

2014



# How America Pays for College

Sallie Mae's National Study of College Students and Parents



Conducted by  
Ipsos Public Affairs

## About Sallie Mae®

**Sallie Mae** (NASDAQ: SLM) is the nation's No. 1 financial services company specializing in education. Whether college is a long way off or just around the corner, Sallie Mae turns education dreams into reality for American families. With products and services that include Upromise® rewards, scholarship search and planning tools, private education loans, insurance, and online banking, Sallie Mae offers solutions that help families save, plan, and pay for college. Learn more at [SallieMae.com](http://SallieMae.com).

Sallie Mae  
300 Continental Drive  
Newark, DE 19713

## About Ipsos Public Affairs®

**Ipsos** is an independent market research company controlled and managed by research professionals.

Founded in France in 1975, Ipsos is the world's third largest market research company with offices in 89 countries. Ipsos is one of the fastest growing market research companies and most trusted research brands in the United States. Ipsos delivers insightful expertise across five research specializations: Advertising, Loyalty, Marketing, Media, and Public Affairs. Ipsos Public Affairs is staffed by experts on social research and corporate reputation. Teams around the world conduct research on public policy issues and on attitudes and behaviors of citizens and consumers. They conduct also public opinion research and elite stakeholder, corporate, and media opinion research. Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,712 million (\$2,343 million USD) in 2013. Visit [www.ipsos-na.com](http://www.ipsos-na.com) to learn more about Ipsos offerings and capabilities.

Ipsos Public Affairs  
2020 K Street NW, Suite 410  
Washington, DC 20006

Access a related infographic and additional information at  
[SallieMae.com/HowAmericaPays](http://SallieMae.com/HowAmericaPays)

# TABLE OF CONTENTS

1: About This Study	5
2: Overview of Findings	6
3: Detailed Findings	8
4: Frequency of Resources Used	20
5: Role of Planning to Pay for College	23
6: First-in-Family to Attend College	26
7: Data Tables	29
8: Technical Notes	57

## Figures

Figure 1: How the Typical Family Pays for College 2014: Average Percent of Total Cost Paid from Each Source	6
Figure 2: Enrollment by School Type, Over Time	8
Figure 3: Average Amount Paid for College, by School Type, Over Time	9
Figure 4: Paying-for-College Responsibility	9
Figure 5: How the Typical Family Pays for College, Year-over-Year	11
Figure 6a: How the Typical Low-Income Family Pays for College, Over Time	12
Figure 6b: How the Typical Middle-Income Family Pays for College, Over Time	12
Figure 6c: How the Typical High-Income Family Pays for College, Over Time	12
Figure 7: How the Typical Family Pays for College, by School Type, Year-over-Year	13
Figure 8: Always Planned to Borrow?	14
Figure 9: Agreement with Values, Reasons, and Planning	14
Figure 10: Paying-for-College Personas	15
Figure 11: How the Typical Family Pays for College, by Persona Type	16
Figure 12: More Affordable Actions, Year-over-Year, “Strongly Agree”	18
Figure 13: Student Loan Borrowing, by Type	22
Figure 14: Frequency of Category Use, Over Time	22
Figure 15: Had a Plan for All Years Prior to Enrolling, by Income Group, Over Time	23
Figure 16: Paying-for-College Responsibility, by Planning Status	24
Figure 17: How the Typical Family Pays for College, by Planning Status	25
Figure 18: How the Typical Family Pays for College, by First-in-Family Status	27
Figure 19: Parent Economic Worries, by First-in-Family Status, “Strongly Agree”	28

# Tables

Table 1a: The Role of Various Non-Borrowed Funding Sources to Pay for College .....	20
Table 1b: The Role of Various Borrowed Funding Sources to Pay for College.....	21
Table 2a: Composite of College Funding Sources: Average Value Contributed from Each Source, by Income Level.....	29
Table 2b: Composite of College Funding Sources: Average Value Contributed from Each Source, by Race/Ethnicity .....	30
Table 2c: Composite of College Funding Sources: Average Value Contributed from Each Source, by School Type.....	31
Table 2d: Composite of College Funding Sources: Average Value Contributed from Each Source, by Family Borrowing Status.....	32
Table 3a: Composite of College Funding Sources: Average Percent of Total Cost of Attendance Met by Each Source, by Income Level .....	33
Table 3b: Composite of College Funding Sources: Average Percent of Total Cost of Attendance Met by Each Source, by Race/Ethnicity.....	34
Table 3c: Composite of College Funding Sources: Average Percent of Total Cost of Attendance Met by Each Source, by School Type.....	35
Table 3d: Composite of College Funding Sources: Average Percent of Total Cost of Attendance Met by Each Source, by Family Borrowing Status.....	36
Table 4: Grant Use and Average Amounts.....	37
Table 5: Scholarship Use and Average Amounts .....	37
Table 6: Percent Citing Scholarship Source.....	38
Table 7: Use of Funds from Relatives & Friends.....	38
Table 8: Use of Student Income & Savings .....	39
Table 9: Use of Parent Income & Savings .....	39
Table 10: Who Contributed Borrowed Funds .....	40
Table 11: Use of Parent Borrowed Funds.....	41
Table 12: Use of Student Borrowed Funds.....	41
Table 13: Responsibility for Paying for College.....	42
Table 14: Responsibility for Repaying Parent Education Loans.....	43
Table 15: Responsibility for Repaying Student Loans .....	43
Table 16: Enrollment by Type of School.....	44
Table 17: Enrollment by Home State.....	45
Table 18: Student Course of Study.....	45
Table 19: Degree Type Expected to Earn.....	46
Table 20: Attitudes Towards College, Rated “Strongly Agree” .....	47
Table 21: Attitudes Towards College, Scale 1-5.....	47
Table 22: Reasons for Continuing Education, Rated “Strongly Agree” .....	48
Table 23: Reasons for Continuing Education, Scale 1-5.....	48
Table 24: Planning to Pay for College, Rated “Strongly Agree” .....	49
Table 25: Planning to Pay for College, Scale 1-5.....	49
Table 26: Planned to Borrow .....	50
Table 27: Planning Resources.....	51
Table 28: Elimination of Colleges Based on Cost .....	51
Table 29: Completed FAFSA Application.....	52
Table 30: Applied for Other Financial Aid.....	52
Table 31: Types of Unexpected Expenses.....	53
Table 32: Presence of Any Unexpected Expenses .....	53
Table 33: More Affordable Actions.....	54
Table 34: Parent Economic Concerns, Rated “Extremely Worried”.....	55
Table 35: Parent Economic Concerns, Scale 1-5.....	56



## About This Study

Sallie Mae first released its annual *How America Pays for College* study in 2008. The study provides information about how American families invest in an undergraduate's education and their attitudes towards attending and paying for college.

Unlike other studies that focus solely on education-specific sources, the perspective of *How America Pays for College* is to assess all of the resources families utilize in a given academic year, including non-education specific sources of saving and borrowing, such as home equity loans or retirement funds. This study illustrates the shared responsibility Americans have in paying for college both within and outside of 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 uses to cover college costs. The "typical" family is a composite representation produced mathematically from the responses to the survey questions about how, and how much, respondents paid for college then spread across all families.

Now in its seventh year, the study depicts changes over time in funding choices and amounts paid.

*How America Pays for College* is focused on undergraduate students ages 18 to 24. Each survey year, half of the population interviewed 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.

For year-over-year comparison purposes, the report references the survey year (e.g. 2014, 2013, 2012 etc...). Questions about paying for college specifically cover the July 1–June 30 academic year ending in the year referenced. Thus the survey conducted in 2014 covers amounts paid in academic year 2013-14.

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 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.



# Overview of Findings

America pays for college through a combination of resources individual families use in varying degrees. *How America Pays for College 2014* finds that families take approaches that meet their needs, fit their financial life-styles, or match their personality traits.

Whether people have saved over time, or they work extra hours to pay tuition bills, out-of-pocket contributions, particularly from parents, rose in 2014 after three years of decreases. Parent income and savings paid 30 percent of college costs this year, and student income and savings paid 12 percent. High-income parents contributed a much larger share than middle- and low-income parents. Conversely, low-income students contributed a greater amount than middle- and high-income students.

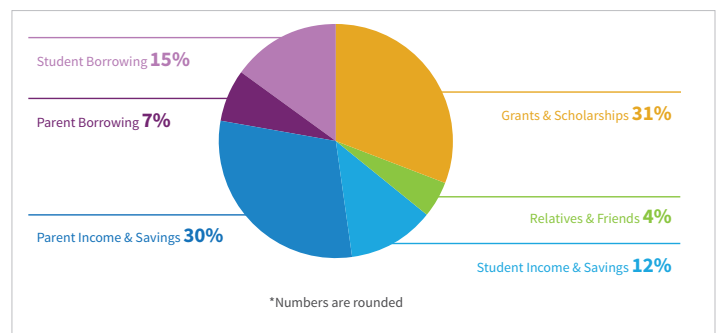
Almost one-fifth of families paid completely with out-of-pocket funds, but the majority sought financial aid. Eighty-one percent of families filed a Federal Application for Free Student Aid (FAFSA). Sixty-six percent of families reported using some grant or scholarship money, which covered an average of 31 percent of college costs.

As out-of-pocket contributions increased, borrowing decreased. Borrowed funds paid 22 percent of costs in 2014, a decline from 27 percent in the prior two years. Both parents and students borrowed less. Thirty-five percent of families borrowed something to pay for college. The student was the sole borrower most of the time, thus student loans covered

twice as much of costs as parent loans. Nearly half the families who borrowed always planned to borrow; one-quarter knew borrowing was an option they hoped they wouldn't have to choose; and another third had not planned on borrowing but made that decision when savings or financial aid came up short.

Three in 5 families believe that paying for college is a shared responsibility between the parent and student. Of those who believe it is the sole responsibility of one party or the other, twice as many believe the responsibility lies with the student than with the parent. However, actual practice showed a different ratio. The parent did not contribute any money last year in 31 percent of families — either out-of-pocket or through borrowed funds — and in another 31 percent of families the student paid nothing out-of-pocket nor borrowed.

**Figure 1 — How the Typical Family Pays for College 2014: Average Percent of Total Cost Paid from Each Source\***



The range of sources used to pay for college indicate the importance of having a variety of options available for families. Variations are driven to some extent by the personalities and values of the individual families.

For the first time, *How America Pays for College* explored the personality types — and paying-for-college readiness — of the parents and undergraduates in the survey. Of the four types, or personas, identified, “Procrastinators” are the least prepared financially and the most likely to have considered not attending college due to the cost; “American Dreamers” are driven by the aspirational values associated with a college education and rely heavily on financial aid to make it a reality; “Reluctant Borrowers” are disinclined to borrow or stretch financially, yet are more likely than others to have a plan to pay for college; and “Determined” have planned and saved fervently in order to ensure their student can take full advantage of the opportunities higher education has to offer.

Three in 10 students in this year’s *How America Pays for College* survey were the first in their family to attend college. Students from these families — many of whom fall into the “American Dreamer” persona type—took more steps than their second-generation counterparts to save money, through actions such as by living at home. The overall amount they spent was 18 percent lower than the average spent by second-generation students. First-generation students paid a higher portion of their college costs out of their own pockets, and their parents worry at a significantly higher rate about economic conditions that could affect their child’s future enrollment, such as schools increasing tuition, or scholarship and grant money being less available. First-generation families were half as likely to have a plan to pay for college as second-generation families.

Having a plan to pay for college — a strong denotation of the “Determined” persona — correlates strongly with being able to take advantage of more costly college options. In fact, families with a plan paid about 30 percent more for college than families without a plan. Students in families who have a plan are more likely to attend private colleges, to attend full time, and to live away from home. Parents in these families worry less about economic considerations, and paid for almost half of the year’s college costs out of their income and savings.

This year’s study shows that the average amount families spent on college has remained stable for the third year in a row. This consistency seems to belie the notion that college costs commonly rise each year; however, families make choices not only about how to pay for college, but how much they will pay. School choice, in-state pricing, ability to commute, and accelerating coursework are all options families utilized to control costs. Two-thirds eliminated colleges from their selection set due to cost. Reported enrollment in 2-year public colleges is at a peak. Seventy-seven percent of students are enrolled in a college located in their home state.

Families continue to believe in the value of a college education: 98 percent agree (with 84% strongly agreeing) that college is an investment in the student’s future. While many families have made decisions to help regulate the amount they spend on college, they are indeed making the financial commitment college requires through a variety of means to ensure access to that investment.



# Detailed Findings

## Stable College Spending Masks Diversity of Family Choices

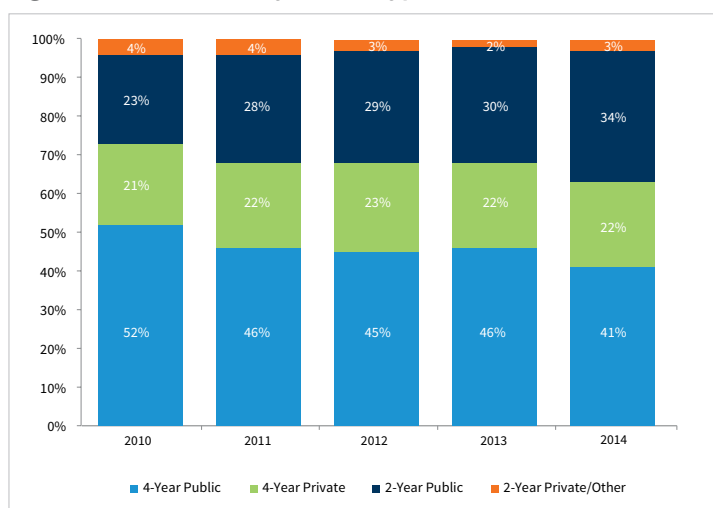
*How America Pays for College 2014* found that average spending on college this past academic year, \$20,882, is consistent with amounts paid the three prior years after a peak in reported spending of \$24,097 in 2010. Despite rising college costs, families made choices that held down their spending on college.

School choice may be a key driver in containing total average spending.

This year, families reported the highest enrollment in two-year public colleges since the survey began, 34 percent in 2013-14 from 30 percent the previous year. At the same time, enrollment at 4-year public colleges declined from 46 percent to 41 percent. Although the proportion enrolled at 4-year private colleges remained the same year-over-year (22%), the average spending at that type of institution appears to reflect a reduced cost to the families who chose them.

Not surprisingly, the amount spent to attend four-year schools is higher than two-year schools. The average yearly amount spent for two-year public schools was \$11,012, a slight increase of \$344 from the prior year but \$10,060

Figure 2 — Enrollment by School Type, Over Time

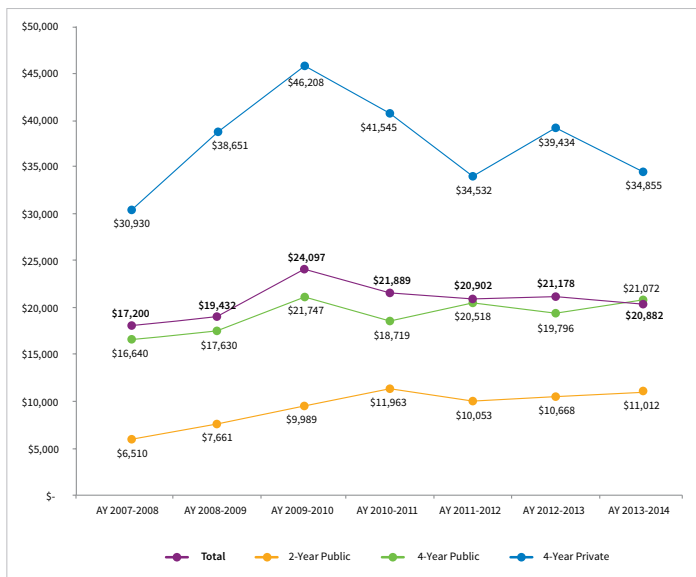


less than 4-year public schools. The average amount spent for 4-year public institutions was \$21,072, an increase of \$1,276 from 2013 and similar to the reported spending in 2012.

Private school spending—typically higher than public schools—fluctuated more widely than spending at public colleges. Four-year private schools had the highest reported cost by school type at \$34,855, nearly \$14,000 more than 4-year public schools. However, this was a decline of nearly \$4,600 from the amount paid for private colleges in 2013.



**Figure 3 — Average Amount Paid for College, by School Type, Over Time**



Spending on college generally differs significantly by income<sup>1</sup>, with high-income families tending to pay the most for college. For 2014, the gap between high-income families’ spending and middle- or low-income families was roughly \$7,000. High-income families reported paying \$26,556 on average. There was very little difference in reported spending between middle- and low-income families (\$19,471 and \$19,466, respectively).

The average amount middle-income families reported spending on college dropped to its lowest level since 2010. In contrast, high-income families reported an 11 percent jump in the amount spent on college after three years of declined spending. The amount they spent in 2014 was only 3 percent higher than 2011. This year’s divergence between middle- and high-income families’ behavior resulted in a wider gap between the amounts spent by them.

## Payment Responsibility

Nearly one-third of families believe the obligation of paying for college is the sole responsibility of either the student or the parent. One in five families (20%) said the student should be solely responsible, and 11 percent said the parent should be solely responsible. Sixty-one percent of families believe the responsibility should be shared in some way. However, in their actual spending in 2014, the primary paying-for-college responsibility fell entirely on one party or the other in nearly

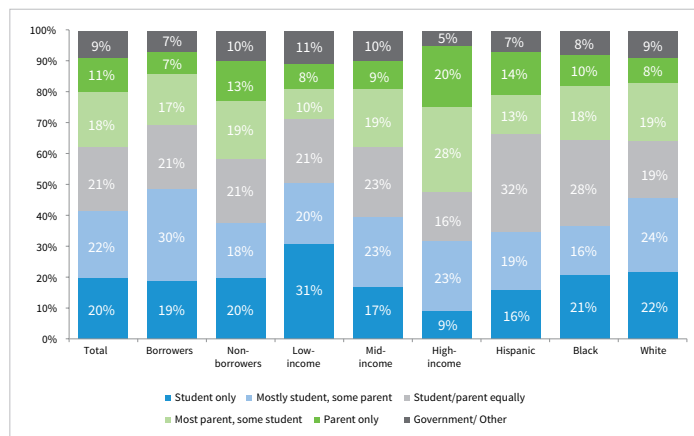
two-thirds of families. In 31 percent of families, the parent did not contribute any income or savings nor borrowed any money, leaving the student to provide any funds not covered by financial aid. In another 31 percent of families, parents paid enough of the costs such that the student paid nothing out-of-pocket nor borrowed.

However, a strong majority of families (61%) believe payment responsibility falls jointly on both parties.

Among those who believe paying for college is a shared responsibility, there is a fairly even distribution regarding the weight of responsibility: the student being mostly responsible with some parent assistance (22%), the parent being mostly responsible with some help from the student (18%), and the student and parent being equally responsible (21%).

Perceptions of joint payment responsibility are more prevalent among families who borrowed money this year to pay for college. Sixty-eight percent of borrowers report a belief in some sort of joint responsibility for paying for college compared to 58 percent of non-borrowers. Borrowing families also tend to allocate more responsibility to the student with 30 percent saying “the student is mostly responsible but with some parent assistance,” compared to only 18 percent stating this among families who did not borrow. Families who have not borrowed money to pay for college this year are twice as likely to believe that the parent is solely responsible (13%, versus 7% among families who borrowed).

**Figure 4 — Paying-for-College Responsibility**



<sup>1</sup> For the purposes of this study, low-income has been defined as those with an annual household income of less than \$35,000, middle-income with an annual income from \$35,000 to less than \$100,000, and high-income with an annual income of \$100,000 or more.

Attitudes toward payment responsibility also vary based on income. As family income increases, student obligation decreases. Low-income families are more likely to agree that the student is solely responsible in paying for college (31%) than middle-income (17%) or high-income families (9%). In middle-income families, the focus of responsibility shifts toward a shared burden, where approximately two thirds (65%) believe in shared responsibility between the parents and students. High-income families exhibit a perception of greater parental responsibility, with half of high-income families (48%) reporting that the parent is primarily responsible for paying for college (28% with some student aid, 20% solely responsible).

Hispanic families express a greater degree of support for an equal distribution of payment responsibility. Roughly one-third (32%) of Hispanic families believe the student and parent should be equally responsible for paying for college compared with 28 percent of African-American families and 19 percent of White families. White families are more likely to agree that the student is primarily responsible for paying for college (46%, 24% with some parent aid and 22% solely student) compared with African-American (37%) and Hispanic (35%) families.

## Loan Payment Responsibility

While a majority of families who borrowed to pay for college view paying college costs as a joint effort between parent and student, there is a notable difference between overall responsibility and repayment of any loans accrued.

In families where the student borrowed a federal or private education loan, fewer than one-third say parents will contribute to loan payments; a strong majority (71%) say the student will be solely responsible for repaying the loans.

In families where the parent borrowed a federal or private education loan, the student is again expected to take responsibility. Only 12 percent say the parent will be solely responsible for the payments. The vast majority expect students to make some payments on parent loans with 24 percent saying the student will be fully responsible for those payments.

## Out-of-Pocket Contributions

A significant source of college funding comes from the income and savings of families known generally as “out-of-pocket” contributions. In 2014, American families reported that out-of-pocket spending from parents and student combined was \$8,850, accounting for 42% of the total amount paid for college. This breaks a three-year trend in decreasing out-of-pocket spending (46% in 2010, 41% in 2011, 40% in 2012, and 38% in 2013). Compared to 2013, American families increased their contributions from income and savings by \$839 while decreasing the total spent on college by \$295.

Student out-of-pocket spending accounted for about 12 percent of total college spending, or \$2,562 this year (up from \$2,284 in 2013), and has hovered around 11 to 12 percent of the total paid for college over the last four years. The proportion of costs paid from parent out-of-pocket funds has wavered more than the student portion, from a high of 37 percent of costs paid in 2010 to a low of 27 percent last year. The portion of college costs covered by parent out-of-pocket funding in 2014 increased slightly from last year to 30 percent. The average dollar amount also increased slightly, from \$5,727 in 2013 to \$6,288 in 2014.

The increase in out-of-pocket spending for both parents and students corroborates the focus on joint responsibility between parents and students reported by a majority of respondents. The rising costs of college may be changing how families budget their income and savings, as well as changing some other habits, e.g., reducing personal spending to free up more funds for college.

While there are some fluctuations by population segments in student out-of-pocket contributions, the differences among parent groups are more pronounced. Overall spending on college appears to be a major driver of parental out-of-pocket contributions. As school costs increased, the proportion of parents who used income or savings increased. Among families who spent less than \$5,000 on college in 2013-14, about 40 percent of parents contributed income or savings. Among families who spent between \$5,000 and \$20,000, 58 percent of parents used some out-of-pocket funds. Among families who spent above the average (more than \$20,000 in total costs), three-quarters of parents (74%) contributed out-of-pocket funds to help pay for school.

Parent income level also influences parent out-of-pocket spending. High-income parents were much more likely than low- or middle-income parents to use their income or savings to contribute to college expenses. Roughly 4 in 5 (82%) high-income parents used their out-of-pocket funds to pay for school, compared to 3 in 5 (59%) middle-income and 2 in 5 (43%) low-income parents. Low-income parents were the least likely segment among both students and parents to contribute from their income or savings. Students from high-income families were less likely than their counterparts to contribute their own income or savings to pay for college.

In total, 21 percent of families used only out-of-pocket funds contributed by the parents, students and relatives or friends to pay for college this year; they did not rely on any financial aid or borrowed money.

Figure 5 — How the Typical Family Pays for College, Year-over-Year

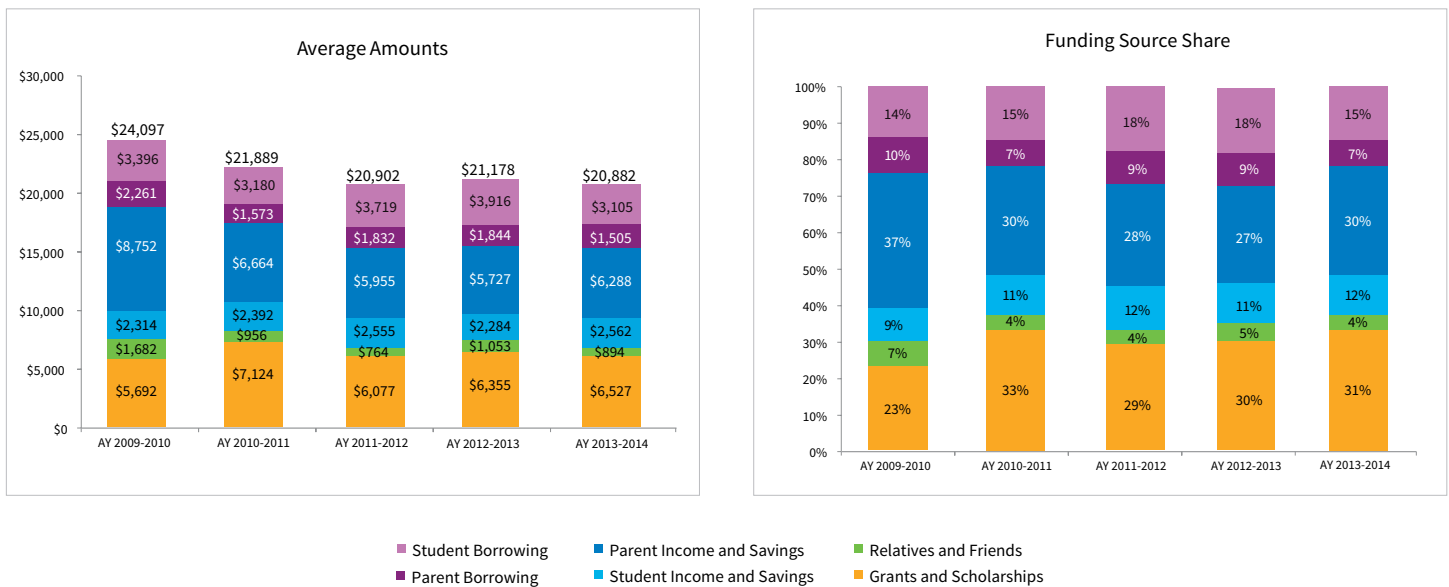


Figure 6a — How the Typical Low-Income Family Pays for College, Over Time

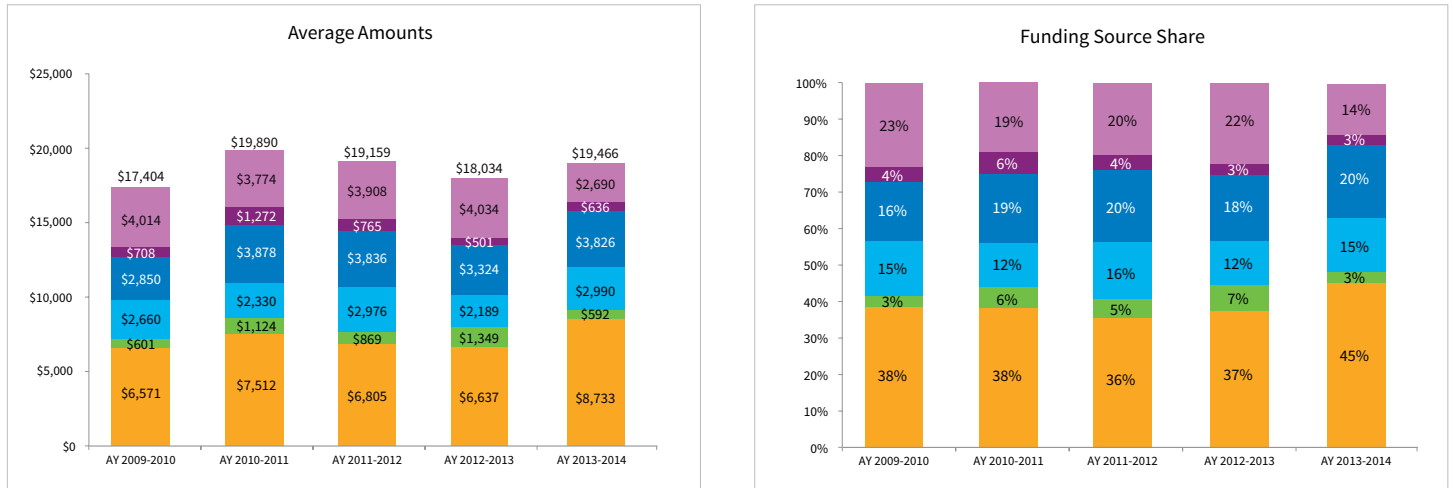


Figure 6b — How the Typical Middle-Income Family Pays for College, Over Time

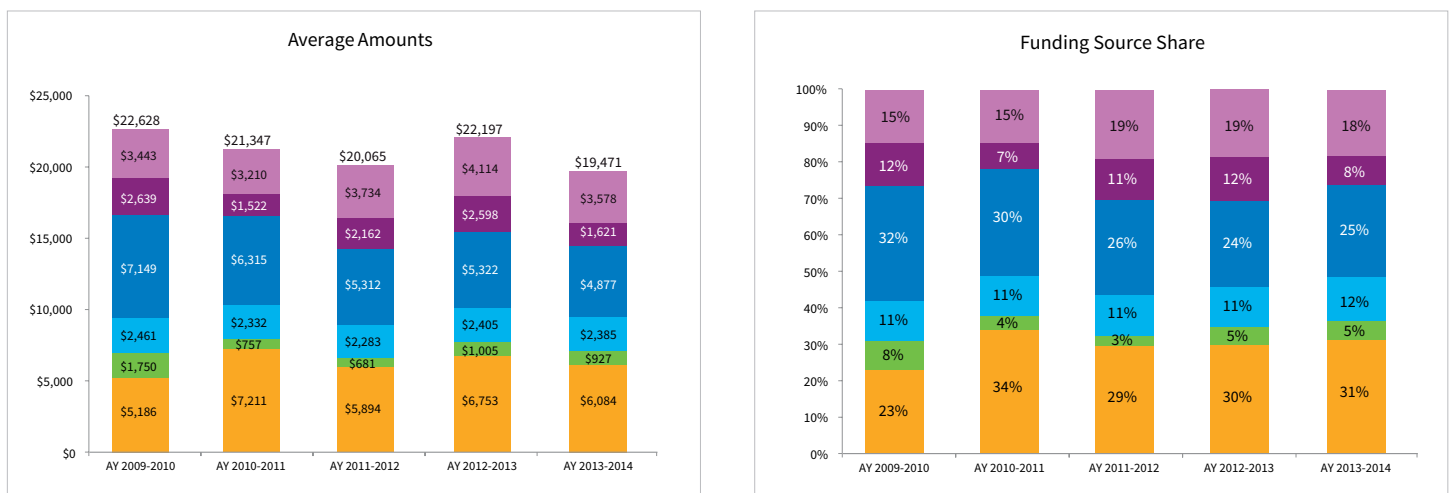
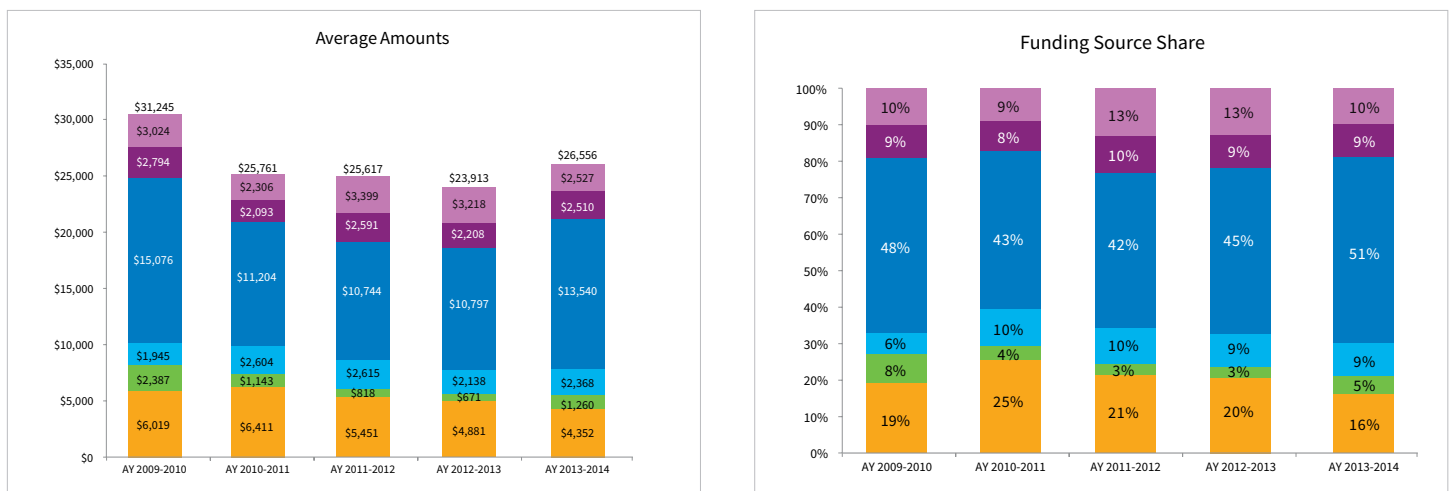


Figure 6c — How the Typical High-Income Family Pays for College, Over Time



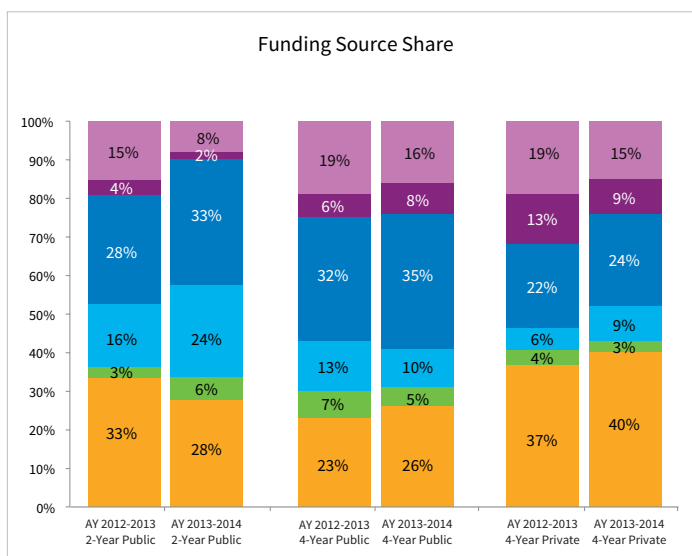
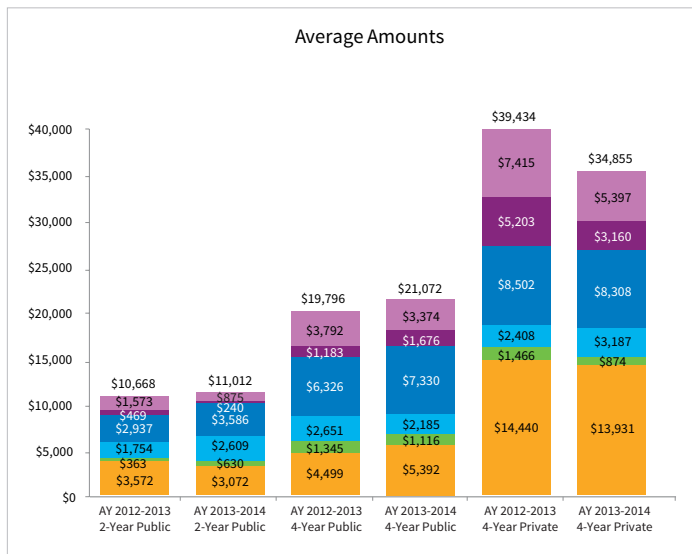
■ Student Borrowing    
 ■ Parent Income and Savings    
 ■ Relatives and Friends  
■ Parent Borrowing    
 ■ Student Income and Savings    
 ■ Grants and Scholarships

# Borrowing

Families' use of borrowed money used to pay for college in 2014—a combined parent and student amount of \$4,610—dropped to the lowest it has been in five years. Borrowed funds paid for 22 percent of college costs in 2013-14, a decline from 27 percent the prior year. Student borrowing (15%) accounted for twice as much as parent borrowing (7%).

At 4-year colleges, borrowed money paid 24 percent of costs compared with only 10 percent of costs at 2-year public colleges. Proportionally, student and parent borrowing at 4-year colleges was consistent across school type.

**Figure 7 — How the Typical Family Pays for College, by School Type, Year-over-Year**



■ Student Borrowing    
 ■ Parent Income and Savings    
 ■ Relatives and Friends  
■ Parent Borrowing    
 ■ Student Income and Savings    
 ■ Grants and Scholarships

The proportion of costs paid from borrowed money at 4-year public colleges was similar to 2013 when 25 percent of costs were paid with borrowed money, though there was a slight shift toward the student borrowing less and the parent borrowing more this year. At 4-year private colleges, the proportion of costs paid from borrowed funds decreased from 32 percent in 2013 with a slightly greater decrease in parent borrowed funds than student borrowed funds.

Because the total amount spent for private colleges (\$34,855) averaged 65 percent more than the cost of public colleges (\$21,072), average borrowing for private school was proportionally higher as well. The amount paid by student borrowing at private colleges was \$5,397 compared to \$3,374 at public colleges. Similarly, parent borrowing at private colleges was \$3,160 compared to \$1,676 at public colleges.

At 2-year public colleges, students cut their borrowing by almost half compared to the prior year. In 2014, 2-year public student borrowing amounts were \$875, which paid 8 percent of costs, and parent borrowing, \$240, was down to 2 percent of costs.

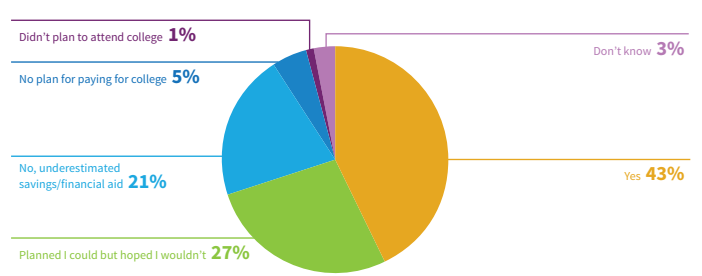
Middle-income families relied more on borrowing to pay for college than low- or high-income families. Middle-income families paid 26 percent of college costs with borrowed money, 18 percent by the student, and 8 percent by the parent. Among high-income families, 19 percent of costs (10% student, 9% parent) and among low-income families, 17 percent of costs (14% student, 3% parent) were paid with borrowed funds.

Middle-income families had also relied more heavily on borrowing in 2013 (31% of costs) than high-income (22%) and low-income (25%) families, though borrowing declined compared to last year.

## Planned to Borrow

One-third of families (30%) who borrowed money to pay for college this year hadn't planned to borrow—the majority of them were counting on financial aid or savings that didn't materialize. Two in five (43%) fully expected to borrow as part of their paying-for-college plan, and one-quarter (27%) had planned on borrowing as a last resort (knew they could, but hoped they wouldn't have to).

Figure 8: Always Planned to Borrow?

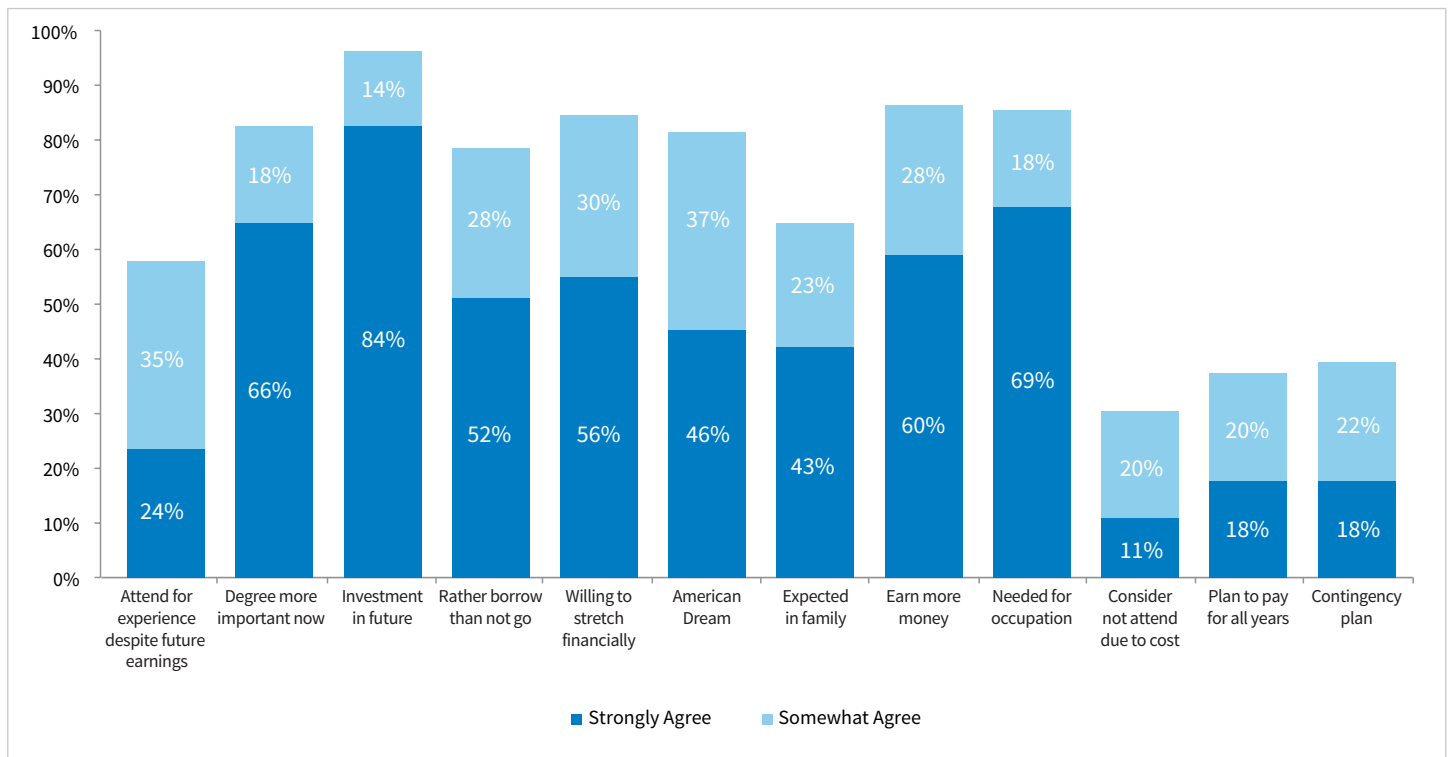


## Attitudes

Understanding how American families pay for college provides insight and information on the specific strategies and tactics used to finance this investment in the future. However, understanding why America pays for college is equally important. The motivations, values, and attitudes of individuals help provide context, and significant changes in motivations could signal significant changes in how families pay for college (or even their willingness to consider it).

Overall, Americans are nearly unequivocal in the value they place on a college education. Those surveyed are in nearly unanimous agreement (average agreement of 97% from 2009-2014) that college is an investment in the future. More than 8 in 10 agree that a college degree is more important now and that a degree is needed for the student's desired occupation. Additionally, Americans still view a college education as part of the American Dream (average 80% agreement from 2009-2014).

Figure 9: Agreement with Values, Reasons, and Planning



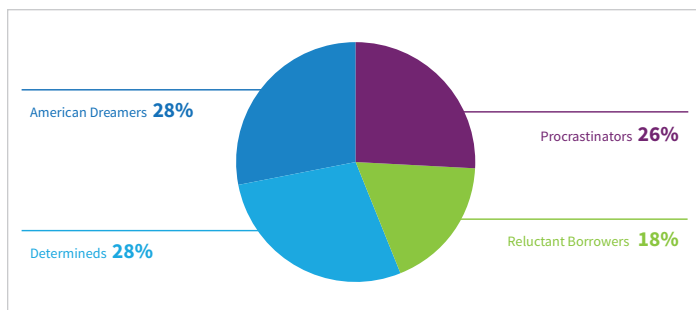
Families most often see the value of a college education in terms of the tangible benefits (i.e., the ability to earn more money), but a strong majority of those surveyed also see value in the college experience itself (60% agreement – would send/attend for intellectual and social experience despite future earnings). A college education is also becoming a social and cultural norm: roughly 65 percent of Americans (overall average from 2009-2014) report that a college education is expected in their family.

American families also report a strong willingness to facilitate their children attending college. More than 8 in 10 (86%) indicate they are willing to stretch themselves financially to obtain the opportunities afforded by higher education. In addition, from 2009-2014, an average of 81 percent of those surveyed agree they would rather borrow than the student not attend college. Relatively few were willing to consider the possibility of not attending due to cost (an average of 31% considered not attending college).

The one area where Americans are less sanguine is planning. Fewer than half of those surveyed (an average of 38%) report they created a plan for paying for all years of college. Similarly, an average of only 40 percent indicates their family has a contingency plan to pay for college in the case of unexpected events (such as parent job loss or medical emergency).

While the aggregate pattern of attitudes generally shows agreement about the value of a college education and indicates a willingness to take necessary actions to facilitate enrollment and attendance, this opinion is by no means monolithic. The most recent *How America Pays for College* survey identifies four main “personas”<sup>2</sup> with distinct orientations toward higher education and differing levels of attitude salience. These personas identified in the research are “Procrastinators,” “American Dreamers,” “Reluctant Borrowers,” and “Determined.”

Figure 10: Paying-for-College Personas



## Procrastinators

As suggested by the title, the financial aspects of higher education are most concerning for these individuals and they generally report a significantly lower degree of planning to pay for college. Only 12 percent in this group report they have a contingency plan to pay for college (compared to 40% overall), and only 7 percent agree their family had a plan to pay for all years of college before the student enrolled (versus 38% overall). In addition, possibly because of this tendency to put off planning, a strong majority within this group (61%) indicate they considered not attending college because of the cost (compared to 31% overall). Procrastinators are more likely to enroll in two-year public college (42% vs 34% overall) and paid less for college than the other personas, \$18,283. Parents contributed 21 percent of the amount paid for college, the least of any persona type, while students relied more than other groups on their own income and borrowing and on grant aid.

## American Dreamers

Emotional and aspirational values associated with higher education are the most salient for the American Dreamers. Nine in 10 (90% versus 84% overall) agree a college education is part of the American Dream and a similar proportion report a college degree is more important now than it used to be (91% versus 85% overall). Members of this group are also unanimous in their belief that college is an investment in the student’s future (99% agreement).

American Dreamers are also quite stolid in their support of the general value of higher education and have fully internalized this as a norm. Nearly two-thirds of American Dreamers (64% versus 59% overall) agree the social and intellectual experience of college is worthwhile regardless of whether it results in greater earnings. More than eight in ten (84% versus 66% overall) report that college enrollment is expected in their family.

Individuals classified as American Dreamers are slightly more likely to come from low-income households (35% versus 30% overall) and the composition of the group skews slightly toward students rather than parents (56% students versus 50% overall). This group is comprised disproportionately of minorities, particularly Hispanic (25% versus 17% overall) and African-American (17% versus 12% overall). Additionally, American Dreamers are more likely to be “first in family” (36% parents with high school education or less, versus 29% overall). With a disproportionate number of low-income families in this group, American Dreamers tend to rely more

<sup>2</sup> Personas were created using multi-layered analyses of respondents’ levels of agreement with the values statements, reasons for attending college and planning considerations detailed in Tables 20-25 and summarized in Figure 9. Please see the Technical Notes for more detail on the analysis.

heavily than other groups on financial aid, particularly federal student loans, grants and work-study. Unlike Procrastinators, they are less likely to be enrolled in two-year public colleges (29%). Overall, American Dreamers spent a little more on college than Procrastinators, \$19,520, with parents contributing more, 27 percent, toward costs.

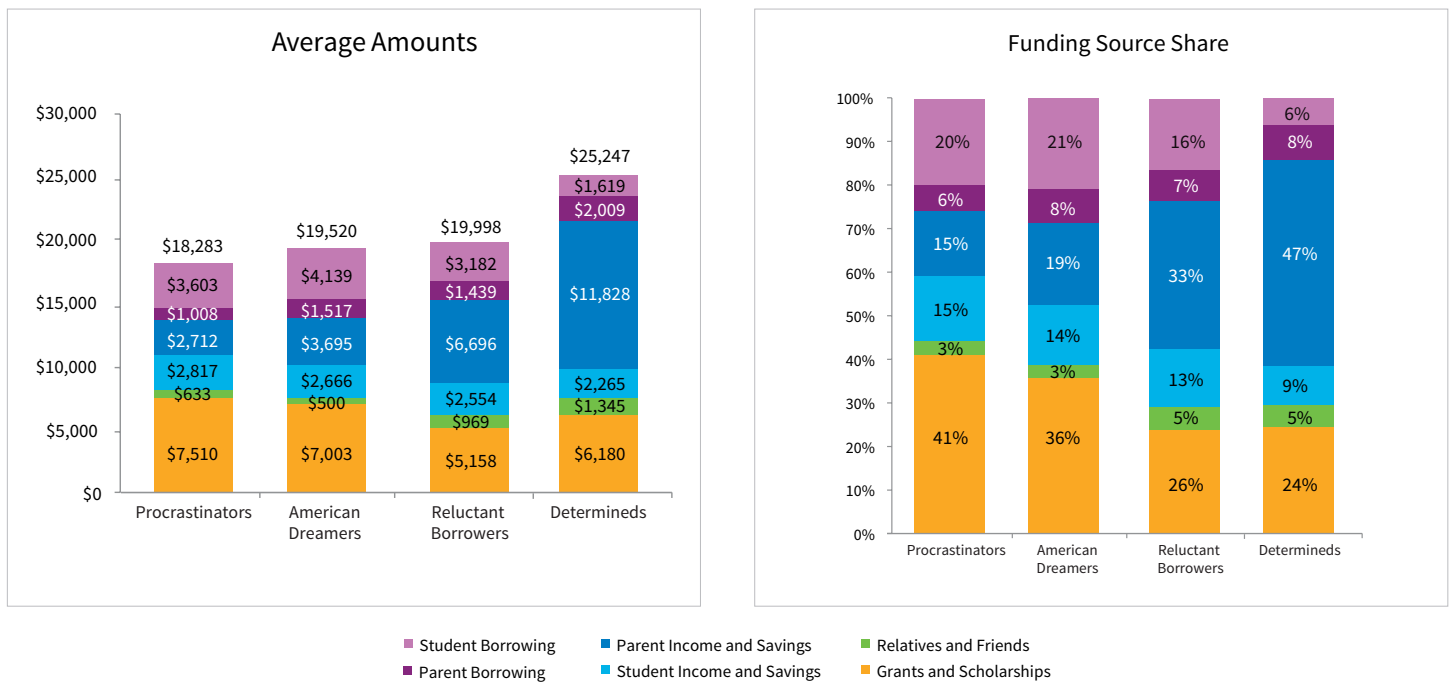
### Reluctant Borrowers

This group of individuals compares favorably with the overall population in most areas. Reluctant Borrowers generally believe in the value of higher education, and have taken proactive steps to ensure the ability to pay for college—73 percent report their family created a plan for paying for all years of college (versus 38% overall), and 61 percent agree they developed contingency plans to mitigate against unexpected events (versus 40% overall).

Despite this commitment to higher education, Reluctant Borrowers are substantially less willing to finance the cost of college through borrowing. While a majority (55%) of Reluctant Borrowers agree they would rather borrow than the student miss the opportunity of going to college, this is substantially lower than the 80 percent overall who report a willingness to borrow. Similarly, Reluctant Borrowers are less enthusiastic about the prospect of stretching themselves financially: 71 percent agree they are willing to stretch financially, compared to 86 percent overall.

Reluctant Borrowers are more likely to be enrolled in two-year public colleges (40%) and to pay for college using college savings funds (25% compared to 15% overall) and student income (44% vs 36% overall). They borrowed, but at a lower level than Procrastinators and American Dreamers, while spending slightly more than those personas: \$19,998.

Figure 11 — How the Typical Family Pays for College, by Persona Type





## Determined

In general, Determineds exhibit the highest level of agreement across all value and attitude statements, and as such, are powerful advocates for the value of a college education. They are also willing to take any necessary action to ensure that the student is able to take full advantage of the opportunities higher education can offer, both during the course of study and beyond. While this overall enthusiasm is certainly worthy of note, Determineds are also very much the mirror image of Procrastinators.

The most salient attitudes for Determineds revolve around readiness. Among members of this group, fewer than 1 percent agree they considered not attending college because of the cost (versus 30% overall). In addition, fully 85 percent of Determineds strongly disagree with this statement (versus 47% overall). For Determineds, not attending college based on cost is simply not a consideration.

Other areas where this commitment to readiness manifests are in creating a plan to pay for all years of college and developing contingency plans. Eight in 10 (80%) Determineds report that before enrollment, their family created a plan to pay for all years of college (compared to 38% overall). Likewise, more than 4 in 5 (85%) indicate they have a contingency plan to pay for college in case unexpected events occur (compared to 39% overall). Clearly, these individuals are the most “paying-for-college ready” among Americans. Determineds are more likely to be enrolled in a four-year college (70% compared to 63% overall). While they spent 26 percent more on college than the other personas, \$25,247, parent out-of-pocket contributions paid for close to half (47%) of those costs.

## Unexpected Expenses

A college education is a significant financial commitment, and perhaps the second-largest investment a person expects to make in his or her life (behind buying a house). With an expense this large, under-estimating or inadvertently omitting some costs is not surprising. While a majority of families reported they did not encounter any surprise expenses in paying for college, one-third of families encounter some unexpected expenses.

Among those families with unexpected expenses, textbooks represented the biggest surprise. Forty percent of those families did not expect books to be as pricey, with students slightly more surprised than their parents (44% and 35% respectively). According to the National Association of College Stores (NACS), in 2012 college students estimated spending an average \$655 annually on books<sup>3</sup> and, in fall 2013, students estimated spending an average \$370 on required course materials<sup>4</sup> (\$740 average per year). The College Board, a not-for-profit organization whose mission is helping college students successfully transition to college, suggests students should budget to spend \$1,200 annually on books.<sup>5</sup>

Travel and transportation is another area where expenses can add up quickly and unexpectedly. Close to one in five families (17%) found travel expense was more than expected. Among those families, especially surprising expenses were costs for commuting to school (55%), car trouble (20%) and parking fees (14%). For example, parking permits at one large public university next school year will cost anywhere between \$109-\$842 depending on parking priority and the location. Added to the costs of gas and maintenance, this variable parking fee could certainly add to the expense of college.

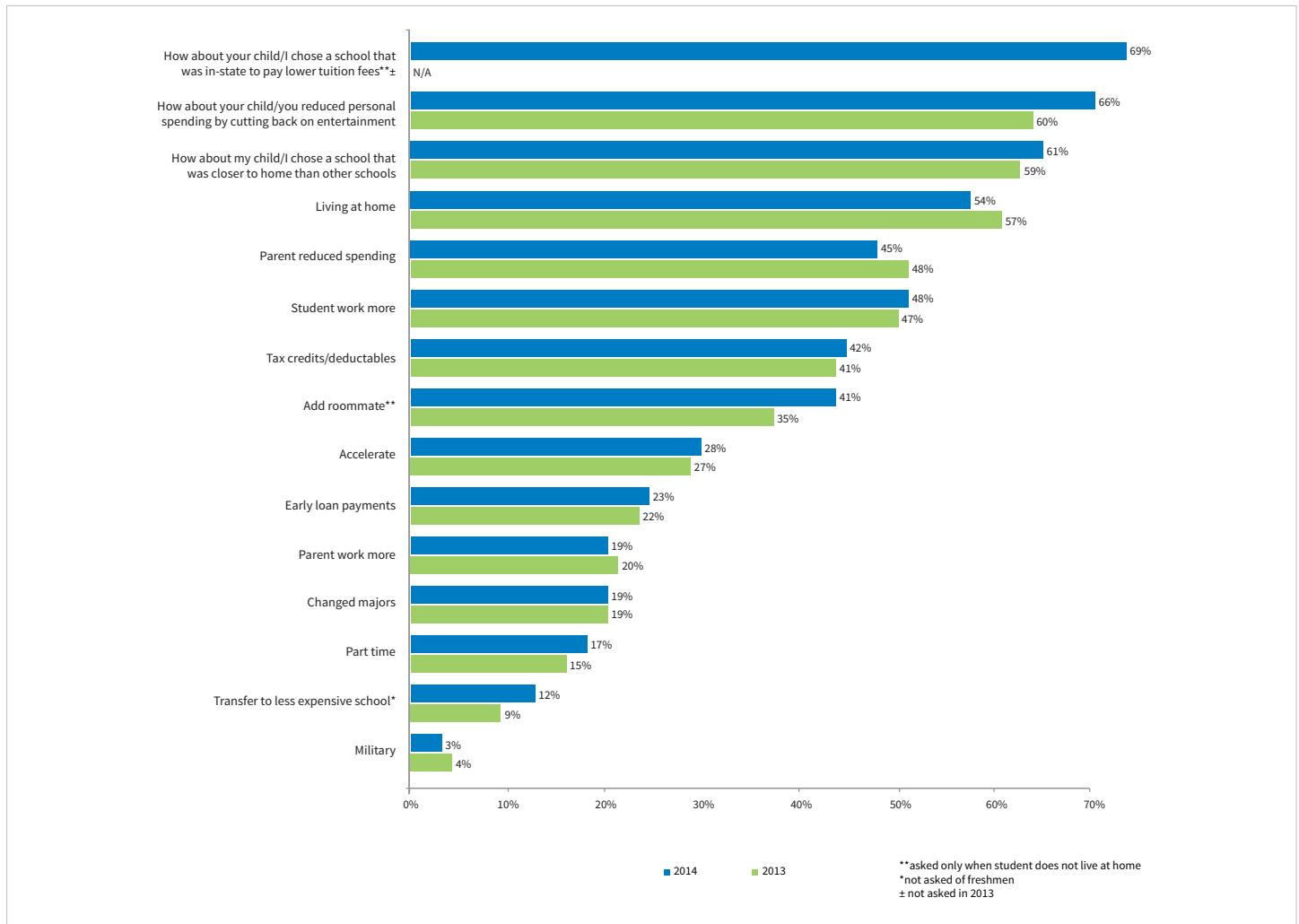
Even attempts to change habits in order to save money can generate unexpected consequences. For example, students living at home may save money on housing, but might not save money on travel and food. Students living at home are not reliant on the college for their meal plan, but grocery bills could potentially outpace the cost of a college meal plan without careful planning.

<sup>3</sup><http://www.nacs.org>

<sup>4</sup>National Association of College Stores, Student Watch Fall 2013 Report, 2013

<sup>5</sup><https://bigfuture.collegeboard.org/pay-for-college/college-costs/quick-guide-college-costs>

Figure 12 — More Affordable Actions, Year-over-Year, “Strongly Agree”



## Cost-Saving Measures

*How America Pays for College 2014* finds that families are adopting multiple strategies to reduce the cost burden of paying for college, such as opting for in-state tuition (69%), living closer to home (61%) or at home/with relatives (54%), filing for education tax credits (42%), getting a roommate (41%)<sup>6</sup>, accelerating the pace of coursework (28%), or not deferring payments on student loans (23%). Not only was the choice of an in-state school the most frequently mentioned response, it is also most likely to be mentioned if only one cost-saving measure is adopted by the family. Most families, however, are likely to adopt a combination of cost-reduction approaches, such as opting to go to school in state and living at home or with relatives (43%).

<sup>6</sup> Among those where the student does not live at home

Attending an in-state school and living closer to (or at) home are even more important cost-reducing methods among families with freshman students (71% indicate living closer to home), those attending 2-year public colleges (80% indicate in-state schools, 68% indicate living at home), and part-time students (81% indicate in-state schools, 71% indicate living closer to home), all double-digits above the total figures.

*How America Pays for College 2014* also sees families committed to reducing their personal discretionary spending, such as on vacation and entertainment. Without alleviating the total amount necessary to pay for college, reducing spending in other areas can make college incrementally more affordable. Two in three (66%) students acknowledge they are reducing their own spending in other areas, as are almost half of parents (45%). These actions are most likely occurring in combination with other cost-saving measures, such as choosing an in-state school and living close to or at home.

Another strategy American families used was to increase current earnings to help pay for college costs. Close to half of students (48%) increased their earnings and one in five (19%) families parents increased work hours/earnings in 2014 to make college more affordable. A significantly higher proportion of Hispanic households (32%) reported parents increased work/earnings.

Finally, one in five families (19%) reported adopting the outcomes-oriented tactic of changing majors to pursue a field that is more marketable. Families where students are enrolled in 2-year public colleges (24%) used this tactic more frequently as did Hispanic (25%) and African American (25%) households. This trend has been slowly increasing since 2012.

Virtually all families adopted at least one of these affordability measures. But many families clearly used a multi-faceted approach to increase the affordability of a college education, and mitigate cost increases. In fact, the average family engaged in five or more different actions to bring college more within their means. While the addition of new cost-mitigation categories complicates the task of determining whether these activities are increasing year-over-year, what does emerge very clearly is that families are tackling the issue with multiple strategies: reducing costs, re-allocating spending, increasing revenue, and being savvy with investing in education.

## Conclusion

*How America Pays for College 2014* shows there is no standard method for paying for college; this process is as unique as the families sending a student to college. While there are certainly challenges involved, families are finding ways to cover the costs of college. In this past academic year, families' overall spending was consistent with previous years of *How America Pays for College*; however, they borrowed less and paid more out-of-pocket.

Part of the motivation behind families' choices in paying for college is the high value placed on a college education. College as a worthwhile investment is nearly undisputed. However, this does not imply that all families approach paying for college similarly. Different types of college families show unique values, motivations and behaviors in relation to planning and paying for college.

Students report that they are taking the responsibility of paying for college very seriously. In nearly one in three families, the parents did not contribute any savings, income, or borrowing to their child's college education. Further, families are becoming increasingly practical with their spending; many report making choices to help hold down costs, such as having the student live at home and reining in spending elsewhere. The average family took five actions to help make college more affordable.

The diversity of approaches to paying for college demonstrates just how important higher education is to those families involved. Overall, families report they are willing to stretch themselves financially in order to facilitate a college education, and most would rather stretch financially than not attend.



## Frequency of Resources Used

In the preceding sections, the report referenced the average amounts and the proportion of total college costs paid from each of six funding source categories. Not all families, however, utilize all of the sources identified. Each family uses a different combination of resources depending on access and availability at the time the student heads off to college.

In this section, the report explores the frequency with which families used each source, and the average amounts by those families. As seen in Tables 1a and 1b, the usage rates among families of nearly all sources is consistent when compared with the prior year. There are some shifts, however, in the amounts drawn from a number of sources.

**Table 1a — The Role of Various Non-Borrowed Funding Sources to Pay for College**

	Frequency of Sources and Average Amounts Used									
	2014		2013		2012		2011		2010	
	% 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**
<b>Non-Borrowed Sources</b>										
<b>Parent Income and Savings</b>	<b>59%</b>		<b>60%</b>		<b>58%</b>		<b>66%</b>		<b>64%</b>	
Parent Current Income	46%	\$6,973	52%	\$6,896	52%	\$7,700	58%	\$6,396	57%	\$7,958
College Savings Plan (529)	15%	\$9,233	17%	\$7,959	11%	\$6,616	14%	\$9,729	15%	\$10,077
Retirement Savings Withdrawal	7%	\$8,870	5%	\$2,710	5%	\$6,542	4%	\$4,102	6%	\$8,554
Other Parent Savings or Investments	12%	\$6,210	11%	\$4,249	9%	\$6,391	13%	\$5,439	14%	\$9,937
<b>Student Income and Savings</b>	<b>56%</b>		<b>51%</b>		<b>50%</b>		<b>50%</b>		<b>45%</b>	
Student Current Income	36%	\$3,278	34%	\$3,130	35%	\$3,702	32%	\$2,946	32%	\$3,430
Student Savings	31%	\$2,592	27%	\$2,764	27%	\$2,746	24%	\$2,593	22%	\$3,329
Federal Work-Study	8%	\$2,354	5%	\$1,605	5%	\$2,405	11%	\$1,712	8%	\$2,431
Other Student Savings or Investments	7%	\$2,702	8%	\$2,618	7%	\$3,073	8%	\$3,871	3%	\$2,819
<b>Grants and Scholarships</b>	<b>66%</b>		<b>65%</b>		<b>61%</b>		<b>67%</b>		<b>55%</b>	
Scholarships	44%	\$8,025	39%	\$8,349	35%	\$7,673	45%	\$7,677	43%	\$7,819
Grants	43%	\$6,643	45%	\$6,538	45%	\$7,226	46%	\$6,184	30%	\$6,124
<b>Relatives or Friends</b>	<b>17%</b>	<b>\$4,788</b>	<b>18%</b>	<b>\$5,244</b>	<b>16%</b>	<b>\$4,169</b>	<b>19%</b>	<b>\$4,328</b>	<b>16%</b>	<b>\$9,243</b>

\*\*Among those who used each source

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

Frequency of Sources and Average Amounts Used										
	2014		2013		2012		2011		2010	
	% 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**
<b>Borrowed Sources</b>										
<b>Parent Borrowing</b>	<b>10%</b>		<b>12%</b>		<b>13%</b>		<b>13%</b>		<b>18%</b>	
Federal PLUS Loans	5%	\$10,343	7%	\$9,887	8%	\$10,464	8%	\$6,787	7%	\$9,153
Private Education Loan	2%	\$10,408	2%	\$7,316	3%	\$7,294	4%	\$6,686	4%	\$10,977
Home Equity Loan or HELOC	2%	\$9,805	1%	\$4,602	2%	\$12,557	3%	\$8,676	4%	\$11,204
Parent Credit Cards	3%	\$2,678	3%	\$4,681	4%	\$4,911	3%	\$4,764	6%	\$4,943
Retirement Account Loan	1%	\$5,062	1%	\$3,952	2%	\$4,357	1%	\$2,779	3%	\$6,901
Parent Other Loans	4%	\$10,037	5%	\$11,817	3%	\$9,227	4%	\$6,580	2%	\$8,529
<b>Student Borrowing</b>	<b>29%</b>		<b>32%</b>		<b>36%</b>		<b>34%</b>		<b>36%</b>	
Federal Student Loans	28%	\$7,788	29%	\$8,815	34%	\$7,874	30%	\$6,983	28%	\$5,807
Private Education Loan	7%	\$9,375	9%	\$9,324	10%	\$8,096	9%	\$6,358	13%	\$8,584
Student Credit Cards	3%	\$2,150	3%	\$3,156	3%	\$2,169	5%	\$1,357	5%	\$2,021
Student Other Loans	4%	\$6,757	5%	\$6,927	3%	\$6,011	4%	\$5,437	4%	\$9,360

\*\*Among those who used each source

The significant resource with decreased usage is parent income. Historically the most utilized source of funds, the steep drop over five years brings it just slightly above scholarships as the most frequently used resource. Forty-six percent of families relied on parent income to pay for college in 2014, a six percentage point drop from the 52 percent of families who reported using parent income last year. This is the lowest utilization rate reported for parent income and the first year in our study where fewer than half of families took advantage of this source. The average amount used, \$6,973, is similar to 2013's \$6,896.

The proportion of families who used various parent savings resources is similar to 2013, however the amounts drawn from savings were considerably higher than the prior year. Amounts contributed from college savings funds such as 529s average \$9,233, up from 2013's \$7,959; withdrawals from retirement savings average \$8,870, up from \$2,710; and contributions from other parent savings and investments average \$6,210, an increase from \$4,249.

The use of each of the four individual student savings and income components—income (36%), work-study (8%), savings (31%), and other investments (7%)—is similar to the prior year. However, there was a slight upward shift in the combined use of all student income and savings to 56 percent of families compared to 2013's 51 percent; this represents a steady increase since 2010 when 45 percent of students contributed their own savings and income. The average

amounts used from student income (\$3,278), savings (\$2,592) and investments (\$2,702) are also similar to the prior year; the amount from Federal Work-Study, \$2,354, is similar to the amount in 2012, and a slight increase from 2013's \$1,605.

After a decline in the use of scholarships reported in 2012 to 35 percent of families, use of scholarships is back to 2011 levels at 44 percent of families. The average amount this year, \$8,025 is not statistically different from prior years. The utilization of grants, at 43 percent, has remained fairly steady over the past four years after increasing in 2011 from 30 percent in 2010. The average amount of grant money used this year, \$6,643 is similar to 2013's \$6,538.

The proportion of families who borrowed to pay for college is the lowest in five years—35 percent—declining from last year's 39 percent which previously declined from the peak of 46 percent of families in 2010. Students borrowed in 29 percent of families this year, down from 32 percent last year and from 36 percent in 2010; and parents borrowed in 10 percent of families, down from 12 percent last year and 18 percent in 2010.

Twenty-eight percent of families used federal student loans, the most prevalent source of borrowed aid used by students. Seven percent used private student loans, 6 percent supplemental to federal loans, and 1 percent used only private loans. In addition to student loans, other forms of credit accessed by students include credit cards (3%) and other bank or personal loans (4%). The average amounts from

federal student loans, \$7,788, and from credit cards \$2,150 are slightly lower than 2013's \$8,815 and \$3,156, respectively, while the amounts from private student loans, \$9,375, and other bank/personal loans, \$6,757, remain the same. The amounts from student loans greatly exceeded the amounts students contributed from earnings and savings, indicating the important role loans play for the portion of the population that relies on them.

Only one in ten parents borrowed to pay for college, and the highest amounts were borrowed through education loan programs: PLUS loans (\$10,343) and private education loans (\$10,408). Parent "other" loans (\$10,037) were almost equally large, followed by home equity loans (\$9,805) which were twice the amount they had been in 2013. Loans from retirement funds (\$5,062) were about half the size of education loans but higher than the prior year. The amount on parent credit cards (\$2,678) was lower than 2013 levels.

Figure 13: Student Loan Borrowing, by Type

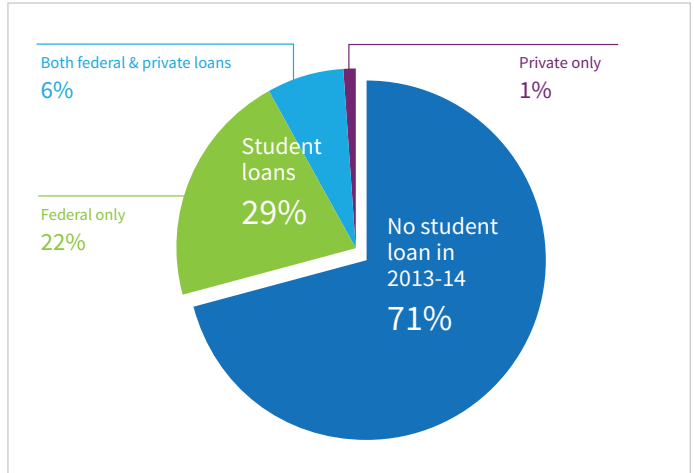
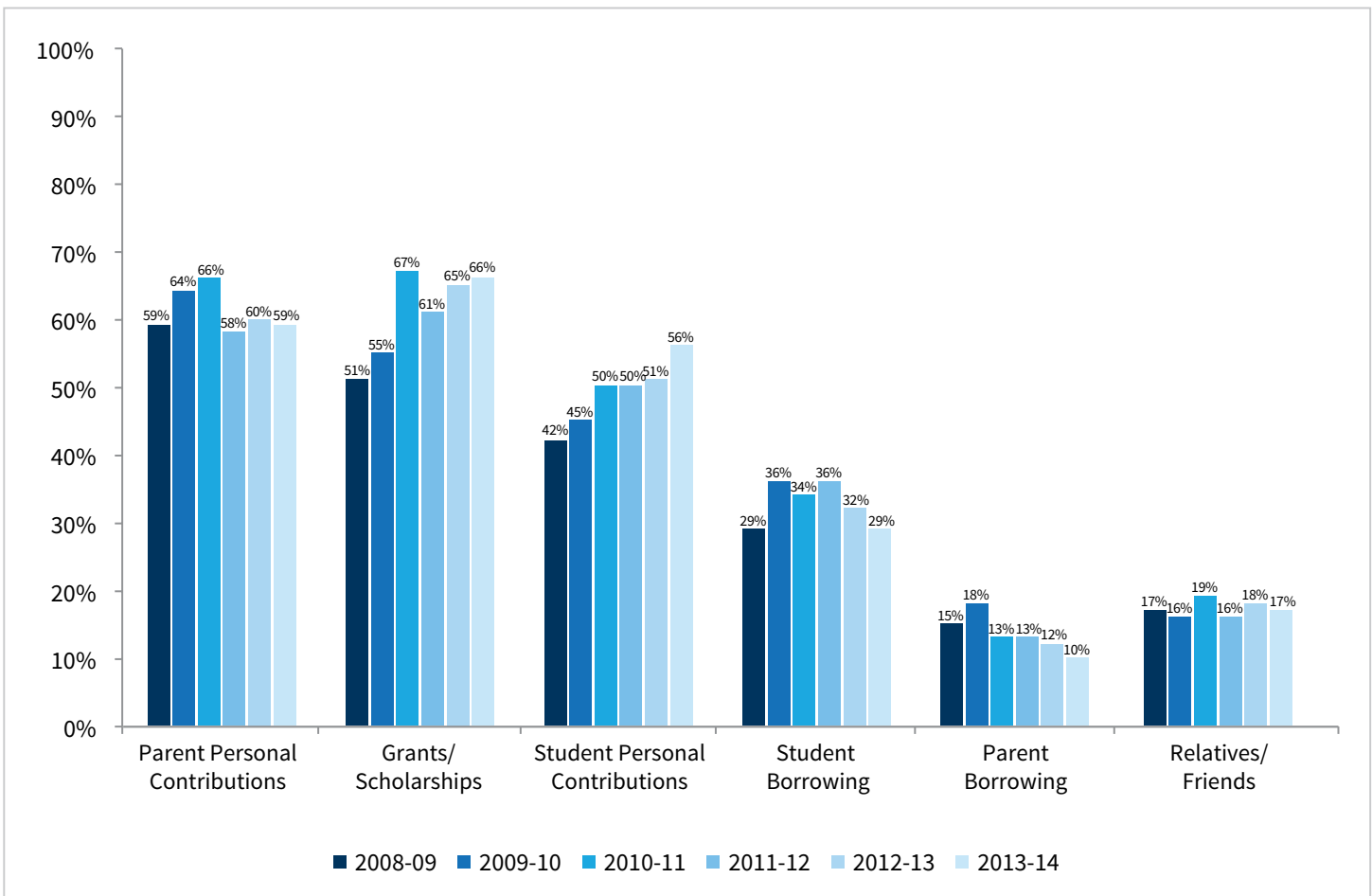


Figure 14: Frequency of Category Use, Over Time





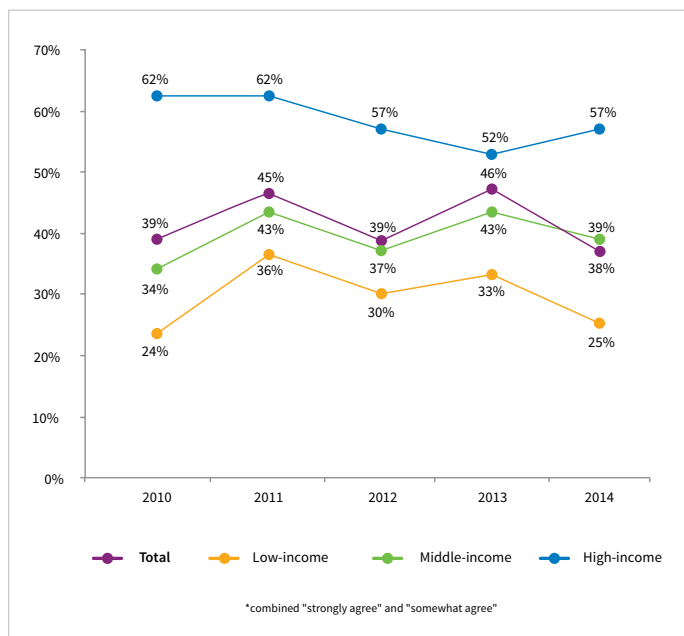
# Role of Planning to Pay for College

College is a major financial investment, and American families approach it with varying degrees of preparedness. Fewer than two in five families (38%) agree<sup>7</sup> they had a plan to pay for all years of college before their child enrolled. These planners, who are more prepared for the costs of college, appear to have the advantage of choosing from a broader range of institutions.

The study found that planners spent more on college. The average amount spent in academic year 2013-14 was \$24,337—30 percent more than the \$18,690 spent by families who didn't have a plan to pay. Students of families who planned were more likely to attend 4-year private colleges (28% compared to 18% of non-planners) and less likely to attend 2-year public colleges (28% compared to 38% of non-planners). They were also slightly more likely to attend full time (89% compared to 84% of non-planners) and to pursue a bachelor's degree (78% compared to 69% of non-planners).

When asked whether the family had taken any actions to make college more affordable, fewer planning families restricted their school choice based on cost. Sixty-one percent of planners said they chose an in-state school due to lower tuition rates, compared with 75 percent of non-planners;

**Figure 15: Had a Plan\* for All Years Prior to Enrolling, by Income Group, Over Time**



<sup>7</sup>Agreement with planning-related statements combines "strongly agree" and "somewhat agree" throughout the report unless otherwise noted.

51 percent said they chose a school close to home to reduce travel costs, compared with 67 percent of non-planners; and 47 percent said they lived at home, compared with 58 percent of non-planners.

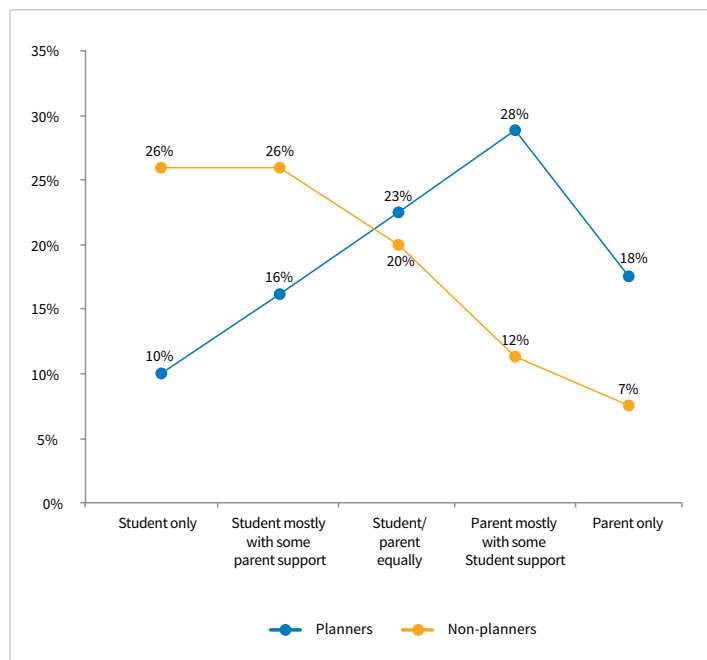
Furthermore, parents who planned for college were less worried about most economic factors that might impact their child’s future college attendance. The widest gaps in extreme worry include concern that student loan money will be less available (12% compared with 29% of non-planners); that scholarship and grant money will be less available (16% compared with 31% of non-planners); and that schools will raise tuition (23% compared with 33% of non-planners).

In addition to preparedness, household income may be a contributing factor to planning families’ higher threshold for economic worries. While about half of planning (52%) and non-planning (50%) families are middle-income, 19 percent of planners are low-income while 30 percent are high income; conversely 36 percent of non-planners are low-income and only 14 percent are high-income.

Families who plan are more likely to believe parents should take the responsibility of paying for college rather than the student. Almost half (46%) of planning families put the primary responsibility on the parent compared with one-fifth (19%) of non-planning families. This perception is likely linked to parents driving the planning-to-pay process, devoting their time and savings to their child’s college plan.

Parents who planned were more likely to utilize a variety of resources as they prepared for college costs. Only 13 percent reported they hadn’t used any external planning resources compared with 31 percent of non-planning families. Twenty-five percent used a savings planning tool (such as a college cost calculator), or met with a financial advisor (compared with 10% of non-planning families), and 18 percent researched or read information (compared with 12% of non-planning families). More planning parents also set aside savings, particularly in dedicated college savings accounts such as 529 plans, which were used by 29 percent of planning families compared with 6 percent of non-planners.

**Figure 16: Paying-for-College Responsibility, by Planning Status**



*How America Saves for College 2014* reveals that half (51%) of families with children under the age of 18 are saving for college but only 41 percent of families have created a plan to pay for college. More than two-thirds (69%) of families who created a plan are confident that they will be able to meet the future costs of college, much higher than the 25 percent of non-planning parents. Furthermore, families who are both planning and saving have saved 83 percent more dollars in their college savings fund, \$18,518, compared to the amount saved by families who don’t yet have a plan, \$10,105.

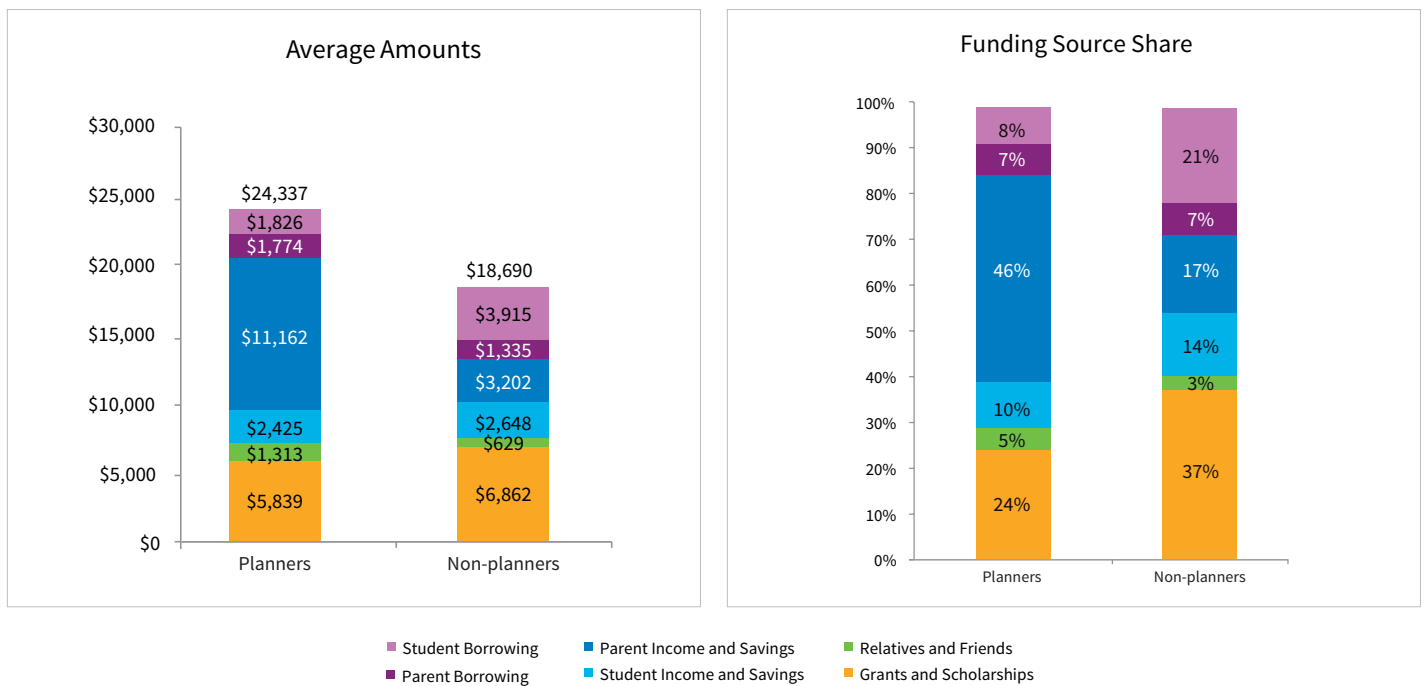


In conjunction with the belief that it is primarily the parents' responsibility to pay for college, parents in families who plan take on a much larger share of college costs. Out-of-pocket contributions made by these parents in 2013-14, \$11,162, covered close to half (46%) of the total cost of college. This average dollar amount is two and a half times the \$3,202 non-planning parents contributed from savings and income that covered less than one-fifth of college costs (17%). While scholarships and grants did cover a greater share of college costs among families who didn't plan (37% compared to 24% of planners), they did not cover the entire gap left by reduced parent out-of-pocket contributions. Student borrowing paid a significantly higher portion of college costs among families who didn't plan (21% compared to 8% of planners) at more than double the student loan amounts (\$3,915 compared to \$1,826 among planners).

Parents who planned for college were more likely to have attended college; in 81 percent of planning families, a parent attended college compared with 64 percent of non-planning families. Twice as many planning families (61%) than non-planning families (31%) strongly agree that attending college is expected.

Planning families are also more likely to strongly agree that college is part of the American Dream (51%), that college is an investment in the student (89%) and that they are willing to stretch financially (61%) to ensure the student goes to college compared with non-planning families (43%, 80% and 53%, respectively). From a practical standpoint, more planners strongly agree a college degree is required for a desired occupation (77% compared with 64% of non-planners) and will provide greater earnings (68% compared with 55% of non-planners).

Figure 17 — How the Typical Family Pays for College, by Planning Status





## First-in-Family to Attend College

*How America Pays for College* found that the majority of undergraduates' parents had attended college themselves. Three in ten students (29%), however, were the first generation in their families to attend college.

Families where the student is the first-in-family enrolled in college exhibit several distinctly different characteristics from families with parents who attended college.

First-generation families more strongly agree that college is part of the American Dream (55%) compared with second-generation<sup>8</sup> families (43%). In addition to this aspirational value, first-generation families more strongly agree that a college degree is more important today than previously (78% compared with 62% of second-generation families) and a college degree will lead to higher earnings (67% compared with 57% of second-generation families).

First-generation families spent less on college than second-generation families. The average amount spent on college in academic year 2013-14, \$18,118, was 18 percent less than the average amount spent by second-generation families, \$22,107. A greater proportion of first-generation students (41%) than second-generation (31%) are enrolled in 2-year public colleges, and a lower proportion are enrolled in 4-year private colleges (17% compared 24%).

First-generation families were more likely to apply cost-saving measures that significantly impacted total cost. They were more likely to eliminate colleges from consideration (73%) compared with second-generation families (66%), specifically at the later stages in the selection process: after they were accepted (38% compared to 30% of second-generation) and after viewing the financial aid award letter (55% compared with 46% second-generation). To save money, 76 percent of first-generation families said the student chose a school close to home and 72 percent lived at home, a significantly higher number than second-generation students (54% and 47%, respectively).

First-generation students appear to be more self-reliant than their second-generation counterparts, contributing a higher portion of college costs from their income, savings and student loans while receiving less financial support from their parents.

<sup>8</sup>Second-generation refers to families where one or both parents attended college.

The average amount covered by parent income and savings in first-generation families, \$3,870 was significantly lower than that of second-generation families at \$7,337. First-generation parents covered one-fifth of the costs while second-generation parents paid one-third of total college costs out of pocket.

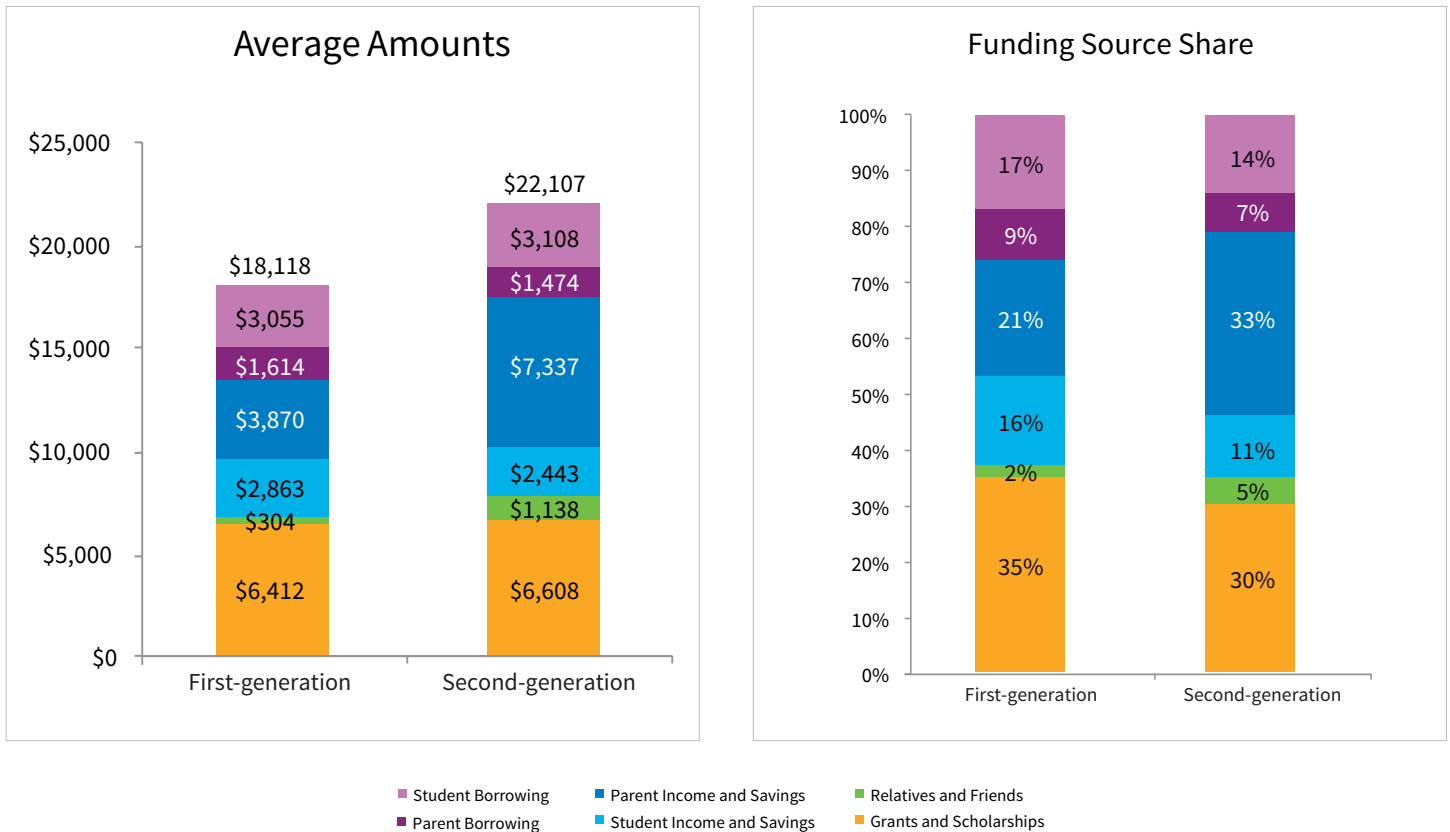
The average amount covered from student income, savings, and student borrowing in first-generation families was \$4,477, only \$560 higher than the \$3,917 contributed by students from second-generation families. However, because the total spent on college was lower among first-generation families, student contributions covered one-third of total costs compared to one-quarter of costs paid by students in second-generation families.

Combined scholarship and grant amounts were similar for both groups, covering 35 percent of costs for first-generation students and 30 percent for second-generation students. Among students who used scholarship and grant aid, first generation were more likely to have used grants (46%)

compared to second-generation (41%) and the average amounts of those grants were higher (\$8,250) than second-generation (\$5,909). On the other hand, first-generation students were less likely to have used scholarships (37%) compared to second-generation students (47%) and the average amount of their scholarships was lower (\$6,382) than second-generation amounts (\$8,620).

Overall, first-generation families are less likely to have created a plan to pay for all years of college before they enrolled: 24 percent of first-generation families agree they had a plan to pay for college compared to 44 percent of second-generation families. Among families who borrowed for college, first-generation families were less likely to have expected to borrow: 39 percent of first-generation families said they always planned to borrow compared to 45 percent of second-generation, and 34 percent said they knew they could borrow if they had to but had hoped they wouldn't, compared to 24 percent of second-generation families.

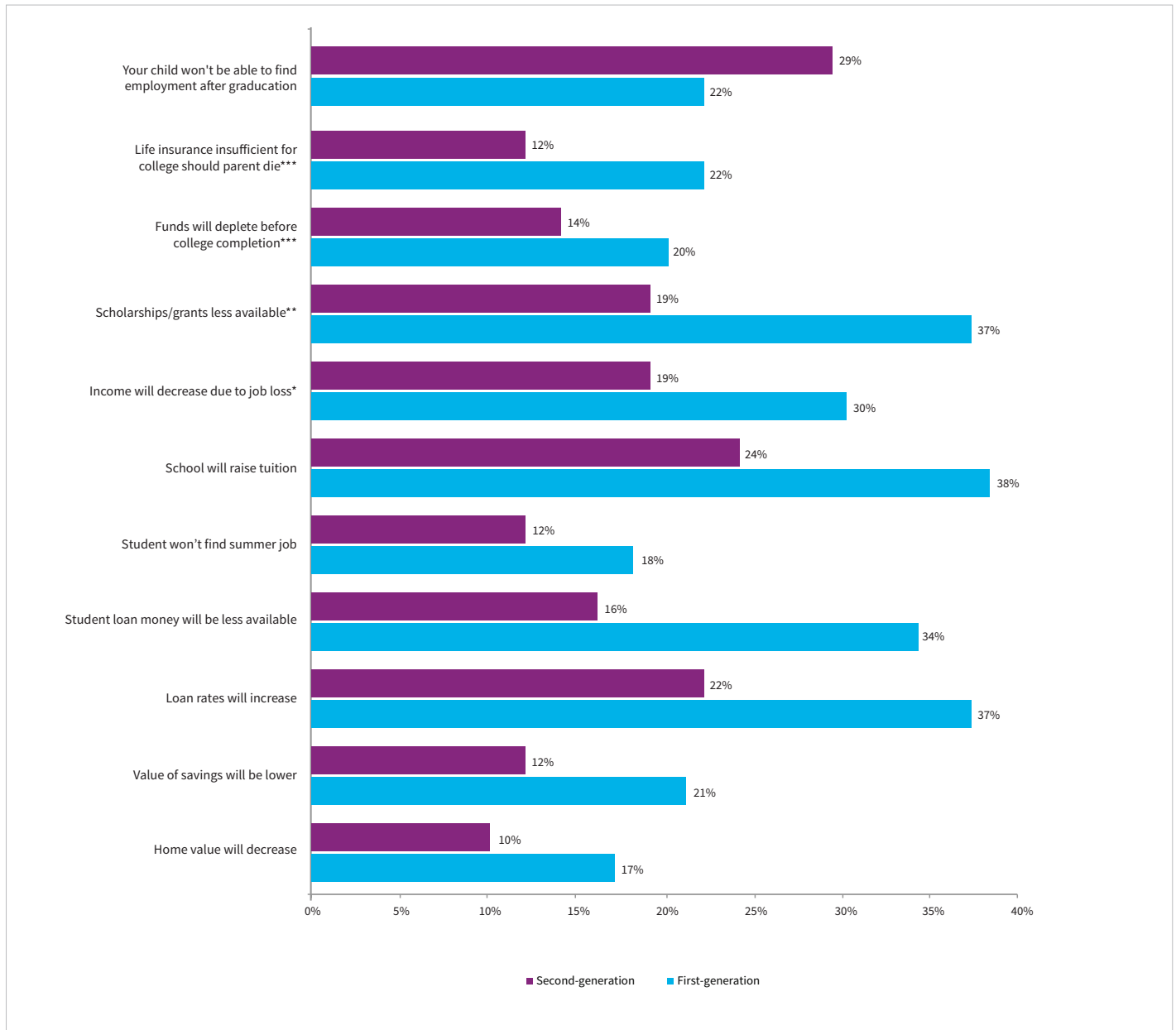
Figure 18 — How the Typical Family Pays for College, by First-in-Family Status



First- and second-generation families are equally likely to fall into the middle-income group (50% and 51%, respectively). First-generation are more likely to be low-income (41%) and less likely to be high income (8%) than second-generation families (25% and 25%, respectively). First-generation families are less likely to agree that they have a contingency plan to pay for college (29%) should an emergency arise compared with second-generation families (44%).

Considering income constraints and wider gaps in plans to pay for college, it is not surprising that the parents of first-generation college students are more worried about economic factors related to paying for future years of college. The greatest areas of worry for first-generation parents compared to second-generation parents are that scholarship or grant money may be less available (37% vs 19%); loan money will be less available (34% vs 16%); loan rates will increase (37% vs 22%); and schools will raise tuition (38% vs 24%).

Figure 19 — Parent Economic Worries, by First-in-Family Status, “Strongly Agree”





# Tables

**Table 2a — Composite of College Funding Sources**

Average Value Contributed from Each Source, by Income Level

			Income			
			Total	<\$35k	\$35k - <\$100k	\$100k+
Borrowed	Parents	Federal Parent PLUS Loan	\$487	\$423	\$454	\$667
		Private education loans	\$222	\$23	\$263	\$414
		Home equity loan or line of credit	\$218	\$22	\$276	\$365
		Credit cards	\$87	\$20	\$70	\$232
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$37	\$37	\$18	\$85
		Other loans	\$454	\$110	\$540	\$747
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,109	\$1,952	\$2,362	\$1,701
		Private education loans	\$677	\$365	\$869	\$656
		Student credit cards	\$67	\$53	\$66	\$89
		Student other loans	\$253	\$320	\$281	\$81
Non-Borrowed	Parents	Parent current income	\$3,193	\$1,628	\$2,806	\$6,511
		College savings fund, such as a 529 plan	\$1,517	\$780	\$851	\$4,303
		Other parent savings or investments	\$810	\$701	\$456	\$1,869
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$769	\$718	\$764	\$857
	Student	Student current income	\$1,223	\$1,600	\$1,076	\$1,034
		Student savings	\$847	\$851	\$848	\$838
		Federal Work-Study	\$249	\$320	\$243	\$156
		Other student savings or investments	\$243	\$220	\$218	\$340
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,644	\$4,005	\$3,595	\$3,227
		Grants (Federal, state or school based)	\$2,883	\$4,727	\$2,489	\$1,124
Relatives or friends (money that doesn't have to be repaid)		\$894	\$592	\$927	\$1,260	
Total Paid			\$20,882	\$19,466	\$19,471	\$26,556

**Table 2b — Composite of College Funding Sources**

Average Value Contributed from Each Source, by Race/Ethnicity						
			Race/Ethnicity			
			Total	White	Black	Hispanic
Borrowed	Parents	Federal Parent PLUS Loan	\$487	\$490	\$626	\$380
		Private education loans	\$222	\$216	\$603	\$69
		Home equity loan or line of credit	\$218	\$296	\$56	\$19
		Credit cards	\$87	\$85	\$67	\$129
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$37	\$36	\$56	\$26
		Other loans	\$454	\$423	\$1,103	\$308
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,109	\$2,026	\$3,552	\$1,548
		Private education loans	\$677	\$782	\$766	\$137
		Student credit cards	\$67	\$80	\$35	\$32
		Student other loans	\$253	\$277	\$191	\$431
Non-Borrowed	Parents	Parent current income	\$3,193	\$3,498	\$1,949	\$4,644
		College savings fund, such as a 529 plan	\$1,517	\$1,359	\$357	\$865
		Other parent savings or investments	\$810	\$821	\$931	\$1,252
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$769	\$516	\$2,386	\$669
	Student	Student current income	\$1,223	\$1,205	\$1,837	\$1,017
		Student savings	\$847	\$922	\$693	\$795
		Federal Work-Study	\$249	\$219	\$393	\$222
		Other student savings or investments	\$243	\$268	\$187	\$262
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,644	\$3,715	\$3,563	\$3,586
		Grants (Federal, state or school based)	\$2,883	\$2,665	\$2,940	\$3,578
Relatives or friends (money that doesn't have to be repaid)		\$894	\$973	\$421	\$1,097	
	Total Paid	\$20,882	\$20,870	\$22,711	\$21,065	

Table 2c — Composite of College Funding Sources						
Average Value Contributed from Each Source, by School Type						
			School Type			
			Total	2-Year Public	4-Year Public	4-Year Private
Borrowed	Parents	Federal Parent PLUS Loan	\$487	\$81	\$531	\$1,049
		Private education loans	\$222	\$7	\$142	\$655
		Home equity loan or line of credit	\$218	\$30	\$296	\$348
		Credit cards	\$87	\$88	\$71	\$129
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$37	\$0	\$59	\$59
		Other loans	\$454	\$34	\$577	\$921
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,109	\$593	\$2,449	\$3,459
		Private education loans	\$677	\$121	\$685	\$1,248
		Student credit cards	\$67	\$112	\$23	\$90
		Student other loans	\$253	\$49	\$218	\$599
Non-Borrowed	Parents	Parent current income	\$3,193	\$1,747	\$4,041	\$3,438
		College savings fund, such as a 529 plan	\$1,517	\$380	\$1,809	\$2,846
		Other parent savings or investments	\$810	\$401	\$1,069	\$980
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$769	\$1,058	\$411	\$1,043
	Student	Student current income	\$1,223	\$1,569	\$862	\$1,404
		Student savings	\$847	\$727	\$760	\$1,154
		Federal Work-Study	\$249	\$170	\$245	\$391
		Other student savings or investments	\$243	\$144	\$318	\$238
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,644	\$865	\$2,870	\$9,507
		Grants (Federal, state or school based)	\$2,883	\$2,207	\$2,521	\$4,424
Relatives or friends (money that doesn't have to be repaid)		\$894	\$630	\$1,116	\$874	
Total Paid		\$20,882	\$11,013	\$21,072	\$34,855	

**Table 2d — Composite of College Funding Sources**

Average Value Contributed from Each Source, by Family Borrowing Status					
			Family Borrowing Status		
			Total	Borrowed	Did Not Borrow
Borrowed	Parents	Federal Parent PLUS Loan	\$487	\$1,355	n/a
		Private education loans	\$222	\$615	n/a
		Home equity loan or line of credit	\$218	\$604	n/a
		Credit cards	\$87	\$239	n/a
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$37	\$99	n/a
		Other loans	\$454	\$1,262	n/a
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,109	\$5,886	n/a
		Private education loans	\$677	\$1,886	n/a
		Student credit cards	\$67	\$181	n/a
		Student other loans	\$253	\$702	n/a
Non-Borrowed	Parents	Parent current income	\$3,193	\$2,798	\$3,413
		College savings fund, such as a 529 plan	\$1,517	\$859	\$1,884
		Other parent savings or investments	\$810	\$393	\$1,042
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$769	\$438	\$954
	Student	Student current income	\$1,223	\$948	\$1,376
		Student savings	\$847	\$659	\$952
		Federal Work-Study	\$249	\$290	\$225
		Other student savings or investments	\$243	\$120	\$311
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,644	\$3,729	\$3,596
		Grants (Federal, state or school based)	\$2,883	\$2,984	\$2,826
Relatives or friends (money that doesn't have to be repaid)		\$894	\$952	\$861	
	Total Paid		\$20,882	\$26,997	\$17,442



Table 3a — 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	2%	2%	2%	3%
		Private education loans	1%	0%	1%	2%
		Home equity loan or line of credit	1%	0%	1%	1%
		Credit cards	0%	0%	0%	1%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	0%	0%
		Other loans	2%	1%	3%	3%
	Student	Federal student loans, such as Stafford or Perkins loans	10%	10%	12%	6%
		Private education loans	3%	2%	4%	2%
		Student credit cards	0%	0%	0%	0%
		Student other loans	1%	2%	1%	0%
Non-Borrowed	Parents	Parent current income	15%	8%	14%	25%
		College savings fund, such as a 529 plan	7%	4%	4%	16%
		Other parent savings or investments	4%	4%	2%	7%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	4%	4%	4%	3%
	Student	Student current income	6%	8%	6%	4%
		Student savings	4%	4%	4%	3%
		Federal Work-Study	1%	2%	1%	1%
		Other student savings or investments	1%	1%	1%	1%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	21%	18%	12%
		Grants (Federal, state or school based)	14%	24%	13%	4%
Relatives or friends (money that doesn't have to be repaid)		4%	3%	5%	5%	

**Table 3b — Composite of College Funding Sources**

**Average Percent of Total Cost of Attendance Met by Each Source, by Race/Ethnicity**

			Race/Ethnicity			
			Total	White	Black	Hispanic
Borrowed	Parents	Federal Parent PLUS Loan	2%	2%	3%	2%
		Private education loans	1%	1%	3%	0%
		Home equity loan or line of credit	1%	1%	0%	0%
		Credit cards	0%	0%	0%	1%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	0%	0%
		Other loans	2%	2%	5%	1%
	Student	Federal student loans, such as Stafford or Perkins loans	10%	10%	16%	7%
		Private education loans	3%	4%	3%	1%
		Student credit cards	0%	0%	0%	0%
		Student other loans	1%	1%	1%	2%
Non-Borrowed	Parents	Parent current income	15%	17%	9%	22%
		College savings fund, such as a 529 plan	7%	7%	2%	4%
		Other parent savings or investments	4%	4%	4%	6%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	4%	2%	11%	3%
	Student	Student current income	6%	6%	8%	5%
		Student savings	4%	4%	3%	4%
		Federal Work-Study	1%	1%	2%	1%
		Other student savings or investments	1%	1%	1%	1%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	18%	16%	17%
		Grants (Federal, state or school based)	14%	13%	13%	17%
Relatives or friends (money that doesn't have to be repaid)		4%	5%	2%	5%	

**Table 3c — Composite of College Funding Sources**

Average Percent of Total Cost of Attendance Met by Each Source, by School Type						
			School Type			
			Total	2-Year Public	4-Year Public	4-Year Private
Borrowed	Parents	Federal Parent PLUS Loan	2%	1%	3%	3%
		Private education loans	1%	0%	1%	2%
		Home equity loan or line of credit	1%	0%	1%	1%
		Credit cards	0%	1%	0%	0%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	0%	0%
		Other loans	2%	0%	3%	3%
	Student	Federal student loans, such as Stafford or Perkins loans	10%	5%	12%	10%
		Private education loans	3%	1%	3%	4%
		Student credit cards	0%	1%	0%	0%
		Student other loans	1%	0%	1%	2%
Non-Borrowed	Parents	Parent current income	15%	16%	19%	10%
		College savings fund, such as a 529 plan	7%	3%	9%	8%
		Other parent savings or investments	4%	4%	5%	3%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	4%	10%	2%	3%
	Student	Student current income	6%	14%	4%	4%
		Student savings	4%	7%	4%	3%
		Federal Work-Study	1%	2%	1%	1%
		Other student savings or investments	1%	1%	2%	1%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	8%	14%	27%
		Grants (Federal, state or school based)	14%	20%	12%	13%
Relatives or friends (money that doesn't have to be repaid)		4%	6%	5%	3%	

Table 3d — Composite of College Funding Sources					
Average Percent of Total Cost of Attendance Met by Each Source, by Family Borrowing Status					
			Family Borrowing Status		
			Total	Borrowed	Did Not Borrow
Borrowed	Parents	Federal Parent PLUS Loan	2%	5%	n/a
		Private education loans	1%	2%	n/a
		Home equity loan or line of credit	1%	2%	n/a
		Credit cards	0%	1%	n/a
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	n/a
		Other loans	2%	5%	n/a
	Student	Federal student loans, such as Stafford or Perkins loans	10%	22%	n/a
		Private education loans	3%	7%	n/a
		Student credit cards	0%	1%	n/a
		Student other loans	1%	3%	n/a
Non-Borrowed	Parents	Parent current income	15%	10%	20%
		College savings fund, such as a 529 plan	7%	3%	11%
		Other parent savings or investments	4%	1%	6%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	4%	2%	5%
	Student	Student current income	6%	4%	8%
		Student savings	4%	2%	5%
		Federal Work-Study	1%	1%	1%
		Other student savings or investments	1%	0%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	14%	21%
		Grants (Federal, state or school based)	14%	11%	16%
Relatives or friends (money that doesn't have to be repaid)		4%	4%	5%	

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.

	N	% of Total Families	Average Amount**
<b>Total</b>	<b>1617</b>	<b>43%</b>	<b>\$6,643</b>
<b>Income</b>			
<\$35k	479	60%	\$7,704
\$35-\$100k	819	43%	\$5,764
\$100k+	319	16%	\$6,580
<b>Race/Ethnicity</b>			
White	1134	41%	\$6,388
Black	213	50%	\$5,965
Hispanic	275	52%	\$6,832
<b>Borrowing Status</b>			
Borrowed	570	50%	\$6,001
Did Not Borrow	1048	39%	\$7,090
<b>Grade Level</b>			
Freshman	564	46%	\$7,080
Sophomore	463	48%	\$5,550
Junior	326	35%	\$7,232
Senior	204	32%	\$7,060
<b>Type of School</b>			
4-Year Public/State College/University	656	42%	\$6,027
4-Year Private College/University	354	45%	\$10,165
2-Year Public/Community College	552	44%	\$4,857

- a. Grants (Federal, state or school based)
- b. Scholarships (received from the school or outside organizations or businesses or state programs)

	N	% of Total Families	Average Amount**
<b>Scholarships</b>	<b>1617</b>	<b>44%</b>	<b>\$8,025</b>
<b>Income</b>			
<\$35k	479	37%	\$9,877
\$35-\$100k	819	51%	\$7,081
\$100k+	319	38%	\$8,259
<b>Race/Ethnicity</b>			
White	1134	47%	\$7,789
Black	213	40%	\$8,764
Hispanic	275	49%	\$7,345
<b>Borrowing Status</b>			
Borrowed	570	45%	\$8,368
Did Not Borrow	1048	44%	\$7,839
<b>Grade Level</b>			
Freshman	564	48%	\$9,056
Sophomore	463	38%	\$6,165
Junior	326	49%	\$7,556
Senior	204	44%	\$10,018
<b>Type of School</b>			
4-Year Public/State College/University	656	52%	\$5,422
4-Year Private College/University	354	59%	\$16,448
2-Year Public/Community College	552	25%	\$3,188

Base: Parents of college students and college students \*\* 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

	N	% State	% College	% Nonprofit
	<b>717</b>	<b>61%</b>	<b>80%</b>	<b>75%</b>
<b>Income</b>				
<\$35k	190	72%	74%	80%
\$35-\$100k	404	58%	81%	73%
\$100k+	123	51%	84%	71%
<b>Race/Ethnicity</b>				
White	531	58%	80%	76%
Black	85	72%	82%	76%
Hispanic	132	73%	82%	77%
<b>Borrowing Status</b>				
Borrowed	252	61%	87%	78%
Did Not Borrow	465	61%	76%	73%
<b>Grade Level</b>				
Freshman	281	65%	84%	73%
Sophomore	174	70%	82%	81%
Junior	155	46%	65%	69%
Senior	93	53%	86%	75%
<b>Type of School</b>				
4-Year Public/State College/University	343	62%	86%	73%
4-Year Private College/University	203	51%	76%	79%
2-Year Public/Community College	143	73%	80%	81%

Base: Parents of college students and college students who reported using scholarships

**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.

	N	% of Total Families
<b>Relative &amp; Friend Contributions</b>	<b>1617</b>	<b>17%</b>
<b>Income</b>		
<\$35k	479	14%
\$35-\$100k	819	18%
\$100k+	319	17%
<b>Race/Ethnicity</b>		
White	1134	17%
Black	213	18%
Hispanic	275	19%
<b>Borrowing Status</b>		
Borrowed	570	20%
Did Not Borrow	1048	15%
<b>Grade Level</b>		
Freshman	564	18%
Sophomore	463	20%
Junior	326	12%
Senior	204	15%
<b>Type of School</b>		
4-Year Public/State College/University	656	17%
4-Year Private College/University	354	16%
2-Year Public/Community College	552	16%

Base: Parents of college students and college students  
\*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

**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 or Coverdell ESA
- c. Retirement Savings withdrawal (including 401k, Roth IRA, or other IRA)
- d. Other parent savings or investments

**Table 8 — Use of Student Income & Savings**

	N	% of Total Families
<b>Student Personal Contributions</b>	<b>1617</b>	<b>56%</b>
<b>Income</b>		
<\$35k	479	55%
\$35-\$100k	819	59%
\$100k+	319	50%
<b>Race/Ethnicity</b>		
White	1134	58%
Black	213	51%
Hispanic	275	57%
<b>Borrowing Status</b>		
Borrowed	570	57%
Did Not Borrow	1048	56%
<b>Grade Level</b>		
Freshman	564	47%
Sophomore	463	58%
Junior	326	68%
Senior	204	60%
<b>Type of School</b>		
4-Year Public/State College/University	656	52%
4-Year Private College/University	354	57%
2-Year Public/Community College	552	61%

Base: Parents of college students and college students

**Table 9 — Use of Parent Income & Savings**

	N	% of Total Families
<b>Parent Personal Contributions</b>	<b>1617</b>	<b>59%</b>
<b>Income</b>		
<\$35k	479	43%
\$35-\$100k	819	59%
\$100k+	319	82%
<b>Race/Ethnicity</b>		
White	1134	57%
Black	213	54%
Hispanic	275	60%
<b>Borrowing Status</b>		
Borrowed	570	56%
Did Not Borrow	1048	60%
<b>Grade Level</b>		
Freshman	564	59%
Sophomore	463	59%
Junior	326	53%
Senior	204	60%
<b>Type of School</b>		
4-Year Public/State College/University	656	62%
4-Year Private College/University	354	60%
2-Year Public/Community College	552	53%

Base: Parents of college students and college students

**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 10 — Who Contributed Borrowed Funds								
	Family Borrowed		Who borrowed±					
	N	Family Borrowed** % Yes	N	Student Only %*	Parent Only %*	Both %	Total Student	Total Parent
<b>Total</b>	<b>1617</b>	<b>39%</b>	<b>637</b>	<b>69%</b>	<b>16%</b>	<b>13%</b>	<b>83%</b>	<b>29%</b>
<b>Income</b>								
<\$35k	479	36%	170	79%	13%	6%	85%	19%
\$35-\$100k	819	43%	356	71%	14%	14%	85%	28%
\$100k+	319	35%	111	48%	28%	23%	71%	51%
<b>Race/Ethnicity</b>								
White	1134	40%	458	70%	14%	15%	85%	29%
Black	213	48%	103	60%	25%	15%	75%	40%
Hispanic	275	37%	100	66%	22%	12%	77%	33%
<b>Grade Level</b>								
Freshman	564	35%	196	68%	19%	11%	80%	31%
Sophomore	463	41%	191	74%	16%	8%	83%	25%
Junior	326	38%	125	72%	13%	15%	87%	28%
Senior	204	50%	102	64%	18%	16%	80%	34%
<b>Type of School</b>								
4-Year Public/State College/University	656	45%	295	69%	15%	15%	84%	30%
4-Year Private College/University	354	51%	179	62%	17%	18%	80%	35%
2-Year Public/Community College	552	25%	135	73%	20%	5%	78%	25%
<b>Region</b>								
Northeast	326	50%	163	57%	28%	16%	73%	44%
Midwest	377	48%	182	74%	7%	16%	90%	23%
South	492	35%	174	72%	18%	10%	82%	28%
West	408	28%	113	73%	13%	12%	85%	25%

\*\*Base: Parents of college students and college students

±Base: Parents of college students and college students in families that borrowed

\*Categories are mutually exclusive. These are percent of families that borrow



**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

	N	% of Total Families*
<b>Parent Borrowing</b>	<b>1617</b>	<b>10%</b>
<b>Income</b>		
<\$35k	479	4%
\$35-\$100k	819	12%
\$100k+	319	17%
<b>Race/Ethnicity</b>		
White	1134	10%
Black	213	18%
Hispanic	275	9%
<b>Grade Level</b>		
Freshman	564	9%
Sophomore	463	9%
Junior	326	10%
Senior	204	16%
<b>Type of School</b>		
4-Year Public/State College/University	656	13%
4-Year Private College/University	354	16%
2-Year Public/Community College	552	5%

Base: Parents of college students and college students  
 \*Percent of total families naming amount >\$0

**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 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

	N	% of Total Families*
<b>Student Borrowing</b>	<b>1617</b>	<b>29%</b>
<b>Income</b>		
<\$35k	479	28%
\$35-\$100k	819	33%
\$100k+	319	22%
<b>Race/Ethnicity</b>		
White	1134	31%
Black	213	35%
Hispanic	275	24%
<b>Grade Level</b>		
Freshman	564	26%
Sophomore	463	29%
Junior	326	30%
Senior	204	37%
<b>Type of School</b>		
4-Year Public/State College/University	656	34%
4-Year Private College/University	354	38%
2-Year Public/Community College	552	17%

Base: Parents of college students and college students  
 \*Percent of total families naming amount >\$0

Q. Who should be responsible for paying for college?

- a. Student only
- b. Student mostly with some parent assistance
- c. Student and parent equally
- d. Parent mostly with some student assistance
- e. Parent only
- f. Federal/state government
- g. Other

**Table 13 — Responsibility for Paying for College**

	N	Student only	Student mostly with parent	Student/parent equally	Parent mostly with student	Parent only	Government	Other
<b>Total</b>	<b>1617</b>	<b>20%</b>	<b>22%</b>	<b>21%</b>	<b>18%</b>	<b>11%</b>	<b>6%</b>	<b>6%</b>
<b>Role</b>								
Student	812	28%	23%	21%	15%	6%	6%	5%
Parent	806	12%	22%	22%	22%	16%	5%	6%
<b>Income</b>								
<\$35k	479	31%	20%	21%	10%	8%	10%	5%
\$35k - <\$100k	819	17%	23%	23%	19%	9%	5%	6%
\$100k+	319	9%	23%	16%	28%	20%	2%	5%
<b>Race/Ethnicity</b>								
White	1134	22%	24%	19%	19%	8%	6%	7%
Black	213	21%	16%	28%	18%	10%	7%	3%
Hispanic	275	16%	19%	32%	13%	14%	8%	3%
<b>Region</b>								
Northeast	326	14%	24%	18%	23%	12%	4%	9%
Midwest	377	20%	31%	21%	16%	7%	5%	2%
South	492	18%	20%	21%	21%	12%	4%	8%
West	408	26%	16%	24%	13%	12%	9%	3%
<b>Grade Level</b>								
Freshman	564	19%	19%	27%	14%	14%	6%	3%
Sophomore	463	22%	23%	18%	23%	8%	7%	4%
Junior	326	22%	26%	19%	15%	8%	7%	5%
Senior	204	19%	17%	19%	24%	13%	0%	15%
<b>Borrowing Status</b>								
Borrowed	570	19%	30%	21%	17%	7%	4%	6%
Did Not Borrow	1048	20%	18%	21%	19%	13%	7%	5%
<b>Type of School</b>								
4-Year Public/State College/University	656	17%	23%	20%	20%	11%	5%	7%
4-Year Private College/University	354	21%	21%	21%	19%	13%	3%	3%
2-Year Public/Community College	552	20%	23%	24%	16%	8%	8%	6%

Base: Parents of college students and college students

- 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?
- a. Parent(s) only
  - b. Parent(s) are responsible for some but less than half
  - c. Parent(s) are responsible for half
  - d. Parent(s) are responsible for more than half, but not all
  - e. Student is solely responsible
  - f. Parents will make payments until the student is financially stable
  - g. Student will make payments when they can, otherwise the parent will make payments
  - h. Not sure

- 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?
- a. Parent(s) only
  - b. Parent(s) are responsible for some but less than half
  - c. Parent(s) are responsible for half
  - d. Parent(s) are responsible for more than half, but not all
  - e. Student is solely responsible
  - f. Parents will make payments until the student is financially stable
  - g. Student will make payments when they can, otherwise the parent will make payments
  - h. Not sure

**Table 14 – Responsibility for Repaying Parent Education Loans**

N	92*
Parent(s) only	12%
Parent, less than half	4%
Parent half	11%
Parent, more than half	14%
Student only	24%
Parent, then student when stable	26%
Parent when student is unable	9%
Not sure	0%

Base: Parents of college students and college students in families where parent borrowed federal or private education loan(s)  
 \*Small sample base

**Table 15 – Responsibility for Repaying Student Loans**

N	457
Parent(s) only	1%
Parent, less than half	5%
Parent half	2%
Parent, more than half	3%
Student only	71%
Parent, then student when stable	9%
Parent when student is unable	8%
Not sure	0%

Base: Parents of college students and college students where student borrowed federal or private education loan(s)

Q. Can you tell me the name of the school your child/you attended in the 2013-2014 school year? And which campus is that?  
(Match to school type.)

Table 16 — Enrollment by Type of School					
	N	4-Year Public	4-Year Private	2-Year Public	2-Year Private*
<b>Total</b>	<b>1617</b>	<b>41%</b>	<b>22%</b>	<b>34%</b>	<b>3%</b>
<b>Income</b>					
<\$35k	479	34%	18%	44%	4%
\$35k - <\$100k	819	45%	20%	32%	3%
>\$100k+	319	40%	34%	25%	0%
<b>Race/Ethnicity</b>					
White	1134	43%	21%	32%	3%
Black	213	35%	28%	35%	2%
Hispanic	275	42%	15%	40%	3%
<b>Region</b>					
Northeast	326	39%	35%	22%	2%
Midwest	377	40%	27%	30%	3%
South	492	42%	15%	38%	3%
West	408	41%	16%	42%	2%
<b>Grade Level</b>					
Freshman	564	35%	20%	41%	4%
Sophomore	463	38%	18%	41%	2%
Junior	326	50%	25%	23%	2%
Senior	204	51%	33%	13%	3%
<b>Borrowing Status</b>					
Borrowed	570	47%	29%	20%	4%
Did Not Borrow	1048	37%	18%	42%	2%

Base: Parents of college students and college students  
\*Small sample size

Q. In which state is student attending college?

Table 17 — Enrollment by Home State			
	N	In-State	Out-of-State
<b>Total</b>	<b>1617</b>	<b>77%</b>	<b>23%</b>
<b>Income</b>			
<\$35k	479	78%	22%
\$35k - <\$100k	819	79%	21%
\$100k+	319	69%	31%
<b>Race/Ethnicity</b>			
White	1134	79%	22%
Black	213	73%	27%
Hispanic	275	83%	18%
<b>Region</b>			
Northeast	326	57%	43%
Midwest	377	82%	18%
South	492	81%	20%
West	408	86%	14%
<b>School Type</b>			
4-Year Public/State College/University	656	84%	16%
4-Year Private College/University	354	54%	46%
2-Year Public/Community College	552	86%	14%
<b>Borrowing Status</b>			
Borrowed	570	73%	27%
Did Not Borrow	1048	79%	21%

Base: Parents of college students and college students

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

Table 18 — Student Course of Study	
	% Major
<b>N</b>	<b>1617</b>
Professional (Education, Law, Medicine, Healthcare, Nursing, Veterinary Medicine)	19%
Math/Science (Biology, Chemistry, Physics, Agricultural Sciences, Computer Science, Mechanical)	18%
Social Sciences (Psychology, Anthropology, Economics, Geography, Sociology, Political Science & Government, International Relations, Philosophy)	14%
Business (Accounting, Marketing, Finance, Management, International Business)	13%
Liberal Arts (English, Communications, Advertising, Journalism, Foreign Languages, Linguistics, History, Sociology)	10%
Visual and Performing Arts (Art, Graphic Design, Fashion Design, Film, Radio, Television, Photography, Music, Performing Arts)	8%
Engineering, Electrical Engineering, Environmental Science, Mathematics)	8%
Vocational (Culinary Arts, Construction Trades, Mechanical Technicians, Computer Technicians)	3%
They have not yet decided	4%
Other	4%

Base: Parents of college students and college students

Q. For the program in which you/your child is currently enrolled, what degree or level of undergraduate college do you expect you/your child to achieve?

Table 19 — Degree Type Expected to Earn						
	N	BA Degree	AA Degree	Voc/Tech Certificate	No Degree	Not sure
<b>Total</b>	<b>1617</b>	<b>73%</b>	<b>20%</b>	<b>3%</b>	<b>1%</b>	<b>3%</b>
<b>Income</b>						
<\$35k	479	67%	24%	3%	2%	4%
\$35k - <\$100k	819	74%	21%	3%	1%	1%
\$100k+	319	80%	14%	3%	0%	3%
<b>Race/Ethnicity</b>						
White	1134	71%	21%	3%	1%	3%
Black	213	72%	22%	4%	1%	1%
Hispanic	275	78%	15%	2%	1%	4%
<b>Grade Level</b>						
Freshman	564	66%	24%	4%	2%	4%
Sophomore	463	68%	26%	3%	1%	3%
Junior	326	86%	12%	1%	1%	0%
Senior	204	85%	14%	0%	0%	1%
<b>Enrollment Status</b>						
Full time	1385	77%	18%	2%	1%	3%
Part time	214	46%	41%	9%	1%	3%
<b>Parent College Experience</b>						
College Degree	747	80%	16%	2%	1%	1%
Some College, No Degree	389	60%	29%	5%	2%	5%
No College	471	73%	21%	3%	1%	2%

Base: Parents of college students and college students

**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 20 — Attitudes Towards College, Rated "Strongly Agree"**

	% Strongly Agree								
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	<b>1617</b>	<b>812</b>	<b>806</b>	<b>1134</b>	<b>213</b>	<b>275</b>	<b>479</b>	<b>819</b>	<b>319</b>
Willing to Stretch Myself Financially	56%	59%	54%	53%	72%	69%	61%	52%	58%
Rather Borrow Than Not Go	52%	58%	47%	51%	58%	60%	59%	48%	53%
Investment in Future	84%	88%	79%	82%	91%	86%	81%	84%	85%
Degree More Important Now	66%	68%	65%	63%	83%	72%	70%	68%	57%
Attend College for the Experience Despite Future Earnings	24%	28%	20%	19%	34%	38%	34%	19%	19%

Base: Parents of college students and college students

**Table 21 — Attitudes Towards College, Scale 1-5**

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Willing to Stretch Myself Financially	1617	56%	30%	4%	5%	5%
Rather Borrow Than Not Go	1617	52%	28%	5%	9%	7%
Investment in Future	1617	84%	14%	1%	0%	1%
Degree More Important Now	1617	66%	18%	4%	9%	2%
Attend College for the Experience Despite Future Earnings	1617	24%	35%	9%	20%	12%

Base: Parents of college students and college students

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 22 — Reasons for Continuing Education, Rated "Strongly Agree"**

	% Strongly Agree								
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	<b>1617</b>	<b>812</b>	<b>806</b>	<b>1134</b>	<b>213</b>	<b>275</b>	<b>479</b>	<b>819</b>	<b>319</b>
Needed for Desired Occupation	69%	72%	66%	68%	74%	72%	68%	69%	70%
Earn More Money	60%	59%	62%	56%	72%	70%	61%	60%	60%
Expected in Family	43%	41%	44%	36%	57%	56%	38%	40%	56%
American Dream	46%	41%	51%	42%	62%	61%	46%	48%	42%

Base: Parents of college students and college students

**Table 23 — Reasons for Continuing Education, Scale 1-5**

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Needed for Desired Occupation	1617	69%	18%	5%	5%	3%
Earn More Money	1617	60%	28%	5%	5%	2%
Expected in Family	1617	43%	23%	11%	10%	14%
American Dream	1617	46%	37%	7%	7%	3%

Base: Parents of college students and college students



Q. Please state your level of agreement with the following statements:

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

- a. Before my child/I enrolled, our family created a plan for paying for all years of college
- b. My family has a contingency plan to pay for college in case unexpected events (such as parent job loss or medical emergency) occur
- c. We considered our child/I considered not attending college because of the cost

**Table 24 — Planning to Pay for College, Rated "Strongly Agree"**

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	<b>1617</b>	<b>812</b>	<b>806</b>	<b>1134</b>	<b>213</b>	<b>275</b>	<b>479</b>	<b>819</b>	<b>319</b>
Had a Plan for All Years	18%	14%	22%	17%	20%	17%	12%	15%	35%
Contingency Plan if Emergency	18%	13%	23%	18%	18%	16%	12%	17%	29%
Considered Not Attending	11%	15%	7%	11%	12%	10%	16%	11%	7%

Base: Parents of college students and college students

**Table 25 — Planning to Pay for College, Scale 1-5**

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Had a Plan for All Years	1617	18%	20%	6%	22%	33%
Contingency Plan if Emergency	1617	18%	22%	8%	20%	32%
Considered Not Attending	1617	11%	20%	6%	17%	47%

Base: Parents of college students and college students

Q. Earlier we discussed borrowing money, had you always planned to borrow money to meet the cost of college?

- a. Yes, I always planned to borrow money
- b. I had a plan where I could borrow money, but hoped I wouldn't have to use it
- c. No, I thought I'd have enough savings (and financial aid or scholarships)
- d. No, but I lost too much money when the stock market crashed (or lost money to other unexpected expenses, or lost earnings due to job loss)
- e. Had no plan to pay for college (no savings/scholarships)
- f. Did not expect/plan to go to college
- g. Not sure

	N	Yes	Planned I could but hoped I wouldn't	No, underestimated savings/aid	No, unexpected financial loss	No plan to pay	No plan to attend college	Other/not sure
<b>Total</b>	<b>637</b>	<b>43%</b>	<b>27%</b>	<b>13%</b>	<b>7%</b>	<b>5%</b>	<b>1%</b>	<b>3%</b>
<b>Role</b>								
Student	312	50%	25%	16%	4%	2%	2%	2%
Parent	325	37%	29%	11%	11%	7%	0%	5%
<b>Income</b>								
<\$35k	170	36%	35%	13%	7%	2%	3%	4%
\$35k - <\$100k	356	41%	27%	14%	8%	7%	0%	3%
>\$100k+	111	59%	16%	13%	5%	1%	0%	6%
<b>Race/Ethnicity</b>								
White	458	47%	24%	12%	7%	5%	1%	3%
Black	103	36%	29%	15%	9%	5%	0%	7%
Hispanic	100	34%	45%	17%	2%	1%	0%	1%
<b>Region</b>								
Northeast	163	50%	25%	10%	9%	3%	0%	2%
Midwest	182	53%	18%	12%	6%	5%	1%	5%
South	174	30%	33%	19%	8%	7%	1%	1%
West	113	38%	34%	13%	7%	4%	0%	4%
<b>Grade Level</b>								
Freshman	196	37%	29%	17%	4%	7%	3%	3%
Sophomore	191	41%	25%	15%	10%	4%	0%	5%
Junior	125	43%	31%	11%	9%	2%	0%	4%
Senior	102	61%	22%	9%	6%	2%	0%	0%
<b>Type of School</b>								
4-Year Public/State College/University	295	41%	29%	12%	8%	8%	0%	3%
4-Year Private College/University	179	46%	24%	15%	7%	2%	1%	5%
2-Year Public/Community College	135	41%	31%	17%	3%	4%	2%	2%

Base: Parents of college students and college students in families where any borrowed money was used to pay for college this year.

Q. What resources did your family use to help plan ahead for paying for college?

Table 27 — Planning Resources									
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	<b>1617</b>	<b>812</b>	<b>806</b>	<b>1134</b>	<b>213</b>	<b>275</b>	<b>479</b>	<b>819</b>	<b>319</b>
Scholarship Search Websites	28%	29%	28%	29%	33%	27%	22%	36%	18%
High School Counselor	21%	17%	26%	20%	21%	30%	19%	23%	20%
Savings Planner / Financial Advisor	16%	16%	15%	16%	19%	15%	12%	15%	24%
Researched/Read Information	14%	13%	15%	14%	15%	16%	10%	16%	15%
Financial Aid Eligibility Calculator	4%	3%	4%	4%	4%	4%	6%	4%	1%
College Cost Calculator	7%	7%	7%	7%	11%	5%	3%	9%	6%
College Net Price Calculator	1%	0%	1%	1%	0%	0%	0%	1%	0%
No Resources Used	24%	30%	19%	24%	26%	21%	29%	21%	26%

Base: Parents of college students and college students

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 28 — Elimination of Colleges Based on Cost					
% Saying Yes at Each Point					
	N	Before Researching	Before Applying	After Admission	After Financial Aid
<b>Total</b>	<b>1617</b>	<b>44%</b>	<b>44%</b>	<b>32%</b>	<b>49%</b>
Parents	806	36%	36%	24%	39%
Students	812	53%	52%	41%	58%
<b>Income</b>					
<\$35k	479	45%	47%	40%	54%
\$35-\$100k	819	46%	44%	30%	48%
\$100k+	319	39%	38%	26%	42%
<b>School Type</b>					
4-Year Public/State College/University	656	42%	44%	36%	47%
4-Year Private College/University	354	34%	31%	20%	49%
2-Year Public/Community College	552	52%	52%	37%	51%
<b>Race/Ethnicity</b>					
White	1134	43%	42%	30%	44%
Black	213	37%	38%	32%	63%
Hispanic	275	55%	51%	45%	58%
<b>Borrowing Status</b>					
Borrowed	570	42%	42%	33%	57%
Did Not Borrow	1048	46%	45%	31%	44%

Base: Parents of college students and college students

Q. For the 2013-2014 academic year did you complete the FAFSA Application?

Table 29 — Completed FAFSA Application				
	N	% Yes	% No	% Don't Know
<b>Total</b>	<b>1617</b>	<b>81%</b>	<b>18%</b>	<b>1%</b>
Students	812	85%	15%	0%
Parents	806	77%	22%	1%
<b>Income</b>				
<\$35k	479	84%	14%	1%
\$35k - <\$100k	819	85%	15%	0%
\$100k+	319	65%	34%	1%
<b>Race/Ethnicity</b>				
White	1134	81%	18%	1%
Black	213	90%	10%	0%
Hispanic	275	84%	16%	0%
<b>Grade Level</b>				
Freshman	564	84%	14%	2%
Sophomore	463	78%	21%	1%
Junior	326	84%	16%	0%
Senior	204	82%	18%	0%
<b>Region</b>				
Northeast	326	77%	21%	2%
Midwest	377	87%	13%	0%
South	492	82%	18%	0%
West	408	77%	22%	2%
<b>School type</b>				
4-Year Public/State College/University	656	82%	17%	1%
4-Year Private College/University	354	86%	14%	0%
2-Year Private College*	43	81%	19%	0%
2-Year Public/Community College	552	76%	23%	2%

Base: parents of college students and college students  
 \*Small sample size

Q. Did you apply for any financial aid for the 2013-2014 academic year?

Table 30 — Applied for Other Financial Aid				
	N	% Yes	% No	% Don't Know
<b>Total</b>	<b>312</b>	<b>15%</b>	<b>83%</b>	<b>2%</b>
Students	124	25%	75%	0%
Parents	188	9%	88%	3%
<b>Income</b>				
<\$35k	75	22%	70%	8%
\$35k - <\$100k	126	21%	79%	0%
\$100k+	111	5%	95%	0%

Base: Parents of college students and college students who did not complete a FAFSA application.

Q. What, if any, were the major expense types that your family did not anticipate, (or that surprised you)?

Table 31 — Types of Unexpected Expenses	
	Total
<b>N</b>	<b>1617</b>
Books, supplies and equipment	14%
Board/Food	6%
Transportation*	4%
Tuition	6%
Room	4%
Fees	3%
Daily/monthly living expenses such as clothing, cell phone bill, laundry, credit card bill etc...	1%
Health care (including prescriptions, dental)	1%
Computer and personal electronics	1%
Car*	2%
Cost of everything	1%
Other	2%
None	66%

Base: Parents of college students and college students  
 \* "Transportation" includes commute to/from college, travel home on breaks and travel expenses; "Car" includes parking fees at school and auto breakdown/issues

Table 32 — Presence of Any Unexpected Expenses		
	No Unexpected Expenses	Some Unexpected Expense
<b>N</b>	<b>1617</b>	<b>1617</b>
<b>Total</b>	<b>66%</b>	<b>34%</b>
Student	63%	37%
Parent	70%	30%
<b>Race/Ethnicity</b>		
White	69%	31%
Black	58%	42%
Hispanic	56%	44%
<b>Parent College Experience</b>		
College Degree	70%	30%
Some College, No Degree	66%	34%
No College	61%	39%
<b>Type of School</b>		
4-Year Public/State College/University	67%	33%
4-Year Private College/University	67%	33%
2-Year Public/Community College	66%	34%
<b>Region</b>		
Northeast	70%	30%
Midwest	64%	36%
South	61%	39%
West	72%	28%

Base: Parents of college students and college students

**Q.** For the 2013-14 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
- n. Your child/I chose a school that was in-state to pay lower tuition fees
- o. My child/I chose a school that was closer to home than other schools I considered to cut down on travel costs

**Table 33 — More Affordable Actions**

	% Taking Action															
	N	Military	Transfer to Less Expensive School*	Living At Home	Add Room mate**	Parent Work More	Student Work More	Parent Reduced Spending	Student Reduced Spending	Part Time	Accelerate	Changed Majors	Tax Credits/Deduc.	Early Loan Payments	In-state tuition	Local school to reduce travel
<b>Total</b>	<b>1617</b>	<b>3%</b>	<b>12%</b>	<b>54%</b>	<b>41%</b>	<b>19%</b>	<b>48%</b>	<b>45%</b>	<b>66%</b>	<b>17%</b>	<b>28%</b>	<b>19%</b>	<b>42%</b>	<b>23%</b>	<b>69%</b>	<b>61%</b>
<b>Income</b>																
<\$35k	479	4%	16%	52%	41%	19%	47%	46%	73%	18%	30%	23%	36%	19%	73%	68%
\$35-\$<100k	819	4%	11%	58%	44%	19%	52%	47%	65%	18%	29%	17%	47%	27%	74%	63%
\$100k+	319	1%	7%	48%	32%	20%	39%	41%	57%	13%	22%	20%	40%	18%	53%	45%
<b>Race/Ethnicity</b>																
White	1134	3%	11%	52%	41%	16%	50%	42%	65%	16%	26%	17%	44%	23%	71%	60%
Black	213	5%	14%	55%	28%	21%	44%	51%	64%	16%	25%	25%	38%	29%	68%	63%
Hispanic	275	3%	15%	68%	47%	32%	46%	61%	74%	25%	37%	25%	41%	24%	77%	69%
<b>School Type</b>																
4-Year Public/State College/University	656	2%	10%	48%	45%	17%	42%	49%	63%	15%	26%	18%	44%	24%	77%	61%
4-Year Private College/University	354	2%	6%	43%	36%	20%	44%	45%	61%	6%	25%	15%	43%	27%	41%	42%
2-Year Public/Community College	552	6%	18%	68%	38%	20%	60%	41%	71%	25%	30%	24%	39%	17%	80%	74%

Base: Parents of college students and college students except where noted  
 \* Parents of college students and college students where student is not a freshman (total N=1101)  
 \*\* Parents of college students and college students where student is not living at home (total N=680)

**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. Life insurance alone may not be enough to cover the cost of college if I or child's other parent were to die
- 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
- i. Our funds will run out before our child has completed college

**Table 34 — Parent Economic Concerns, Rated “Extremely Worried”**

	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*	Schools Will Raise Tuition	Income Will Decrease Due to Job Loss	Scholarships/Grants Less Available	Funds Will Deplete	Life Insurance Insufficient
<b>Total Parents</b>	<b>806</b>	<b>12%</b>	<b>15%</b>	<b>27%</b>	<b>22%</b>	<b>13%</b>	<b>29%</b>	<b>23%</b>	<b>25%</b>	<b>16%</b>	<b>16%</b>
<b>Race/Ethnicity</b>											
White	593	10%	15%	28%	25%	12%	29%	22%	26%	14%	14%
Black	89	30%	29%	17%	17%	31%	33%	27%	23%	17%	17%
Hispanic	136	22%	20%	38%	19%	9%	44%	32%	33%	31%	28%
<b>Income</b>											
<\$35k	161	19%	19%	33%	19%	10%	31%	29%	30%	24%	23%
\$35k - <\$100k	458	14%	17%	30%	26%	18%	33%	26%	27%	16%	16%
\$100k+	187	4%	8%	14%	12%	7%	18%	9%	14%	7%	8%
<b>Region</b>											
Northeast	180	15%	19%	39%	25%	9%	30%	28%	24%	17%	21%
Midwest	188	8%	11%	18%	22%	17%	28%	23%	27%	10%	7%
South	238	16%	23%	27%	29%	20%	33%	26%	29%	18%	17%
West	197	10%	7%	24%	9%	7%	24%	14%	18%	17%	18%

Base: Parents of college students except where noted  
 \*Parents of college freshmen, sophomores and juniors (total N=662)

**Table 35 – Parent Economic Concerns, Scale 1-5**

	N	1 Not at all Worried	2	3	4	5 Extremely Worried
Home Value Will Decrease	806	52%	11%	18%	6%	12%
Value of Savings Will Be Lower	806	39%	14%	24%	8%	15%
Loan Rates Will Increase	806	28%	11%	22%	11%	27%
Student Loan Money Will Be Less Available	806	32%	10%	20%	16%	22%
Student Won't Find Summer Job*	662	42%	12%	18%	13%	13%
Schools Will Raise Tuition	806	14%	12%	25%	19%	29%
Income Will Decrease Due to Job Loss	806	31%	14%	20%	13%	23%
Scholarships/Grants Less Available	806	22%	12%	19%	22%	25%
Funds Will Deplete	806	43%	14%	18%	9%	16%
Life Insurance Insufficient	806	49%	13%	11%	11%	16%

Base: Parents of college students except where noted  
 \*Parents of college freshmen, sophomores and juniors





## Technical Notes

### Target Population

Ipsos conducted the *How America Pays for College* survey by telephone between Friday, April 4 and Thursday, May 15, 2014. Ipsos interviewed 1,601 individuals: 801 parents of 18 to 24-year-old undergraduate students, and 800 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 100 responses from each group in both the parent and the student sample. Interviews were conducted in English and Spanish.

The student sample frame was merged with official information on 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	< 5000	66
	> 5000	135
Northeast	< 5000	60
	> 5000	126
South	< 5000	109
	> 5000	198
West	< 5000	8
	> 5000	98
Total		800

### 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 April 2014 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 2013 and 2014 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  $n_1$  and  $n_2$ , is statistically significant, this difference should be compared to  $(1/\sqrt{n_1}) + (1/\sqrt{n_2})$ . If it is larger, then it's considered statistically significant.

## Effective Base Sizes

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

## 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 for college, 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, for example see Tables 2a-d and 3a-d pp. 28-35) and others that mention amounts among users of a specific item or funding source (for example see Table 1a and 1b, pp. 19-20).

## Developing the Personas

The family attitude personas were created in four stages. The first stage utilized a reliability analysis in order to determine whether the attitudinal items conformed to a single underlying dimension (Cronbach's alpha of .686; strong underlying connection). The personas were then identified through an interactive k-means cluster analysis. Resulting clusters were analyzed on an item-by-item basis in order to determine distinctive features of each persona. Finally, the clusters were cross-validated using factor analysis to confirm the consistency of the attitudinal groupings.

**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%