417	\$5,693	81%	\$1,506	\$7,660	50%	\$1,272	\$2,462
General savings (not specified)	61%	\$3,230	\$14,820	75%	\$2,882	\$19,687	47%	\$3,788	\$7,000
Retirement	60%	\$6,453	\$52,551	78%	\$6,311	\$66,039	42%	\$6,723	\$26,891
College for my child/children	50%	\$2,640	\$11,898	100%	\$2,640	\$11,898	0%	\$-	\$-
Holidays/Gifts	36%	\$537	\$1,027	44%	\$664	\$1,368	28%	\$332	\$480
Vacation	35%	\$1,173	\$2,374	45%	\$1,411	\$2,984	25%	\$736	\$1,252
House/Home	32%	\$2,171	\$8,286	39%	\$2,510	\$11,196	26%	\$1,650	\$3,812
Healthcare	26%	\$1,501	\$5,189	35%	\$1,982	\$6,577	17%	\$526	\$2,377
Car	24%	\$1,112	\$3,533	31%	\$1,491	\$4,858	18%	\$428	\$1,139
Home remodeling/ Landscaping	23%	\$1,187	\$2,517	29%	\$1,180	\$2,937	16%	\$1,199	\$1,757
Furniture/Appliance/ Electronics	20%	\$448	\$1,284	27%	\$574	\$1,606	12%	\$162	\$557

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: All parents

Table 10b — Percent of Families Saving for Each Goal and Average Amounts Saved*, by Race/Ethnicity

	White			Black			Hispanic		
N	1236			203			326		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/ Rainy day	63%	\$1,579	\$7,356	71%	\$1,053	\$2,567	65%	\$763	\$1,485
General savings (not specified)	60%	\$3,078	\$11,013	61%	\$2,989	\$14,378	62%	\$1,469	\$3,006
Retirement	61%	\$7,778	\$60,931	48%	\$2,473	\$20,738	49%	\$1,558	\$6,245
College for my child/children	48%	\$2,945	\$13,146	53%	\$2,301	\$10,056	50%	\$1,424	\$7,697
Holidays/Gifts	36%	\$597	\$1,086	36%	\$462	\$1,915	42%	\$439	\$672
Vacation	35%	\$1,515	\$2,698	34%	\$748	\$2,723	38%	\$656	\$1,472
House/Home	31%	\$2,361	\$5,624	35%	\$1,597	\$13,011	46%	\$1,320	\$3,185
Healthcare	24%	\$1,117	\$5,799	27%	\$837	\$5,921	32%	\$547	\$1,020
Car	22%	\$1,206	\$3,982	33%	\$1,088	\$4,206	34%	\$829	\$1,384
Home remodeling/ Landscaping	22%	\$1,723	\$3,408	16%	\$835	\$2,396	24%	\$531	\$940
Furniture/Appliance/ Electronics	20%	\$445	\$1,593	22%	\$392	\$1,054	32%	\$513	\$989

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: All parents

Table 10c — Percent of Families Saving for Each Goal and Average Amounts Saved*, by Income

	<\$35k			\$35-100k			>\$100k		
N	465			751			405		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/ Rainy day	58%	\$446	\$775	68%	\$1,242	\$4,793	71%	\$2,644	\$11,936
General savings (not specified)	50%	\$546	\$1,038	60%	\$1,844	\$5,362	76%	\$7,295	\$39,136
Retirement	34%	\$1,874	\$8,633	64%	\$3,818	\$28,209	83%	\$12,407	\$108,325
College for my child/children	37%	\$1,172	\$5,094	52%	\$1,983	\$9,786	63%	\$4,644	\$19,733
Holidays/Gifts	40%	\$276	\$418	40%	\$485	\$647	27%	\$1,142	\$3,173
Vacation	26%	\$304	\$392	37%	\$767	\$1,395	44%	\$2,394	\$5,242
House/Home	33%	\$804	\$1,768	29%	\$1,967	\$4,005	39%	\$3,780	\$20,500
Healthcare	20%	\$157	\$280	25%	\$660	\$2,016	36%	\$1,635	\$10,752
Car	23%	\$399	\$752	23%	\$807	\$1,841	28%	\$2,255	\$8,767
Home remodeling/ Landscaping	15%	\$251	\$602	20%	\$641	\$978	36%	\$2,196	\$5,021
Furniture/Appliance/ Electronics	19%	\$223	\$395	20%	\$274	\$647	19%	\$1,035	\$3,506

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: All parents

Table 10d — Percent of Families Saving for Each Goal and Average Amounts Saved*, by Age of Child

	Ages 0-6			Ages 7-12			Ages 13-17		
N	327			479			645		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/ Rainy day	68%	\$1,327	\$2,388	66%	\$1,375	\$5,124	66%	\$1,474	\$8,192
General savings (not specified)	66%	\$2,406	\$3,118	63%	\$3,561	\$11,117	59%	\$2,874	\$24,832
Retirement	55%	\$3,331	\$13,213	60%	\$4,737	\$25,850	63%	\$8,531	\$84,270
College for my child/children	54%	\$1,145	\$5,574	50%	\$1,800	\$8,996	52%	\$3,333	\$15,159
Holidays/Gifts	38%	\$409	\$662	44%	\$513	\$840	31%	\$581	\$1,244
Vacation	39%	\$479	\$926	38%	\$1,139	\$2,813	34%	\$1,483	\$2,641
House/Home	48%	\$1,594	\$2,246	35%	\$3,028	\$8,638	26%	\$2,078	\$14,851
Healthcare	28%	\$587	\$1,704	29%	\$2,807	\$8,227	24%	\$875	\$4,718
Car	29%	\$552	\$951	28%	\$911	\$3,538	22%	\$1,748	\$5,462
Home remodeling/ Landscaping	23%	\$1,681	\$1,887	24%	\$1,133	\$3,133	22%	\$1,114	\$2,698
Furniture/Appliance/ Electronics	30%	\$258	\$758	21%	\$642	\$2,253	14%	\$513	\$900

*Average amounts saved among savers in each goal category; mean includes zero amounts saved in last year
Base: All parents

Table 11 — Number of Vehicles Used to Save for College

	Total	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	816	593	107	162	170	392	254	178	238	334
One	69%	71%	56%	69%	63%	77%	61%	68%	70%	68%
Two	12%	12%	13%	11%	18%	8%	16%	12%	14%	10%
Three	7%	5%	8%	3%	4%	5%	17%	3%	9%	9%
More than three	12%	12%	23%	17%	15%	10%	6%	17%	7%	13%

Base: Parents who are saving for college

Q. [Parents with multiple savings vehicles] Which was the first account that you established for saving for your child/children’s education?

Table 12 — First College Savings Vehicle Established among Those with Multiple Vehicles

N	225
General savings/CDs	31%
529 plan	10%
Checking account	9%
Investments	10%
Rewards program	6%
Retirement account	6%
Coverdell/Education IRA	7%
Prepaid state plan	6%
UGMA/UTMA	6%
Trust	7%
Some other way	1%

Base: Parents who are saving for college and using multiple savings vehicles

Q. [Parents using vehicles not specifically designed to pay for college] Was this account created with the intention of being used to pay for your child’s college education, or are you expecting that these funds could be used to pay for college if necessary?

Table 13— Savings Vehicle Intent

	N	Intended for College	Could Use if Needed
General savings/CDs	316	57%	42%
Trust	76	56%	42%
Investments	156	49%	50%
Checking account	190	46%	54%
Retirement account	110	33%	66%

Base: Parents who are saving for college and using vehicles not designed specifically for college savings

Q. What is the total amount you plan to have saved for college for your child/all of your children by the time the last one goes to college?

Table 14 — Whether Savers Have a Savings Goal and Average Amount They Plan to Save per Child

	Total	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	816	593	107	162	170	392	254	178	238	334
No set goal/not sure	50%	52%	49%	45%	56%	56%	39%	38%	49%	55%
Have a goal	50%	48%	51%	55%	44%	44%	61%	62%	51%	45%
Savings Goal Amount among those with a set goal	\$38,953	\$40,759	\$23,714	\$35,625	\$29,404	\$30,375	\$53,439	\$44,991	\$36,403	\$33,234

Base: Parents who are saving for college

Q. On what did you base this goal?

Table 15 — Basis for Setting Savings Goal Amount

N	433
How much my household can afford	45%
How much I think will be needed in total	31%
I researched the cost of colleges	21%
An amount I think is fair based on other support I have given my child/all of my children	20%
The amount it will cost to attend our preferred school	17%
How much (each) child will need after receiving a combination of scholarships, loans, and contributions from other sources	16%
An amount similar to the portion that was paid for my college education	12%
This is based on advice I received from a financial advisor	10%
This is based on advice I received from friends and family	9%
I calculated this amount using a college cost calculator tool available online	8%
Other	3%
Not sure	3%

Base: Parents who are saving for college and have a set goal amount

Q. How confident do you feel about your ability to save your goal amount... for your child/children's education by the time they go to college?

Table 16 — Confidence in Ability to Save Goal Amount

	Total
N	433
Extremely confident	30%
Somewhat confident	40%
Marginally confident	26%
Somewhat unconfident	4%
Extremely unconfident	0%

Base: Parents who are saving for college and have a set goal amount

Q. Typically, parents today pay for approximately 10 percent of total college costs from their college savings funds. How confident do you feel about your ability to save 10 percent of the future total cost for your child/children's education by the time they go to college?

Table 17 — Confidence in Ability to Save 10% of Future College Costs

	Total
N	502
Extremely confident	22%
Somewhat confident	27%
Marginally confident	35%
Somewhat unconfident	14%
Extremely unconfident	3%

Base: Parents who are saving for college but have not set a goal amount

Q. What best describes how you feel about saving for your children’s college education?
(Check all that apply.)

Table 18 — Feelings About Saving for College

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1620	816	804	1236	203	326	465	751	405	327	479	645
Overwhelmed	33%	32%	34%	33%	26%	22%	32%	35%	30%	27%	33%	34%
Annoyed/Angry	32%	28%	37%	34%	25%	23%	28%	31%	42%	27%	29%	38%
Right Thing	32%	49%	14%	30%	36%	39%	32%	28%	38%	40%	36%	25%
Frustrated	29%	23%	36%	31%	27%	28%	31%	29%	30%	28%	25%	34%
Scared	21%	17%	25%	21%	17%	20%	26%	20%	17%	17%	18%	24%
Don't like thinking about it	19%	14%	24%	21%	13%	14%	19%	20%	19%	13%	17%	24%
Confident	17%	28%	7%	15%	24%	20%	16%	17%	24%	18%	20%	17%
Haven't thought about it	7%	3%	11%	7%	15%	10%	9%	7%	5%	15%	7%	5%
Sacrifice	5%	5%	5%	5%	8%	10%	5%	5%	5%	6%	5%	4%
Other	2%	1%	2%	2%	1%	0%	1%	2%	2%	1%	2%	2%
Not sure	4%	2%	7%	3%	5%	4%	6%	4%	5%	4%	6%	2%

Base: All parents

Q. What prompted you to start saving for college?

Table 19 — College Savings Trigger

	Total
N	816
Birth of child	34%
Child starting school	24%
Child expressed interest in college	20%
Learning cost of college from friends/family	20%
Child starting high school	13%
Learning cost from professional	10%
Family member opened savings account for child	9%
Advice from financial advisor	9%
Child received gift money	8%
Paying off my student loans	6%
Thinking of starting family	6%
Employer offered savings plan	4%
Other	3%
Not sure	6%

Base: Parents who are saving for college

Q. How old was your oldest child when you started saving for his/her college fund?

Table 20 — Age of Child at Onset of Saving for College

	Total
N	816
Before/when my oldest was born	12%
Ages 1-5	44%
Ages 6-10	23%
Ages 11-15	17%
Ages 16-18	3%
Not sure	1%
Mean age	6.8

Base: Parents who are saving for college

Q. At what point do you anticipate that you will stop saving for college?

	Total
N	816
When my youngest child graduates from college	26%
When my youngest child enters college	19%
I won't/continue saving for grandchildren	17%
When my child pays off student loans	13%
Before my child enters college	11%
Not sure	13%

Base: Parents who are saving for college

Q. With regards to the amount you are saving for the college education for your child/children, are you saving more, less or the same amount of money compared to this time last year?

	Total	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	816	593	107	162	170	392	254	178	238	334
More	24%	22%	32%	38%	24%	19%	33%	34%	30%	16%
Same	54%	54%	49%	45%	57%	58%	46%	47%	54%	57%
Less	16%	18%	11%	11%	12%	15%	20%	15%	9%	20%
Not sure	6%	6%	8%	7%	7%	8%	2%	3%	7%	7%

Base: Parents who are saving for college

Q. Why are you saving more? (Check all that apply.)

N	225
My family has increased its earnings in the last year	39%
Cut other miscellaneous expenses	30%
Recently learned about how much college will cost	22%
My family had additional child	10%
Other	7%
Not sure	7%

Base: Parents who are saving for college and saving more than prior year

Q. Why are you saving less? (Check all that apply.)

N	155
There have been unexpected expenses this year	54%
Cost of living is higher this year	49%
Earnings are less this year	47%
Child will get a large scholarship or grant	3%
Have saved enough	1%
Other	4%

Base: Parents who are saving for college and saving less than the prior year

Q. Do you plan to do any of the following within the next year or the next five years?

Table 25a — Families’ Plans for College Saving within One Year and within Five Years, by College Saving Status

	Total		Savers		Non-savers	
N	1620		816		804	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	22%	40%	30%	53%	15%	27%
Begin saving for college	15%	14%	0%	0%	29%	28%
Decrease your annual savings for college	7%	9%	5%	10%	9%	9%
Keep your annual savings for college the same	57%	37%	66%	37%	47%	36%

Base: All parents
The “within one year” and “within five years” responses for each segment are not mutually exclusive.

Table 25b — Families’ Plans for College Saving within One Year and within Five Years, by Race/Ethnicity

	White		Black		Hispanic	
N	1236		203		326	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	22%	40%	25%	44%	28%	45%
Begin saving for college	15%	14%	21%	20%	16%	17%
Decrease your annual savings for college	6%	7%	7%	9%	4%	11%
Keep your annual savings for college the same	58%	39%	47%	27%	53%	28%

Base: All parents
The “within one year” and “within five years” responses for each segment are not mutually exclusive.

Table 25c — Families’ Plans for College Saving within One Year and within Five Years, by Income

	<\$35k		\$35k - <\$100k		\$100k+	
N	465		751		405	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	14%	37%	24%	39%	29%	46%
Begin saving for college	21%	20%	15%	16%	6%	3%
Decrease your annual savings for college	10%	13%	7%	8%	3%	7%
Keep your annual savings for college the same	55%	30%	54%	37%	63%	43%

Base: All parents
The “within one year” and “within five years” responses for each segment are not mutually exclusive.

Table 25d — Families’ Plans for College Saving within One Year and within Five Years, by Age of Child

	Child Age 0-6		Child Age 7-12		Child Age 13-17	
N	327		479		645	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	23%	52%	26%	42%	21%	35%
Begin saving for college	16%	15%	16%	13%	14%	15%
Decrease your annual savings for college	4%	10%	6%	12%	7%	6%
Keep your annual savings for college the same	57%	23%	52%	33%	59%	43%

Base: All parents
The “within one year” and “within five years” responses for each segment are not mutually exclusive.

Q. For each of the following reasons, please indicate whether it is a major reason, minor reason, or not at all a reason why you have not started saving for your child’s college education.

Table 26a — Reasons for Not Saving

	Total		
N	804		
	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	53%	18%	13%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	24%	28%	30%
I'm focusing on other saving priorities	21%	24%	48%
I haven't gotten around to starting a savings plan yet	19%	21%	50%
I'm not sure which are the best options for college saving	13%	24%	53%
It is my child/children's responsibility to pay for college	11%	21%	53%
I'm focusing on saving for retirement first	11%	18%	60%
I'm concerned that having savings might prevent my child/children from getting financial aid	10%	19%	60%
My children are too young to start thinking about it	10%	18%	76%
My child will attend a school that is not very expensive	8%	19%	59%
My child is too old/it is too late to start saving	6%	15%	60%
I don't expect my child to go to college	4%	10%	73%
My financial planner told me not to save for college	3%	8%	78%

Base: Parents who are not saving for college

Table 26b — Reasons for Not Saving, by Race/Ethnicity

	White			Black			Hispanic		
N	644			96			164		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	55%	17%	12%	54%	20%	17%	45%	26%	12%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	23%	27%	34%	24%	30%	37%	29%	26%	27%
I'm focusing on other saving priorities	20%	25%	40%	31%	26%	34%	33%	20%	30%
I haven't gotten around to starting a savings plan yet	17%	21%	46%	35%	30%	26%	29%	21%	32%
I'm not sure which are the best options for college saving	10%	24%	50%	26%	31%	34%	25%	23%	35%
It is my child/children's responsibility to pay for college	13%	21%	51%	6%	16%	69%	19%	21%	43%
I'm focusing on saving for retirement first	11%	17%	56%	14%	19%	58%	17%	16%	50%
I'm concerned that having savings might prevent my child/children from getting financial aid	10%	17%	57%	10%	23%	58%	17%	25%	40%
My children are too young to start thinking about it	9%	16%	59%	11%	35%	46%	24%	31%	28%
My child will attend a school that is not very expensive	8%	19%	57%	12%	22%	58%	17%	22%	43%
My child is too old/it is too late to start saving	6%	14%	64%	7%	21%	64%	15%	12%	55%
I don't expect my child to go to college	4%	9%	71%	7%	17%	68%	12%	17%	54%
My financial planner told me not to save for college	3%	8%	74%	6%	10%	76%	11%	14%	57%

Base: Parents who are not saving for college

Table 26c — Reasons for Not Saving, by Income

	<\$35k			\$35-100k			>\$100k		
N	295			359			151		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	55%	15%	16%	59%	15%	10%	38%	34%	28%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	27%	24%	37%	25%	28%	30%	17%	35%	39%
I'm focusing on other saving priorities	20%	17%	50%	21%	28%	35%	26%	33%	33%
I haven't gotten around to starting a savings plan yet	19%	18%	50%	21%	22%	40%	17%	27%	48%
I'm not sure which are the best options for college saving	13%	19%	55%	10%	28%	46%	21%	32%	43%
It is my child/children's responsibility to pay for college	5%	16%	65%	15%	20%	48%	14%	33%	40%
I'm focusing on saving for retirement first	9%	11%	67%	11%	20%	53%	19%	25%	49%
I'm concerned that having savings might prevent my child/children from getting financial aid	5%	21%	61%	10%	20%	54%	27%	12%	56%
My children are too young to start thinking about it	11%	22%	55%	8%	17%	58%	10%	15%	61%
My child will attend a school that is not very expensive	7%	16%	64%	8%	22%	54%	14%	30%	57%
My child is too old/it is too late to start saving	4%	17%	66%	5%	13%	65%	18%	23%	56%
I don't expect my child to go to college	3%	13%	71%	5%	8%	71%	6%	14%	69%
My financial planner told me not to save for college	1%	8%	78%	3%	7%	74%	7%	13%	70%

Base: Parents who are not saving for college

Table 26d — Reasons for Not Saving, by Age of Child

	Child Ages 0-6			Child Ages 7-12			Child Ages 13-17		
N	149			242			311		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	46%	23%	14%	45%	21%	17%	61%	12%	13%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	26%	25%	33%	17%	22%	44%	26%	31%	30%
I'm focusing on other saving priorities	44%	22%	17%	21%	22%	40%	9%	29%	48%
I haven't gotten around to starting a savings plan yet	38%	26%	20%	13%	21%	48%	17%	20%	50%
I'm not sure which are the best options for college saving	25%	22%	37%	11%	26%	45%	10%	24%	53%
It is my child/children's responsibility to pay for college	15%	26%	43%	5%	17%	61%	14%	20%	53%
I'm focusing on saving for retirement first	14%	20%	51%	13%	17%	53%	9%	17%	60%
I'm concerned that having savings might prevent my child/children from getting financial aid	18%	20%	46%	10%	17%	56%	9%	17%	60%
My children are too young to start thinking about it	29%	36%	20%	9%	23%	50%	3%	8%	76%
My child will attend a school that is not very expensive	12%	20%	53%	8%	19%	56%	6%	21%	59%
My child is too old/it is too late to start saving	10%	12%	62%	5%	6%	72%	6%	20%	60%
I don't expect my child to go to college	8%	16%	60%	4%	9%	70%	2%	11%	73%
My financial planner told me not to save for college	10%	14%	59%	2%	4%	77%	1%	7%	78%

Base: Parents who are not saving for college

Q. Have you discussed paying for college with your child/children?

Table 27 — Discussed Paying for College with Child

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1620	816	804	1236	203	326	465	751	405	327	479	645
Yes	44%	49%	39%	48%	28%	36%	31%	44%	60%	25%	30%	55%
No	56%	51%	61%	52%	72%	64%	69%	56%	40%	76%	70%	45%

Base: All parents

Q. When you discussed paying for college with your child/children, what specifically did you talk about?

Table 28 — Paying for College Topics Discussed with Child

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	713	402	312	595	56	116	146	327	241	80	145	358
The importance of earning scholarships	57%	51%	64%	57%	58%	35%	51%	60%	56%	36%	44%	66%
The use of student loans	41%	39%	45%	43%	44%	29%	43%	44%	37%	13%	28%	47%
Which type of college the student would be able to choose based on savings/cost	39%	42%	36%	40%	43%	23%	33%	44%	37%	21%	30%	42%
Choice of major/career based on future earnings/employment potential	39%	44%	32%	38%	45%	28%	34%	39%	42%	41%	28%	41%
The shared responsibility between students and parents for paying for college	39%	41%	36%	39%	39%	25%	33%	41%	39%	17%	38%	39%
Whether student will live at home based on cost	36%	34%	40%	39%	32%	32%	33%	43%	30%	21%	34%	40%
The use of parents' savings	28%	33%	21%	25%	42%	34%	24%	19%	42%	48%	27%	27%
The use of child's savings	24%	31%	15%	25%	17%	25%	19%	28%	26%	20%	32%	23%
Whether parents would cosign a student loan and/or make any payments on the student's loan	19%	22%	16%	20%	28%	21%	19%	23%	15%	16%	22%	16%
Whether student/family will sacrifice "extras" to pay for college	18%	17%	20%	15%	31%	20%	12%	18%	23%	29%	13%	18%
Other	3%	3%	4%	3%	1%	2%	3%	3%	4%	0%	5%	4%
Not sure	2%	2%	2%	2%	4%	1%	2%	1%	5%	1%	0%	2%

Base: Parents who have discussed paying for college with child

Q. At what age do you plan to start talking to your child/children about paying for college?

Table 29 — When Planning to Discuss Paying for College with Child

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	907	414	493	641	147	210	319	424	164	247	334	288
Age 1 to 5	1%	1%	1%	1%	3%	3%	2%	1%	2%	4%	0%	0%
Age 6 to 10	6%	8%	4%	6%	8%	10%	5%	5%	10%	15%	4%	1%
Age 11 to 15	44%	46%	42%	43%	47%	56%	49%	44%	41%	51%	57%	27%
Age 16 to 18	30%	37%	24%	31%	22%	18%	23%	32%	39%	19%	21%	49%
Not sure	16%	7%	24%	16%	19%	11%	19%	15%	15%	7%	15%	22%
Don't plan to discuss with child	3%	1%	5%	4%	2%	3%	3%	2%	11%	4%	4%	2%

Base: Parents who have not discussed paying for college with child

Q. When you discuss paying for college with your child/children, what specifically do you plan to talk about?

Table 30 — Paying for College Topics Planning to Discuss with Child

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	731	382	349	516	116	181	250	351	80	219	274	220
The importance of earning scholarships	63%	62%	65%	67%	54%	48%	66%	62%	62%	59%	57%	74%
The use of student loans	44%	43%	46%	43%	36%	36%	46%	44%	44%	39%	43%	48%
Which type of college the student would be able to choose based on savings/cost	47%	46%	48%	47%	40%	46%	49%	39%	66%	44%	48%	47%
Choice of major/career based on future earnings/employment potential	40%	33%	47%	43%	37%	39%	39%	41%	41%	41%	39%	37%
The shared responsibility between students and parents for paying for college	48%	54%	41%	45%	32%	32%	40%	50%	60%	45%	44%	53%
Whether student will live at home based on cost	36%	33%	39%	33%	28%	34%	35%	39%	34%	33%	35%	35%
The use of parents' savings	30%	38%	20%	26%	19%	28%	24%	32%	36%	26%	31%	33%
The use of child's savings	29%	30%	27%	28%	25%	31%	32%	23%	42%	39%	25%	24%
Whether parents would cosign a student loan and/or make any payments on the student's loan	20%	18%	22%	21%	21%	16%	22%	18%	24%	23%	16%	22%
Whether student/family will sacrifice "extras" to pay for college	25%	27%	23%	24%	22%	20%	22%	30%	18%	27%	31%	16%
Other	3%	2%	3%	1%	1%	2%	4%	0%	6%	1%	1%	4%
Not sure	8%	6%	10%	9%	11%	9%	9%	9%	4%	9%	10%	6%

Base: Parents who have not discussed paying for college with child but plan to do so

Q. Does your child/Do your children have his or her own separate college savings account that he/she contributes to?

Table 31 — Child Has College Savings Account

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1620	816	804	1236	203	326	465	751	405	327	479	645
Yes, all of my children have their own savings account into which they deposit their own money for college	24%	28%	19%	25%	22%	38%	21%	21%	31%	30%	23%	21%
Yes, some of my children have their own savings account into which they deposit their own money for college	5%	5%	5%	5%	3%	4%	2%	4%	18%	1%	3%	7%
No	69%	64%	73%	68%	70%	56%	72%	73%	57%	63%	70%	71%
Not sure	3%	2%	3%	2%	5%	3%	5%	2%	3%	5%	4%	1%

Base: All parents

Q. Have you heard of 529 college savings plans?

Table 32 — Awareness of 529 Plans

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1430	625	804	1095	176	296	450	676	303	277	436	570
Yes	37%	40%	35%	39%	27%	30%	13%	38%	71%	29%	37%	41%
No	55%	50%	59%	54%	62%	62%	78%	53%	30%	62%	59%	51%
Not sure	8%	10%	6%	7%	11%	9%	9%	8%	4%	9%	4%	8%

Base: Parents without 529 plans

Q. From which source did you first hear about 529 college savings plans?

Table 33 — Source of Awareness about 529 Plans

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	720	438	282	564	74	118	74	333	314	130	204	309
Financial advisor	18%	23%	10%	19%	15%	17%	8%	22%	17%	20%	16%	18%
Friends or family	17%	20%	13%	16%	18%	18%	22%	14%	23%	25%	18%	14%
Advertising on television, radio, or newspapers	13%	11%	15%	15%	10%	12%	10%	15%	11%	12%	15%	10%
Story on television, radio, or newspapers	11%	7%	18%	11%	16%	22%	13%	12%	14%	15%	18%	6%
529 plan provider	10%	11%	9%	11%	13%	13%	7%	11%	10%	14%	9%	8%
Employer	6%	9%	2%	4%	9%	2%	3%	3%	11%	3%	5%	10%
State government	4%	3%	5%	4%	2%	3%	1%	2%	10%	1%	2%	7%
Social media	3%	2%	4%	3%	4%	5%	6%	3%	3%	4%	2%	3%
Other	5%	4%	6%	4%	3%	4%	5%	5%	5%	3%	3%	7%
Not sure	13%	9%	19%	14%	10%	6%	26%	14%	9%	3%	12%	17%

Base: Parents with 529 plans and those without 529 plans but who have heard of them

Q. Where did you turn for advice about using a 529 plan? (Check all that apply.)

Table 34 — Source of Advice for 529 Plan Usage	
N	191
Financial advisor/planner	36%
529 provider	33%
Researched on the Internet	21%
Friends or family	19%
Researched in financial press	11%
Local bank	6%
Government	3%
Other	1%
I didn't seek advice anywhere	7%

Base: Parents who use 529 plans

Q. Which of the following features were important to you when choosing a dedicated college savings plan like a 529? Please select the two most important.

Table 35 — Features that Influence Choice of 529 Plan	
N	191
Tax benefits	27%
Low fees	20%
Age-based investment option which matures the year my child enters college	18%
Knowing it was dedicated to college saving so I wouldn't be tempted to use the money for something else	18%
Backed by state government	17%
FDIC insured	16%
Low risk	13%
Minimum contribution is low	12%
Flexible investment options	11%
Easy self-service administration	8%
The gifting program which makes it easy for friends/families to contribute	7%
Investment in a fund that carries high return opportunity	7%
A matching contribution available from my employer	7%
Automatic payroll deduction	6%
Guaranteed interest rate	5%
Additional earnings tied to a shopping rewards program	2%
Other	0%
Not sure	4%

Base: Parents who use 529 plans

Q. What type of investments are made by your 529 plan administrators?

Table 36 — 529 Plan Investment Types	
N	191
Mutual funds	68%
Stocks	10%
Not sure	23%

Base: Parents who use 529 plans

Q. What percent fee do you pay for the management of your plan?

Table 37 — Management Fee on 529 Plan	
N	191
Zero	4%
1 to 5%	19%
6 to 10%	1%
11% or more	12%
Not sure	64%

Base: Parents who use 529 plans

Q. Do you have a 529 plan for each child, or one plan for all children?

Table 38 — Number of 529 Plans	
N	89
A 529 plan for each child	72%
One plan for all children	16%
More than one 529 plan but not one for each child	3%
Not sure	10%

Base: Parents who use 529 plans and have more than one child

Q. What is the main reason why you are not using a 529 college savings plan?

Table 39 — Reasons for Not Using a 529 Plan						
	Total	Savers	Nonsavers	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	530	248	282	80	161	234
I would rather save for college a different way	21%	28%	16%	9%	23%	22%
I can't afford to save for college	20%	4%	35%	14%	14%	22%
I don't know enough about them	17%	23%	12%	20%	20%	15%
I am not comfortable investing in a state-government program	10%	13%	8%	10%	8%	14%
I'm afraid child won't be eligible for financial aid if we have a college savings account	7%	5%	9%	22%	9%	2%
The plans are risky	4%	4%	3%	8%	1%	3%
I fear I will lose my money if my child doesn't go to college	3%	2%	3%	4%	5%	1%
Financial advisor discouraged me from doing so	2%	3%	1%	3%	1%	3%
Other	6%	4%	8%	4%	6%	7%
Not sure	10%	15%	6%	6%	13%	10%

Base: Parents without 529 plans but who have heard of them

Q. The following is a list of features that might be associated with a dedicated college savings account. What are the features that would motivate you to use such an account to begin or increase your savings for your child’s/children’s college education? Please select the two most important.

Table 40 — Features that Would Motivate 529 Plan Use

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1430	625	804	1095	176	296	450	676	303	277	436	570
Guaranteed interest rate	21%	26%	17%	21%	19%	19%	24%	18%	23%	22%	20%	22%
Low fees	17%	19%	16%	16%	22%	22%	19%	19%	10%	19%	20%	14%
Tax benefits	17%	21%	13%	18%	11%	10%	9%	20%	21%	13%	10%	22%
A matching contribution available from my employer	15%	16%	14%	17%	11%	9%	9%	15%	25%	11%	11%	21%
FDIC insured	15%	18%	13%	15%	13%	11%	12%	17%	16%	16%	15%	14%
Low risk	15%	20%	10%	14%	12%	10%	11%	18%	11%	8%	19%	15%
Minimum contribution is low	11%	7%	14%	12%	10%	12%	9%	14%	7%	9%	11%	13%
Knowing it was dedicated to college saving so I wouldn't be tempted to use the money for something else	10%	9%	10%	10%	9%	11%	13%	8%	9%	15%	10%	8%
Investment in a fund that carries high return opportunity	8%	10%	6%	7%	12%	8%	5%	8%	12%	10%	7%	7%
Backed by state government	7%	7%	7%	7%	7%	13%	10%	5%	11%	10%	4%	7%
The gifting program which makes it easy for friends/families to contribute	6%	4%	8%	6%	4%	9%	9%	5%	6%	8%	7%	5%
Age-based investment option which matures the year my child enters college	6%	6%	6%	6%	6%	8%	7%	6%	3%	11%	3%	4%
Automatic payroll deduction	6%	6%	6%	6%	8%	8%	5%	6%	8%	8%	4%	6%
Flexible investment options	5%	5%	5%	5%	7%	7%	4%	4%	8%	6%	5%	5%
Additional earnings tied to a shopping rewards program	4%	3%	5%	4%	5%	7%	6%	3%	5%	7%	5%	3%
Easy self-service administration	2%	3%	2%	2%	3%	1%	1%	2%	3%	2%	2%	2%
Other	1%	0%	2%	1%	1%	1%	1%	1%	1%	1%	2%	1%
Not sure	18%	10%	24%	17%	21%	17%	23%	15%	16%	12%	23%	16%

Base: Parents without 529 plans

Q. How likely would you be to open a 529 plan if your employer offered one with an automatic payroll deduction?

Table 41 — Motivation of Employer Payroll Deduction in Increasing 529 Plan Use

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1430	625	804	1095	176	296	450	676	303	277	436	570
Extremely likely	16%	20%	13%	14%	16%	29%	13%	17%	17%	24%	25%	9%
Quite likely	51%	51%	50%	50%	54%	47%	53%	52%	45%	54%	46%	56%
Quite unlikely	21%	19%	22%	22%	20%	18%	22%	20%	25%	17%	16%	22%
Extremely unlikely	13%	10%	15%	14%	10%	6%	12%	11%	18%	5%	13%	14%

Base: Parents without 529 plans

Q. How likely would you be to open a 529 plan if your employer offered a matched contribution?

Table 42 — Motivation of Employer Matching Contribution in Increasing 529 Plan Use

	Total	Savers	Nonsavers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1430	625	804	1095	176	296	450	676	303	277	436	570
Extremely likely	42%	46%	39%	42%	41%	48%	36%	43%	49%	51%	44%	41%
Quite likely	40%	41%	39%	39%	41%	39%	38%	43%	34%	36%	40%	40%
Quite unlikely	11%	9%	13%	12%	12%	9%	15%	8%	12%	11%	10%	11%
Extremely unlikely	7%	5%	9%	7%	7%	4%	11%	5%	6%	3%	6%	9%

Base: Parents without 529 plans



6: TECHNICAL NOTES

TARGET POPULATION

Ipsos conducted the *How America Saves for College* survey online between Thursday, August 16 and Friday, August 31, 2012. Ipsos interviewed 1,621 adult parents of children younger than 18 years.

SAMPLE DESIGN

Sample was drawn from the Ipsos i-Say Panel, in which panelists opt-in and are incented by receiving instant win opportunities, sweepstakes entries and daily prize giveaways. The sample design was a disproportionate stratified sample of parents. The sample was designed to over-represent African Americans and Hispanics, with a minimum of 400 responses from each group. Interviews were conducted in English and Spanish.

The sample was stratified by additional variables, such as Household Income, Region and Age of the oldest child. The target set for each of these variables is shown in Table A.

Table A — Sample targets for Household Income, Region and Age

Household-total family income	White/Others	Black	Hispanic	Total
Less than 35k	159	186	197	542
Between 35k and 100k	385	167	164	716
More than 100k	256	47	39	342
Total	800	400	400	1600

Region	
Northeast	277
Midwest	347
South	597
West	380
	1600

Age of Oldest Child	
Less than 7	403
7 through 12	505
13 through 17	692
	1600

WEIGHTING

To correct for the disproportionate stratified sample, the survey was weighted using a statistical technique called raking in which all of the population marginal profiles of interest are replicated in the sample. The sample was weighted by gender, age, race/ethnicity, region,

education and by household income crossed by race. All of the demographic profiles used in the weights were sourced from the February 2012 U.S. Census Bureau’s Current Population Survey (CPS), filtering in only adult parents with children younger than 18 years of age.

MARGIN OF ERROR (MoE)

The MoE is a measure of sampling error. It is used to quantify the range of possible values for an observed sample statistic taking into account the possible sample variation, i.e., the larger the MoE the greater the uncertainty in the survey results with respect to the statistic being analyzed. More specifically, the MoE can be defined as the maximum absolute difference between the statistic and the actual population parameter being estimated that would be expected from a simple random sample, with a pre-determined confidence level.

When estimating percentages from this survey using the whole sample (1621), the MoE is estimated to be approximately +/- 2.5 percentage points, with a confidence level of 95%.

If percentages are being estimated from sub-domains of the survey, i.e. not using the whole sample, then the MoE will be higher than the one stated above, and must be re-calculated. Assuming that each domain being compared has a different sample size, the rule when estimating percentages from a base of n cases is $MoE(n) = 1/\sqrt{n}$. In this context, to judge whether the observed difference between two domains (groups) with different sample sizes, say n_1 and n_2 , is statistically significant, this difference should be compared to $(1/\sqrt{n_1}) + (1/\sqrt{n_2})$. If it is larger, then it's considered statistically significant.

EFFECTIVE BASE SIZES

As discussed in the previous section, the MoE depends on the sample size of the domain being analyzed. To serve as a guideline of the precision and confidence that the reader should have for the survey estimates, Table B shows how much allowance should be made for the sampling error around a single percentage estimate in the study.

**Table B —
Margin of Error for Different Domain Sizes**

Sample Size	Margin of Error
50	14.1%
100	10.0%
200	7.1%
300	5.8%
400	5.0%
500	4.5%
600	4.1%
700	3.8%
800	3.5%
900	3.3%
1000	3.2%
1100	3.0%
1200	2.9%
1300	2.8%
1400	2.7%
1500	2.6%
1600	2.5%



A SNAPSHOT OF HOW AMERICA SAVES FOR COLLEGE 2013

To view the How America Saves For College Infographic,
please visit www.SallieMae.com/HowAmericaSaves.

