



HOW AMERICA PAYS FOR COLLEGE 2012

Sallie Mae's National Study of College Students and Parents
Conducted by Ipsos Public Affairs



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Access a related infographic and other information about this study at
www.SallieMae.com/HowAmericaPays.



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1: ABOUT THIS STUDY



Sallie Mae has conducted *How America Pays for College* annually since 2008, providing information about the resources American families invest in an undergraduate college education. This study focuses particularly on the planning and payment behaviors in a given academic year.

Unlike other studies which focus solely on education-specific sources of funding, this study assesses all of the resources families use, including non-education-specific sources of saving and borrowing such as retirement funds or credit cards. This comprehensive point of view illustrates the shared responsibility Americans have in paying for college, both within and outside of the families with a student attending college.

How America Pays for College depicts the average amounts and proportion of total costs paid from each funding source that a “typical” family pays for college. The “typical” family is a composite representation produced mathematically from the results of the survey questions about how and how much respondents paid for college spread across all families.

Now in its fifth year, the study allows tracking over time of changes in funding choices and amounts paid.

How America Pays for College focuses on undergraduate students ages 18 to 24. Each survey year, half of the survey population is enrolled 18 to 24 year-old undergraduates and half is the parents of enrolled 18 to 24 year-old undergraduates. For details on methodology, please see the Technical Notes section.

Questions about paying for college specifically reference the July 1–June 30 academic year ending in the year referenced. Thus the survey conducted in 2012 covers amounts paid in academic year 2011-2012; 2011 covers academic year 2010-2011 and so on. For year-over-year comparison purposes, the report references the survey year (e.g., 2012, 2011, 2010, 2009, and 2008).

Interviews take place in the spring, during the second half of the academic year. The timing of the interviews allows families to report actual amounts that they used (vs. projected amounts) to meet the cost of college that year.

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.

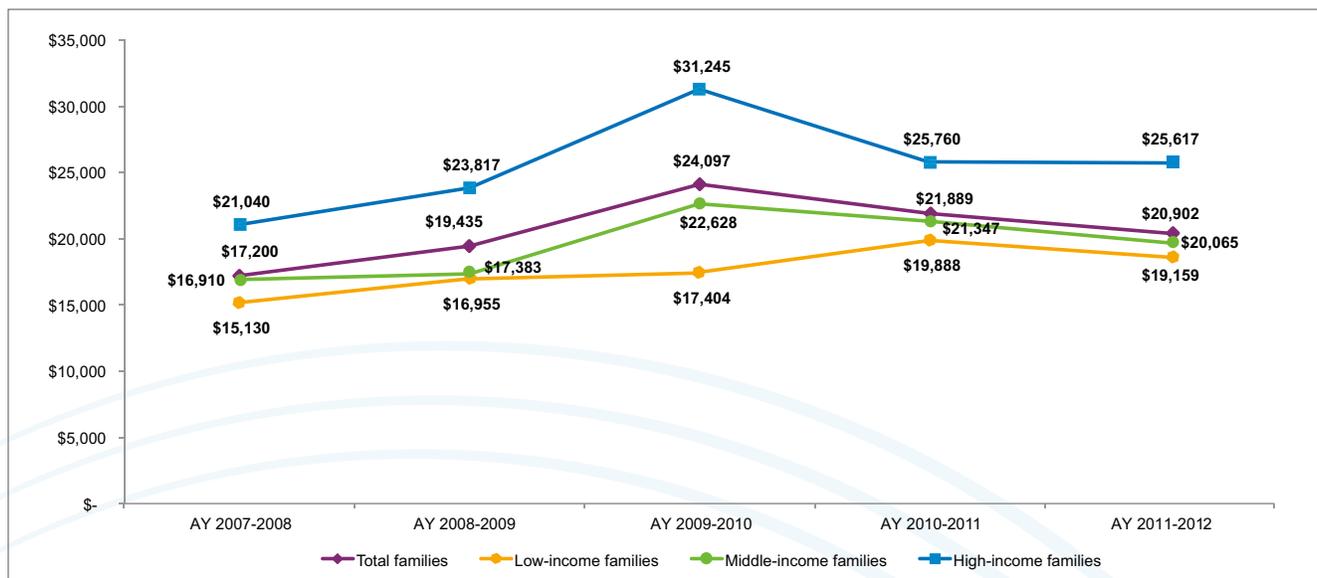
2: OVERVIEW OF FINDINGS



Sallie Mae’s 2012 *How America Pays for College* study, conducted by Ipsos Public Affairs, demonstrates that the dramatic post-recession decline in American families’ spending on college first seen in 2011 has continued in 2012.

The nationally representative survey of 1,600 dependent undergraduate college students and parents reveals that the average amount families spent on college declined by 5 percent in 2012. American families reported taking more cost-saving measures and more families report making their college decisions based on the cost they can afford to pay.

FIGURE 1 — AVERAGE AMOUNT PAID FOR COLLEGE,¹ YEAR-OVER-YEAR, BY INCOME LEVEL

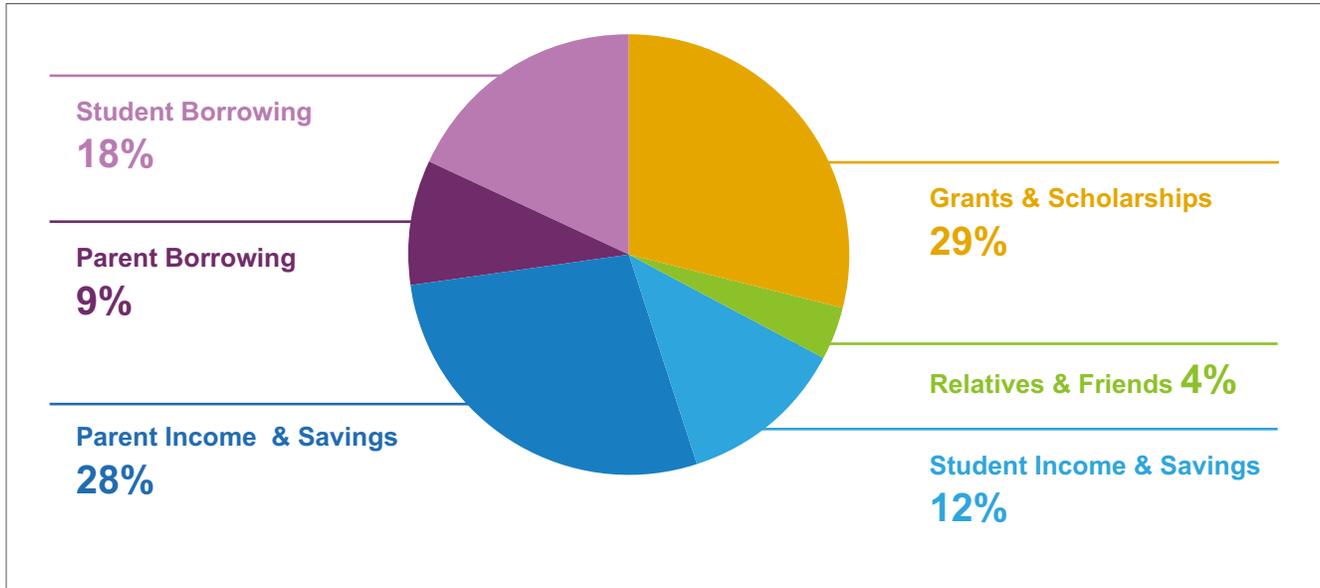


Parents have led the decline in spending on college education, funding 28 percent of college costs from their savings and income in academic year 2011-2012. Two years ago, parents reached deeply into their pocketbooks to meet the higher costs of college. However, this level of spending proved unsustainable. This year, parents cut the amount contributed through savings and income substantially, by 11 percent from last year, and by 32 percent from two years ago. Specifically, they have reduced the amount contributed from their current income by 4 percent, and from savings by 22 percent since 2011.

Another major decline in contributions came from colleges themselves — the primary donors of scholarship money — with the proportion of families receiving scholarships down to 35 percent in 2012 from 45 percent in 2011. In 2011, families had reported a surge of grants and scholarships, especially among middle-income families, offsetting the decline in parent contributions. Similar to the 2010 surge in parent contributions, the higher levels of scholarships proved unsustainable, suggesting that colleges, too, are feeling the impacts of a difficult economic climate, constraints on endowments, and tighter budgets. Grants and scholarships still fund a higher share of college costs than they did in 2009 and 2010 but the 29 percent share is lower than last year’s one-third share.

¹ The total amount paid represents the sum of the itemized sources that families used to pay for college averaged across all families, including grants and scholarships, contributions from income and savings, assistance from friends and family, and borrowing. See tables 11a-d and 12a-d.

FIGURE 2 — HOW THE TYPICAL FAMILY PAYS FOR COLLEGE: PERCENT OF TOTAL COST OF ATTENDANCE PAID FROM EACH SOURCE 2011-2012



To offset the shortfall from diminishing parent savings and income contributions, students funded a higher share of college costs than in previous years, paying 18 percent of the costs through borrowing and 12 percent from income and savings. The increase in borrowing comes from an increase in the use of federal loans. This was particularly the case in high-income families, with 27 percent of high-income students using federal loans in 2012, compared with 19 percent in 2011.

In 2012, families demonstrated increasing cost consciousness in their approaches to paying for college. This year’s survey confirms the movement to lower-cost schools initially seen in 2011. Furthermore, families increasingly rejected schools based on cost earlier in the application process. To cut costs, more than half of students lived at home while they attended college this year, up nearly 9 percent from last year. Most families also reported cutting personal spending or working longer hours to meet the costs of college.

This year, the *How America Pays for College* study explores more deeply how families make decisions about choosing and paying for college. Decision-making about which college to attend and how to pay is not a collaborative process in most families. Instead, responsibility tends to lie solely with either the parent or the student. Students from low-income families have much greater decision-making power than their high-income counterparts.

Despite families seeking lower prices and greater value in their college choices, financial planning for the payment of college expenses remains low – just 39 percent of families had a plan for paying for college before enrollment.² This differs markedly by income group, with high-income families, unsurprisingly, more likely to have had a plan than low-income families.

The 2012 *How America Pays for College* infographic illustrating key data points is available at www.SallieMae.com/HowAmericaPays.

² In its forthcoming study, *How America Saves for College*, Sallie Mae will explore the planning and savings habits of parents of children ages 18 and under.

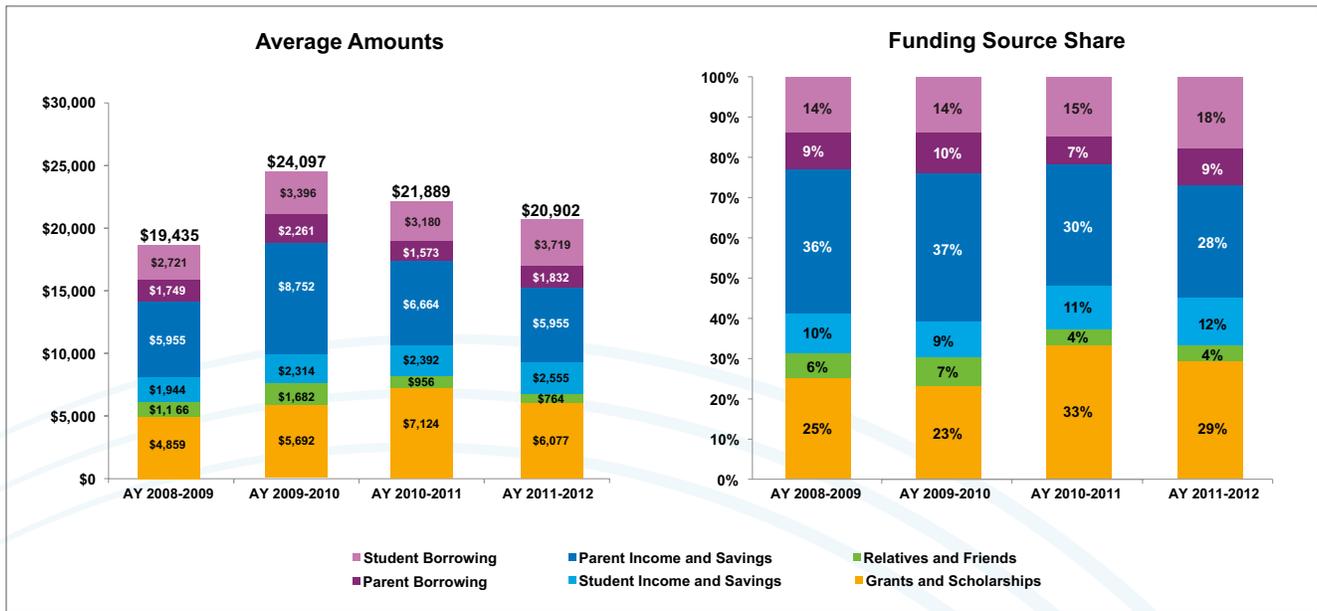


3: DISCUSSION OF FINDINGS

COLLEGE SPENDING DECLINES FOR THE SECOND YEAR RUNNING

In the 2012 *How America Pays for College* study, representing academic year 2011-2012, average total spending has declined for the second year in a row, by 5 percent to \$20,902, as the aftermath of the recession continues to have an impact on the amount families pay for college.

FIGURE 3 — HOW THE TYPICAL FAMILY PAYS FOR COLLEGE, YEAR-OVER-YEAR



In 2012, families shifted how they paid for college in three major ways. First, parents cut their contributions from income and savings. In 2012, parents spent an average of \$5,955 from their income and savings, down from \$6,664 in 2011. This is 32 percent lower than in 2010, when parent spending peaked at \$8,752. Parents’ income and savings paid for 28 percent of college costs, slightly below last year’s share (30%) but significantly below prior years’ (37% in 2010 and 36% in 2009). At 58 percent of all families, this is the lowest percent of families drawing from parent income and savings in the past four years’ survey results and significantly below the last two years.

Second, in 2012, fewer families utilized scholarships: 35 percent of all families in 2012, down from 45 percent in 2011. This decline may be because colleges are unable to maintain previous award levels. In 2012, grant usage remained elevated for the second year in a row, at 45 percent of families qualifying for grants, likely resulting from a substantial investment by the federal government to make Pell Grants available to more families. As a percentage of total college costs, grants and scholarships covered 29 percent of college expenditures in 2012, a higher share than in 2009 or 2010, but lower than last year.

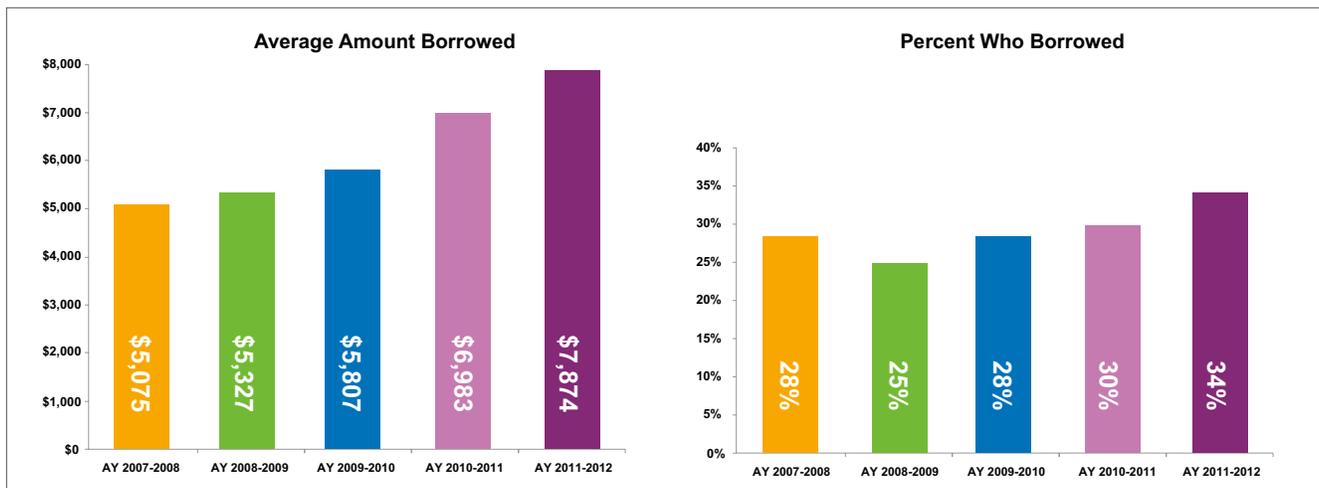
Third, students paid more out of pocket, partially offsetting decreases in parent and scholarship contributions. This year, students picked up an increased share of their college costs through their own savings and income, contributing on average \$2,555 in 2012 (12% of the total cost of college).

In addition to contributing more from their savings and current income, students borrowed more in 2012 than in previous years. In 2012, students contributed 18 percent of the total cost of college through borrowing, an average of \$3,719 compared with \$3,180 in 2011.

The continuing upward trend in the percent of students using federal student loans has driven most of the increase in student borrowing, which has grown from 25 percent in 2009, to 28 percent in 2010, to 30 percent in 2011, and to 34 percent in 2012. This year, high-income students in particular increased their use of federal loans substantially — 27 percent used federal loans in 2012, up from 19 percent in 2011. In addition, the average amount students borrow from federal loans has risen substantially (55%) over the last five years, to \$7,874 in 2012 from \$5,075 in 2008.

The percentage of students borrowing from non-federal loan sources, such as private loans (10%) and credit cards (3%), has remained consistent in the five years of this study.

FIGURE 4 — STUDENT USE OF FEDERAL STUDENT LOANS, YEAR-OVER-YEAR



AMERICAN PARENTS RESPOND TO A DIFFICULT ECONOMY

The decline in parents’ contributions toward the total amount families spend on college represents a major shift in spending that began in 2011 and continued this year. Parents’ contributions, including contributions from income, savings, and borrowing, represent 37 percent of the total amount spent on college in 2012, down from its peak of 47 percent of the total amount spent in 2010.

While parents remain the highest contributors to an undergraduate’s education, particularly those in middle- and high-income families, they reduced their personal expenditure on college in 2012. The average amount contributed from parents’ current income in 2012 was \$4,025, compared to \$4,182 in 2011 and \$4,975 in 2010. Middle-income families reduced their spending from income the most, to the lowest level in the four years of results on non-borrowed sources. Low-income families maintained last year’s increase in parent income contributions.

This year, parent contributions from savings have decreased to \$1,930, from \$2,482 in 2011. While a similar number of parents used college savings plans as in previous years, the average contribution from this source is down to an average of \$820, from \$1,481 in 2011. This suggests that the availability of parents’ savings has diminished.

Parent borrowing rose to an average of \$1,832 in 2012, a 9 percent share of the total amount spent for college, after dipping in 2011 to \$1,573 (7% of the total) from a high of \$2,261 in 2010 (10% of the total). In particular, middle- and high-income parents relied more on Federal PLUS loans, which contributed an average of \$978 and \$1,073 respectively in 2012, up from \$636 and \$628 respectively in 2011.

Parent contributions from borrowing made up 4 percent of the total amount low-income families spent on college, significantly smaller than middle- and high-income parents’ shares from borrowing, at 11 percent and 10 percent respectively. Low-income parents contributed less from borrowed sources in 2012 than in 2011, down to \$765 from \$1,272.

FIGURE 5 — HOW THE TYPICAL LOW-INCOME FAMILY PAYS FOR COLLEGE, YEAR-OVER-YEAR

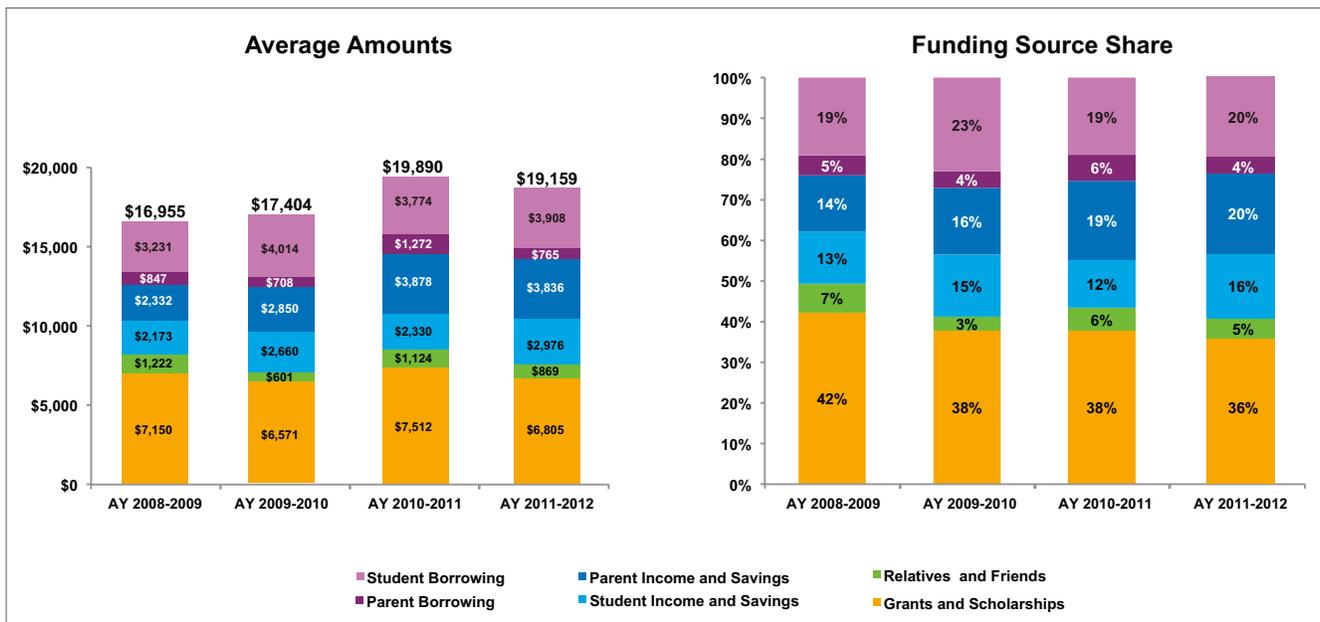


FIGURE 6 — HOW THE TYPICAL MIDDLE-INCOME FAMILY PAYS FOR COLLEGE, YEAR-OVER-YEAR

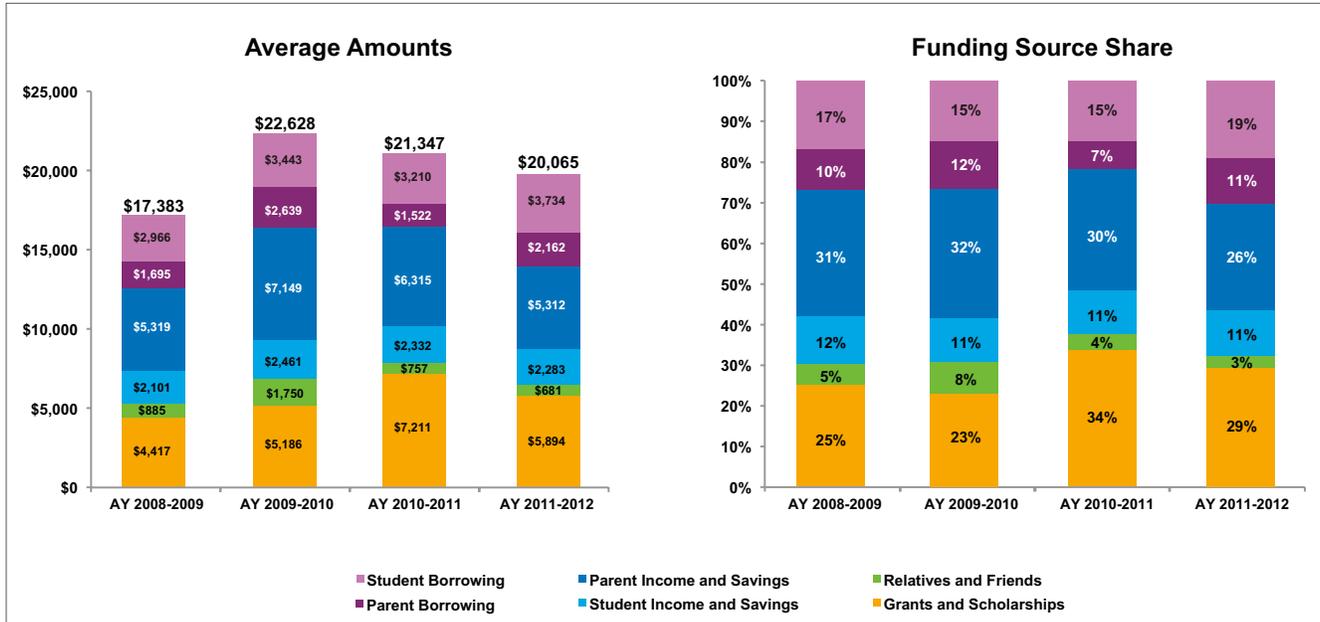
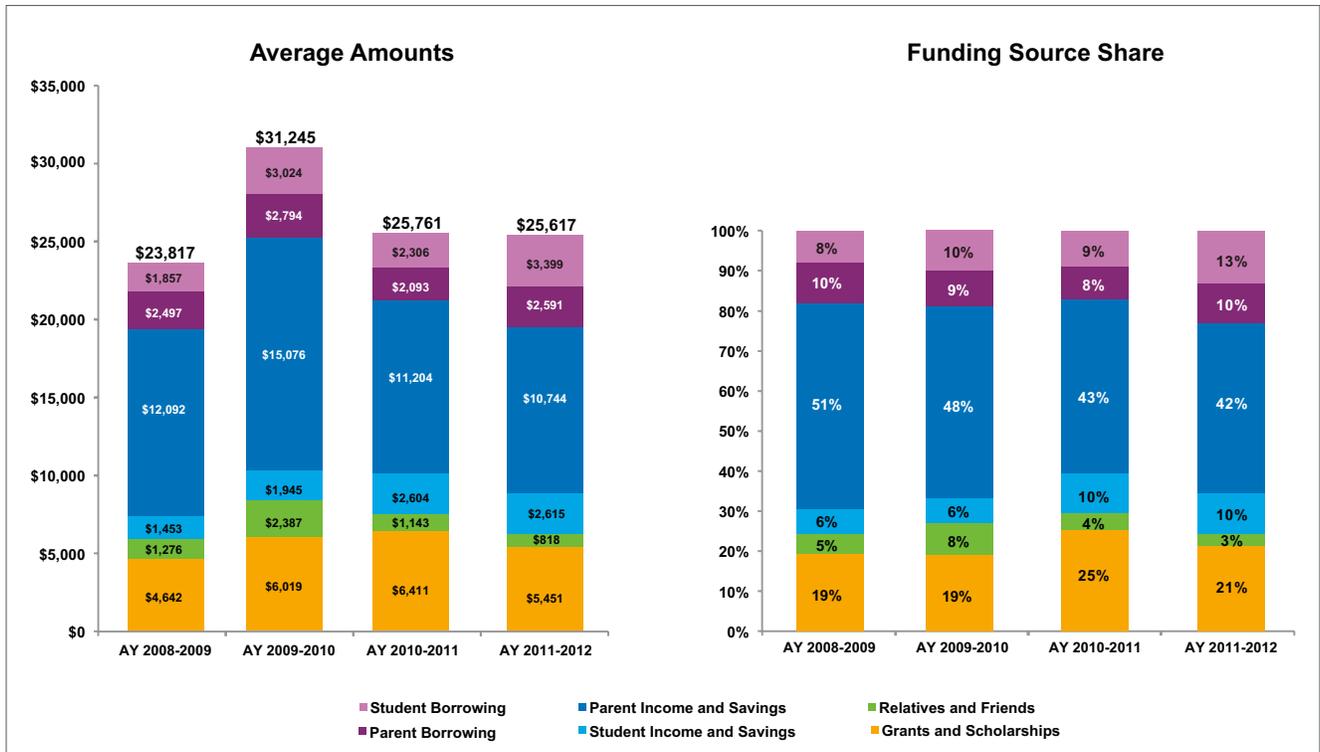


FIGURE 7 — HOW THE TYPICAL HIGH-INCOME FAMILY PAYS FOR COLLEGE, YEAR-OVER-YEAR



Parents continued to be willing to stretch themselves financially to send their children to college (53% in 2012, compared with 51% in 2011 and 64% in 2010). At the same time, parents were less likely to strongly agree that they would rather borrow to pay for their child’s college education than their child not attend college at all (47% in 2012, compared with 51% in 2011 and 59% in 2010).

More than three quarters of parents agreed with the relative value of a college education, though this is slightly lower than in previous years. In 2012,

77 percent of parents strongly agreed that a college education is an investment in their child’s future, compared with 83 percent in 2011 and 81 percent in 2010. A consistent two-thirds of parents strongly agreed that a degree is more important now than ever (68%). Fewer parents strongly agree (19%) that they would send their child to college for the intellectual and social experience regardless of whether their child earned more money with a college degree.

FIGURE 8 — PARENTS’ ATTITUDES TOWARD COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR

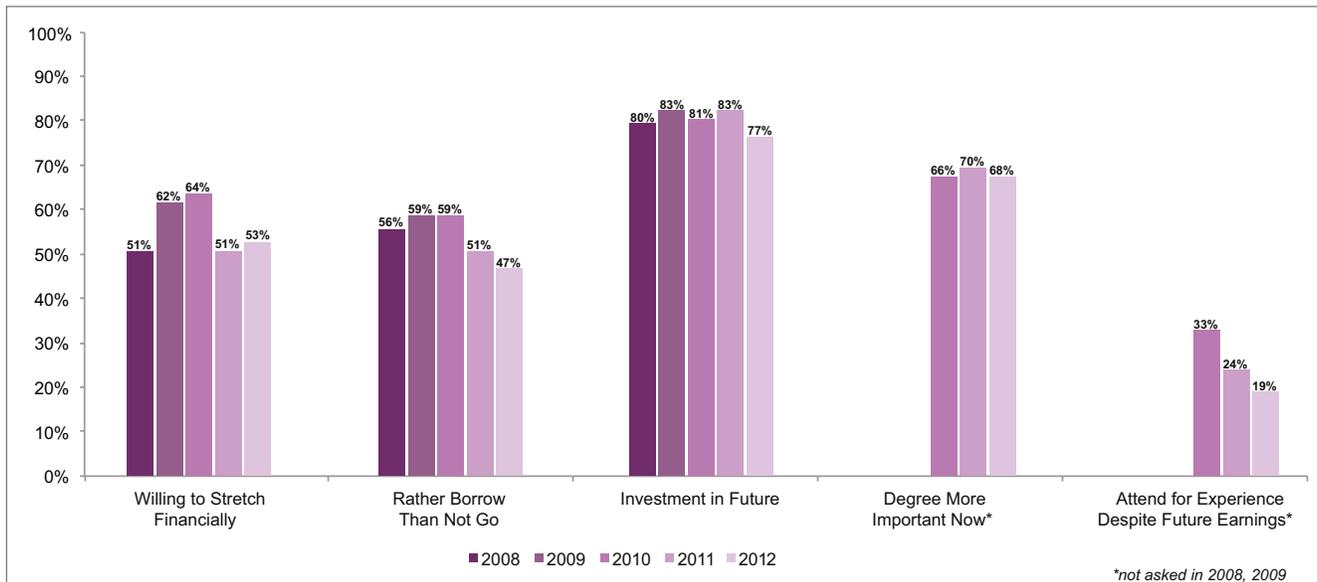
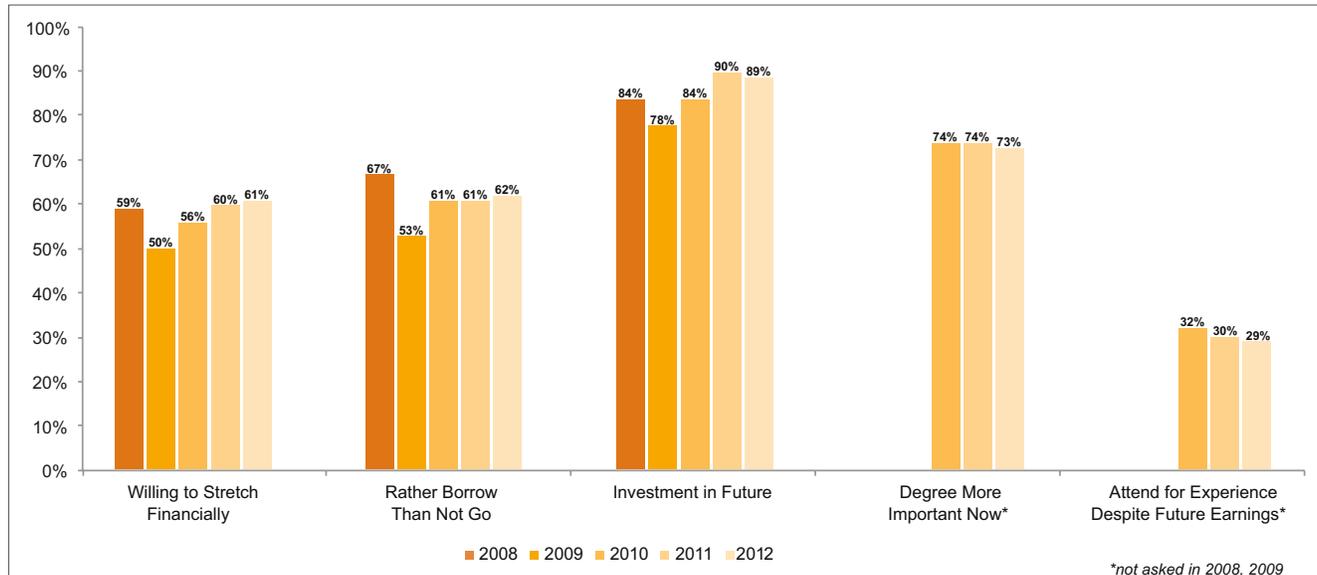


FIGURE 9 — STUDENTS’ ATTITUDES TOWARD COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR



Students' belief in the relative value of college is consistently higher than parents', most notably with 89 percent of students in 2012 strongly agreeing college is an investment in their future and 62 percent strongly agreeing they would rather borrow to attend college than not be able to go at all. The number of students willing to stretch themselves financially to pay for college is at its highest level in five years, and is reflected in the findings that students financed more of the cost of their education than in any previous year, contributing 30 percent of the cost from their own income, savings, and borrowing, up from roughly one-fourth over the last three years.

Both parents and students continued to rate career and income benefits more strongly than idealistic beliefs as reasons for attending college, perhaps a reflection of today's economy. Seven out of ten parents (71%) and students (70%) agreed that a college education is needed for the student's future desired occupation. Slightly more students (73%) than parents (65%) believe that the student will earn more money with a college degree. Less than half of parents (46%) and two in five students (40%) cite fulfilling the American Dream as a reason for attending college. Students (43%) are more likely than parents (36%) to say that they are attending college because it is expected in their family.

FIGURE 10 — PARENTS' REASONS FOR ATTENDING COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR

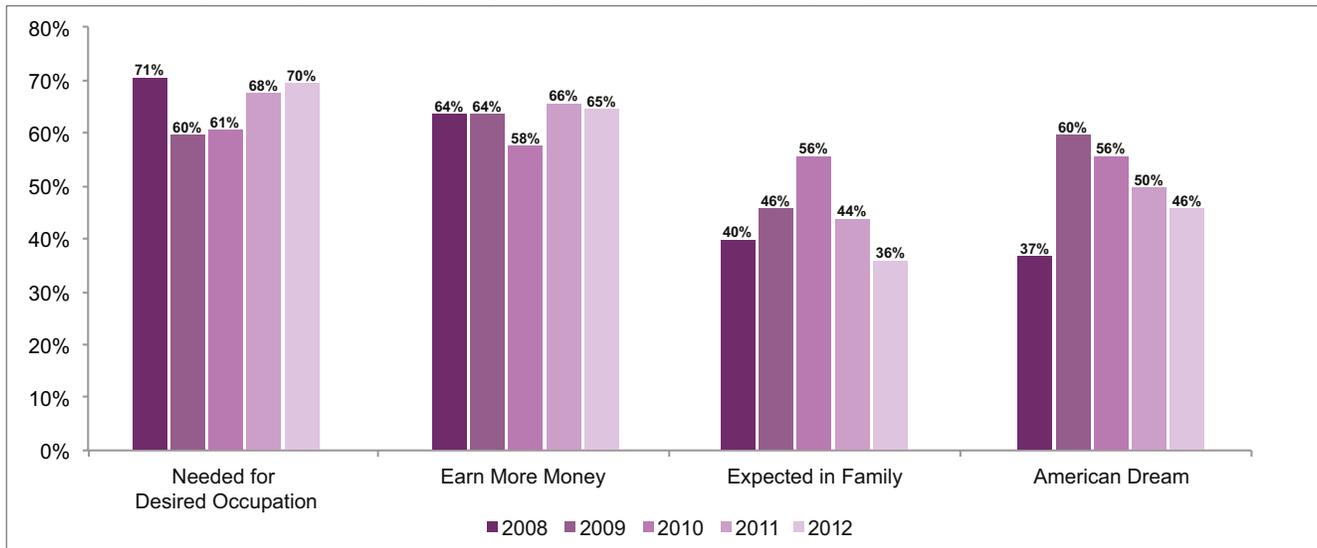
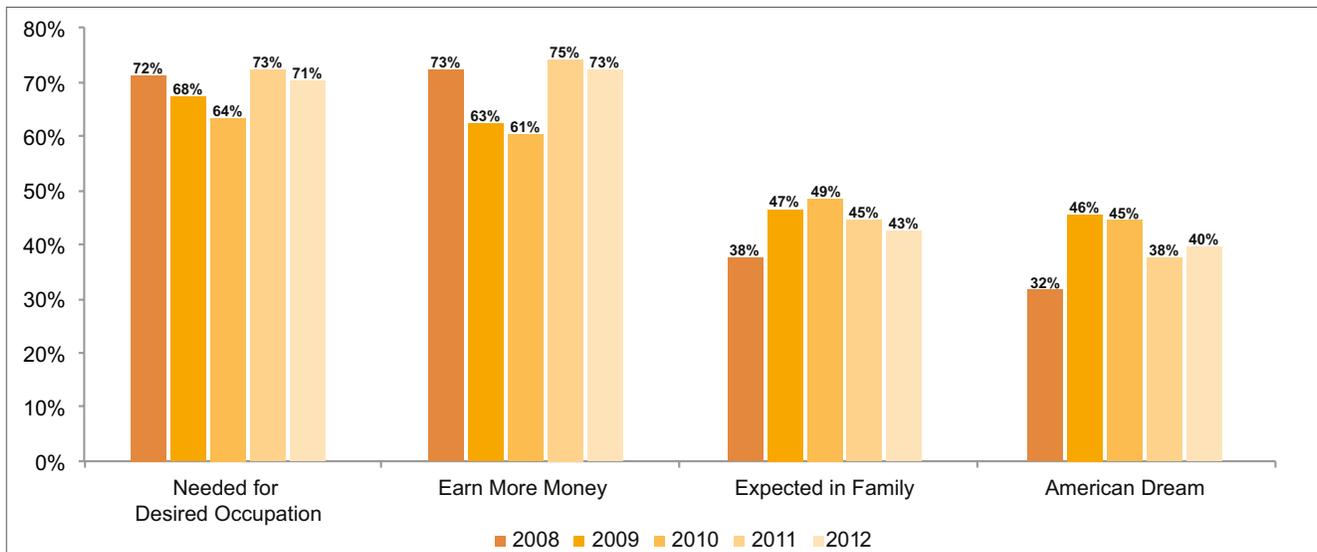


FIGURE 11 — STUDENTS' REASONS FOR ATTENDING COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR

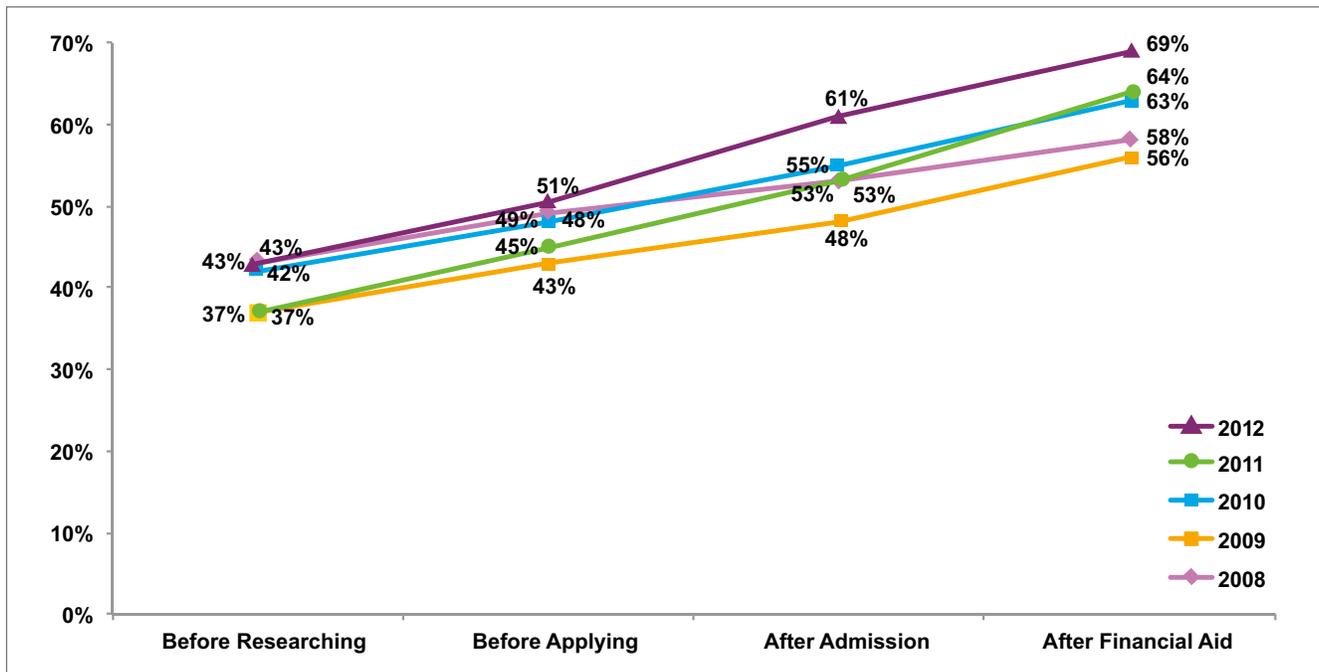


FAMILIES TAKING MORE MEASURES TO REDUCE THE COST OF COLLEGE

In 2009 and 2010, the study found that families — most of whom made college choices prior to the onset of the recession — dug deeper from a variety of sources to pay for college for their children, despite those costs increasing substantially year-over-year. In 2011, and again in 2012, families’ behavior and attitudes appear to reflect an increased cost-consciousness and shift toward seeking greater economic value from their college choices.

In 2012, families maintained the shift toward lower-cost two-year public schools that emerged in the 2011 responses. Twenty-nine percent attend two-year public schools and 45 percent attend four-year public schools (compared with 2010’s 23% and 52% respectively). Private school enrollment has remained consistent over five years with 23 percent attending four-year private schools, and 2 percent attending two-year private schools.

FIGURE 12 — CUMULATIVE ELIMINATION OF COLLEGES BASED ON COST, YEAR-OVER-YEAR

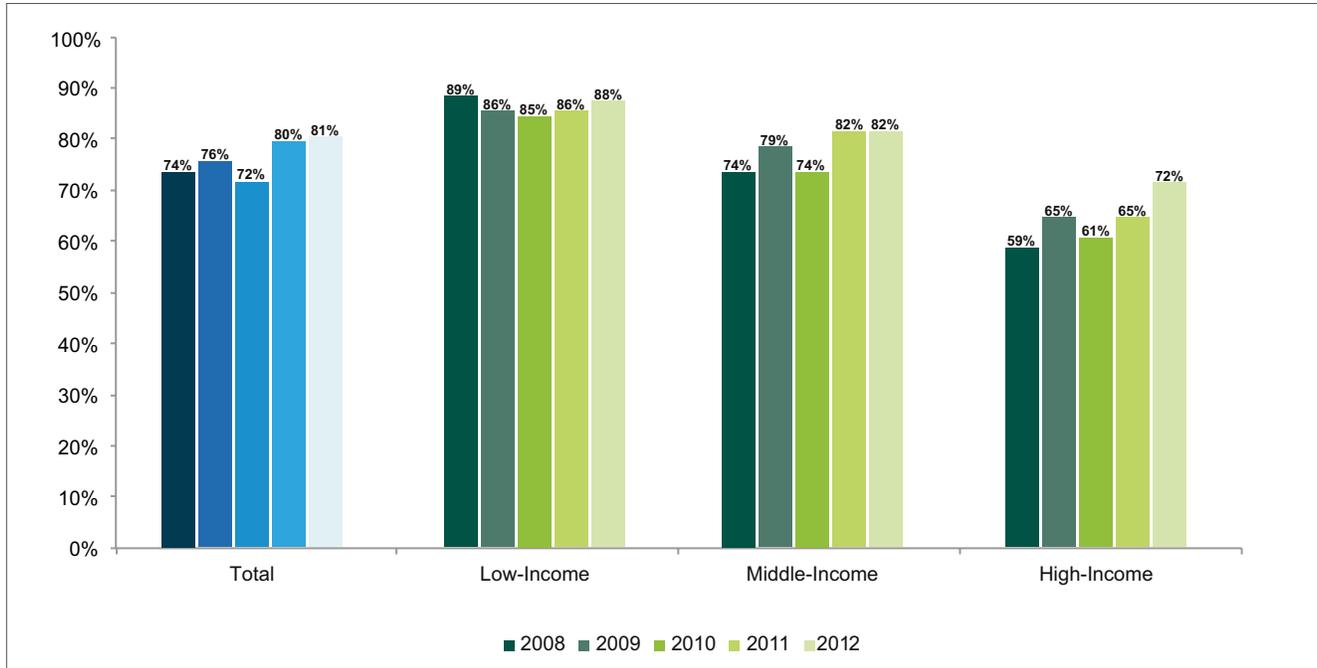


More families narrowed college choices for financial reasons at some point in the college selection process. In 2012, 69 percent of families eliminated colleges based on cost, up from the previous high of 64 percent in 2011. Eliminating colleges based on cost was more pervasive in low-income families, with 75 percent doing so at some stage, including half eliminating colleges prior to researching them.

Virtually all families took cost-saving measures: 97 percent in 2012 compared with 94 percent in 2011. Ninety percent took two or more cost-saving measures in 2012, up from 82 percent in 2011.

The most common cost-saving measures include living at home (51% in 2012 compared with 44% in 2011 and 43% in 2010) or adding a roommate (55% in 2012), reducing spending by parents (50% in 2012), reducing spending by students (66% in 2012), students working more hours (50% in 2012), and families taking income tax credits or deductions (45% in 2012). The figures for those living at home are particularly striking, with this increase seen most strongly in high-income groups, at 47 percent in 2012, compared with 37 percent in 2011 and 24 percent in 2010.

FIGURE 13 — PERCENT OF FAMILIES FILING THE FAFSA, BY INCOME, YEAR-OVER-YEAR



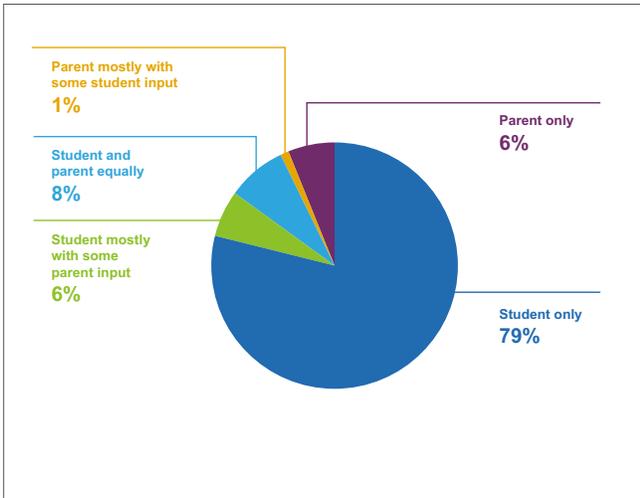
A large proportion of families (81%) continued to seek federal financial aid by completing the Free Application for Federal Student Aid (FAFSA). Low-income families (88%) and families where the student attends a four-year private college (89%) were more likely to file a FAFSA than other families. Reasons for not filing the FAFSA are similar to previous years. The most common

reasons include the family didn't need financial aid (30%) and families wouldn't qualify for aid (27%). Thirteen percent of families say they were not aware of the FAFSA. Few families said they didn't file due to the difficulty of completing the form, though almost one-fifth of families who did file the FAFSA said they found it challenging to complete.

FAMILIES ARE COLLECTIVELY RESPONSIBLE FOR MEETING THE COSTS OF THEIR COLLEGE CHOICES

This year, the *How America Pays for College* study explores more deeply how families make decisions about college selection and finances.

FIGURE 14 — COLLEGE SELECTION DECISION MAKER

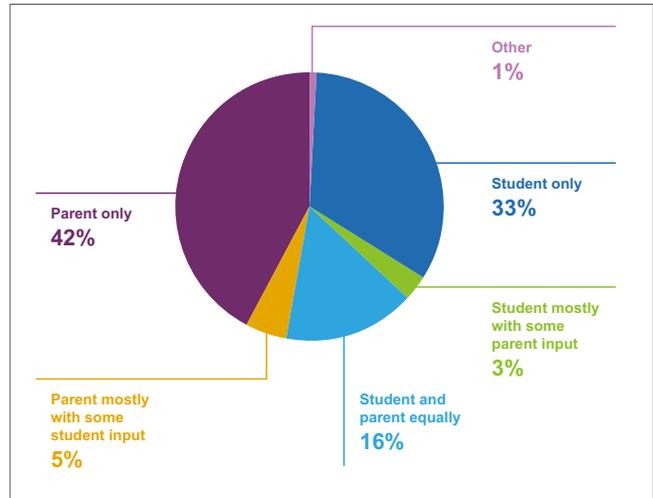


Only 15 percent of parents and students collaborated in the decision about which college to attend. The majority reported either the student (79%) or the parents (6%) acted as the sole decision maker when choosing a college. Seventy-seven percent of students reported that the family eliminated colleges during the selection process compared with just 60 percent of parents, a particularly notable difference given students’ role as decision maker in choosing the college.

Students have more influence over the choice of college than they do over the decision about how to pay for college. On decisions about how to pay for college, 16 percent say that parents and students were equally responsible and another 8 percent say there was some shared responsibility, 42 percent indicated that parents were solely responsible, and 33 percent indicated that students were solely responsible.

Parents who contributed income, savings, or borrowed funds to pay for college were more likely to say they were solely responsible for deciding how to pay (55%) while parents who contributed nothing were more likely to say that the student was solely responsible (61%). Similarly, 39 percent of students who directly

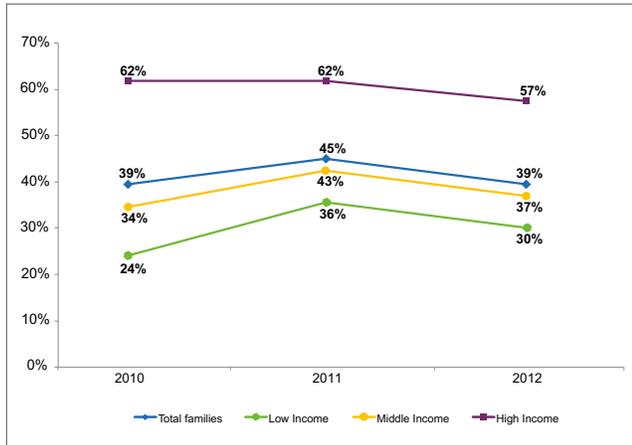
FIGURE 15 — PAYING FOR COLLEGE DECISION MAKER



contributed to their own education say they were solely responsible for deciding how to pay while 58 percent of those who contributed nothing say their parents were solely responsible.

Decision-making about how to pay for college differs significantly by income group, with high-income parents playing a greater role than low-income parents. Sixty percent of high-income parents made the decisions about how to pay for college compared with 33 percent of low-income parents. This difference could be linked to the amount parents in these income groups are contributing to the cost of college — high-income parents’ income and savings made up, on average, 42 percent of the total amount paid for college compared with low-income parents whose income and savings made up just 20 percent. Furthermore, parents in low-income families are more likely not to have attended college themselves (64% of low-income parents did not attend college compared with 29% in high-income families). These factors may help explain why low-income parents are more likely to leave decisions about their child’s college education to the child.

FIGURE 16 — FAMILY HAD A PLAN FOR PAYING FOR ALL YEARS OF COLLEGE, BY INCOME, YEAR-OVER-YEAR



Another factor that related to parent involvement in decision-making is whether a family had a plan to pay for college. Thirty-nine percent of families agreed they had a plan to pay for all years of college before the student enrolled, but there are significant differences between income groups. Fifty-seven percent of high-income families said they had a plan, compared with 37 percent of middle-income and 30 percent of low-income families.

Families with a plan to pay for college are less likely to borrow. Among families who did not borrow, 43 percent of families said they had a plan to pay for it while 33 percent of families who borrowed had a plan. Even among borrowing families, those who have a plan to pay the full cost of college prior to enrollment borrow significantly less than families who do not plan at all for paying for college — on average \$2,892 compared with \$5,551, a 48 percent difference.

Deciding how to pay does not mean taking on full responsibility for paying. Three-quarters of respondents (78% of students and 73% of parents) agreed that parents and students should share responsibility

for paying for college. In most families, parents and students did share the responsibility: in 2012, parent income, savings, and borrowing covered 37 percent of total college costs, and student income, savings, and borrowing paid for 30 percent of total costs.

Shared responsibility in many families extends to the repayment of money borrowed by parents and students. Eighty-two percent of families say that the student and parent will be jointly responsible for money borrowed by the parent, and 39 percent of families say the student and parent will be jointly responsible for money borrowed by the student.

Despite perceived shared responsibility for choosing and paying, the data also shows that parents and students have differing perceptions on a number of topics related to responsibility and decision-making. Both parents and students each believe that they themselves have more responsibility than the other party when it comes to making decisions about college. This is particularly the case as it relates to deciding how to pay for college — 46 percent of students believe that they make all of the decisions when it comes to deciding how to pay for college, whereas only 18 percent of parents feel that students hold the decision-making power.

The subject of student loan repayment is another example of the differing perceptions of parents and students. Seventy-four percent of students say that they are solely responsible for the repayment of the loans taken out in their name, whereas just 41 percent of parents state that they expect their child to repay their student loans completely on their own.

4: THE ROLE OF VARIOUS FUNDING SOURCES



The summary report presents an analysis of how the typical American family pays for college. Average amounts cited for each funding source (and detailed in tables 11a-d and 12a-d) in the discussion of findings are a composite representation created by aggregating the information reported by respondents and applying it across all families, including those who did not use the specific source.

Tables 1a and 1b show the proportion of families who are users of each source, and the average dollar amounts paid toward the cost of college from those sources among those families.

Table 1a — The Role of Various Non-borrowed Funding Sources Used to Pay for College								
Frequency of Sources and Average Amounts Used								
	2012		2011		2010		2009	
	% of Total Families	Average Amount**						
Non-borrowed Sources								
Parent Income and Savings	58%		66%		64%		59%	
Parent Current Income	52%	\$7,700	58%	\$6,396	57%	\$7,958	55%	\$7,175
College Savings Plan (529)	11%	\$6,616	14%	\$9,729	15%	\$10,077	11%	\$7,312
Retirement Savings Withdrawal	5%	\$6,542	4%	\$4,102	6%	\$8,554	3%	\$5,318
Other Parent Savings or Investments	9%	\$6,391	13%	\$5,439	14%	\$9,937	14%	\$7,776
Student Income and Savings	50%		50%		45%		42%	
Student Current Income	35%	\$3,702	32%	\$2,946	32%	\$3,430	25%	\$3,791
Student Savings	27%	\$2,746	24%	\$2,593	22%	\$3,329	26%	\$2,369
Federal Work-Study	5%	\$2,405	11%	\$1,712	8%	\$2,431	5%	\$1,893
Other Student Savings or Investments	7%	\$3,073	8%	\$3,871	3%	\$2,819	2%	\$5,749
Grants and Scholarships	61%		67%		55%		51%	
Scholarships	35%	\$7,673	45%	\$7,677	43%	\$7,819	40%	\$6,907
Grants	45%	\$7,226	46%	\$6,184	30%	\$6,124	30%	\$5,109
Relatives or Friends	16%	\$4,169	19%	\$4,328	16%	\$9,243	17%	\$5,496

Almost three-fifths of families (58%) relied on parent income and savings to pay for college in the 2011-2012 academic year. This is significantly lower than in the two prior years of this study — 66 percent in 2011 and 64 percent in 2010 — and even lower than the 59 percent reported in 2009. This decline appears to be entirely from a reduction in the number of families using parent income, which at 52 percent is the lowest rate in the last four years of the study. Parents also decreased the average amount used from dedicated

college savings funds by 32 percent (from \$9,729 in 2011 to \$6,616 in 2012), although they increased the average amount withdrawn from retirement account savings by 59 percent (from \$4,102 to \$6,542).

Among the families that used parent income to contribute to the cost of college in the 2011-2012 academic year, the average value of the contribution was 20 percent higher than that reported the prior year (from \$6,396 in 2011 to \$7,700 in 2012).

As in 2011, parents in 13 percent of families borrowed funds to pay for their child’s college education from a range of sources. While many fewer parents borrow to pay for college than those who draw on savings and income, the amounts borrowed — particularly through PLUS, home equity, and “other” loans — are substantial. After a decline in the value of borrowing from these sources in 2011, average amounts of PLUS Loans (\$10,464), home equity loans (\$12,557) and “other” parent loans (\$9,227) are back to their 2008 levels.

The average amounts borrowed in 2012 by parents from private education loans (\$7,294) and charged to parent credit cards (\$4,911) did not change from last year. The average value of borrowing from retirement account savings (\$4,357) has increased since 2011 (\$2,779) but is not as high as in 2010 (\$6,901). While the proportion of families dipping into retirement account savings has remained the same since the 2011 survey, the average combined amounts used via withdrawal or borrowing has increased by 50 percent to \$6,478 in 2012 from \$4,315 in 2011.

Table 1b — The Role of Various Borrowed Funding Sources Used to Pay for College

	Frequency of Sources and Average Amounts Used									
	2012		2011		2010		2009		2008	
	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**
Borrowed Sources										
Parent Borrowing	13%		13%		18%		15%		16%	
Federal PLUS Loans	8%	\$10,464	8%	\$6,787	7%	\$9,153	8%	\$7,664	6%	\$10,701
Private Education Loan	3%	\$7,294	4%	\$6,686	4%	\$10,977	5%	\$8,401	4%	\$6,910
Home Equity Loan or HELOC	2%	\$12,557	3%	\$8,676	4%	\$11,204	3%	\$8,028	3%	\$10,853
Parent Credit Cards	4%	\$4,911	3%	\$4,764	6%	\$4,943	5%	\$3,886	3%	\$5,822
Retirement Account Loan	2%	\$4,357	1%	\$2,779	3%	\$6,901	1%	\$5,471	1%	\$6,299
Parent Other Loans	3%	\$9,227	4%	\$6,580	2%	\$8,529	3%	\$5,762	5%	\$9,894
Student Borrowing	36%		34%		36%		29%		39%	
Federal Student Loans	34%	\$7,874	30%	\$6,983	28%	\$5,807	25%	\$5,327	28%	\$5,075
Private Education Loan	10%	\$8,096	9%	\$6,358	13%	\$8,584	12%	\$7,516	8%	\$7,694
Student Credit Cards	3%	\$2,169	5%	\$1,357	5%	\$2,021	5%	\$2,812	3%	\$2,542
Student Other Loans	3%	\$6,011	4%	\$5,437	4%	\$9,360	2%	\$5,819	8%	\$7,922

The overall use of grants and scholarships declined in the 2011-2012 academic year, to 61 percent compared with 67 percent in 2010-2011. It remains the most used funding source for the second year in a row, however, even ahead of parent personal contributions, the most-used source for the first three years of this study. The decline in grant and scholarship usage is most likely attributable to a decline in use of scholarships, which plunged from a high of 45 percent in 2011 to 35 percent in 2012. Grant usage, at 45 percent, maintained the high reached in 2011. Average scholarship amounts (\$7,673) and grant amounts (\$7,226) remained the same in 2012 as in 2011.

For the first time, the study asked respondents to identify the type of scholarship(s) they received:

- **73% reported receiving a scholarship directly from the college, at an average amount of \$5,645.**
- **27% reported receiving a scholarship from a community group or nonprofit organization, at an average amount of \$568.**
- **26% reported receiving a scholarship awarded by their state government, at an average amount of \$592.**

Contributions from relatives and friends did not change from last year. Sixteen percent of families relied on this source of funding at an average amount of \$4,169.

Similar to 2011, 50 percent of students contributed towards the cost of college from their own income and savings. Fewer students participated in Federal Work-Study programs in the 2011-2012 academic year — 5 percent compared with 11 percent in 2010-2011 and 8 percent in the 2009-2010 academic year. Students contributed substantial amounts from their earnings in 2012, both from current income (\$3,702) and from Work-Study (\$2,405). The average amount contributed from student savings was similar to last year at \$2,746.

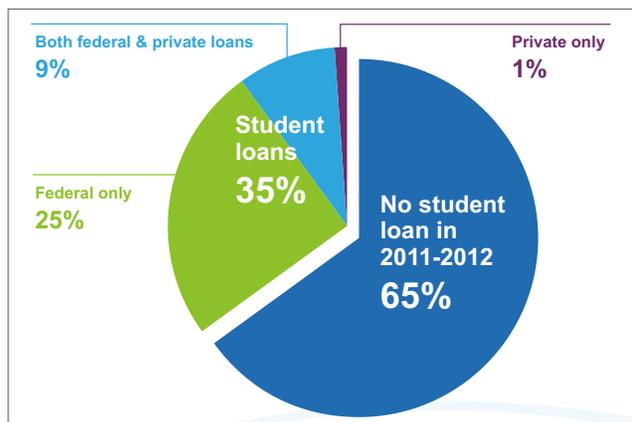
Almost three times as many students (36%) as parents (13%) borrowed to help pay for college in 2012. While the proportion of students who borrowed did not differ this year from the previous year, the average amounts borrowed increased. In 34 percent of families, students borrowed an average of \$7,874 through the federal student loan program, up 13 percent from the average amount of \$6,983 in 2011. Ten percent of students borrowed an average of \$8,096 through private education loans, similar to the amount borrowed in 2010, after a dip to \$6,358 in 2011. The average amount charged to student credit cards, \$2,169, is also back up to a similar amount charged in 2010, after a decline to \$1,357 in 2011.

5: STUDENTS WHO BORROW PRIVATE EDUCATION LOANS



Private education loans continue to fund a small but important share of college costs. In academic year 2011-2012, private education loans paid 4 percent of the cost of undergraduate education. Yet, nine out of 10 students did not use private education loans. For nearly all who did, private education loans supplemented federal borrowing to help families pay for the higher cost college of their choice.

FIGURE 17 — STUDENT LOAN BORROWING BY LOAN TYPE



Last year, 65 percent of families paid for college without a student loan – federal or private. Twenty-five percent of all students borrowed only federal loans. Nine percent of students used both federal and private education loans and 1 percent borrowed a private education loan but no federal loan. The high usage of federal loans among students with private education loans reflects their nearly universal use of the FAFSA—98 percent of private education loan borrowers completed the FAFSA last year.

Students attending four-year colleges are more likely than those at two-year schools to use private education loans. Less than 5 percent of students at two-year schools used private education loans, compared to 11 percent of students at four-year public schools and 16 percent of students at four-year private colleges.

Private education loans appear to help families pay for higher-cost colleges. Families who used private education loans spent \$29,940 on average for college in 2011-2012, compared to \$19,650 by those who did not use private loans.

Within college type, families who use private education loans spend comparable amounts for college as families whose students borrow only federal loans. However, families with students who borrow any education loan paid significantly more for college than families with students who did not borrow.

- For those attending four-year private schools, private education loan borrowers spent \$37,726, compared to the \$36,551 spent by those who borrowed only federal loans, and \$30,801 spent by those who did not borrow student loans.
- Similarly, at four-year public schools, private education loan borrowers spent \$22,943, compared to the \$22,418 spent by those who borrowed only federal loans, and \$18,760 spent by those who did not borrow any student loans.

Of the 10 percent of students who used private education loans in academic year 2011-2012, half borrowed less than \$5,000. Most (57%) of the students who borrowed more than \$5,000 in private education loans attended a four-year private college. Of students attending four-year private colleges, 4 percent borrowed less than \$5,000 in private loans and 12 percent borrowed more than \$5,000, while 84 percent did not use private loans. Of students attending four-year public colleges, 7 percent borrowed less than \$5,000 in private loans and 3 percent borrowed more than \$5,000, while 89 percent did not use private loans.

FIGURE 18 — STUDENT PRIVATE EDUCATION LOAN BORROWING BY SCHOOL TYPE

Four-Year Colleges	No Private Education Loan	Borrowed < \$5,000 in Private Loans	Borrowed > \$5,000 in Private Loans	Average Amount Spent on College
Public	89%	7%	3%	\$20,518
Private	84%	4%	12%	\$34,532

In meeting higher college costs, families in which students have private education loans are more likely to find ways to make the college of their choice more affordable. They are more likely to agree that they would rather borrow to attend college than not go at all (91% compared with 82%). Yet, they are conscious about finding alternate sources of funding and ways to make college more affordable.

- Ninety-eight percent of private education loan borrowers completed the FAFSA last year, compared to 81 percent overall.
- Seventy-eight percent of private education loan borrowers eliminated colleges due to cost at some point during the school selection process, compared to 69 percent overall.
- To make college more affordable, private education loan borrowers increased their work hours or earnings more than other students (63% compared with 50%).

- Private education loan borrowers reduced personal spending by cutting back on vacations and entertainment at a higher rate than other students (82% compared with 66%).
- Private student loan borrowers were more likely to file for education tax credits or student loan interest tax deductions (65% compared with 45%).

Private education loan borrowers are equally likely to own credit cards as other students but less likely to carry a balance. Among students who have both a private education loan and a credit card, 46 percent reported a zero balance on the card, compared to 33 percent overall. These students reported a lower average balance of \$480 compared to the overall average balance reported of \$755.



6: COLLEGE STUDENTS AND CREDIT CARDS

How much do families rely on credit cards to pay for college? How many students have credit cards? What is the effect of the Card Act of 2009, which restricted the marketing and issuing of credit cards to college students? This year's *How America Pays for College* provides considerable insight into these questions.

CREDIT CARDS AND PAYING FOR COLLEGE

With five years of research into how families meet the costs of college, *How America Pays for College* has consistently shown that families pay for very little of them with credit cards.

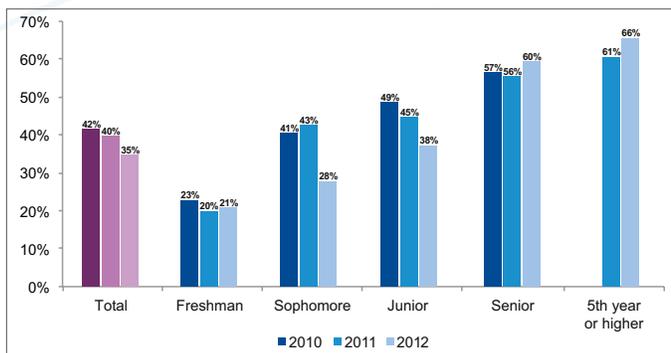
- Student credit cards paid less than one-half of one percent of the typical family's college costs. Parents' credit cards paid only one percent.
- This doesn't mean that credit cards were not used at all to pay the college bills. A small proportion of

students (3%) used credit cards to pay an average of \$2,169 of their college costs. These findings have remained relatively consistent over the five years of this study, even when families stretched to meet higher costs two years ago.

- A similarly small proportion (4%) of parents use credit cards to pay college bills. When these parents do use credit cards, the amount can be significant, an average of \$4,911 last year.

STUDENTS AND CREDIT CARDS

FIGURE 19 — CREDIT CARD USAGE BY GRADE LEVEL, YEAR-OVER-YEAR



While few students use credit cards to pay for college, many more do use credit cards for everyday purchases. However, the percent of students with credit cards has dropped two years in a row.

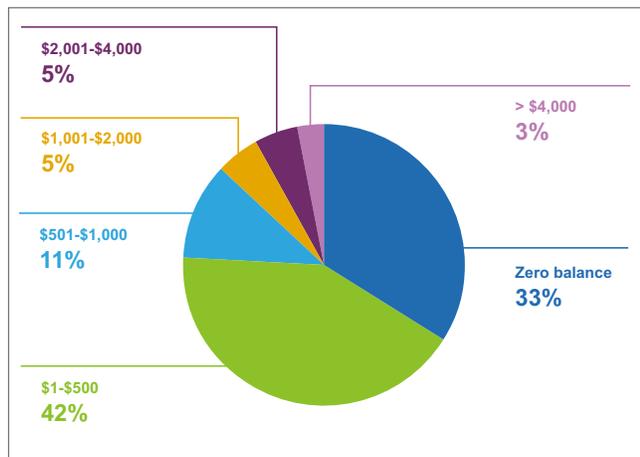
- Thirty-five percent of students owned a credit card this year, down from 42 percent in 2010, the first year this study asked about credit cards.
- Over three-quarters of students with credit cards have them in their own name, a similar percent as last year.
- Freshmen are least likely to carry a credit card, with 21 percent of freshmen owning a credit card in 2012, compared with 60 percent of seniors. The percent of freshmen having credit cards has been constant over the last three years.

- The largest drop in ownership was among sophomores and, to a somewhat lesser extent, juniors. In the prior two years, sophomores doubled the freshmen rate of credit card ownership. In 2012, they adopted them at a much slower pace with only 28 percent having a card in 2012. Junior year students owning credit cards dropped to 38 percent ownership this year, down from almost half of all juniors in 2010.

- Credit card ownership is much higher among students from high-income families (53%, compared with just 29% and 31% respectively among low- and middle-income students). While ownership among students from high- and low-income families was the same as the prior year, possession of credit cards among students from middle-income families dropped significantly in one year, from 42% in 2011 to 31% this year.

STUDENT CREDIT CARDS AND OUTSTANDING BALANCES

FIGURE 20 — AVERAGE OUTSTANDING CREDIT CARD BALANCES



Most students keep the balances on their credit cards low.

- One-third of student credit cards have zero balances. Another 41 percent of families report student card balances of less than \$500. Only 3 percent carry a balance greater than \$4,000.

- The average outstanding credit card balance reported was \$755. Because of the high proportion of students with low balances, the median outstanding balance was \$196 (that is, the mid-point where half had less than \$196 on their credit card and half had more).
- The average outstanding credit card balance among seniors is \$515, compared with \$642 among freshmen. However, the median debt among freshmen is \$97 while among juniors and seniors the median is \$198 and \$167 respectively.

Despite greater ownership rates, high-income students have lower credit card balances on average — \$521 compared with \$755 in the general student population. This is probably due to parents contributing more toward the payment of credit card debt in high-income families — 40 percent of parents pay at least some of their students’ monthly credit card bill, compared with 12 percent of low-income parents and 18 percent of middle-income parents.

STUDENTS AND DEBIT CARDS

Compared with credit cards, debit card ownership is much more prevalent among college students. More than twice as many students (80%) carry debit cards than carry credit cards. Most students who own a credit card also own a debit card (91%), and 32 percent of students own both a debit and credit card. Seventeen percent of college students carry no cards.

Unlike the credit card trend, the rate of debit card ownership is equivalent to 2011. In 2011, 82 percent of students reported carrying debit cards, and 90 percent of credit card holders also carried a debit card.

7: DATA TABLES



The following section lists the questions as worded in the 2012 survey and the summary responses by various population segments.

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

- Q.** Of the total [named dollar amount] cost of attendance, how much money did you (student)/your child use to pay for college this year from each of the following sources? Your best estimate is fine.
- Grants (Federal, state or school based)
 - Scholarships (received from the school or outside organizations or businesses or state programs)

	N	% of Total Families	Average Amount**
Grants	1601	45%	\$7,226
Income			
<\$35k	475	64%	\$7,088
\$35-\$100k	806	44%	\$7,046
\$100k+	319	21%	\$8,700
Race/Ethnicity			
White	1147	44%	\$7,261
Black	228	65%	\$7,000
Hispanic	259	48%	\$7,478
Borrowing Status			
Borrowed	705	51%	\$7,624
Did Not Borrow	896	40%	\$6,834
Grade Level			
Freshman	447	42%	\$6,598
Sophomore	499	45%	\$8,176
Junior	317	51%	\$7,433
Senior	248	46%	\$6,293
5th Year +	64*	35%	\$6,230
Type of School			
4-Year State College/University	720	41%	\$6,491
4-Year Private College/University	364	59%	\$10,853
2-Year Public/Community College	466	40%	\$4,678

	N	% of Total Families	Average Amount**
Scholarships	1601	35%	\$7,673
Income			
<\$35k	475	34%	\$6,582
\$35-\$100k	806	36%	\$7,428
\$100k+	319	33%	\$9,981
Race/Ethnicity			
White	1147	38%	\$7,722
Black	228	26%	\$8,397
Hispanic	259	27%	\$6,328
Borrowing Status			
Borrowed	705	40%	\$7,301
Did Not Borrow	896	30%	\$8,050
Grade Level			
Freshman	447	37%	\$6,533
Sophomore	499	28%	\$8,160
Junior	317	41%	\$8,250
Senior	248	36%	\$7,978
5th Year +	64	28%	\$9,538
Type of School			
4-Year State College/University	720	35%	\$5,785
4-Year Private College/University	364	55%	\$12,274
2-Year Public/Community College	466	16%	\$2,109

*Small sample size

**Among those who used each source

- Q.** You told us that you/your child received [\$ amount] in scholarships to pay for college this year. How much of this amount was:
- a. Awarded by the state/government
 - b. Awarded by the college
 - c. Awarded by a community or nonprofit organization?

Table 3 – Scholarship Source

	N	% State	% College	% Nonprofit
	558	26%	73%	27%
Income				
<\$35k	164	26%	72%	29%
\$35-\$100k	287	27%	73%	26%
\$100k+	108	25%	75%	24%
Race/Ethnicity				
White	429	24%	75%	26%
Black	69*	42%	59%	32%
Hispanic	81*	18%	61%	25%
Borrowing Status				
Borrowed	281	25%	80%	28%
Did Not Borrow	277	27%	66%	25%
Grade Level				
Freshman	171	18%	59%	33%
Sophomore	138	29%	79%	22%
Junior	132	30%	81%	20%
Senior	90*	33%	84%	29%
5th Year +	17*			
Type of School				
4-Year State College/University	201	27%	71%	34%
4-Year Private College/University	246	27%	83%	20%
2-Year Public/Community College	87*	18%	52%	24%

Base: Parents and college students in families that reported using scholarships
 *Small sample size

- Q.** Of the total [named dollar amount] cost of attendance, how much money did you (student)/ your child use to pay for college this year from each of the following sources? Your best estimate is fine.
- a. Federal Work-study
 - b. Your/your child’s savings
 - c. Your/your child’s current income
 - d. Other student savings or investments

Table 4 – Use of Student Income & Savings

	N	% of Total Families
Student Personal Contributions	1601	50%
Income		
<\$35k	475	59%
\$35-\$100k	806	47%
\$100k+	319	45%
Race/Ethnicity		
White	1147	53%
Black	228	43%
Hispanic	259	49%
Borrowing Status		
Borrowed	705	51%
Did Not Borrow	896	50%
Grade Level		
Freshman	447	48%
Sophomore	499	48%
Junior	317	52%
Senior	248	54%
5th Year +	64	60%
Type of School		
4-Year State College/University	720	52%
4-Year Private College/University	364	46%
2-Year Public/Community College	466	52%

- Q. Of the total [named dollar amount] cost of attendance, how much money did you (parent)/your parents use to pay for college this year from each of the following sources? Your best estimate is fine.
- a. Parent current income
 - b. College savings fund, such as a 529 plan
 - c. Retirement Savings withdrawal (including 401k, Roth IRA, or other IRA)
 - d. Other parent savings or investments

	N	% of Total Families
Parent Personal Contributions	1601	58%
Income		
<\$35k	475	44%
\$35-\$100k	806	61%
\$100k+	319	73%
Race/Ethnicity		
White	1147	60%
Black	228	51%
Hispanic	259	52%
Borrowing Status		
Borrowed	705	53%
Did Not Borrow	896	63%
Grade Level		
Freshman	447	60%
Sophomore	499	60%
Junior	317	60%
Senior	248	50%
5th Year +	64	55%
Type of School		
4-Year State College/University	720	62%
4-Year Private College/University	364	64%
2-Year Public/Community College	466	47%

- Q. When making payments to the college, was a monthly payment plan or other installment payment plan (rather than pay the full amount due at the beginning of each term) used?

	N	% Yes
Parent Personal Contributions	1601	23%
Income		
<\$35k	475	20%
\$35-\$100k	806	27%
\$100k+	319	16%
Race/Ethnicity		
White	1147	20%
Black	228	30%
Hispanic	259	30%
Borrowing Status		
Borrowed	705	31%
Did Not Borrow	896	17%
Grade Level		
Freshman	447	22%
Sophomore	499	23%
Junior	317	27%
Senior	248	20%
5th Year +	64	14%
Type of School		
4-Year State College/University	720	20%
4-Year Private College/University	364	32%
2-Year Public/Community College	466	17%

Q. Of the total [named dollar amount] cost of attendance, how much of your/your child's college funding came from relatives or friends (money that does not have to be repaid)? Your best estimate is fine.

Table 7 — Use of Funds from Relatives & Friends

	N	% of Total Families
Relative & Friend Contributions	1601	18%
Income		
<\$35k	475	23%
\$35-\$100k	806	17%
\$100k+	319	13%
Race/Ethnicity		
White	1147	17%
Black	228	25%
Hispanic	259	17%
Borrowing Status		
Borrowed	705	13%
Did Not Borrow	896	21%
Grade Level		
Freshman	447	20%
Sophomore	499	18%
Junior	317	16%
Senior	248	15%
5th Year +	64	21%
Type of School		
4-Year State College/University	720	18%
4-Year Private College/University	364	14%
2-Year Public/Community College	466	21%

Q. Were any types of loans, or other types of credit or borrowed money used to pay for college this year? Some examples may include student or private loans, home equity, or credit cards.

Q. Who borrowed the money used to pay for college this year?

Table 8 — Who Contributed Borrowed Funds								
	N	Family Borrowed % Yes	N	Student Only %*	Parent Only %*	Both %*	Total Student	Total Parent
Total	1601	44%	704	72%	22%	6%	78%	28%
Income								
<\$35k	475	43%	203	86%	10%	4%	90%	14%
\$35-\$100k	806	47%	378	71%	26%	4%	75%	30%
\$100k+	319	39%	124	55%	28%	16%	71%	44%
Race/Ethnicity								
White	1129	43%	483	77%	17%	6%	83%	23%
Black	224	51%	114	60%	32%	8%	68%	40%
Hispanic	259	40%	104	73%	24%	3%	76%	27%
Grade Level								
Freshman	444	40%	178	74%	24%	3%	77%	27%
Sophomore	487	37%	180	67%	26%	6%	73%	32%
Junior	315	55%	172	79%	14%	7%	86%	21%
Senior	248	55%	137	64%	26%	10%	74%	36%
5th Year +	64	45%	28	94%	6%	0%	94%	6%
Type of School								
4-Year State College/University	720	48%	343	74%	20%	6%	80%	26%
4-Year Private College/University	364	63%	228	68%	25%	7%	75%	32%
2-Year Public/Community College	466	22%	104	75%	18%	7%	82%	25%
Region								
Northeast	240	50%	120	70%	24%	6%	76%	30%
Midwest	376	43%	163	81%	16%	3%	84%	19%
South	527	45%	235	71%	22%	7%	78%	29%
West	436	40%	174	67%	25%	8%	75%	33%

*Categories are mutually exclusive. All are percent of families that borrowed.

- Q.** Of the total [named dollar amount] cost of attendance, how much money did you (parent)/ your parents use to pay for college this year from each of the following borrowed sources? Your best estimate is fine.
- a. Federal Parent PLUS Loan
 - b. Private education loans in your/your parent’s name, not including loans where you/your parent are only a cosigner
 - c. Home equity loan or line of credit
 - d. Credit cards in your/your parent’s name
 - e. Retirement account loan (including 401k, Roth IRA, or other IRA)
 - f. Other loans in your/your parent’s name

- Q.** Of the total [named dollar amount] cost of attendance, how much money did you (student)/ your child use to pay for college this year from each of the following borrowed sources? Your best estimate is fine.
- a. Federal student loans, such as Stafford or Perkins loans, or the Direct Loan Program
 - b. Private education loans in your/your child’s name, including loans where your parent/ you or anyone else is a cosigner
 - c. Credit cards in your/your child’s name
 - d. Other loans in your/your child’s name

Table 9 — Use of Parent Borrowed Funds

	N	% of Total Families *
Parent Borrowing	1601	13%
Income		
<\$35k	475	6%
\$35-\$100k	806	14%
\$100k+	319	18%
Race/Ethnicity		
White	1147	10%
Black	228	20%
Hispanic	259	11%
Grade Level		
Freshman	447	11%
Sophomore	499	12%
Junior	317	12%
Senior	248	20%
Type of School		
4-Year State College/University	720	13%
4-Year Private College/University	364	20%
2-Year Public/Community College	466	6%

*Percent of total families naming amount >\$0

Table 10 — Use of Student Borrowed Funds

	N	% of Total Families *
Student Borrowing	1601	36%
Income		
<\$35k	475	39%
\$35-\$100k	806	36%
\$100k+	319	29%
Race/Ethnicity		
White	1147	37%
Black	228	35%
Hispanic	259	31%
Grade Level		
Freshman	447	31%
Sophomore	499	28%
Junior	317	48%
Senior	248	41%
Type of School		
4-Year State College/University	720	40%
4-Year Private College/University	364	47%
2-Year Public/Community College	466	19%

*Percent of total families naming amount >\$0

Table 11a — Composite of College Funding Sources

Average Value Contributed from Each Source, by Income Level

			Total	Income		
				<\$35k	\$35k - <\$100k	\$100k+
Borrowed	Parents	Federal Parent PLUS Loan	\$816	\$370	\$978	\$1,073
		Private education loans	\$223	\$21	\$267	\$413
		Home equity loan or line of credit	\$229	\$3	\$429	\$64
		Credit cards	\$228	\$84	\$212	\$482
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$81	\$127	\$38	\$120
		Other loans	\$255	\$161	\$238	\$439
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,648	\$2,787	\$2,689	\$2,339
		Private education loans	\$794	\$708	\$789	\$934
		Student credit cards	\$71	\$129	\$37	\$70
		Student other loans	\$206	\$285	\$219	\$56
Non-Borrowed	Parents	Parent current income	\$4,025	\$2,802	\$3,401	\$7,424
		College savings fund, such as a 529 plan	\$820	\$290	\$852	\$1,534
		Other parent savings or investments	\$682	\$339	\$794	\$911
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$429	\$406	\$265	\$875
	Student	Student current income	\$1,317	\$1,286	\$1,270	\$1,480
		Student savings	\$788	\$1,060	\$709	\$580
		Federal Work-study	\$176	\$264	\$144	\$125
		Other student savings or investments	\$275	\$366	\$161	\$430
	Other	Scholarships (received from the school or outside organizations or businesses)	\$2,753	\$2,326	\$2,721	\$3,470
		Grants (Federal, state or school based)	\$3,324	\$4,479	\$3,173	\$1,982
Relatives or friends (money that doesn't have to be repaid)		\$764	\$869	\$681	\$818	
Total Paid			\$20,902	\$19,159	\$20,065	\$25,617

Table 11b — Composite of College Funding Sources

Average Value Contributed from Each Source, by Race/Ethnicity

			Total	Race/Ethnicity		
				White	Black	Hispanic
Borrowed	Parents	Federal Parent PLUS Loan	\$816	\$687	\$1,642	\$634
		Private education loans	\$223	\$178	\$397	\$81
		Home equity loan or line of credit	\$229	\$76	\$304	\$51
		Credit cards	\$228	\$198	\$169	\$150
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$81	\$18	\$50	\$1
		Other loans	\$255	\$201	\$440	\$199
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,648	\$2,653	\$2,776	\$2,414
		Private education loans	\$794	\$892	\$486	\$734
		Student credit cards	\$71	\$58	\$86	\$193
		Student other loans	\$206	\$214	\$94	\$153
Non-Borrowed	Parents	Parent current income	\$4,025	\$3,940	\$3,366	\$4,077
		College savings fund, such as a 529 plan	\$820	\$912	\$460	\$303
		Other parent savings or investments	\$682	\$581	\$504	\$449
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$429	\$341	\$217	\$929
	Student	Student current income	\$1,317	\$1,425	\$731	\$1,146
		Student savings	\$788	\$730	\$719	\$897
		Federal Work-study	\$176	\$136	\$301	\$216
		Other student savings or investments	\$275	\$309	\$300	\$380
	Other	Scholarships (received from the school or outside organizations or businesses)	\$2,753	\$2,998	\$2,582	\$2,021
		Grants (Federal, state or school based)	\$3,324	\$3,199	\$4,762	\$3,756
Relatives or friends (money that doesn't have to be repaid)		\$764	\$851	\$557	\$612	
Total Paid			\$20,902	\$20,595	\$20,943	\$19,395

Table 11c — Composite of College Funding Sources						
Average Value Contributed from Each Source, by School Type						
			Total	School Type		
				2-Year Public	4-Year Public	4-Year Private
Borrowed	Parents	Federal Parent PLUS Loan	\$816	\$107	\$672	\$1,911
		Private education loans	\$223	\$102	\$168	\$321
		Home equity loan or line of credit	\$229	\$22	\$357	\$85
		Credit cards	\$228	\$111	\$129	\$590
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$81	\$20	\$140	\$56
		Other loans	\$255	\$29	\$237	\$431
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,648	\$947	\$2,970	\$3,804
		Private education loans	\$794	\$311	\$580	\$1,769
		Student credit cards	\$71	\$48	\$79	\$91
		Student other loans	\$206	\$197	\$188	\$241
Non-Borrowed	Parents	Parent current income	\$4,025	\$1,608	\$4,817	\$5,541
		College savings fund, such as a 529 plan	\$820	\$264	\$889	\$1,445
		Other parent savings or investments	\$682	\$316	\$851	\$897
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$429	\$290	\$609	\$284
	Student	Student current income	\$1,317	\$1,293	\$1,279	\$1,502
		Student savings	\$788	\$885	\$763	\$775
		Federal Work-study	\$176	\$68	\$185	\$299
		Other student savings or investments	\$275	\$171	\$264	\$386
	Other	Scholarships (received from the school or outside organizations or businesses)	\$2,753	\$405	\$2,061	\$6,788
		Grants (Federal, state or school based)	\$3,324	\$2,039	\$2,607	\$6,395
Relatives or friends (money that doesn't have to be repaid)		\$764	\$820	\$673	\$921	
Total Paid			\$20,902	\$10,053	\$20,518	\$34,532

Table 11d — Composite of College Funding Sources					
Average Value Contributed from Each Source, by Family Borrowing Status					
			Total	Family Borrowing Status	
				Borrowed	Did Not Borrow
Borrowed	Parents	Federal Parent PLUS Loan	\$816	\$1,785	n/a
		Private education loans	\$223	\$477	n/a
		Home equity loan or line of credit	\$229	\$491	n/a
		Credit cards	\$228	\$488	n/a
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$81	\$164	n/a
		Other loans	\$255	\$548	n/a
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,648	\$5,841	n/a
		Private education loans	\$794	\$1,748	n/a
		Student credit cards	\$71	\$152	n/a
		Student other loans	\$206	\$450	n/a
Non-Borrowed	Parents	Parent current income	\$4,025	\$3,601	\$4,376
		College savings fund, such as a 529 plan	\$820	\$410	\$1,160
		Other parent savings or investments	\$682	\$562	\$781
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$429	\$542	\$335
	Student	Student current income	\$1,317	\$1,333	\$1,303
		Student savings	\$788	\$594	\$948
		Federal Work-study	\$176	\$197	\$158
		Other student savings or investments	\$275	\$224	\$317
	Other	Scholarships (received from the school or outside organizations or businesses)	\$2,753	\$2,909	\$2,624
		Grants (Federal, state or school based)	\$3,324	\$3,846	\$2,891
Relatives or friends (money that doesn't have to be repaid)		\$764	\$448	\$1,027	
Total Paid			\$20,902	\$26,810	\$15,920

Table 12a — Composite of College Funding Sources						
Average Percent of Total Cost of Attendance Met by Each Source, by Income Level						
			Total	Income		
				<\$35k	\$35k - <\$100k	\$100k+
Borrowed	Parents	Federal Parent PLUS Loan	4%	2%	5%	4%
		Private education loans	1%	0%	1%	2%
		Home equity loan or line of credit	1%	0%	2%	0%
		Credit cards	1%	0%	1%	2%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	1%	0%	0%
		Other loans	1%	1%	1%	2%
	Student	Federal student loans, such as Stafford or Perkins loans	13%	15%	13%	9%
		Private education loans	4%	4%	4%	4%
		Student credit cards	0%	1%	0%	0%
		Student other loans	1%	1%	1%	0%
Non-Borrowed	Parents	Parent current income	19%	15%	17%	29%
		College savings fund, such as a 529 plan	4%	2%	4%	6%
		Other parent savings or investments	3%	2%	4%	4%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	2%	2%	1%	3%
	Student	Student current income	6%	7%	6%	6%
		Student savings	4%	6%	4%	2%
		Federal Work-study	1%	1%	1%	0%
		Other student savings or investments	1%	2%	1%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	13%	12%	14%	14%
		Grants (Federal, state or school based)	16%	23%	16%	8%
		Relatives or friends (money that doesn't have to be repaid)	4%	5%	3%	3%

Table 12b — Composite of College Funding Sources						
Average Percent of Total Cost of Attendance Met by Each Source, by Race/Ethnicity						
			Total	Race/Ethnicity		
				White	Black	Hispanic
Borrowed	Parents	Federal Parent PLUS Loan	4%	3%	8%	3%
		Private education loans	1%	1%	2%	0%
		Home equity loan or line of credit	1%	0%	1%	0%
		Credit cards	1%	1%	1%	1%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	0%	0%
		Other loans	1%	1%	2%	1%
	Student	Federal student loans, such as Stafford or Perkins loans	13%	13%	13%	12%
		Private education loans	4%	4%	2%	4%
		Student credit cards	0%	0%	0%	1%
		Student other loans	1%	1%	0%	1%
Non-Borrowed	Parents	Parent current income	19%	19%	16%	21%
		College savings fund, such as a 529 plan	4%	4%	2%	2%
		Other parent savings or investments	3%	3%	2%	2%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	2%	2%	1%	5%
	Student	Student current income	6%	7%	3%	6%
		Student savings	4%	4%	3%	5%
		Federal Work-study	1%	1%	1%	1%
		Other student savings or investments	1%	2%	1%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	13%	15%	12%	10%
		Grants (Federal, state or school based)	16%	16%	23%	19%
		Relatives or friends (money that doesn't have to be repaid)	4%	4%	3%	3%

Table 12c — Composite of College Funding Sources						
Average Percent of Total Cost of Attendance Met by Each Source, by School Type						
			Total	School Type		
				2-Year Public	4-Year Public	4-Year Private
Borrowed	Parents	Federal Parent PLUS Loan	4%	1%	3%	6%
		Private education loans	1%	1%	1%	1%
		Home equity loan or line of credit	1%	0%	2%	0%
		Credit cards	1%	1%	1%	2%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	1%	0%
		Other loans	1%	0%	1%	1%
	Student	Federal student loans, such as Stafford or Perkins loans	13%	9%	14%	11%
		Private education loans	4%	3%	3%	5%
		Student credit cards	0%	0%	0%	0%
		Student other loans	1%	2%	1%	1%
Non-Borrowed	Parents	Parent current income	19%	16%	23%	16%
		College savings fund, such as a 529 plan	4%	3%	4%	4%
		Other parent savings or investments	3%	3%	4%	3%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	2%	3%	3%	1%
	Student	Student current income	6%	13%	6%	4%
		Student savings	4%	9%	4%	2%
		Federal Work-study	1%	1%	1%	1%
		Other student savings or investments	1%	2%	1%	1%
	Other	Scholarships (received from the school or outside organizations or businesses)	13%	4%	10%	20%
		Grants (Federal, state or school based)	16%	20%	13%	19%
		Relatives or friends (money that doesn't have to be repaid)	4%	8%	3%	3%

Table 12d — Composite of College Funding Sources					
Average Percent of Total Cost of Attendance Met by Each Source, by Family Borrowing Status					
			Total	Family Borrowing Status	
				Borrowed	Did Not Borrow
Borrowed	Parents	Federal Parent PLUS Loan	4%	7%	n/a
		Private education loans	1%	2%	n/a
		Home equity loan or line of credit	1%	2%	n/a
		Credit cards	1%	2%	n/a
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	1%	n/a
		Other loans	1%	2%	n/a
	Student	Federal student loans, such as Stafford or Perkins loans	13%	22%	n/a
		Private education loans	4%	7%	n/a
		Student credit cards	0%	1%	n/a
		Student other loans	1%	2%	n/a
Non-Borrowed	Parents	Parent current income	19%	13%	27%
		College savings fund, such as a 529 plan	4%	2%	7%
		Other parent savings or investments	3%	2%	5%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	2%	2%	2%
	Student	Student current income	6%	5%	8%
		Student savings	4%	2%	6%
		Federal Work-study	1%	1%	1%
		Other student savings or investments	1%	1%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	13%	11%	16%
		Grants (Federal, state or school based)	16%	14%	18%
		Relatives or friends (money that doesn't have to be repaid)	4%	2%	6%

Q. For the 2011-2012 academic year did you complete the FAFSA?

Table 13 — Completed FAFSA Application

	N	% Yes	% No	% Don't Know
Total	1601	81%	18%	1%
Students	817	81%	19%	0%
Parents	784	82%	18%	1%
Income				
<\$35k	475	88%	12%	0%
\$35k - <\$100k	806	82%	18%	1%
\$100k+	319	72%	28%	0%
Race/Ethnicity				
White	1147	82%	18%	0%
Black	228	82%	15%	2%
Hispanic	259	79%	21%	0%
Grade Level				
Freshman	447	83%	17%	0%
Sophomore	499	78%	22%	0%
Junior	317	88%	12%	0%
Senior	248	81%	17%	2%
5th Year +	64	71%	29%	0%
Region				
Northeast	338	84%	16%	0%
Midwest	375	81%	19%	0%
South	484	80%	19%	1%
West	390	81%	19%	0%
School type				
4-year public	720	82%	18%	1%
4-year private	364	89%	11%	0%
2-year public	466	74%	26%	0%
2-year private	26	95%	5%	0%

Q. On a scale of 1-5, with 1 being extremely easy and 5 being extremely challenging, how easy was it to complete the FAFSA form?

Table 14 — FAFSA Application Ease of Use

	N	% 1s Extremely Easy	% 2s	% 3s	% 4s	% 5s Extremely Challenging
Total	1303	23%	26%	32%	14%	4%
Students	663	21%	31%	32%	12%	3%
Parents	640	25%	21%	33%	15%	5%
Income						
<\$35k	416	27%	26%	31%	10%	5%
\$35k - <\$100k	657	20%	28%	32%	16%	4%
\$100k+	229	25%	21%	36%	13%	4%
Race/Ethnicity						
White	937	20%	28%	33%	14%	4%
Black	188	37%	23%	23%	9%	6%
Hispanic	204	23%	24%	33%	16%	4%
Grade Level						
Freshman	372	18%	27%	37%	13%	4%
Sophomore	387	28%	23%	30%	14%	3%
Junior	278	22%	26%	36%	12%	4%
Senior	202	20%	31%	27%	18%	3%
5th Year +	45	28%	38%	12%	15%	8%

Base: Parents and college students who completed the FAFSA

Q. Why didn't you complete the FAFSA?

Table 15 — Reasons Did Not Complete FAFSA Application

	N	% Family Doesn't Need Aid	% Family Won't Qualify	% Wasn't Aware of FAFSA	% Other Sources Paying	% Other Reason
Total	292	30%	27%	13%	9%	19%
Students	154	25%	19%	17%	14%	23%
Parents	138	37%	36%	10%	4%	14%

Reasons reported received at least 3% of total
Base: Parents of college students and college students who did not complete a FAFSA application

Q. For the 2011-2012 school year, what is the total cost of attendance per year, including tuition, room and board, and any other school costs, for enrolled students at your child's/your school, without financial aid? Your best estimate is fine.

Table 16 — Total Cost of Attendance

	N	Mean
Total	1601	\$17,843
Income		
<\$35k	475	\$15,420
\$35-\$100k	806	\$17,637
\$100k+	319	\$21,931
Race/Ethnicity		
White	1147	\$17,976
Black	228	\$16,531
Hispanic	259	\$15,953
Type of School		
4-Year State College/University	720	\$16,431
4-Year Private College/University	364	\$32,303
2-Year Public/Community College	466	\$7,900
2-Year Private College	26	\$20,263
Borrowing Status		
Borrowed	705	\$22,489
Did Not Borrow	896	\$13,848
Enrollment Status		
Full time	1324	\$19,530
Part time	258	\$9,409

Q. Can you tell me the name of the school your child/you attended in the 2011-2012 school year? And which campus is that? (Match to school type.)

Table 17 — Enrollment by Type of School

	N	4-Year Public	4-Year Private	2-Year Public	2-Year Private
Total	1601	45%	23%	29%	2%
Income					
<\$35k	475	45%	18%	33%	2%
\$35k - <\$100k	806	43%	25%	29%	1%
\$100k+	319	50%	24%	23%	1%
Race/Ethnicity					
White	1147	47%	21%	29%	1%
Black	228	36%	30%	31%	2%
Hispanic	259	37%	19%	40%	3%
Region					
Northeast	338	33%	42%	17%	5%
Midwest	375	44%	23%	32%	0%
South	484	51%	18%	29%	1%
West	390	49%	13%	37%	1%
Grade Level					
Freshman	447	41%	19%	39%	1%
Sophomore	499	32%	24%	41%	2%
Junior	317	53%	28%	15%	1%
Senior	248	64%	20%	14%	1%
5th Year +	64	70%	30%	0%	0%
Borrowing Status					
Borrowed	705	49%	32%	15%	2%
Did Not Borrow	896	42%	15%	40%	1%

Q. In which state is student attending college?

Table 18 — Enrollment by Home State

	N	In-State	Out-of-State
Total	1601	79%	21%
Income			
<\$35k	475	82%	18%
\$35k - <\$100k	806	79%	21%
\$100k+	319	75%	25%
Race/Ethnicity			
White	1147	81%	19%
Black	228	66%	34%
Hispanic	259	82%	18%
Region			
Northeast	338	61%	39%
Midwest	375	80%	20%
South	484	84%	16%
West	390	90%	10%
School Type			
4-Year State College/University	720	87%	13%
4-Year Private College/University	364	53%	47%
2-Year Public/Community College	466	90%	10%
Borrowing Status			
Borrowed	705	71%	29%
Did Not Borrow	896	85%	15%

Q. What general subject area is your child/are you currently studying/majoring in?

Table 19 — Student Course of Study

	N	% Major	% of Major with Student Loan Borrowing	% of Major with Any Family Borrowing
Professional (Education, Law, Medicine, Healthcare, Nursing, Veterinary Medicine)	378	24%	36%	42%
Math/Science (Biology, Chemistry, Physics, Agricultural Sciences, Computer Science, Mechanical)	262	16%	36%	42%
Social Sciences (Psychology, Anthropology, Economics, Geography, Sociology, Political Science & Government, International Relations, Philosophy)	248	16%	30%	46%
Business (Accounting, Marketing, Finance, Management, International Business)	197	12%	34%	49%
Liberal Arts (English, Communications, Advertising, Journalism, Foreign Languages, Linguistics, History, Sociology)	160	10%	42%	49%
Visual and Performing Arts (Art, Graphic Design, Fashion Design, Film, Radio, Television, Photography, Music, Performing Arts)	116	7%	53%	56%
Engineering, Electrical Engineering, Environmental Science, Mathematics	110	7%	29%	44%
Vocational (Culinary Arts, Construction Trades, Mechanical Technicians, Computer Technicians)	67*	4%	20%	29%
Undecided	35*	2%	24%	29%
Other	33*	2%	24%	28%

*Small sample size

- Q. Please let me know whether or not you eliminated any schools based on cost at each of the following steps in the college application process:
- a. Before deciding which colleges to research
 - b. Before deciding which colleges to apply to
 - c. After finding out which colleges your child was/you were admitted to but before looking at financial aid packages
 - d. After looking at the financial aid packages

Table 20 — Elimination of Colleges Based on Cost

		% Saying Yes at Each Point			
	N	Before Researching	Before Applying	After Admission	After Financial Aid
Total	1601	43%	44%	39%	50%
Parents	784	38%	37%	34%	43%
Students	817	49%	52%	44%	56%
Income					
<\$35k	475	50%	47%	42%	56%
\$35-<\$100k	806	43%	45%	42%	49%
\$100k+	319	35%	39%	28%	43%
School Type					
4-Year State College/University	720	44%	45%	36%	45%
4-Year Private College/University	364	37%	38%	38%	56%
2-Year Public/Community College	466	49%	48%	43%	52%
Race/Ethnicity					
White	1147	42%	43%	37%	48%
Black	228	47%	47%	45%	58%
Hispanic	259	44%	45%	46%	48%
Borrowing Status					
Borrowed	705	43%	43%	39%	54%
Did Not Borrow	896	44%	46%	39%	46%

- Q.** For the 2011-2012 academic year, did you/your child take any of the following actions to make college more affordable? How about...?
- a. Military benefits, ROTC or National Guard
 - b. Choosing or transferring to a less expensive school
 - c. Living at home
 - d. Student got roommate to save on rent
 - e. Enrolling part-time
 - f. Parent increasing work hours or earnings
 - g. Student increasing work hours or earnings
 - h. Parent reducing personal spending
 - i. Student reducing personal spending
 - j. Accelerated coursework so you/your child could earn a degree in fewer semesters
 - k. Changed majors to pursue field of study that is more marketable
 - l. Filing for education tax credits or student loan interest tax deductions
 - m. Making payments on student loans, rather than postponing them to reduce total loan costs

Table 21 — More Affordable Actions

% Taking														
	N	Military	Less Expensive	Living At Home	Add Roommate	Parent Work More	Student Work More	Parent Reduced Spending	Student Reduced Spending	Part Time	Accelerate	Changed Majors	Tax Credits/Deduc.	Early Loan Payments
Total	1601	4%	27%	51%	55%	24%	50%	50%	66%	16%	26%	18%	45%	27%
Income														
<\$35k	475	5%	30%	50%	57%	21%	53%	44%	69%	20%	22%	21%	39%	23%
\$35-\$100k	806	5%	29%	53%	56%	26%	51%	54%	71%	15%	28%	18%	48%	30%
\$100k+	319	3%	19%	47%	50%	20%	42%	46%	52%	11%	24%	11%	44%	22%
Race/Ethnicity														
White	1147	4%	25%	50%	55%	20%	52%	47%	66%	16%	25%	14%	46%	26%
Black	228	8%	35%	55%	47%	33%	43%	54%	68%	17%	24%	22%	36%	23%
Hispanic	259	6%	31%	69%	52%	28%	53%	57%	71%	18%	28%	25%	44%	28%
School Type														
4-year public	720	3%	22%	38%	58%	21%	51%	46%	65%	11%	27%	16%	48%	26%
4-year private	364	6%	17%	40%	46%	28%	52%	55%	71%	6%	24%	20%	46%	36%
2-year public	466	5%	44%	77%	55%	23%	50%	49%	65%	32%	24%	18%	36%	18%

Q. I will read several statements about college. Please state whether you:

- Strongly agree
 - Somewhat agree
 - Neither agree nor disagree
 - Somewhat disagree
 - Strongly disagree
- a. I am willing to stretch myself financially to obtain the best opportunity for my/my child’s future.
 - b. I would rather borrow to pay for college than not be able/have my child not be able to go at all.
 - c. College is an investment in my/my child’s future.
 - d. Having a college degree is more important now than it used to be.
 - e. I would go/send my child to college for the intellectual and social experience regardless of whether I/my child earned more money with a college degree.

Table 22 — Attitudes Toward College, Rated “Strongly Agree”

	% Strongly Agree								
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	1601	817	784	1147	228	259	475	806	319
Willing to Stretch Myself Financially	57%	61%	53%	51%	72%	64%	59%	56%	58%
Rather Borrow Than Not Go	55%	62%	47%	52%	62%	66%	52%	55%	57%
Investment in Future	83%	89%	77%	81%	89%	88%	83%	83%	83%
Degree More Important Now*	70%	73%	68%	69%	78%	71%	74%	70%	66%
Attend College for the Experience Despite Future Earnings*	24%	29%	19%	21%	35%	29%	26%	23%	25%

*Not asked in 2008 or 2009

Table 23 — Attitudes Toward College, Scale 1-5

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Willing to Stretch Myself Financially	1601	57%	29%	4%	7%	3%
Rather Borrow Than Not Go	1601	55%	27%	6%	7%	5%
Investment in Future	1601	83%	15%	1%	1%	1%
Degree More Important Now*	1601	70%	17%	5%	4%	3%
Attend College for the Experience Despite Future Earnings*	1601	24%	35%	11%	17%	13%

*Not asked in 2008 or 2009

Q. I will read several statements about college. Please state whether you:

- Strongly agree
 - Somewhat agree
 - Neither agree nor disagree
 - Somewhat disagree
 - Strongly disagree
- a. I wanted/I wanted my child to attend college because a college degree is required for my/my child's desired occupation.
 - b. I wanted/I wanted my child to attend college because I/my child will earn more money with a college degree.
 - c. College is expected in our family.
 - d. A college education is part of the American Dream.

Table 24 — Reasons for Continuing Education, Rated "Strongly Agree"

	% Strongly Agree								
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	1601	817	784	1147	228	259	475	806	319
Needed for Desired Occupation	71%	71%	70%	69%	76%	68%	69%	71%	73%
Earn More Money	69%	73%	65%	66%	82%	71%	71%	68%	70%
Expected in Family	39%	43%	36%	33%	57%	37%	30%	37%	58%
American Dream	43%	40%	46%	39%	49%	58%	46%	42%	41%

Table 25 — Reasons for Continuing Education, Scale 1-5

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Needed for Desired Occupation	1601	71%	16%	6%	5%	3%
Earn More Money	1601	69%	23%	2%	4%	1%
Expected in Family	1601	39%	27%	12%	14%	8%
American Dream	1601	43%	39%	8%	5%	4%

- Q.** When thinking about paying for college, to what extent are you worried about each of the following economic factors? Please use a five-point scale, where 5 means very worried and 1 means not at all worried. You may use any of the numbers 1, 2, 3, 4 or 5 for your rating.
- a. The value of your home will go down.
 - b. The value of your savings or investments will be lower than you expected.
 - c. Loan rates will go up.
 - d. Student loan money will be less available.
 - e. Your child won't be able to find a summer job to earn money for next semester. (Final year students)
Your child won't be able to find employment after graduation.
 - f. Schools will have to raise tuition to cover their increased costs.
 - g. Scholarship and grant money will be less available.
 - h. Earned income will go down due to job loss.

Table 26 — Parent Economic Concerns, Rated Extremely Worried (5)

	N	Home Value Will Decrease	Value of Savings Will Be Lower	Loan Rates Will Increase	Student Loan Money Less Available	Student Won't Find Summer Job	Student Won't Find Job after Grad	Schools Will Raise Tuition	Income Will Decrease Due to Job Loss*	Scholarships/Grants Less Available**
Total Parents	784	22%	21%	30%	31%	14%	33%	36%	23%	34%
Race/Ethnicity										
White	603	21%	18%	29%	29%	12%	23%	34%	22%	34%
Black	92	20%	23%	37%	33%	30%	13%	38%	28%	33%
Hispanic	122	23%	25%	32%	33%	10%	28%	37%	27%	35%
Income										
<\$35k	166	34%	31%	38%	45%	23%	12%	44%	32%	44%
\$35k - <\$100k	431	19%	17%	32%	31%	11%	43%	31%	22%	35%
\$100k+	187	18%	21%	19%	20%	11%	30%	41%	17%	22%
Region										
Northeast	179	19%	13%	36%	32%	16%	36%	24%	22%	45%
Midwest	189	22%	18%	28%	29%	13%	11%	39%	18%	29%
South	234	23%	28%	27%	31%	17%	31%	37%	24%	29%
West	183	23%	23%	30%	33%	8%	66%	42%	26%	37%

Table 27 — Parent Economic Concerns, Scale 1-5

	N	% 1s Not at all Worried	% 2s	% 3s	% 4s	% 5s Extremely Worried
Home Value Will Decrease	784	30%	14%	23%	11%	22%
Value of Savings Will Be Lower	784	21%	14%	31%	13%	21%
Loan Rates Will Increase	784	19%	12%	22%	18%	30%
Student Loan Money Will Be Less Available	784	19%	13%	19%	17%	31%
Student Won't Find Summer Job	784	39%	13%	21%	11%	14%
Student Won't Find Job after Grad	784	22%	20%	15%	9%	33%
Schools Will Raise Tuition	784	9%	5%	25%	25%	36%
Income Will Decrease Due to Job Loss*	784	24%	13%	23%	17%	23%
Scholarships/Grants Less Available**	784	13%	15%	24%	15%	34%

The following footnotes apply to both tables:

Base: Parents of college students

*Not asked in 2008

**Not asked in 2008 or 2009

Q. Has your child/you taken out tuition insurance for this college year?

Table 28 — Use of Tuition Insurance

	N	% Yes	% Chose Not To	% Not Aware of Option
Total	1601	2%	32%	65%
Income				
<\$35k	475	2%	32%	65%
\$35-\$100k	806	1%	31%	67%
\$100k+	319	1%	39%	60%
Race/Ethnicity				
White	1147	1%	33%	65%
Black	228	2%	34%	63%
Hispanic	259	1%	30%	69%
School Type				
4-Year State College/University	720	1%	29%	70%
4-Year Private College/University	364	2%	37%	60%
2-Year Public/Community College	466	1%	37%	61%
Borrowing Status				
Borrowed	705	2%	31%	67%
Did Not Borrow	896	1%	35%	63%

Q. Who in your family was responsible for deciding what college your child/you would attend?

Table 29 — College Selection Decision-Making

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	1601	817	784	1147	228	259	475	806	319
Student only	79%	84%	73%	81%	76%	79%	83%	80%	69%
Student mostly with some parent input	6%	6%	7%	7%	5%	6%	3%	8%	8%
Student and parent equally	8%	3%	12%	8%	5%	10%	7%	5%	15%
Parent mostly with some student input	1%	1%	1%	0%	4%	1%	1%	1%	2%
Parent only	6%	5%	7%	4%	9%	4%	6%	6%	5%

Q. Who in your family was responsible for deciding how to pay for college?

Table 30 — Paying for College Decision-Making

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	1601	817	784	1147	228	259	475	806	319
Student only	33%	46%	18%	32%	30%	43%	48%	31%	13%
Student mostly with some parent input	3%	4%	3%	4%	5%	2%	4%	4%	2%
Student and parent equally	16%	11%	21%	18%	10%	17%	9%	18%	19%
Parent mostly with some student input	5%	5%	5%	6%	5%	3%	3%	7%	6%
Parent only	42%	32%	51%	39%	50%	33%	33%	40%	60%

Q. Please state your level of agreement with the following statement: Before my child/I enrolled, our family created a plan for paying for all years of college.

Table 31 — Financial Plan for College

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	1601	817	784	1147	228	259	475	806	319
Strongly Agree	16%	15%	17%	16%	12%	12%	12%	12%	31%
Somewhat Agree	23%	22%	24%	24%	26%	21%	18%	25%	26%
Neither	11%	9%	13%	10%	8%	11%	10%	13%	7%
Somewhat Disagree	23%	25%	21%	24%	25%	31%	26%	24%	18%
Strongly Disagree	27%	29%	25%	26%	1%	25%	34%	26%	19%

- Q. With which of these statements do you agree most?
- a. Parents should be entirely responsible for financing their children’s college education.
 - b. Children should be entirely responsible for financing their college education.
 - c. Parents and children should both be responsible for financing the child’s college education.

Table 32 — Parent and Child Responsibility for Paying for College

	N	Parents should be entirely responsible for financing their children’s college education	Children should be entirely responsible for financing their college education	Parents and children should both be responsible for financing the child’s college education
Total	1601	10%	15%	75%
Parent	784	13%	14%	73%
Student	817	6%	16%	78%
Income				
<\$35k	475	7%	18%	75%
\$35-\$100k	806	9%	16%	75%
\$100k+	319	14%	9%	76%
Race/Ethnicity				
White	1147	7%	15%	77%
Black	228	18%	10%	71%
Hispanic	259	12%	14%	75%
Borrowing Status				
Borrowed	705	8%	16%	76%
Did Not Borrow	896	10%	14%	75%
School Type				
4-Year State College/University	720	10%	16%	74%
4-Year Private College/University	364	6%	12%	82%
2-Year Public/Community College	466	11%	16%	72%

- Q. Will you/your parents be solely responsible for repaying this borrowed money or will your child/you be jointly responsible for making some payments now or in the future?

Table 33 — Responsibility for Repaying Parent Loans

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	776	426	350	536	120	125	224	416	136
Parent(s) only	12%	4%	20%	9%	14%	12%	5%	13%	19%
Student jointly responsible	82%	87%	75%	83%	84%	85%	87%	81%	76%
Don’t know	6%	7%	5%	8%	2%	4%	8%	5%	5%

Base: Parents and students in families where the parent borrowed to pay for college

Q. Will your child/you be solely responsible for repaying this borrowed money or will you/your parents be jointly responsible for making some payments now or in the future?

Table 34 — Responsibility for Repaying Student Loans

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	760	416	344	526	119	120	216	414	131
Student only	59%	74%	41%	65%	53%	43%	75%	53%	52%
Parent(s) jointly responsible	39%	25%	56%	33%	43%	57%	25%	44%	45%
Don't know	2%	1%	2%	1%	3%	0%	1%	1%	3%

Base: Parents and students in families where the student borrowed to pay for college

Q. On a scale of 1 to 5, 1 being poor and 5 being excellent, how do you rate your child/yourself [student] when it comes to money management?

Table 35— Student Money Management Ability

	N	Excellent 5	4	3	2	Poor 1
Total	1601	30%	33%	27%	7%	4%
Student	784	20%	40%	31%	7%	3%
Parent	817	40%	25%	23%	8%	5%
Income						
<\$35k	475	25%	36%	29%	6%	4%
\$35k - <\$100k	806	32%	30%	27%	7%	4%
\$100k+	319	30%	33%	23%	9%	5%
Race/Ethnicity						
White	1147	30%	36%	23%	7%	4%
Black	228	24%	23%	41%	7%	6%
Hispanic	259	32%	36%	23%	4%	5%
Grade Level						
Freshman	447	24%	31%	32%	8%	6%
Sophomore	499	32%	28%	27%	8%	5%
Junior	317	34%	35%	25%	4%	2%
Senior	248	27%	41%	22%	9%	2%
5th Year +	64	38%	29%	29%	5%	0%
Borrowing Status						
Borrowed	705	25%	35%	30%	7%	4%
Did Not Borrow	896	34%	30%	24%	8%	4%
Type of School						
4-Year State College/University	720	29%	33%	28%	8%	3%
4-Year Private College/University	364	30%	33%	31%	4%	2%
2-Year Public/Community College	466	29%	32%	25%	8%	6%
Region						
Northeast	338	33%	31%	26%	4%	6%
Midwest	375	25%	37%	27%	8%	4%
South	484	30%	29%	29%	9%	4%
West	390	31%	33%	25%	7%	3%

- Q. Do you/does your child have a debit card?
- Q. Do you/does your child have a credit card?

Table 36 — Debit Card and Credit Card Ownership

	N	Debit Card	Credit Card	Either	Both	Neither
Total	1601	80%	35%	83%	32%	17%
Student	784	87%	39%	89%	37%	11%
Parent	817	73%	30%	77%	27%	23%
Income						
<\$35k	475	75%	29%	77%	27%	23%
\$35k - <\$100k	806	82%	31%	84%	29%	16%
\$100k+	319	85%	53%	91%	47%	9%
Race/Ethnicity						
White	1147	81%	34%	84%	31%	16%
Black	228	75%	25%	75%	25%	25%
Hispanic	259	84%	36%	86%	34%	14%
Grade Level						
Freshman	447	75%	21%	76%	20%	24%
Sophomore	499	75%	28%	79%	24%	21%
Junior	317	85%	38%	89%	34%	11%
Senior	248	94%	60%	95%	59%	5%
5th Year +	64	94%	66%	100%	61%	0%
Borrowing Status						
Borrowed	705	89%	38%	90%	36%	10%
Did Not Borrow	896	74%	33%	78%	29%	22%
Type of School						
4-Year State College/University	720	85%	39%	87%	37%	13%
4-Year Private College/University	364	79%	38%	84%	33%	16%
2-Year Public/Community College	466	76%	28%	79%	25%	21%
2-Year Private College		67%	10%	67%	10%	33%
Region						
Northeast	338	77%	31%	80%	28%	20%
Midwest	375	80%	35%	84%	31%	16%
South	484	80%	35%	83%	32%	17%
West	390	84%	38%	86%	35%	14%

Q. Is the credit card in your name or your parent's/your child's name (or both)?

Table 37 — Student Credit Card Holder				
	N	Parent Name	Student Name	Both
Total	556	4%	78%	18%
Student	320	4%	83%	14%
Parent	236	5%	73%	23%
Income				
<\$35k	138	2%	84%	14%
\$35k - <\$100k	249	3%	87%	10%
\$100k+	168	7%	61%	32%
Race/Ethnicity				
White	390	4%	78%	17%
Black	56	2%	80%	18%
Hispanic	94	4%	83%	14%
Grade Level				
Freshman	95	7%	76%	16%
Sophomore	142	7%	80%	14%
Junior	121	3%	75%	22%
Senior	148	1%	76%	22%
5th Year +	42	2%	95%	4%
Borrowing Status				
Borrowed	265	3%	83%	15%
Did Not Borrow	291	5%	74%	20%
Type of School				
4-Year State College/University	278	3%	76%	21%
4-Year Private College/University	137	6%	71%	23%
2-Year Public/Community College	132	3%	91%	6%
Region				
Northeast	104	2%	74%	25%
Midwest	132	4%	80%	17%
South	169	5%	74%	21%
West	148	5%	86%	9%

Base: Parents of college students and college students with a credit card

Q. What would you estimate is the combined outstanding balance on all of your (student)/your child's credit card(s) today (or on your/his/her most recent monthly statement)? Your best estimate is fine.

Table 38 — Student Outstanding Credit Card Balance

	N	Average Amount	Median Amount	% Zero	% >\$4,000
Total	532	\$755	\$196	33%	3%
Student	308	\$1,086	\$255	25%	4%
Parent	225	\$296	\$81	43%	0%
Income					
<\$35k	134	\$633	\$191	24%	2%
\$35k - <\$100k	242	\$977	\$199	29%	3%
\$100k+	156	\$521	\$67	46%	2%
Race/Ethnicity					
White	372	\$776	\$89	38%	3%
Black	55	\$1,211	\$478	16%	2%
Hispanic	90	\$667	\$243	21%	3%
Grade Level					
Freshman	88	\$642	\$97	31%	4%
Sophomore	132	\$374	\$157	36%	0%
Junior	117	\$828	\$198	22%	2%
Senior	145	\$516	\$167	39%	1%
5th Year +	42	\$2,998	\$45	38%	11%
Borrowing Status					
Borrowed	258	\$1,131	\$286	24%	4%
Did Not Borrow	275	\$387	\$84	40%	1%
Type of School					
4-Year State College/University	268	\$918	\$161	30%	2%
4-Year Private College/University	129	\$683	\$95	39%	4%
2-Year Public/Community College	127	\$530	\$197	33%	1%
Region					
Northeast	102	\$1,395	\$95	28%	3%
Midwest	127	\$478	\$5	47%	6%
South	161	\$771	\$189	28%	6%
West	139	\$506	\$187	28%	3%

Base: Parents of college students and college students with a credit card in student's name or in both parent's and student's name

Q. How much do you (parent)/your parents pay monthly on your child's/your credit card?

Table 39 — Parent Monthly Payment on Student Credit Card

	N	Average Amount	% Zero
Total	532	\$91	77%
Student	308	\$81	85%
Parent	225	\$106	65%
Income			
<\$35k	134	\$117	88%
\$35k - <\$100k	242	\$25	82%
\$100k+	156	\$171	59%
Race/Ethnicity			
White	372	\$73	80%
Black	55	\$155	67%
Hispanic	90	\$46	80%
Grade Level			
Freshman	88	\$26	82%
Sophomore	132	\$30	77%
Junior	117	\$112	81%
Senior	145	\$197	66%
5th Year +	42	\$11	92%
Borrowing Status			
Borrowed	258	\$95	77%
Did Not Borrow	275	\$88	77%
Type of School			
4-Year State College/University	268	\$114	75%
4-Year Private College/University	129	\$121	69%
2-Year Public/Community College	127	\$18	88%
Region			
Northeast	102	\$116	70%
Midwest	127	\$132	79%
South	161	\$94	71%
West	139	\$37	86%

Base: Parents and students with a credit card in student's name or in both parent's and student's name

8: TECHNICAL NOTES



TARGET POPULATION

Ipsos conducted the *How America Pays for College* survey by telephone between Monday, April 2 and Sunday, May 13, 2012. Ipsos interviewed 1,601 individuals: 800 parents of 18 to 24-year-old undergraduate students and 801 18 to 24-year-old undergraduate students.

SAMPLE DESIGN

Two sample sources were used for this study:

- a purchased list of college students aged 18-24
- a list of parents of college students aged 18-24 from Ipsos panels

The sample design was a disproportionate stratified probabilistic sample for both students and parents. Both samples were designed to over-represent African Americans and Hispanics, with a minimum of 150 responses from each group in each sample. Interviews were conducted in English and Spanish.

The student sample frame was appended with official information on the majority of U.S. colleges, obtained from the National Center for Educational Statistics (NCES). This allowed the sample to be further stratified by relevant variables, such as region, size, and type of college (as shown in Table A).

Region	College Enrollment Size	Students
Midwest	< 5,000	61
	> 5,000	134
Northeast	< 5,000	17
	> 5,000	54
South	< 5,000	97
	> 5,000	220
West	< 5,000	22
	> 5,000	196
Total		801

WEIGHTING

To correct for the disproportionate stratified sample, both samples were weighted using a statistical technique called raking, in which all of the population marginal profiles of interest are replicated in the sample. The sample of parents was weighted by gender, age, race/ethnicity, region, education, and by college information (region, size, and type). The sample of

students was weighted by gender, age, race/ethnicity, region, and by college information (region, size, and type). All of the demographic profiles used for both parents and students in the weights were sourced from the February 2012 Current Population Survey (CPS). The National Center for Educational Statistics provided additional data for the college information weights.

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 (1,601), the MoE is estimated to be approximately +/- 2.5 percentage points, with a confidence level of 95%. When comparing data between waves, a simple rule of thumb to judge whether the observed difference is statistically

significant is to sum the margin of error for the two waves — for comparing the 2011 and 2012 surveys this would be 5%. If the difference is larger, then it is considered statistically significant.

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 n1 and n2, is statistically significant, this difference should be compared to $(1/\sqrt{n1}) + (1/\sqrt{n2})$. 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 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%

CALCULATING HOW AMERICA PAYS FOR COLLEGE

The primary goal of the *How America Pays for College* national survey is to understand how and what the “typical American family” is paying for a college education. To enable this understanding and for these figures to be tracked over time, Ipsos has continued to calculate figures for total cost and the use and value of the variety of funding sources in the same way as they have been calculated in previous waves.

There are two types of averages presented in this report: one relative to the entire population (the composite scores,” see Tables 11a-d and 12a-d, pp. 31-34) and the other relative only to users of a specific item or funding source (see Tables 1a and 1b, pp. 18-19). Throughout, reported frequencies may not add to 100 percent due to rounding.

A SNAPSHOT OF HOW AMERICA PAYS FOR COLLEGE 2012



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

