

HOW AMERICA SAVES FOR COLLEGE 2014

Sallie Mae's National Study of Parents
with Children Under Age 18



Conducted by
Ipsos Public Affairs

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TABLE OF CONTENTS

1: About This Study	5
2: Overview of Findings	6
3: Discussion of Findings	8
4: Frequency of Use of College-Savings Vehicles	16
5: Use of 529 Plans and Coverdell Education Savings Accounts	22
6: Understanding and Planning for the Cost of College	24
7: Data Tables	26
8: Technical Notes	56

Figures

Figure 1: Families with Children under 18 Saving for College, Over Time	8
Figure 2: Reasons to Attend College, by College Saving Status	9
Figure 3: Proportion of Families Saving for College	10
Figure 4: Average Amounts Saved for College, by Age of Child	11
Figure 5: Factors in Setting College-Savings Goal Amount	12
Figure 6: Parent Feelings about Saving for College, by College-Saving Status	13
Figure 7: Non-savers' Plan to Begin Saving for College, by Planning Status and Age of Child	14
Figure 8: Vehicles Used to Save for College, Year-over-Year	16
Figure 9: Retirement and College Savings	18
Figure 10: Use of ESAs and 529 Plans, Over Time	22
Figure 11: Reported vs. Estimated Use of Sources to Pay for College	24
Figure 12: Families Planning or Saving for College	24
Figure 13: Estimated Use of Sources to Pay for College, by Planning Status	25

Tables

Table 1a: Percent of Families Saving for College through Vehicle and Average Amounts Saved	19
Table 1b: Percent of Families Saving for College through Vehicle and Average Amounts Saved, by Race/Ethnicity	20
Table 1c: Percent of Families Saving for College through Vehicle and Average Amounts Saved, by Income.....	20
Table 1d: Percent of Families Saving for College through Vehicle and Average Amounts Saved, by Age of Child	21
Table 2a: Reasons for Continuing Education, Rated “Strongly Agree”	26
Table 2b: Reasons for Continuing Education, Rated “Strongly Agree”, by Income	26
Table 3: Reasons for Continuing Education, Scale 1-5	27
Table 4: Have a Plan to Pay for College.....	27
Table 5: Planning to Pay for College Actions.....	28
Table 6: Sufficient Insurance Amount	29
Table 7: Sources Expect to Use to Pay for Child’s Future College	29
Table 8a: Confidence in Ability to Meet Future College Costs	30
Table 8b: Confidence in Ability to Meet Future College Costs, by Income	30
Table 9a: Percent of Families Saving for Each Goal and Average Amounts Saved, by College Saving Status.....	31
Table 9b: Percent of Families Saving for Each Goal and Average Amounts Saved, by Race/Ethnicity	31
Table 9c: Percent of Families Saving for Each Goal and Average Amounts Saved, by Income	32
Table 9d: Percent of Families Saving for Each Goal and Average Amounts Saved, by Age of Child	32
Table 9e Percent of Families Saving for Each Goal and Total Average Amounts Saved, by Income and College-Saving Status	33
Table 10: Age of Child at Onset of Saving.....	34
Table 11: Number of Vehicles Used to Save for College	34
Table 12: First College Savings Vehicle Established among Those with Multiple Vehicles	34
Table 13: Savings Vehicle Intent	34
Table 14: Reasons for Using Multiple Vehicles to Save for College.....	35
Table 15: Reasons for Using Only One Vehicle to Save for College	35
Table 16a: Whether Savers Have a Savings Goal and Average Amount They Plan to Save, by Vehicle and by Planning Status.....	36
Table 16b: Whether Savers Have a Savings Goal and Average Amount They Plan to Save, by Race/Ethnicity, by Income and by Age of Child.....	36
Table 17: Basis for Setting Savings Goal Amount	36
Table 18: Confidence in Ability to Save Goal Amount.....	37
Table 19: Confidence in Ability to Save 10% of Future College Costs.....	37
Table 20: Feelings About Saving for College	37
Table 21: Savings Rate Compared to a Year Ago.....	38
Table 22: Reasons for Saving More	38
Table 23: Reasons for Saving Less.....	38
Table 24: Keeping Savings on Track	39
Table 25: Ways Reduced Personal Spending.....	40
Table 26a: Saving Families’ Plans for College Saving within One Year and within Five Years.....	40
Table 26b: Saving Families’ Plans for College Saving within One Year and within Five Years, by Race/Ethnicity	40
Table 26c: Saving Families’ Plans for College Saving within One Year and within Five Years, by Income.....	40
Table 26d: Saving Families’ Plans for College Saving within One Year and within Five Years, by Age of Child	40
Table 27: Non-Saving Families’ Plans to Begin Saving for College.....	41
Table 28a: Reasons for Not Saving, by Planning Status	41
Table 28b: Reasons for Not Saving, by Race/Ethnicity	42
Table 28c: Reasons for Not Saving, by Income.....	43
Table 28d: Reasons for Not Saving, by Age of Child	44
Table 29: Discussed Paying for College with Child.....	45
Table 30: Paying for College Topics Discussed with Child.....	46
Table 31: Child Age when Parent Will Discuss Paying for College.....	47
Table 32: Paying for College Topics Planning to Discuss with Child	48
Table 33: Child Has College Savings Account	49
Table 34: Awareness of 529 Plans	50
Table 35: Reasons for Not Using a 529 Plan	51
Table 36: Features that Influence Choice of 529 Plan	51
Table 37: Number of 529 Plans	52
Table 38: Awareness of Coverdell ESA.....	52
Table 39: Reasons for Not Using a Coverdell ESA	53
Table 40: Features that Influence Choice of Coverdell ESA.....	53
Table 41: Number of Coverdell ESAs	54
Table 42a: Features that Would Motivate 529 Plan or ESA Use among Savers.....	54
Table 42b: Features that Would Motivate 529 Plan or ESA Use among Non-savers.....	55

1 ABOUT THIS STUDY

In 2009, Sallie Mae launched *How America Saves for College*. To understand how American families are planning for their children's education, the study captures data on parents' decision-making about savings, the use of savings vehicles, and the amount they save, as well as attitudes toward paying for their children's future college education.

As the nation's No. 1 financial services company specializing in education, Sallie Mae is committed to presenting findings from the *How America Saves for College* study on a regular basis. In 2014, we present the fourth report.

Ipsos conducted online interviews with 2,020 parents with a child under the age of 18 in November and December of 2013. Respondents had the opportunity to take the survey in English or Spanish. The sample was selected to be nationally representative on key demographic variables.

Included in the Tables section are the survey questions and results for each. Reported frequencies may not add up to 100 percent due to rounding.

2 OVERVIEW OF FINDINGS

Following the economic crisis in 2008, there was a significant decrease in how much Americans saved generally, and how much they saved for college specifically. At the same time, there was a reduction, followed by a leveling, in the total amount American families were prepared to pay for college and a shrinking share of college costs being paid from parent savings.¹

How America Saves for College 2014 shows a similar leveling off in the decline in the number of families saving for college. The economic recovery may be reflected in American families' increased ability to save for their children's college education.

Savings Are Up

Families' overall savings are up 7 percent from last year. The total average savings is \$115,604 compared with last year's \$107,724.

More families have earmarked some savings in a "rainy day" fund (57%) than for any other purpose, followed closely by retirement (55%). However college savings funds are a high priority, having been established by more than half of families (51%). The amounts set aside for retirement dominate the savings pool at 53 percent of all savings, but college savings comprise the next highest designated amount, at 10 percent of savings.

Among families saving for college, the average savings across all college savings vehicles is \$15,346. This 30 percent increase from last year's \$11,781 is driven by an increase in the value of college savings held by middle- and high-income families. While the proportion of low-income families saving for college this year is equivalent to 2013, the value of their college savings has dipped.

The average amount saved for college among families with teens, \$21,416, is higher than amounts saved by families with children ages 7-12, \$16,498 and by families with children under the age of seven, \$10,282.

College is an Investment

Parents strongly value higher education: 89 percent agree that college is an investment in their child's future.

Families saving for college are more likely to believe in the value of higher education than families not saving for college. Among college-savers, 95 percent agree college is an investment compared with 83 percent of non-savers; 90 percent are willing to stretch financially for their child to attain a college education compared with 70 percent of non-savers; 89 percent believe their child will earn more money with a college degree compared with 77 percent of non-savers; and 70 percent would send their child to college regardless of ability to earn more compared with 51 percent of non-savers.

Where Parents are Saving

More parents save for college using a general savings account (45%) than any other method. However, most families (57%) use multiple vehicles to save for college. Even among families who use instruments designed specifically for and dedicated to college savings (36% of college-saving families), there is overlap in the use of 529 plans, prepaid state college-savings plans and Coverdell Education Savings Accounts (ESAs).

Parents who are not using 529 plans or ESAs are more aware of 529 plans than ESAs. Twenty-nine percent of families saving for college are using 529 plans while 13 percent currently use ESAs. The total average amount saved in 529 plans, \$3,179, is higher than the total amount saved in any other college-savings vehicle. However, families who use investments for college savings reported the highest annual savings increase compared to 2013.

The use of juvenile life insurance policies as a college-savings vehicle is highest among families with children aged 0-6 (17%); 9 percent of families with children aged 7-12 and 10 percent of families with teens have these policies.

¹ Sallie Mae (2013), *How America Pays for College 2013*

High-income families are more likely than middle- or low-income families to say they prefer to use online savings accounts and CDs over local brick-and-mortar banks because they receive higher interest rates; they are less likely to say they save online for convenience. High-income families report higher savings amounts in their online savings accounts and CDs than in their offline accounts and CDs, while middle- and low-income families report higher savings amounts in their offline accounts and CDs compared with their online accounts.

Families Not Saving for College

Although half of families with children under the age of 18 are saving for college, the other half are not. The primary reason non-savers give for not saving is that they don't have the money (58%). Families not saving for college are more likely to be in the low-income group, and the parents are less likely to have earned a college degree than parents who save.

Each of the following is cited by one in five parents as reasons for not saving: they expect their child to qualify for enough financial aid or scholarships, they are focusing on other saving priorities or they haven't gotten around to it. Parents of children aged 0-6 are more likely to say they haven't gotten around to it (27%) than parents of children aged 7-12 (19%) or older than 12 (15%). Parents of young children are also more likely to be planning to begin saving within the next five years (51%) than parents of children aged 7-12 (42%) and parents of teens (31%).

The Role of Planning

Forty-one percent of parents have started planning for how they will pay for college—but not all planners have started saving, and not all savers have created a plan. Planning tasks other than saving money include researching college costs and financial aid, investing in a child's skills to increase his/her chances of winning scholarships, and enrolling in AP courses in high school to earn college credits.

More parents who have a plan feel confident they will be able to meet the costs of college for their children (69%) than parents who don't have a plan (25%). Families with a plan expect to pay 40 percent of their child's college costs through parent savings and income, much more than those without a plan who expect to pay 23 percent from those sources.

Non-planners anticipate a greater share of their child's college to be paid from grants and scholarships (36%) and student loans (22%) than planners (26% and 12%, respectively). Parents who are saving and have a plan in place are more likely to have set a savings goal (52%) than non-planners (34%). Planning parents have saved 83 percent more dollars in their college-savings fund (\$18,518) than savers who don't have a plan (\$10,105).

3 DISCUSSION OF FINDINGS

Introduction

The vast majority of American families—rich or poor—believe that a college education is an investment in their child’s future and are firm in their desire to have their children benefit from higher education. This year, families with children under 18 years old told Sallie Mae’s *How America Saves for College* survey that, despite difficult economic circumstances and the extensive public discussion about college costs, they remain steadfastly committed to the prospect of their children attaining a college degree.

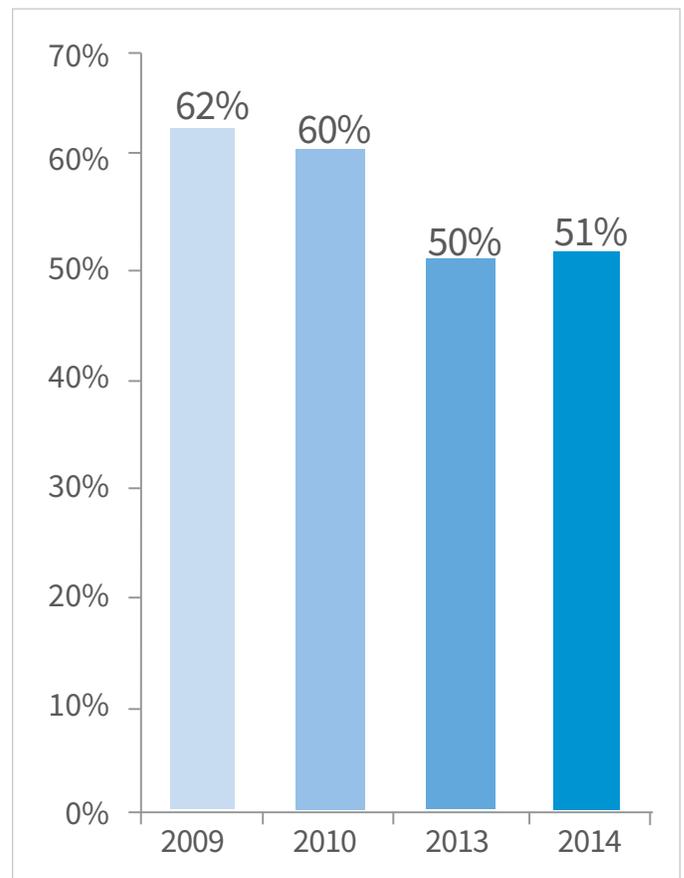
Notwithstanding this unwavering commitment, the economic recession challenged families and had an impact on the number of families saving and the amounts they were able to save. Prior to the recession, *How America Saves for College* found that 62 percent of families were saving for their child’s college education. Last year, the study found that this had dropped to 50 percent. Similarly, the amounts that families, across all income levels, had saved for college had dropped by almost half.

This year, *How America Saves for College* finds that the number of families saving for college has leveled off at 51 percent and the amount that they are saving is beginning to rebound. This is mainly true among middle-income and high-income families. Not surprisingly, lower-income families are still facing challenges in saving for college. Yet, over one-third of these families continue to report that they are setting money aside to pay for their children’s college education.

What sets the families who save apart from those who don’t save? The key to this is likely in the value that these families hold for a college education and their willingness to stretch financially to afford it. This is especially true in families with a household income less than \$100,000. Families in this income range who are saving for college feel most strongly that college is an investment in their children’s future and reported a greater willingness to stretch financially than families earning more.

Families who save are also more confident that they can meet the cost of their children’s college education, particularly low-income families where 53 percent of savers are somewhat or extremely confident that they can meet the costs of college compared to 15 percent of the low-income families who aren’t saving for college. Sallie Mae’s *How America Pays for College* research supports these families’ confidence—at every income level, families who use savings to pay for college can afford more while borrowing less.²

Figure 1 — Families with Children under 18 Saving for College, Over Time



² Sallie Mae (2013), *How America Pays for College 2013*

A College Education is Highly Valued

How America Saves for College 2014 finds that nearly all parents (89%) continue to believe that a college education is an investment in their child’s future, as they have across all years the survey has been conducted.

Parents believe that their child will earn more money with a college degree (83%), though a significant number (61%) are also likely to send their children to college for the intellectual and social experience alone, regardless of future earnings.

Parents’ willingness to stretch themselves financially so that their children can attend college is high at 80 percent.

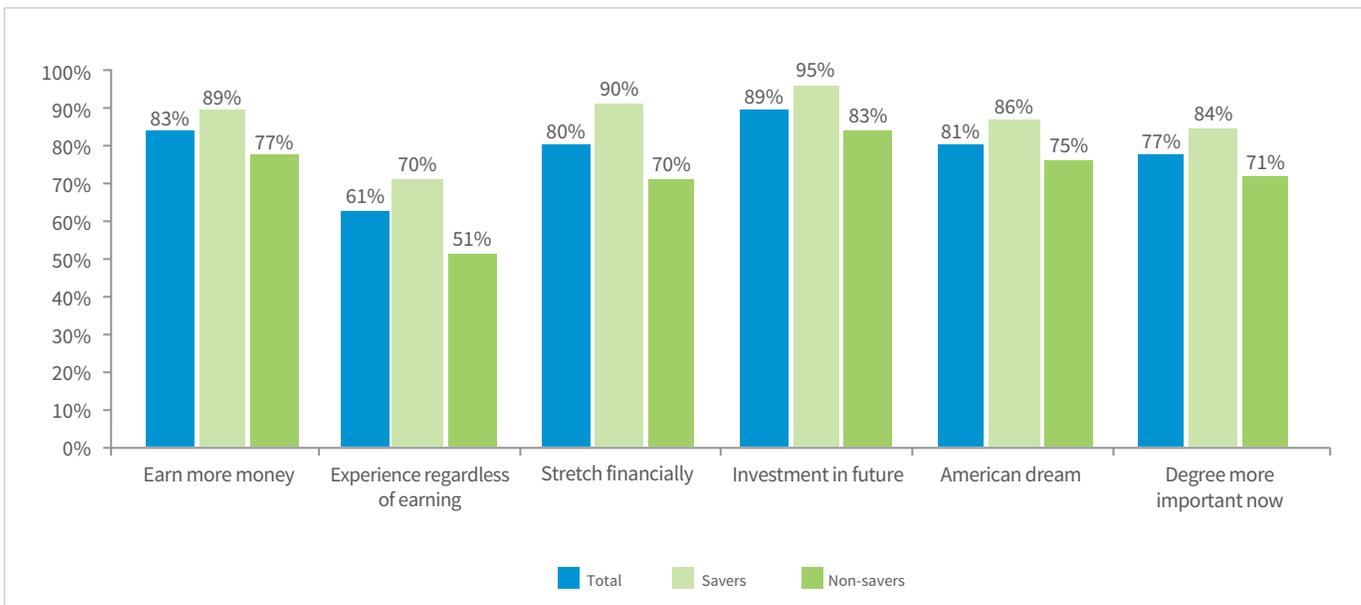
Those saving for college feel even more strongly that college is an investment in the future (95% compared with 83% of non-savers). Parents who are saving also express more willingness to stretch themselves financially to enable their children to attend college (90% compared with 70%), with some having taken special measures to keep their savings

on track, such as reducing discretionary spending (21%) and working extra hours or getting a second job (16%).

While savers feel strongly that their child will earn more money with a college degree (89% compared with 77% of non-savers), they are also more likely to send their children to college for the intellectual and social experience alone, regardless of future earnings (70% compared with 51% of non-savers).

The increased likelihood of parents who are saving compared with parents who are not saving to agree³ with all of the reasons for attending college holds true across all income groups. However, low- and middle-income savers are also more likely than high-income savers to “strongly agree”⁴ with each reason, particularly their willingness to stretch financially. Sixty-six percent of low-income savers and 64 percent of middle-income savers “strongly agree” they are willing to stretch financially compared with 49 percent of high-income savers.

Figure 2 — Reasons to Attend College, by Saving Status



³ Combined four and five on a scale of 1-5 (“somewhat agree” and “strongly agree”)

⁴ Five on a scale of 1-5

Saving for Retirement Comes First, Then College

How America Saves for College 2014 finds that families across all income groups have saved more in general than they had saved last year. The majority of families' savings is allocated to retirement (53% on average), with the next largest portion set aside for college, at an average 10 percent of total savings.

Half (51%) of families are saving for their children's college education in 2014, consistent with last year but down from 62 percent of families in the first year of the study, 2009. Similar proportions of families are saving for college across racial/ethnic groups and across age-of-child segments; however, higher income families are more likely to be saving for college than those with lower incomes.

Three-quarters (73%) of high-income families are saving for college, compared with half of middle-income families (51%) and one-third of low-income families (34%). The proportion of high-income families saving for college is an increase from last year's 63 percent, while the proportion of middle- and low-income families saving for college is similar to the prior year's 52 percent and 37 percent.

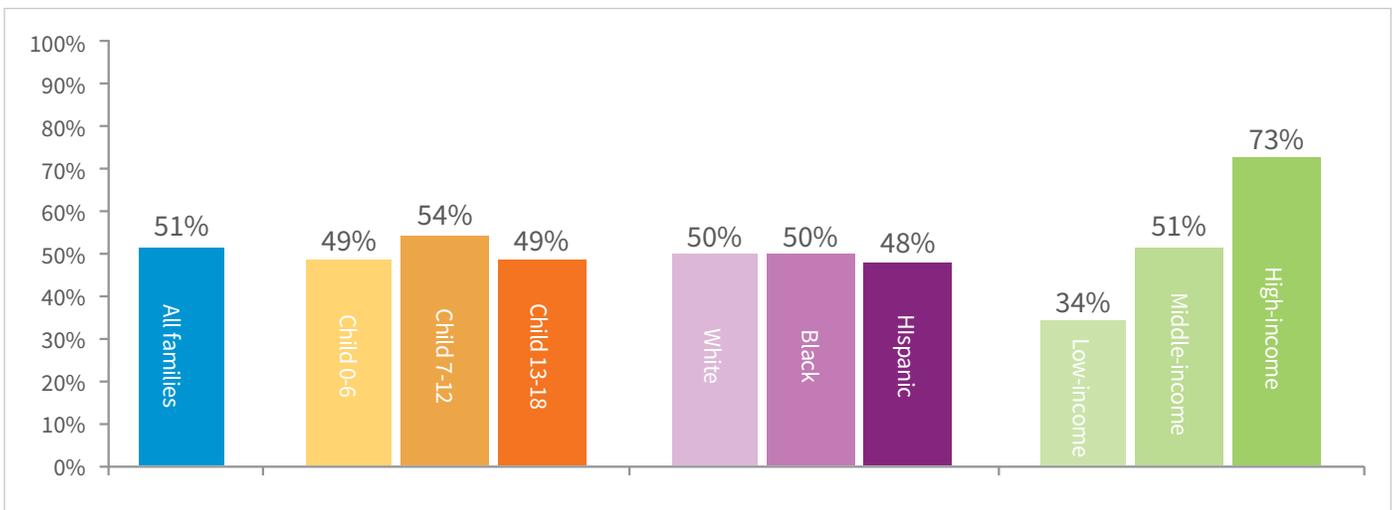
High-income families' total savings this year are similar to last year, an average of \$241,583 in 2014 compared with \$234,370 in 2013. They are saving most of their money for

retirement (53% of their total savings) followed by saving for a home (11% of their total savings), and college for their children (9% of their total savings). The average amount saved for their children's college education is 39 percent more than last year at \$27,446 (compared to \$19,741).⁵

Middle-income families have saved significantly more than they had last year, an average increase of 25 percent to \$73,182 in 2014 from \$58,333 in 2013. They are saving most of their money for retirement (48% of their total savings) followed by college for their children (13% of their total savings). The average amount middle-income families have saved for their children's college education, \$12,241, is 29 percent more than last year's \$9,520.

Low-income families have increased their average savings by 10 percent since last year, to \$23,821 from \$21,600 in 2013. They are saving most of their money for retirement (48% of their total savings) followed by home remodeling or landscaping (13% of their total savings), and college for their children (10% of their total savings). The average amount saved for their children's college education, \$3,762, is 26 percent less than last year's \$5,093.

Figure 3 — Proportion of Families Saving for College



⁵ The figures referencing the total amount saved for college throughout this report are a summary of the itemized sources of college savings reported in Tables 1a-1d. The detailed amounts itemized, when summed, exceed the initial estimated college savings amount respondents reported saving for college as listed in Tables 9a-9e.

Value of College Savings Has Increased

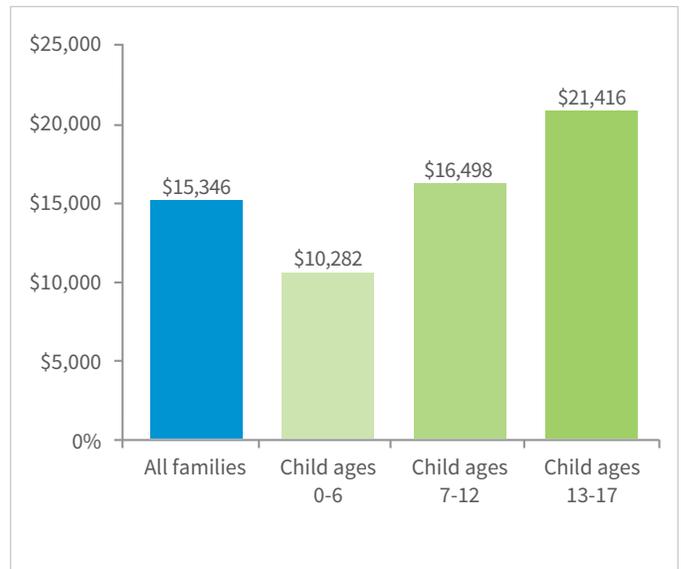
The total average amount in college savings funds has increased in 2014 to \$15,346 from last year's \$11,781.

One-quarter of middle- and high-income parents reported they were saving more for college compared to last year, while 18 percent of low-income parents reported saving more. The reasons families give for saving more are that they are earning more money this year (40%), their child is getting closer to college age (39%), and that they evaluated their current savings against their goal and found that they needed to start saving more (36%).

One-quarter (23%) of low-income families reported saving less for college than they had saved last year, greater than the 17 percent of middle-income and 12 percent of high-income families who reported saving less. The reasons most frequently cited for saving less this year are increases in the cost of living (55%), unexpected expenses (51%), and fewer earnings (47%).

Unsurprisingly, the total amount saved for college tends to increase as children get older, likely a result of having saved longer and of having children with near-term college departure dates. The average total savings for families with children aged 6 and younger is \$10,282, for children aged 7-12 is \$16,498 and for children aged 13-17 is \$21,416.

Figure 4 — Average Amount Saved for College, by Age of Child



Confidence in Ability to Achieve Savings Goals and Meet College Costs

Fewer than half of parents saving for college (45%) have set a goal amount for savings. The average goal amount is \$75,563. Parents who also have a plan to pay for college are more likely to have set a savings goal than those who are saving but don't have a plan (52% compared to 34%, respectively) and to have a higher average goal of \$87,371.

Savings goals are most likely to be set based on how much the family can afford (28%), then on how much parents think will be needed for college (24%). Four in five (80%) parents who have set a savings goal are confident they will achieve their goal.

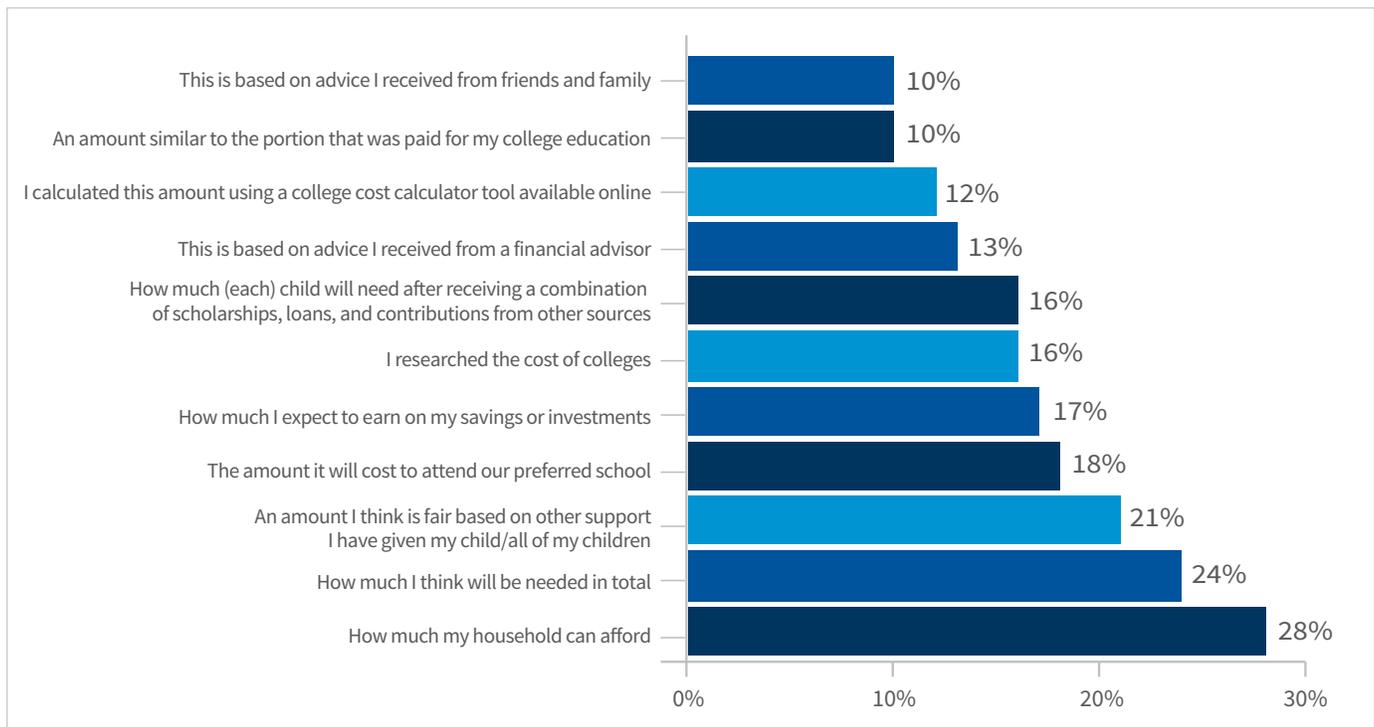
Parents currently pay for an average of 10 percent of their child's college costs from their savings.⁶ Among parents saving but who have not set a goal amount, 64 percent are confident that they can save at least 10 percent of the future costs of college. This increases to 78 percent among families who also have a plan to pay for college.

Parents' confidence in their ability to save 10 percent of college costs increases with household income. Seventy-three percent of high-income families, 65 percent of middle-income families and 55 percent of low-income families⁷ are confident that they can meet this level of savings.

Four out of ten (39%) families saving for their children's college education plan to increase their annual savings for college in the next year and more than half (53%) plan to increase their annual savings for college in the next five years.

Middle-income families are the most optimistic about increasing their savings over the next five years. Fifty-six percent of middle-income families plan to increase their annual savings for college within the next five years, compared with 51 percent of low-income and high-income families.

Figure 5 — Factors in Setting College-Savings Goal Amount



⁶ Sallie Mae (2013), *How America Pays for College 2013*

⁷ The average amounts families pay for college differ by income, with high-income families paying 33 percent more for college than low-income families. Sallie Mae (2013), *How America Pays for College 2013*.

Half of Families Not Saving for College

Half of families are not saving anything at all for college in 2014. The average total savings for families who have not saved for college is \$49,013, about one-third the amount of that saved by families who save for college. Families not saving for college tend to be saving for retirement (50% of the total savings) and buying a home (13% of the total savings) or car (10% of their total savings).

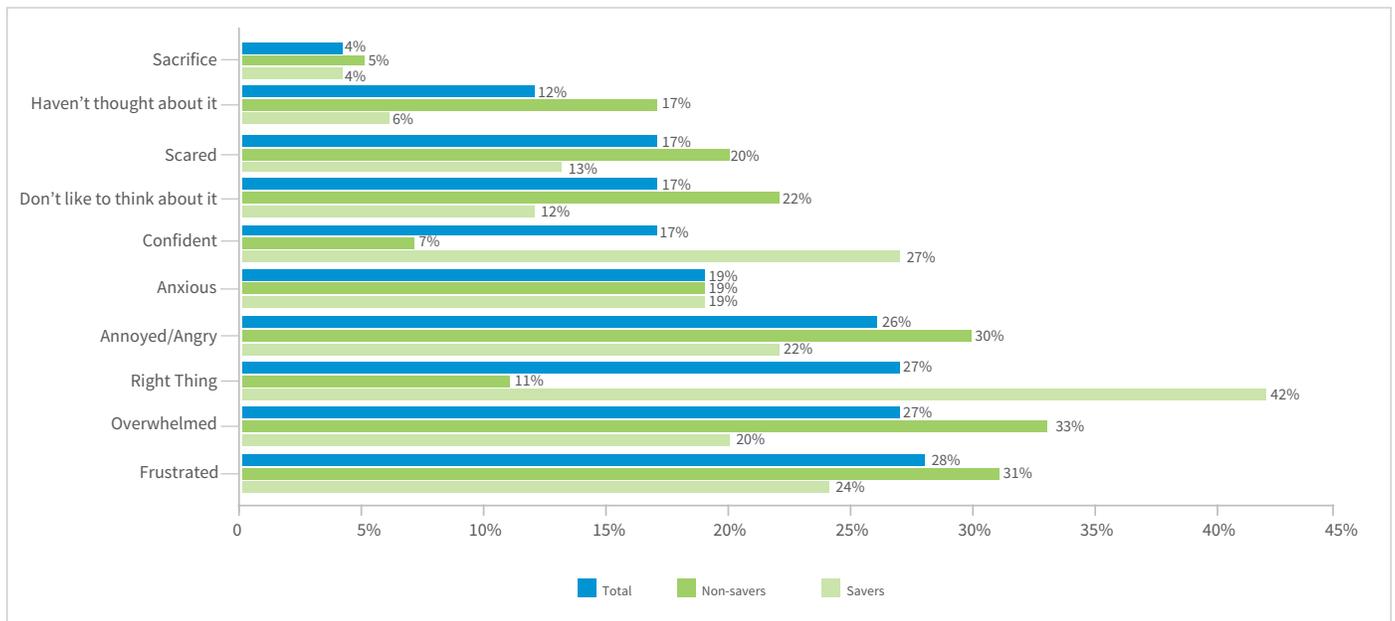
Low-income families are least likely to be saving for college. Sixty-six percent of low-income families are not saving for college compared with 49 percent of middle-income families and 27 percent of high-income families.

Parents who are not saving for college are less likely to have earned a college degree (73% do not have a degree compared to 58% of savers), their children are less likely to have their own savings accounts (81% do not have their own savings account compared to 66% for savers), and their children are more likely to split living arrangements between two separated parents (63% compared to 38% for savers) or to be living with a single parent (55% compared to 45% for savers).

When it comes to how they view their children’s college prospects, non-saving parents are much less likely to agree that college is an investment in their child’s future (83% among non-savers and 95% among savers) and they are less willing to stretch themselves financially to enable their child to go to college (70% among non-savers and 90% among savers).

Non-savers are more likely to expect that more of their child’s college will be paid for through government grants. They expect grants to cover 23 percent of the cost on average, while savers expect grants to cover 10 percent of costs on average. Few non-saving families are confident in their ability to meet the future costs of college (25% compared with families who save (62% feel confident). More non-saving families feel overwhelmed by the prospect of saving for college than families who have begun saving for college (33% and 20%, respectively).

Figure 6 — Parent Feelings about Saving for College, by College-Saving Status



Key Barrier to Saving is Limited Income

The major reason families cite for not saving for college is that they don't have enough money to save (58%). This is much more the case for low- and middle-income families (63% and 59%, respectively) than for high-income families (40%).

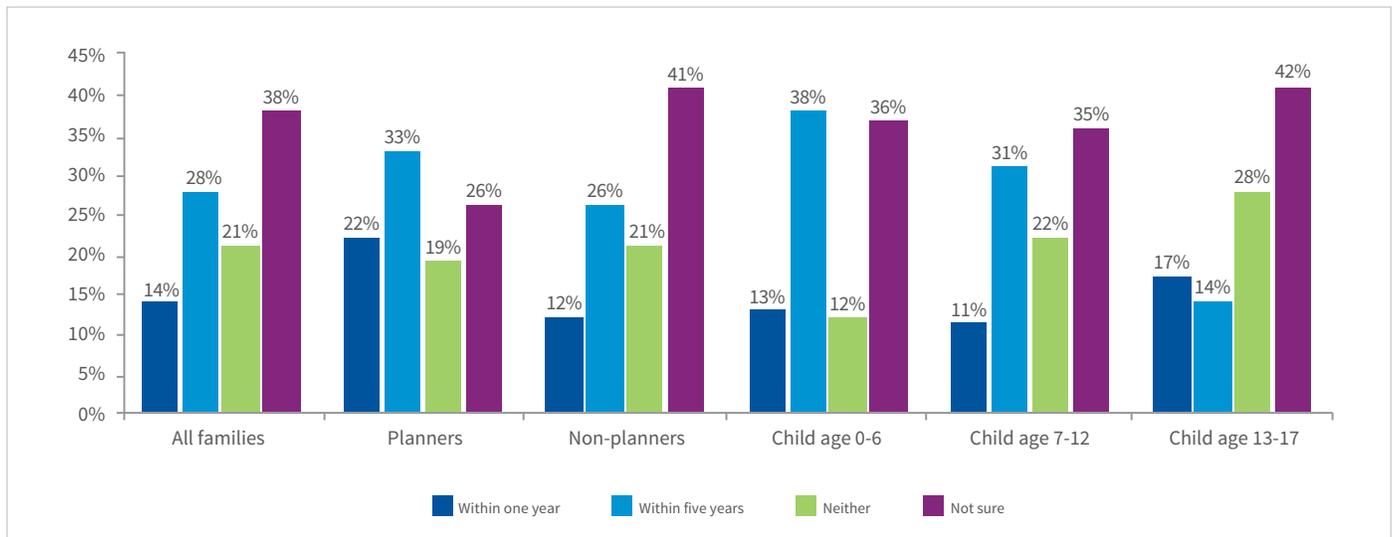
Other major reasons parents give for not saving are that they expect the children to qualify for enough financial aid or scholarships (22%), that they haven't gotten around to it (21%), that they are focusing on other savings priorities (20%), and that they are not sure what the best savings options are (13%).

High-income families are more likely to cite that the child is responsible for paying for college as a major reason for not saving (21%) than middle-income (13%) or low-income families (5%).

Families of young children, up to age 6, are more likely to cite procrastination as a major reason for not saving for college. Twenty-seven percent say they haven't gotten around to starting a savings plan yet, compared to 19 percent of parents with children ages 7-12, and 15 percent of parents of teens. Twenty-two percent of parents of young children say their child is too young to start thinking about saving for college, significantly higher than parents with children aged 7-12 (12%) and parents with teens (5%).

Only 14 percent of the families not saving for college plan to begin saving in the next year and 28 percent plan to begin saving in the next five years. Parents of young children are more likely to be planning to begin saving within one to five years (51%) than parents of children ages 7-12 (42%) and parents of teens (31%).

Figure 7 — Non-savers' Plan to Begin Saving for College, by Planning Status and Age of Child



Conclusion

Despite economic crisis and intense questioning of the value of a college education in recent years, American families have remained steadfast in their belief that a college education is an investment, one worth stretching for financially to attain.

Following a decline in the ability of American families to save for college, this year there has been an increase in savings among high- and middle-income families; and while college-specific savings in low-income families has declined, their overall savings have gone up.

In general, most American parents feel confident that they will be able to save enough to make the contribution toward their children's college education that is expected of them.

4 FREQUENCY OF USE OF COLLEGE-SAVINGS VEHICLES

How Much Families Have Saved and Where They Have Saved It

Half (51%) of families with children under the age of 18 who have some intention of going to college are saving for college. This proportion is consistent with the prior year *How America Saves for College 2013* survey. The proportion of savers using each identified vehicle to save for college is also similar to last year. However, this year's data show an increase both in the amount saved in the last year and in total average college savings.

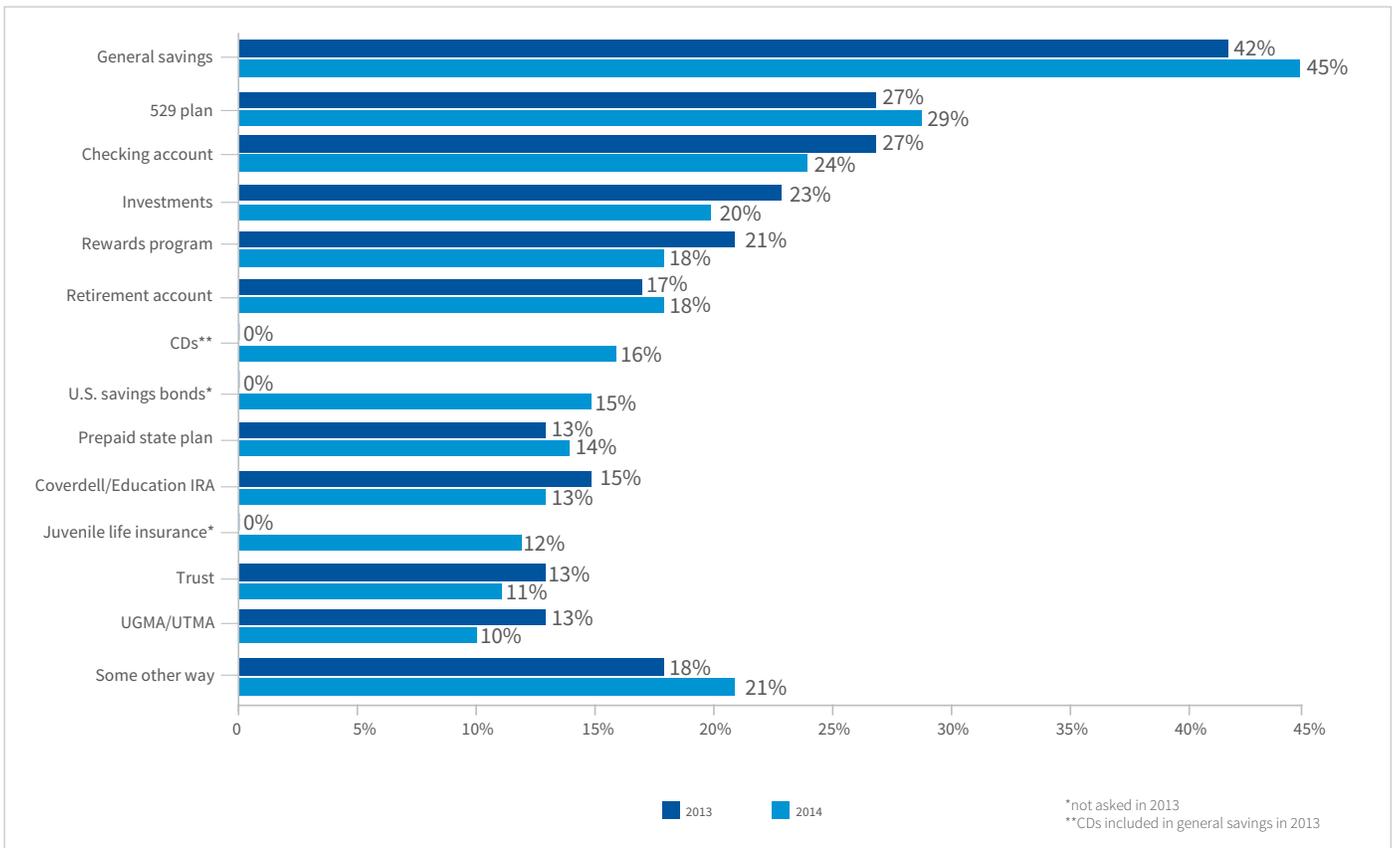
Dollars Saved Have Increased

The amount families saved in the course of one year has increased. Families reported saving an average of \$3,398 in 2014 compared with \$2,643 in 2013, an increase of \$755, or 29 percent.

Families who save for college using investment vehicles reported the highest average savings increase, from saving \$280 in 2013 to \$652 in 2014. Average savings for college deposited in 529 college savings plans, general savings, CDs and in retirement accounts also increased.

Total accumulated college savings increased by 30 percent to an average of \$15,346 from \$11,781. Most savings vehicles saw an increase in total value, with the exception of rewards programs, trusts and UGMA/UTMA savings.

Figure 8 — Vehicles Used to Save for College, Year-over-Year



Compared to parents of younger children, parents of children over the age of 12 have saved the highest average total amount for college at \$21,416, a 44 percent increase from \$14,870 in 2013. However, the average savings of parents of children aged 12 or younger grew at almost twice that rate. Among those with children aged 7-12, savings increased from \$9,003 in 2013 to \$16,498 in 2014 (an 83% increase); and among those with children aged 0-6, savings increased from \$5,575 in 2013 to \$10,282 in 2014 (an 84% increase).

White families report higher average savings than black and Hispanic families: \$16,455 compared with \$11,445 and \$11,424 respectively. However, Hispanic families reported much higher growth in total savings since 2013 (\$7,039) at 62 percent, compared with white families (37% increase from 2013's \$11,990) and black families (17% increase from \$9,775 in 2013).

While low-income families saved about the same amount in 2014 as they did last year—\$1,351 this year compared to \$1,172—the average value of their total savings declined 26 percent to \$3,762 from \$5,093. The largest declines in low-income families' savings are seen in the vehicles that had held their largest amounts of savings the prior year: general savings/CDs and checking accounts. General savings/CD value dropped 48 percent to \$889 from \$1,706, and the checking account amount dropped 78 percent to \$233 from \$1,048.

Use of Dedicated College Savings Vehicles

This year, 57 percent of families report saving money for college using multiple vehicles, a significant increase from 2013 when only 31 percent reported using more than one college-savings instrument. Families in the high-income group are those most likely to use only one college-savings vehicle (55%).

Thirty-six percent of saving families are using vehicles specifically created for and dedicated to college saving, with a number of them using more than one of the following:

- 529 college savings plans (29%)
- Prepaid state college savings plans (14%)
- Coverdell Education Savings Accounts (ESAs) (13%)

State-sponsored 529 plans are more likely to be used by high-income families (45%) than middle-income (25%) and low-income families (12%). They are also used more by parents of children aged 7-12 (37%) than by parents of those under age seven (27%) and those who are older than 12 (23%).

Prepaid college savings plans and ESAs are both more likely to be used by Hispanic families (25% and 22%, respectively) than by white (15%, 13%) or black families (15%, 13%).

In addition to dedicated saving-for-college instruments, families utilize the following vehicles which are often promoted as saving-for-college options:

- Uniform Gift or Transfer to Minors (10%)
- Juvenile life insurance that can be used for college (12%)
- Participation in a college savings rewards program (18%)

Juvenile life insurance as a college savings vehicle is more likely to be used by parents of children younger than the age of 7 (17%) than by parents of children aged 7-12 (9%) or parents of children older than 12 (10%).

Use of General Savings Vehicles

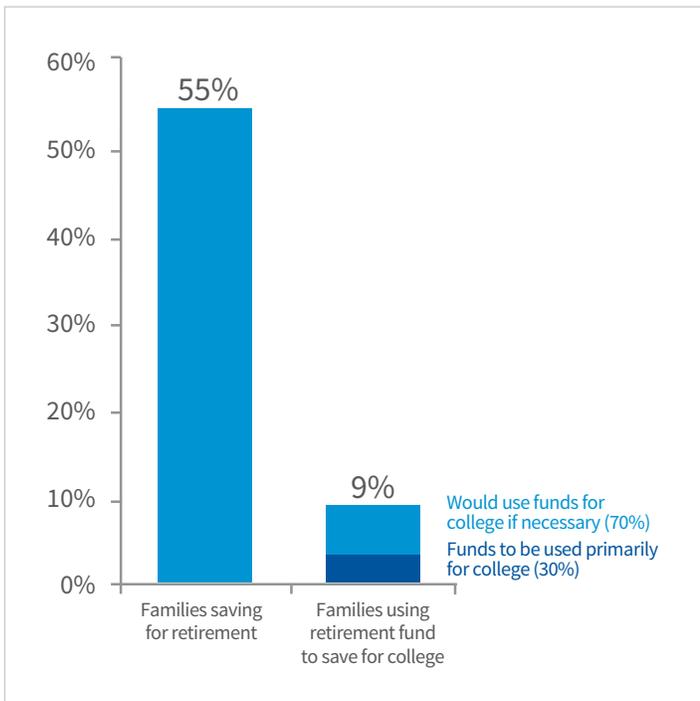
While many families use dedicated college savings plans, or set up funds designed to segregate college savings from other family assets, the greatest share of college savers, 45 percent, use general savings accounts, and 24 percent report using checking accounts.

Parents who save in vehicles not specially designed for college saving were asked whether they primarily intended to use the money for college, or whether they expected they could use these funds for college if necessary. More than half of those who were saving through investments or a trust (57%), as well as those using general savings accounts (52%), planned to use the funds primarily for college. This drops to almost two in five for those using checking accounts (37%). Those least likely to plan to use all of their savings primarily for college are those who are saving through U.S. savings bonds or CDs (34%) and retirement accounts (30%).

Retirement

Retirement savings accounts are designed to be used after age 60 when a person is ready to retire from the workforce. While 55 percent of families in the *How America Saves for College* study are saving for retirement, about 9 percent of families (18% of families saving for college) say that they are also using retirement funds as a college savings vehicle. Most of that group report that they will use their retirement savings for college “if necessary,” but 30 percent (3% of all families) fully intend to use these funds to pay for college. Retirement accounts are designed with many tax advantages, but also incur penalties when money is withdrawn early, making them less-than-ideal vehicles for college savings. For the \$1,936 in average retirement savings earmarked for college, 10 percent could be deducted as a tax penalty if the money is taken out to pay for college.⁸

Figure 9 — Retirement and College Savings



⁸ <http://www.forbes.com/sites/janetnovack/2013/01/15/11-ways-to-tap-retirement-cash-early-without-a-10-penalty/>

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

- a. A 529 college savings plan
- b. A pre-paid or guaranteed state college savings plan (a guaranteed plan that allows you to lock in today’s tuition price)
- c. Coverdell Education Savings Account, formerly known as an Education IRA
- d. Investments such as stocks, mutual funds, money market accounts, or bonds that are not part of your 529 or 401k
- e. A juvenile life insurance policy (one that acts as a college savings plan as well)
- f. A college savings reward program
- g. UGMA/UTMA account (Uniform Gift to Minors Act/ Uniform Transfers to Minors Act)
- h. A trust (funds managed by one person for a specific beneficiary)
- i. U.S. savings bonds
- j. General savings account(s) at your local bank (one with a physical branch building) or at an online bank
- k. CDs through your local bank (one with a physical branch building) or through an online bank
- l. A checking account
- m. Retirement savings account, such as a 401k, IRA account, or pension
- n. Some other way

	Total			Planners			Non-planners		
N	1029			641			388		
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings	45%	\$638	\$2,569	42%	\$677	\$2,854	50%	\$574	\$2,098
529 plan	29%	\$614	\$3,179	36%	\$849	\$4,801	16%	\$224	\$501
Checking account	24%	\$149	\$724	25%	\$177	\$1,036	24%	\$102	\$208
Investments	20%	\$652	\$2,771	20%	\$543	\$2,585	20%	\$831	\$3,079
Rewards program	18%	\$199	\$947	19%	\$260	\$1,401	18%	\$99	\$196
Retirement account	18%	\$382	\$1,936	18%	\$275	\$2,134	19%	\$560	\$1,609
CDs	16%	\$192	\$481	17%	\$238	\$609	15%	\$117	\$268
U.S. savings bonds	15%	\$42	\$227	15%	\$36	\$216	14%	\$51	\$244
Prepaid state plan	14%	\$88	\$464	15%	\$102	\$647	13%	\$66	\$163
Coverdell/ Education IRA	13%	\$104	\$441	13%	\$89	\$285	14%	\$127	\$698
Juvenile life insurance	12%	\$86	\$205	12%	\$123	\$271	12%	\$26	\$96
Trust	11%	\$56	\$334	10%	\$27	\$233	11%	\$105	\$501
UGMA/UTMA	10%	\$27	\$237	11%	\$27	\$352	10%	\$26	\$46
Some other way	21%	\$169	\$831	18%	\$178	\$1,094	25%	\$155	\$398
Total average savings		\$3,398	\$15,346		\$3,601	\$18,518		\$3,063	\$10,105

*Average amounts saved among savers in each college savings vehicle; mean includes zero amounts saved in last year
 Base: Parents who are saving for college

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

	White			Black			Hispanic		
N	763			122			193		
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings	46%	\$651	\$2,733	44%	\$587	\$1,971	61%	\$599	\$2,475
529 plan	29%	\$645	\$3,081	24%	\$203	\$987	24%	\$95	\$379
Checking account	24%	\$161	\$794	34%	\$187	\$869	37%	\$152	\$1,055
Investments	21%	\$814	\$3,235	19%	\$160	\$1,073	26%	\$163	\$1,077
Rewards program	17%	\$178	\$1,099	23%	\$161	\$451	28%	\$154	\$653
Retirement account	20%	\$463	\$2,283	21%	\$246	\$1,578	29%	\$168	\$1,138
CDs	15%	\$200	\$492	20%	\$335	\$833	28%	\$176	\$535
U.S. savings bonds	17%	\$46	\$253	14%	\$61	\$299	25%	\$55	\$540
Prepaid state plan	15%	\$104	\$546	15%	\$67	\$340	25%	\$89	\$339
Coverdell/Education IRA	13%	\$82	\$255	13%	\$77	\$227	22%	\$45	\$258
Juvenile life insurance	12%	\$63	\$120	15%	\$318	\$856	25%	\$35	\$219
Trust	11%	\$68	\$368	14%	\$43	\$514	21%	\$32	\$268
UGMA/UTMA	11%	\$30	\$297	12%	\$45	\$131	21%	\$28	\$116
Some other way	20%	\$175	\$899	25%	\$247	\$1,316	32%	\$334	\$2,372
Total average savings		\$3,680	\$16,455		\$2,737	\$11,445		\$2,125	\$11,424

*Average amounts saved among savers in each college savings vehicle; mean includes zero amounts saved in last year
 Base: Parents who are saving for college

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

	<\$35k			\$35 - <\$100k			\$100k+		
N	196			514			320		
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings	51%	\$330	\$655	50%	\$628	\$2,152	33%	\$844	\$4,413
529 plan	12%	\$60	\$146	25%	\$358	\$1,690	45%	\$1,364	\$7,437
Checking account	28%	\$115	\$233	24%	\$160	\$771	22%	\$152	\$948
Investments	15%	\$152	\$773	17%	\$471	\$1,642	28%	\$1,249	\$5,817
Rewards program	19%	\$101	\$185	18%	\$182	\$630	20%	\$288	\$1,924
Retirement account	13%	\$60	\$282	21%	\$410	\$2,036	18%	\$535	\$2,789
CDs	14%	\$133	\$234	17%	\$91	\$337	16%	\$390	\$863
U.S. savings bonds	12%	\$30	\$82	15%	\$42	\$230	17%	\$48	\$310
Prepaid state plan	15%	\$63	\$137	13%	\$29	\$524	16%	\$198	\$569
Coverdell/Education IRA	12%	\$27	\$47	14%	\$163	\$603	14%	\$55	\$419
Juvenile life insurance	13%	\$195	\$397	11%	\$76	\$176	12%	\$36	\$135
Trust	10%	\$6	\$147	9%	\$74	\$108	13%	\$58	\$812
UGMA/UTMA	9%	\$6	\$14	9%	\$21	\$140	13%	\$49	\$530
Some other way	33%	\$73	\$430	21%	\$199	\$1,202	13%	\$179	\$480
Total average savings		\$1,351	\$3,762		\$2,904	\$12,241		\$5,445	\$27,446

*Average amounts saved among savers in each college savings vehicle; mean includes zero amounts saved in last year
 Base: Parents who are saving for college

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

N	Ages 0-6			Ages 7-12			Ages 13-17		
		336		345		269			
	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total	% Using	Avg amount saved last year	Avg amount saved total
General savings	46%	\$541	\$1,812	43%	\$480	\$2,101	47%	\$893	\$4,083
529 plan	27%	\$430	\$2,051	37%	\$994	\$4,608	23%	\$396	\$3,094
Checking account	28%	\$153	\$505	22%	\$181	\$927	23%	\$131	\$896
Investments	22%	\$351	\$1,304	16%	\$649	\$2,338	24%	\$1,032	\$4,807
Rewards program	17%	\$52	\$263	20%	\$270	\$815	20%	\$302	\$2,147
Retirement account	22%	\$343	\$1,149	17%	\$524	\$1,676	19%	\$351	\$3,605
CDs	19%	\$145	\$262	16%	\$327	\$544	15%	\$107	\$672
U.S. savings bonds	17%	\$41	\$81	15%	\$61	\$378	12%	\$25	\$244
Prepaid state plan	15%	\$29	\$71	14%	\$149	\$977	13%	\$100	\$397
Coverdell/Education IRA	14%	\$46	\$186	13%	\$131	\$782	15%	\$169	\$447
Juvenile life insurance	17%	\$50	\$147	9%	\$182	\$361	10%	\$32	\$133
Trust	14%	\$18	\$573	10%	\$133	\$350	10%	\$21	\$111
UGMA/UTMA	14%	\$45	\$259	9%	\$19	\$350	10%	\$22	\$131
Some other way	26%	\$212	\$1,619	16%	\$89	\$291	19%	\$180	\$649
Total average savings		\$2,456	\$10,282		\$4,189	\$16,498		\$3,761	\$21,416

*Average amounts saved among savers in each college savings vehicle; mean includes zero amounts saved in last year
 Base: Parents who are saving for college

Online Verses Offline Saving

General savings accounts are the dominant vehicle type for saving for college, utilized by 45 percent of college-saving families. Most accounts are held at local, brick-and-mortar, or “offline” banks.

With technology making it easy for families to save for college without ever visiting a bank in person, a significant number of families are doing so. One-fifth (21%) of college-saving families are using online bank accounts and 11 percent are using CDs at online banks for at least a portion of their college savings. Nine percent have chosen to use online banking exclusively for their college savings.

Families who use online banks to save for college enjoy the convenience that these banks offer (63%), receive a higher interest rate on their savings (31%), and appreciate other perks they get through the online bank such as mobile check deposits (17%). High-income families are less likely than other income groups to be using online banking for the convenience (48%, compared with 77% low-income and 67% middle-income) and more likely than other groups to be using them because they receive a higher interest rate (48%, compared with 16% low-income and 27% middle-income).

Families save similar amounts in offline (\$1,373) and online accounts (\$1,196), and similar amounts in offline CDs (\$220) and online bank CDs (\$261). By income group, however, low- and middle-income families save more in their offline bank accounts (\$424 and \$1,451, respectively) and CDs (\$219 and \$237) than they do in their online accounts (\$231 and \$701) and CDs (\$16 and \$100), while high-income families save more in their online accounts (\$2,583) and CDs (\$670) than in the their offline accounts (\$1,830) and CDs (\$193).

5 USE OF 529 PLANS AND COVERDELL EDUCATION SAVINGS ACCOUNTS

Two different programs emerged in the late 1990’s to encourage America’s parents to save for their children’s education, Section 529 College Savings Plans and Coverdell Education Savings Accounts (formerly known as education IRAs). Both types of plans exclude earnings from income tax as long as withdrawn funds are used for qualified expenses, both allow for a change in beneficiary to another member of the family, and, as long as the owner of the account is not the beneficiary (child), the money is not considered to be the child’s money for federal financial aid purposes.

Coverdell Education Savings Accounts (ESAs) originated as a federal program while 529s emerged at the state level. Many individual states have actively promoted their programs, some offering incentives such as matching contributions to state residents who enroll. ESAs, on the other hand, have not been widely promoted, perhaps due to the fact that the ESA was a temporary offering scheduled to sunset in 2013 when, instead, Congress made it a permanent program.

Figure 10 — Use of ESAs and 529 Plans, Over Time



These dedicated saving-for-college vehicles are intended to motivate families to set aside money for education. However, the awareness level and usage of these programs among the families they are meant to serve (those with children under the age of 18) is low relative to the awareness and use of other types of saving instruments such as traditional bank savings accounts and retirement funds.

Fewer than half of families not using 529s or ESAs but whose children might attend college in the future are aware of either plan, but three times more parents are aware of 529 plans (39%) than of ESAs (11%). Lack of awareness is reflected in the less frequent use of the ESA than the 529 plan by American families saving for college, evidenced during each wave of this study. In 2009, 33 percent of families saving for college were using 529 plans and 11 percent were using ESAs. This year, 29 percent of families are using 529 plans and 13 percent are using ESAs.

Program structure does not appear to be the root cause behind lack of use for either plan type. Among parents aware of either plan but not using them, the main reasons for not using them are similar. Besides being unable to afford saving for college at all (13% ESAs; 22% 529s), parents aren’t using these programs because they don’t know enough about them (23% ESAs; 17% 529s) and they would rather save a different way (20% ESAs; 14% 529s).

The top two features of a savings plan that might motivate parents not saving for college at all to start saving are tax benefits (18%) and low fees (17%). Among parents saving for college but not using a 529 or an ESA, the top two features of a savings plan that might motivate them to begin using such an account are guaranteed interest rate (20%) and FDIC-insured (19%).

Income does not have an impact on likelihood of families to use an ESA—12 percent of low-income families and 14 percent of middle- and high-income families are using them. However, high-income groups are much more likely to use 529 plans (45%) than middle- (25%) or low-income groups (12%). Average savings amounts in 529 plans (\$3,179) are about 7 times higher than the amounts saved in ESAs (\$441). High-income families have accumulated much more in their 529s than in their ESAs (15 times more); however, low- and middle-income groups also saved more—two to three times more—on average, in 529 plans than they had in ESAs.

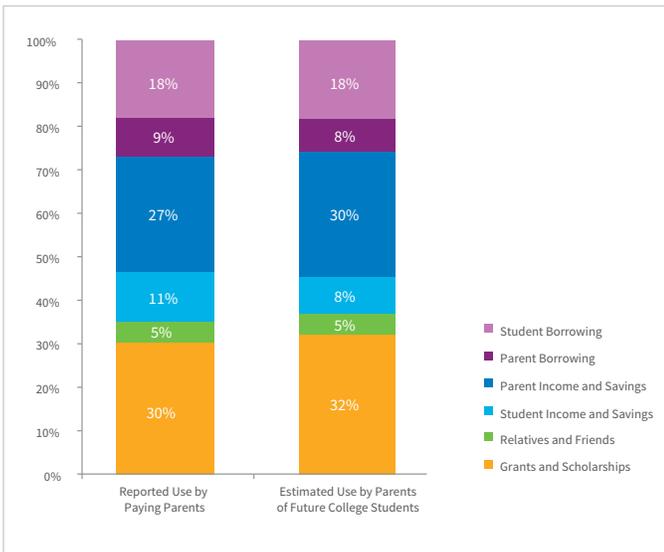
Parents who are using 529 plans are more likely than parents who use ESAs to identify specific reasons for having selected their plan. The most common reason for both groups for choosing their plan is tax benefits, cited by 35 percent of 529 users and 15 percent of ESA users. Besides tax benefits, users of 529 plans were more likely to identify

other cost-related reasons such as low fees (19%), low risk (18%) and high return opportunity (12%) than ESA users (3%, 6% and 4%, respectively). Knowing the money was dedicated to college savings was important to both types of savers (20% of 529 users, and 10% of ESA users). The unique feature of ESAs—being able to use the money for grades K-12—was selected by 10 percent of ESA users as a reason for choosing it; and the unique feature of 529s—backed by state government—was selected by 11 percent of 529 users.

6 UNDERSTANDING AND PLANNING FOR THE COST OF COLLEGE

Parents are generally realistic about the proportion of costs they will be expected to pay for their children’s college education. By comparing data from the *How America Pays for College 2013* and this year’s *How America Saves for College* studies, we see that parents’ expectations for the portion of costs to be paid from potential sources are very close to the current reality.

Figure 11 — Reported vs. Estimated Use of Sources to Pay for College

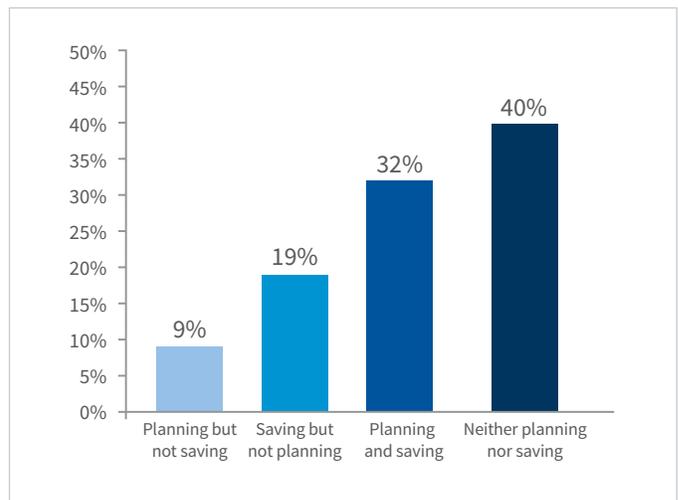


Despite clearly understanding how much they will be required to pay, only 41 percent of families have created a plan to pay for their children’s college education. The likelihood of parents having a plan to pay for their children’s college education increases when parents themselves have earned a college degree. Among parents who have a plan to pay for college, 47 percent have a college degree, while among those who do not have a plan

about half as many (26%) have a degree. High-income parents, who are more likely to have a college degree than other income groups,⁹ are more likely to have a plan (64%) than middle-income parents (40%) or low-income parents (27%).

While the majority of parents who have begun saving for college agree they have a plan to pay for college, more than one-third (38%) of savers don’t yet have a plan. Parents saving for college who also have a plan in place have saved 83 percent more dollars, \$18,518, compared to those who are saving but have not yet mapped out a plan, \$10,105. On average, planners began saving when their child was slightly younger (age 5.9) than non-planners (age 6.3).

Figure 12 — Families Planning or Saving for College



⁹ At least one parent has a college degree (Associate’s degree or higher) in 69 percent of high-income households compared with 35 percent of middle-income parents and 9 percent of low-income parents.

Saving parents with a plan are more than twice as likely to use a 529 college savings plan for their college savings (36%) than parents without a paying-for-college plan (16%), and the average total amount saved in those 529 plans is significantly higher for planners (\$4,801) than for non-planners (\$501).

The total amounts saved by planning parents in pre-paid state tuition plans, UGMA/UTMA accounts and college savings rewards programs is significantly higher than amounts saved by non-planning parents. Only through ESAs have non-planning parents saved higher average amounts (\$698) than parents who plan (\$285).

While three-quarters of those who have a plan to pay for college have also begun saving for college, almost one quarter—or 9 percent of total families—have a plan but haven't yet saved any money for college. Outside of saving, parents who have a plan to pay for college have researched the costs of colleges (22%) and financial aid (17%). Others have invested in their children's skills to increase their chances of winning a scholarship (21%), and some students are enrolled in AP courses in high school to earn college credits (12%). Nineteen percent of parents have purchased life insurance on themselves to cover college costs. Only 8 percent of parents have considered setting limits on the range of colleges their children can consider due to cost.¹⁰

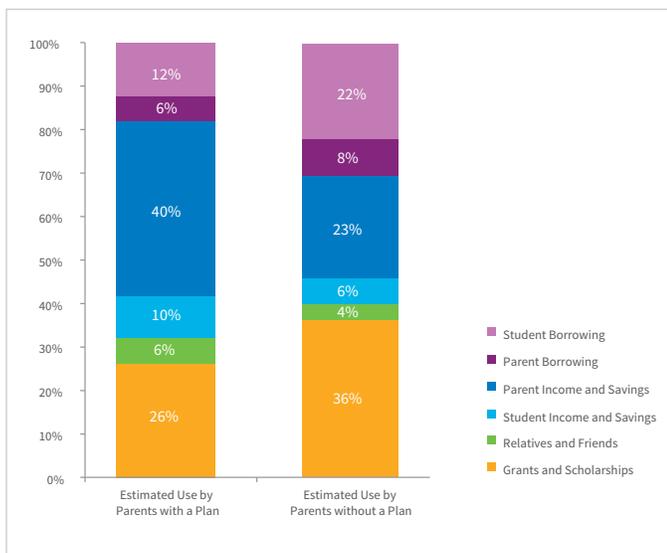
Parents who have a plan to pay for college are more willing to stretch financially to pay for college (89%) than those without a plan (74%), more of them agree that college is an investment in their child's future (95%) than those without a plan (85%), and more of them agree their child will earn more money with a college degree (91%) than those without a plan (78%).

Two-thirds of parents with an overall plan to pay for college feel confident that they will be able to meet the costs of college (69%) while only one-quarter of those who do not have a plan feel confident (25%).

Families with a plan expect to pay for 40 percent of college costs through parent savings and income; those without a plan expect to contribute 23 percent from that source. Parents without a plan anticipate a greater share of funding to come from grants and scholarships (36%), and student borrowing (22%) than parents with a plan (26% and 12%, respectively).

Among those who have not started saving for college, planners are more likely to say they will begin saving within the next five years (55%) than non-planners (38%). Fewer parents who have not begun saving but have a plan to pay for college (38%) name lack of money as a major reason for not saving than parents without a plan (63%).

Figure 13 — Estimated Use of Sources to Pay for College, by Planning Status



¹⁰ Forty percent of families with a student currently enrolled eliminated colleges from their consideration set due to costs; in total, 67 percent eliminated colleges at some point during the application process due to cost. Sallie Mae (2013), *How America Pays for College 2013*

7 DATA TABLES

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

- Strongly agree
 - Somewhat agree
 - Neither agree nor disagree
 - Somewhat disagree
 - Strongly disagree
- a. I want my child(ren) to attend college because they will earn more money with a college degree.
 - b. A college education is part of the American Dream.
 - c. I am willing to stretch myself financially to obtain the best opportunity for my child/children’s future.
 - d. College is an investment in my child/children’s future.
 - e. I would send my child/children to college for the intellectual and social experience regardless of whether they earned more money with a college degree.
 - f. Having a college degree is more important now than it used to be.

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

% Strongly Agree											
	Total	Savers	Non-savers	Planners	Non-planners	White	Black	Hispanic	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	2019	1029	990	832	1187	1524	241	404	682	634	549
Earn more money	51%	57%	46%	58%	46%	46%	61%	61%	50%	52%	50%
American dream	47%	53%	41%	54%	43%	43%	61%	60%	44%	50%	46%
Stretch financially	50%	60%	39%	58%	44%	45%	63%	58%	51%	49%	47%
Investment in future	60%	69%	51%	68%	54%	56%	69%	68%	58%	61%	59%
Experience regardless of earnings	35%	41%	28%	43%	28%	29%	43%	44%	36%	39%	28%
Degree more important now	51%	56%	46%	57%	47%	47%	61%	60%	49%	51%	53%

Base: All parents

Table 2b – Reasons for Continuing Education, Rated “Strongly Agree”, by Income

% Strongly Agree										
	Total	Savers			Non-savers			Total Income		
		<\$35k	\$35k - <\$100k	\$100k+	<\$35k	\$35k - <\$100k	\$100k+	<\$35k	\$35k - <\$100k	\$100k+
N	2019	196	514	319	384	487	119	580	1001	438
Earn more money	51%	62%	56%	53%	50%	42%	45%	54%	49%	51%
American dream	47%	56%	57%	46%	44%	40%	40%	48%	48%	44%
Stretch financially	50%	66%	64%	49%	42%	37%	34%	50%	51%	45%
Investment in future	60%	71%	71%	64%	54%	49%	47%	60%	60%	59%
Experience regardless of earnings	35%	46%	42%	37%	29%	26%	29%	35%	34%	35%
Degree more important now	51%	60%	57%	52%	49%	45%	43%	53%	51%	50%

Base: All parents

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

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Earn more money	2019	51%	32%	13%	3%	1%
American dream	2019	47%	33%	15%	4%	1%
Stretch financially	2019	50%	30%	15%	3%	1%
Investment in future	2019	60%	29%	9%	2%	1%
Experience regardless of earnings	2019	35%	27%	21%	13%	5%
Degree more important now	2019	51%	26%	14%	6%	3%

Base: All parents

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

Table 4 — Have a Plan to Pay for College

	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	2019	1029	990	1524	241	404	580	1001	438	682	634	549
Strongly agree	16%	25%	7%	15%	18%	15%	11%	16%	25%	17%	19%	13%
Somewhat agree	25%	37%	12%	26%	24%	20%	16%	24%	40%	22%	26%	29%
Neither agree nor disagree	26%	20%	31%	25%	25%	26%	36%	24%	15%	29%	24%	24%
Somewhat disagree	17%	12%	22%	18%	14%	18%	16%	21%	11%	17%	17%	18%
Strongly disagree	16%	5%	28%	16%	19%	21%	22%	16%	9%	16%	14%	17%

Base: All parents

Q. Which of the following have you done to help you plan to pay the costs of college?

Table 5 — Planning to Pay for College Actions												
	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	832	641	191	616	102	141	155	395	281	267	280	226
Saved money/ invested	60%	70%	28%	64%	50%	63%	53%	58%	68%	62%	52%	67%
Opened a dedicated college savings account	44%	51%	21%	45%	38%	28%	33%	39%	58%	42%	50%	40%
Researched college costs	22%	23%	21%	22%	32%	20%	22%	20%	26%	18%	20%	29%
Invested in my child's skills/ talents for scholarships	21%	21%	20%	22%	28%	20%	21%	19%	24%	16%	21%	26%
Child opened own savings account	20%	20%	20%	19%	19%	18%	13%	22%	21%	21%	19%	19%
Purchased life insurance on self	19%	21%	10%	19%	18%	21%	16%	16%	24%	28%	15%	16%
Researched financial aid	17%	15%	22%	17%	24%	18%	19%	18%	14%	14%	12%	27%
Consulted a financial planner	17%	18%	11%	16%	16%	13%	9%	15%	22%	17%	20%	13%
Calculated college-savings guidelines	13%	14%	7%	11%	15%	17%	7%	14%	13%	15%	15%	9%
Child takes AP courses for college credit	12%	13%	10%	12%	12%	11%	9%	13%	12%	4%	11%	22%
Request college fund contributions in lieu of gifts	11%	12%	6%	12%	8%	13%	8%	8%	16%	15%	9%	7%
Paid down mortgage for future home equity use	11%	12%	7%	12%	7%	13%	5%	10%	16%	11%	12%	10%
Limit college choice based on cost	8%	9%	5%	7%	9%	9%	3%	11%	8%	5%	15%	5%
Researched colleges with best graduate employment for student loan payoff	8%	8%	8%	8%	12%	9%	10%	7%	7%	6%	5%	11%
Discussed with other parents how they pay	7%	6%	9%	6%	12%	6%	7%	8%	5%	7%	5%	8%
Work at a college so child can attend tuition-free	6%	5%	10%	7%	6%	10%	6%	6%	6%	8%	5%	5%
Other	3%	1%	9%	4%	3%	5%	6%	3%	2%	3%	3%	4%

Base: Parents who agree (1 or 2 on five point scale) that family has a plan to pay for college

Q. What amount of insurance do you consider sufficient to cover your child’s/children’s future cost of college?

Table 6 — Sufficient Insurance Amount	
	Total
N	155
<\$100k	43%
\$100k - <\$350k	34%
\$350k - <\$500k	5%
\$500k - <\$750k	12%
\$750k - <\$1MM	1%
\$1MM - <\$2MM	2%
\$2MM - <\$3MM	3%

Base: Parents who have purchased life insurance on selves

Q. What percentage of the total education costs for your child/children will come from, or do you expect to come from, the following sources?

Table 7 — Sources Expect to Use to Pay for Child’s Future College												
Average* Percent Each Source Will Contribute												
	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	2019	1029	990	1524	241	404	580	1001	438	682	634	549
Parent savings or current income	30%	39%	20%	29%	26%	30%	22%	30%	39%	33%	30%	27%
Scholarships from college/state/other	16%	14%	18%	15%	20%	17%	19%	15%	14%	14%	16%	17%
Children's (student) loans	18%	14%	23%	20%	12%	14%	17%	19%	17%	18%	18%	19%
Government grants or financial aid	16%	10%	23%	16%	21%	18%	25%	15%	7%	14%	15%	20%
Children's savings, or current income	8%	10%	5%	8%	9%	7%	6%	9%	8%	9%	7%	6%
Parent loans	8%	7%	8%	8%	7%	9%	7%	7%	9%	8%	8%	7%
Grandparent/friends/family contributions	5%	6%	4%	5%	5%	4%	4%	5%	6%	5%	6%	4%

*Mean calculation includes zeros
 Base: All parents

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

Table 8a — Confidence in Ability to Meet Future College Costs

	Total	Savers	Non-savers	Planners	Non-planners	White	Black	Hispanic	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	2019	1029	990	832	1187	1524	241	404	682	634	549
Extremely confident	13%	19%	7%	23%	6%	13%	18%	18%	13%	15%	11%
Somewhat confident	31%	43%	18%	46%	19%	29%	27%	26%	31%	31%	30%
Marginally confident	24%	20%	28%	16%	29%	23%	23%	26%	24%	24%	23%
Somewhat unconfident	19%	12%	26%	10%	25%	20%	20%	17%	21%	16%	19%
Extremely unconfident	14%	6%	22%	5%	21%	15%	11%	14%	12%	13%	17%

Table 8b — Confidence in Ability to Meet Future College Costs, by Income

	Total	Savers			Nonsavers			Total Income		
		<\$35k	\$35k - <\$100k	\$100k+	<\$35k	\$35k - <\$100k	\$100k+	<\$35k	\$35k - <\$100k	\$100k+
N	2019	196	514	319	384	487	119	580	1001	438
Extremely confident	13%	15%	19%	22%	5%	7%	11%	8%	13%	19%
Somewhat confident	31%	38%	41%	48%	10%	20%	34%	20%	31%	44%
Marginally confident	24%	25%	20%	17%	32%	26%	23%	30%	23%	19%
Somewhat unconfident	19%	15%	13%	9%	27%	26%	17%	23%	19%	11%
Extremely unconfident	14%	7%	7%	4%	26%	21%	15%	20%	14%	7%

Base: All parents

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

Table 9a — Percent of Families Saving for Each Goal and Average Amounts Saved*, by College Saving Status

N	Total			College Savers			College Non-savers		
	2019			1029			990		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/Rainy day	57%	\$1,465	\$7,892	77%	\$1,771	\$10,505	35%	\$773	\$1,976
Retirement	55%	\$8,883	\$61,226	74%	\$10,557	\$77,649	35%	\$5,153	\$24,639
General savings (not specified)	51%	\$3,259	\$10,728	70%	\$3,407	\$13,338	32%	\$2,921	\$4,759
College for my child/children	51%	\$3,873	\$12,045	100%	\$3,873	\$12,045	0%	\$-	\$-
Holidays/Gifts	39%	\$488	\$779	50%	\$528	\$915	27%	\$410	\$519
Vacation	30%	\$1,249	\$2,147	44%	\$1,413	\$2,476	15%	\$756	\$1,156
Healthcare	26%	\$938	\$2,737	40%	\$965	\$3,229	12%	\$843	\$1,053
House/Home	26%	\$2,486	\$10,688	37%	\$2,619	\$12,406	15%	\$2,144	\$6,272
Car	23%	\$1,382	\$3,683	35%	\$1,475	\$3,283	10%	\$1,052	\$5,092
Furniture/Appliance/ Electronics	19%	\$443	\$992	28%	\$486	\$1,126	9%	\$301	\$557
Home remodeling/ Landscaping	18%	\$996	\$2,687	27%	\$987	\$2,592	9%	\$1,023	\$2,990
Average Total Savings			\$115,604			\$139,564			\$49,013

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

Table 9b — Percent of Families Saving for Each Goal and Average Amounts Saved*, by Race/Ethnicity

N	White			Black			Hispanic		
	1524			241			404		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/Rainy day	57%	\$1,576	\$9,625	60%	\$731	\$1,810	55%	\$1,136	\$4,292
Retirement	57%	\$9,570	\$69,670	45%	\$4,759	\$18,575	42%	\$5,107	\$25,552
General savings (not specified)	52%	\$3,931	\$12,281	49%	\$952	\$2,650	45%	\$797	\$8,920
College for my child/children	50%	\$4,364	\$12,701	50%	\$2,053	\$6,009	48%	\$2,114	\$8,564
Holidays/Gifts	40%	\$503	\$778	41%	\$487	\$721	40%	\$423	\$873
Vacation	31%	\$1,314	\$1,989	29%	\$889	\$1,401	24%	\$1,045	\$1,787
Healthcare	26%	\$1,004	\$3,064	23%	\$872	\$1,404	25%	\$554	\$1,911
House/Home	25%	\$2,403	\$7,702	29%	\$1,833	\$2,911	30%	\$1,107	\$4,880
Car	22%	\$1,628	\$3,900	27%	\$755	\$1,517	25%	\$663	\$1,786
Furniture/Appliance/ Electronics	17%	\$485	\$949	23%	\$336	\$642	21%	\$421	\$982
Home remodeling/ Landscaping	20%	\$1,000	\$2,795	13%	\$1,185	\$2,191	18%	\$915	\$2,437
Average Total Savings			\$125,454			\$39,831			\$61,984

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

Table 9c — Percent of Families Saving for Each Goal and Average Amounts Saved*, by Income									
	<\$35k			\$35 - <\$100k			\$100k+		
N	580			1001			438		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/Rainy day	41%	\$403	\$1,088	60%	\$1,389	\$3,847	70%	\$2,450	\$21,248
Retirement	24%	\$3,562	\$11,419	62%	\$7,180	\$35,229	80%	\$14,018	\$127,103
General savings (not specified)	31%	\$488	\$967	55%	\$3,254	\$7,698	70%	\$4,864	\$21,741
College for my child/children	34%	\$1,009	\$2,269	51%	\$2,245	\$9,160	73%	\$8,253	\$22,690
Holidays/Gifts	35%	\$228	\$342	41%	\$497	\$763	38%	\$783	\$1,354
Vacation	13%	\$423	\$667	32%	\$1,067	\$1,640	48%	\$1,813	\$3,431
Healthcare	17%	\$258	\$511	27%	\$1,079	\$2,901	37%	\$1,108	\$3,810
House/Home	20%	\$812	\$1,896	28%	\$2,244	\$6,521	31%	\$4,426	\$26,892
Car	19%	\$566	\$1,092	23%	\$1,184	\$2,839	28%	\$2,485	\$7,600
Furniture/Appliance/Electronics	15%	\$184	\$476	19%	\$328	\$945	22%	\$907	\$1,556
Home remodeling/Landscaping	8%	\$824	\$3,094	19%	\$613	\$1,638	29%	\$1,654	\$4,158
Average Total Savings			\$23,821			\$73,181			\$241,583

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

Table 9d — Percent of Families Saving for Each Goal and Average Amounts Saved*, by Age of Child									
	Ages 0-6			Ages 7-12			Ages 13-17		
N	682			634			549		
	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total	% Saving	Avg amount saved last year	Avg amount saved total
Emergencies/Rainy day	59%	\$1,583	\$4,597	56%	\$1,530	\$6,603	56%	\$1,284	\$14,809
Retirement	53%	\$8,679	\$38,110	59%	\$9,121	\$65,951	53%	\$9,420	\$90,867
General savings (not specified)	50%	\$1,396	\$7,520	53%	\$4,528	\$12,250	50%	\$4,594	\$14,308
College for my child/children	49%	\$2,029	\$7,453	54%	\$7,131	\$16,283	49%	\$2,460	\$12,168
Holidays/Gifts	42%	\$451	\$693	40%	\$520	\$897	34%	\$557	\$853
Vacation	28%	\$1,005	\$2,108	34%	\$1,551	\$2,281	27%	\$1,201	\$2,075
Healthcare	26%	\$880	\$2,605	30%	\$907	\$2,325	26%	\$979	\$2,410
House/Home	30%	\$2,769	\$9,803	29%	\$1,643	\$6,772	21%	\$2,811	\$8,657
Car	25%	\$892	\$1,857	23%	\$1,772	\$6,337	23%	\$1,467	\$2,937
Furniture/Appliance/Electronics	20%	\$344	\$621	21%	\$568	\$1,496	14%	\$362	\$803
Home remodeling/Landscaping	17%	\$948	\$2,855	22%	\$976	\$2,256	15%	\$1,181	\$3,438
Average Total Savings			\$78,222			\$123,451			\$153,325

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

Table 9e — Percent of Families Saving for Each Goal and Total Average Amounts Saved*, by Income and College Saving Status												
	<\$35k				\$35 - <\$100k				\$100k+			
	College Savers		College Non-savers		College Savers		College Non-savers		College Savers		College Non-savers	
N	196		384		514		487		319		119	
	% Saving	Avg amount saved total	% Saving	Avg amount saved total	% Saving	Avg amount saved total	% Saving	Avg amount saved total	% Saving	Avg amount saved total	% Saving	Avg amount saved total
Emergencies/ Rainy day	75%	\$1,355	24%	\$658	79%	\$4,809	40%	\$1,841	75%	\$25,786	54%	\$4,262
Retirement	45%	\$16,469	13%	\$2,786	78%	\$40,104	45%	\$26,352	87%	\$151,169	61%	\$34,963
General savings (not specified)	57%	\$1,158	17%	\$647	71%	\$8,918	38%	\$5,313	77%	\$25,400	53%	\$7,456
College for my child/children	100%	\$2,269	0%	\$-	100%	\$9,160	0%	\$-	100%	\$22,690	0%	\$-
Holidays/Gifts	59%	\$356	23%	\$324	51%	\$872	31%	\$574	43%	\$1,470	25%	\$820
Vacation	25%	\$515	6%	\$979	44%	\$1,863	19%	\$1,082	55%	\$3,818	30%	\$1,473
Healthcare	34%	\$545	8%	\$437	41%	\$3,365	13%	\$1,301	42%	\$4,358	23%	\$1,185
House/Home	39%	\$2,629	11%	\$518	39%	\$6,321	17%	\$7,022	33%	\$30,815	24%	\$12,275
Car	39%	\$1,373	9%	\$466	36%	\$3,170	10%	\$1,566	32%	\$4,907	18%	\$20,679
Furniture/ Appliance/ Electronics	30%	\$473	7%	\$483	29%	\$1,060	9%	\$565	25%	\$1,717	13%	\$677
Home remodeling/ Landscaping	14%	\$871	5%	\$5,993	29%	\$1,613	9%	\$1,721	33%	\$4,438	18%	\$2,796
Average Total Savings		\$28,013		\$13,291		\$81,255		\$47,337		\$276,568		\$86,586

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

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

	Total	Planners	Non-planners	Use 529	No 529	Use ESA	No ESA	<\$35k	\$35k - <\$100k	\$100k+	White	Black	Hispanic
N	1029	641	388	295	733	137	892	196	514	319	763	122	193
Before/when child was born	13%	16%	6%	16%	11%	11%	13%	12%	12%	14%	14%	9%	12%
Age 1-5	48%	47%	48%	51%	46%	41%	49%	46%	47%	50%	49%	35%	47%
Age 6-10	23%	22%	24%	24%	22%	27%	22%	21%	24%	22%	20%	25%	26%
Age 11-15	11%	10%	14%	6%	13%	9%	11%	12%	11%	11%	12%	15%	10%
Age 16-18	2%	2%	3%	0%	3%	7%	2%	4%	2%	2%	2%	6%	1%
Not sure	4%	3%	5%	2%	4%	5%	4%	6%	4%	2%	3%	10%	5%
Average age	6.1	5.9	6.3	5.3	6.4	6.8	6.0	6.3	6.1	5.9	6.0	7.5	5.9

Base: Parents who are saving for college

	Total	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1029	763	122	193	196	514	320	336	345	269
One	43%	42%	39%	30%	41%	37%	55%	42%	44%	44%
Two	29%	31%	30%	27%	32%	35%	18%	28%	29%	29%
Three	8%	8%	9%	11%	8%	8%	8%	7%	8%	8%
More than three	20%	19%	22%	32%	19%	20%	19%	23%	19%	19%

Base: Parents who are saving for college

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

	N
General savings	308
529 plan	26%
Checking account	16%
Investments	15%
Rewards program	8%
Retirement account	5%
CDs	9%
U.S. savings bonds	3%
Prepaid state plan	5%
Coverdell/Education IRA	4%
Juvenile life insurance	2%
Trust	3%
UGMA/UTMA	1%
Some other way	1%
	4%

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

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

	N	Intended for College	Could Use if Needed/Not Sure
General savings	481	52%	48%
Checking account	202	37%	63%
Investments	159	57%	43%
Retirement account	140	30%	70%
CDs	193	34%	66%
U.S. savings bond	178	34%	66%
Trust	62	57%	43%

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

Q. Why do you use more than one type of vehicle for college savings? (Check all that apply.)

- a. Multiple vehicles allow more flexibility
- b. Additional vehicles/accounts were opened by someone other than me (other parent, godparent, grandparent, etc.)
- c. I use different vehicles for different children
- d. The first type I opened didn't earn as much interest/return as the later types
- e. Less risk incurred by diversifying my savings and investments
- f. I recently learned about other types of savings instruments and opened a second vehicle
- g. Other (write in)
- h. Don't know

Table 14 — Reasons for Using Multiple Vehicles to Save for College	
N	585
More flexibility	30%
Someone else opened them	12%
Less risk by diversifying	10%
Different per child	9%
Increased return	7%
Recently discovered others	5%
Other	1%
Don't know	55%

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

Q. Why don't you use more than one type of vehicle for college savings? (Check all that apply.)

- a. This savings vehicle meets my needs
- b. I like having all of my college savings in one place
- c. I don't have enough savings to open multiple accounts
- d. I haven't thought much about other options
- e. Other
- f. Don't know

Table 15 — Reasons for Using Only One Vehicle to Save for College	
N	443
Meets my needs	40%
Like it in one place	23%
Not enough savings for multiple	22%
Haven't considered options	20%
Other	1%
Don't know	10%

Base: Parents who are saving for college and using one savings vehicle

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

	Total	Use 529	No 529	Use ESA	No ESA	Planners	Non-planners
N	1029	295	733	137	892	641	388
No set goal/not sure	55%	49%	57%	56%	55%	48%	66%
Have a goal	45%	51%	43%	44%	45%	52%	34%
Average savings goal amount among those with a set goal	\$75,563	\$96,207	\$65,702	\$35,154	\$81,595	\$87,371	\$45,763

Base: Parents who are saving for college

	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	763	122	193	196	514	319	336	345	269
No set goal/not sure	54%	57%	53%	66%	55%	46%	53%	56%	54%
Have a goal	46%	43%	47%	34%	45%	54%	47%	44%	46%
Average savings goal amount among those with a set goal	\$73,586	\$57,726	\$65,386	\$28,208	\$66,775	\$105,304	\$82,105	\$82,324	\$61,730

Base: Parents who are saving for college

Q. On what did you base this goal?

N	474
How much my household can afford	28%
How much I think will be needed in total	24%
An amount I think is fair based on other support I have given my child/all of my children	21%
The amount it will cost to attend our preferred school	18%
How much I expect to earn on my savings or investments	17%
I researched the cost of colleges	16%
How much (each) child will need after receiving a combination of scholarships, loans, and contributions from other sources	16%
This is based on advice I received from a financial advisor	13%
I calculated this amount using a college cost calculator tool available online	12%
An amount similar to the portion that was paid for my college education	10%
This is based on advice I received from friends and family	10%
Other	2%
Not sure	5%

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

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

Table 18 — Confidence in Ability to Save Goal Amount	
	Total
N	474
Extremely confident	33%
Somewhat confident	48%
Marginally confident	9%
Somewhat unconfident	7%
Extremely unconfident	4%

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

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

Table 19 — Confidence in Ability to Save 10% of Future College Costs	
	Total
N	582
Extremely confident	25%
Somewhat confident	40%
Marginally confident	23%
Somewhat unconfident	8%
Extremely unconfident	4%

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

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

Table 20 — Feelings About Saving for College												
	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	2019	1029	990	1524	241	404	580	1001	438	682	634	549
Frustrated	28%	24%	31%	29%	25%	29%	34%	26%	22%	26%	28%	28%
Overwhelmed	27%	20%	33%	28%	21%	27%	29%	29%	18%	25%	25%	29%
Right Thing	27%	42%	11%	27%	30%	22%	19%	27%	37%	24%	30%	27%
Annoyed/Angry	26%	22%	30%	30%	19%	24%	27%	26%	25%	24%	23%	31%
Anxious	19%	19%	19%	19%	14%	19%	17%	20%	18%	19%	20%	19%
Confident	17%	27%	7%	16%	21%	18%	10%	19%	23%	16%	21%	15%
Don't like thinking about it	17%	12%	22%	19%	14%	17%	20%	16%	13%	17%	15%	15%
Scared	17%	13%	20%	17%	14%	18%	20%	18%	9%	15%	16%	17%
Haven't thought about it	12%	6%	17%	12%	10%	16%	13%	12%	10%	16%	10%	9%
Sacrifice	4%	4%	5%	5%	2%	6%	4%	3%	9%	4%	5%	4%
Other	2%	1%	3%	2%	1%	3%	3%	2%	2%	2%	2%	3%
Not sure	6%	4%	8%	5%	10%	6%	10%	4%	6%	6%	8%	5%

Base: All parents

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

Table 21 – Savings Rate Compared to a Year Ago

	Total	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1029	763	122	193	196	514	319	336	345	269
More	23%	23%	27%	34%	18%	25%	24%	22%	26%	20%
Same	56%	56%	48%	47%	49%	54%	63%	56%	54%	56%
Less	17%	17%	17%	12%	23%	17%	12%	14%	16%	21%
Not sure	5%	4%	8%	7%	10%	5%	2%	8%	4%	3%

Base: Parents who are saving for college

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

Table 22 – Reasons for Saving More

N	240
My family has increased its earnings in the last year	40%
My child is closer to college age	39%
Evaluated savings against goals and realized needed to save more	36%
Recently learned about how much college will cost	20%
My family had additional child	14%
Other	4%
Not sure	3%

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

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

Table 23 – Reasons for Saving Less

N	178
Cost of living is higher this year	55%
There have been unexpected expenses this year	51%
Earnings are less this year	47%
Child will get a large scholarship or grant	9%
Have saved enough	2%
Other	5%
Not sure	1%

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

Q. What are some of the things you do to keep college savings on track? (Check all that apply.)

Table 24 — Keeping Savings on Track										
	Total	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	1029	763	122	193	196	514	319	336	345	269
Funds are automatically deposited on a regular set schedule	33%	32%	41%	39%	31%	30%	40%	34%	31%	37%
Set aside a goal amount every pay period for college savings	26%	24%	33%	29%	30%	28%	19%	23%	27%	26%
Cut back on household expenses to add to savings	22%	21%	24%	22%	25%	26%	15%	19%	25%	19%
Reduce personal or discretionary spending to add to savings	21%	18%	27%	24%	23%	24%	15%	22%	21%	18%
Work additional hours/second job to set aside savings	16%	13%	21%	16%	19%	17%	13%	15%	18%	14%
Commit a certain percentage of any 'bonus' money or tax refund to college savings	16%	14%	18%	15%	16%	18%	12%	16%	19%	12%
Participate in a shopping rewards program and sweep all of the earnings into college savings	10%	9%	14%	5%	6%	9%	13%	8%	13%	9%
Revisit college savings amount and college savings goal at least annually and make adjustments as needed	7%	7%	9%	4%	4%	6%	11%	8%	5%	8%
After paying off my own student loans, I started putting some or all of that monthly payment amount into my child's college savings	2%	2%	4%	5%	6%	2%	1%	4%	1%	3%
Other	3%	3%	4%	0%	1%	2%	5%	4%	3%	2%
Not sure	19%	19%	13%	18%	20%	21%	15%	21%	15%	20%

Base: Parents who are saving for college

Q. In what ways did you reduce personal spending? (Check all that apply.)

Table 25 — Ways Reduced Personal Spending	
N	213
Cook more and dine out less	79%
Use coupons	75%
Keep my car longer rather than buying a new one	60%
Take my lunch to work instead of buying it	58%
Cut back on new clothes purchases	52%
Cut back on vacation spending	50%
Cut back on cable	31%
Other	3%
Don't know	1%

Base: Parents who are saving for college and reduced personal spending to keep college savings on track

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

Table 26a — Saving Families' Plans for College Saving Within One Year and Within Five Years		
	Total	
N	1029	
	Within one year	Within five years
Increase your annual savings for college	39%	53%
Decrease your annual savings for college	6%	8%
Keep your annual savings for college the same	42%	30%

Base: All parents who are saving for college

Table 26b — Saving Families' Plans for College Saving Within One Year and Within Five Years, by Race/Ethnicity						
	White		Black		Hispanic	
N	763		122		193	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	36%	52%	44%	58%	49%	59%
Decrease your annual savings for college	7%	8%	8%	10%	10%	9%
Keep your annual savings for college the same	45%	32%	37%	27%	44%	37%

Table 26c — Saving Families' Plans for College Saving Within One Year and Within Five Years, by Income						
	<\$35k		\$35k - <\$100k		\$100k+	
N	196		514		319	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	31%	51%	41%	56%	41%	51%
Decrease your annual savings for college	8%	8%	4%	7%	8%	9%
Keep your annual savings for college the same	35%	24%	42%	29%	47%	34%

Table 26d — Saving Families' Plans for College Saving Within One Year and Within Five Years, by Age of Child						
	Child Age 0-6		Child Age 7-12		Child Age 13-17	
N	336		345		269	
	Within one year	Within five years	Within one year	Within five years	Within one year	Within five years
Increase your annual savings for college	43%	64%	38%	55%	33%	38%
Decrease your annual savings for college	4%	7%	7%	7%	7%	9%
Keep your annual savings for college the same	41%	26%	47%	32%	41%	34%

Q. Do you plan to begin saving for college in the next year or within five years?

	N	Within one year	Within five years	Neither	Not sure
Total	990	14%	28%	21%	38%
Race/Ethnicity					
White	761	13%	26%	21%	40%
Black	120	25%	18%	16%	43%
Hispanic	211	19%	22%	16%	43%
Income					
<\$35k	384	16%	23%	17%	44%
\$35k - <\$100k	487	12%	32%	21%	35%
\$100k+	119	18%	24%	31%	28%
Age of Child					
Child Age 1-6	346	13%	38%	12%	35%
Child Age 7-12	289	11%	31%	22%	35%
Child Age 13-17	279	17%	14%	28%	42%
Planning Status					
Planners	191	22%	33%	19%	26%
Non-planners	799	12%	26%	21%	41%

Base: All parents who are not saving for college

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

N	Total			Planners			Non-planners		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
	990			191			799		
I don't have enough money to save for my children's college education	58%	20%	20%	38%	26%	29%	63%	18%	17%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	22%	39%	36%	26%	35%	33%	22%	40%	37%
I haven't gotten around to starting a savings plan yet	21%	30%	46%	15%	35%	44%	23%	29%	47%
I'm focusing on other saving priorities	20%	31%	47%	19%	31%	43%	20%	30%	48%
I'm focusing on saving for retirement first	15%	21%	62%	16%	20%	58%	14%	21%	63%
My children are too young to start thinking about it	14%	22%	62%	12%	22%	59%	14%	22%	62%
I'm not sure which are the best options for college saving	13%	30%	55%	14%	29%	50%	12%	30%	56%
It is my child/children's responsibility to pay for college	11%	26%	60%	13%	29%	51%	10%	25%	63%
My child will attend a school that is not very expensive	10%	28%	59%	11%	31%	52%	10%	28%	61%
I'm concerned that having savings might prevent my child/children from getting financial aid	9%	21%	67%	14%	26%	53%	8%	20%	70%
My child is too old/it is too late to start saving	6%	18%	74%	9%	16%	68%	5%	18%	75%
I don't expect my child to go to college	4%	18%	76%	9%	19%	66%	2%	18%	78%
My financial planner told me not to save for college	3%	10%	84%	9%	15%	70%	1%	9%	88%

Base: All parents who are not saving for college

Table 28b — Reasons for Not Saving, by Race/Ethnicity

	White			Black			Hispanic		
N	761			120			211		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	55%	21%	21%	60%	20%	15%	66%	17%	15%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	20%	41%	36%	29%	34%	33%	31%	36%	31%
I haven't gotten around to starting a savings plan yet	17%	31%	49%	27%	30%	38%	23%	34%	42%
I'm focusing on other saving priorities	19%	32%	46%	27%	26%	43%	19%	27%	51%
I'm focusing on saving for retirement first	14%	23%	61%	20%	18%	58%	13%	17%	68%
My children are too young to start thinking about it	13%	22%	62%	16%	21%	58%	15%	24%	60%
I'm not sure which are the best options for college saving	11%	30%	57%	18%	31%	46%	14%	33%	52%
It is my child/children's responsibility to pay for college	12%	27%	58%	12%	19%	64%	7%	26%	65%
My child will attend a school that is not very expensive	9%	29%	59%	20%	23%	52%	14%	37%	46%
I'm concerned that having savings might prevent my child/children from getting financial aid	8%	21%	68%	10%	25%	60%	13%	25%	60%
My child is too old/it is too late to start saving	5%	17%	75%	11%	18%	66%	9%	18%	71%
I don't expect my child to go to college	3%	19%	75%	9%	13%	73%	6%	21%	71%
My financial planner told me not to save for college	2%	10%	85%	7%	10%	78%	5%	13%	80%

Base: All parents who are not saving for college

Table 28c — Reasons for Not Saving, by Income									
	<\$35k			\$35 - <\$100k			\$100k+		
N	384			487			119		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	63%	17%	18%	59%	20%	20%	40%	29%	26%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	26%	38%	33%	20%	40%	39%	21%	37%	38%
I haven't gotten around to starting a savings plan yet	24%	26%	47%	20%	34%	44%	15%	27%	53%
I'm focusing on other saving priorities	17%	25%	55%	22%	33%	43%	18%	39%	38%
I'm focusing on saving for retirement first	10%	15%	71%	17%	22%	59%	19%	34%	42%
My children are too young to start thinking about it	16%	22%	59%	13%	22%	64%	11%	23%	61%
I'm not sure which are the best options for college saving	14%	31%	52%	12%	29%	58%	10%	31%	54%
It is my child/children's responsibility to pay for college	5%	25%	67%	13%	26%	59%	21%	29%	46%
My child will attend a school that is not very expensive	10%	29%	58%	10%	26%	62%	12%	32%	52%
I'm concerned that having savings might prevent my child/children from getting financial aid	11%	19%	67%	7%	22%	69%	9%	28%	58%
My child is too old/it is too late to start saving	5%	16%	75%	5%	18%	75%	12%	18%	66%
I don't expect my child to go to college	4%	22%	71%	3%	15%	80%	5%	19%	71%
My financial planner told me not to save for college	3%	10%	84%	2%	10%	86%	4%	14%	78%

Base: All parents who are not saving for college

Table 28d — Reasons for Not Saving, by Age of Child									
	Ages 0-6			Ages 7-12			Ages 13-17		
N	346			289			279		
	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason	Major Reason	Minor Reason	Not at All a Reason
I don't have enough money to save for my children's college education	57%	22%	18%	55%	24%	20%	60%	16%	21%
I expect my child to qualify for enough scholarship or financial aid to cover the costs	19%	39%	38%	21%	39%	39%	25%	42%	29%
I haven't gotten around to starting a savings plan yet	27%	31%	39%	19%	37%	42%	15%	24%	58%
I'm focusing on other saving priorities	26%	29%	42%	16%	40%	44%	16%	28%	53%
I'm focusing on saving for retirement first	16%	17%	63%	17%	30%	52%	9%	18%	70%
My children are too young to start thinking about it	22%	30%	44%	12%	28%	60%	5%	10%	82%
I'm not sure which are the best options for college saving	14%	27%	55%	15%	35%	49%	9%	30%	58%
It is my child/children's responsibility to pay for college	9%	28%	60%	13%	29%	58%	10%	24%	62%
My child will attend a school that is not very expensive	9%	23%	65%	12%	35%	52%	9%	28%	60%
I'm concerned that having savings might prevent my child/children from getting financial aid	9%	19%	68%	11%	29%	60%	8%	16%	73%
My child is too old/it is too late to start saving	4%	13%	80%	8%	20%	71%	7%	20%	70%
I don't expect my child to go to college	3%	16%	77%	6%	22%	71%	3%	17%	77%
My financial planner told me not to save for college	2%	9%	85%	5%	17%	77%	1%	7%	89%

Base: All parents who are not saving for college

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

Table 29 — Discussed Paying for College with Child			
	N	Yes	No
Total	2019	38%	62%
Saving Status			
Savers	1029	47%	53%
Non-savers	990	28%	72%
Planning Status			
Planners	832	51%	49%
Non-planners	1187	28%	72%
Race/Ethnicity			
White	1524	38%	62%
Black	241	41%	59%
Hispanic	404	38%	62%
Income			
<\$35k	580	32%	68%
\$35k - <\$100k	1001	35%	65%
\$100k+	438	51%	49%
Age of Child			
Child Age 0-6	682	19%	81%
Child Age 7-12	634	40%	60%
Child Age 13-17	549	58%	42%

Base: All parents

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

Table 30 — Paying for College Topics Discussed with Child												
	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	759	482	277	577	100	152	184	351	224	128	255	320
The importance of earning scholarships	58%	54%	65%	58%	53%	44%	62%	63%	47%	51%	56%	60%
Which type of college the student would be able to choose based on savings/cost	47%	47%	45%	46%	41%	38%	47%	46%	47%	35%	45%	52%
The use of student loans	43%	40%	48%	43%	43%	35%	52%	43%	37%	23%	40%	52%
Use of work-study or other employment while in college	33%	31%	38%	33%	42%	23%	35%	34%	31%	29%	28%	36%
Whether student will live at home based on cost	31%	27%	37%	28%	38%	29%	46%	28%	22%	22%	30%	33%
The importance of graduating on time	30%	33%	26%	30%	32%	33%	32%	33%	25%	35%	25%	33%
Choice of major/career based on future earnings/employment potential	29%	30%	28%	31%	24%	26%	29%	28%	31%	29%	21%	34%
The shared responsibility between students and parents for paying for college	29%	31%	26%	31%	30%	28%	25%	29%	32%	21%	22%	37%
The use of child's savings	22%	29%	11%	21%	15%	18%	15%	28%	19%	17%	24%	23%
The use of parents' savings	21%	28%	8%	21%	24%	27%	18%	21%	22%	27%	17%	21%
Whether student/family will sacrifice "extras" to pay for college	21%	21%	19%	20%	20%	23%	25%	19%	20%	22%	19%	20%
Whether parents would cosign a student loan and/or make any payments on the student's loan	20%	18%	24%	17%	23%	16%	23%	17%	21%	23%	18%	18%
Additional savings or loans that might be needed for study abroad options	12%	13%	12%	12%	14%	9%	14%	9%	17%	11%	11%	15%
Other	2%	2%	3%	2%	1%	2%	2%	2%	3%	2%	1%	3%
Not sure	4%	3%	5%	4%	6%	5%	8%	2%	3%	2%	5%	4%

Base: Parents who have discussed paying for college with child

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

Table 31 – Child Age when Parent Will Discuss Paying for College							
	N	Age 1 to 5	Age 6 to 10	Age 11 to 15	Age 16 to 18	Not sure	Don't plan to discuss with child
Total	1260	2%	10%	41%	24%	21%	2%
Saving Status							
Savers	547	3%	12%	47%	25%	12%	1%
Non-savers	713	2%	8%	37%	23%	28%	3%
Planning Status							
Planners	407	4%	16%	42%	24%	13%	1%
Non-planners	852	2%	7%	41%	24%	25%	3%
Race/Ethnicity							
White	947	2%	8%	42%	25%	21%	2%
Black	142	3%	8%	40%	25%	22%	2%
Hispanic	252	3%	9%	39%	22%	25%	2%
Income							
<\$35k	396	1%	8%	38%	26%	23%	3%
\$35k - <\$100k	650	3%	10%	42%	22%	21%	2%
\$100k+	214	2%	11%	43%	26%	17%	2%
Age of Child							
Child Age 0-6	554	2%	17%	47%	20%	12%	1%
Child Age 7-12	379	3%	6%	47%	23%	20%	2%
Child Age 13-17	229	1%	1%	16%	40%	38%	3%

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

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

Table 32 — Paying for College Topics Planning to Discuss with Child												
	Total	Savers	Non-savers	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	971	477	494	728	108	184	292	506	174	482	299	134
The importance of earning scholarships	51%	51%	51%	52%	59%	52%	56%	48%	52%	54%	45%	53%
Which type of college the student would be able to choose based on savings/cost	40%	38%	41%	42%	42%	40%	43%	37%	40%	38%	42%	34%
The use of student loans	39%	34%	44%	42%	34%	31%	39%	37%	42%	35%	40%	50%
Choice of major/career based on future earnings/employment potential	35%	33%	37%	36%	30%	36%	38%	36%	27%	37%	30%	34%
The importance of graduating on time	33%	35%	32%	31%	39%	39%	39%	31%	31%	35%	35%	24%
Use of work-study or other employment while in college	32%	31%	33%	33%	41%	30%	37%	30%	30%	33%	30%	33%
The shared responsibility between students and parents for paying for college	31%	33%	29%	32%	27%	34%	32%	29%	35%	30%	36%	24%
Whether student will live at home based on cost	31%	27%	34%	33%	34%	31%	36%	29%	25%	31%	33%	30%
The use of child's savings	24%	28%	21%	24%	25%	23%	24%	23%	27%	32%	19%	8%
The use of parents' savings	19%	27%	12%	19%	16%	17%	14%	20%	26%	19%	20%	22%
Whether parents would cosign a student loan and/or make any payments on the student's loan	18%	18%	18%	19%	19%	21%	19%	19%	14%	18%	17%	17%
Whether student/family will sacrifice "extras" to pay for college	17%	17%	17%	16%	18%	17%	19%	17%	16%	20%	14%	17%
Additional savings or loans that might be needed for study abroad options	12%	13%	11%	11%	18%	9%	13%	11%	13%	13%	9%	13%
Other	1%	2%	1%	2%	2%	1%	1%	2%	1%	2%	0%	1%
Not sure	12%	8%	15%	13%	11%	10%	10%	14%	8%	13%	11%	5%

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

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

- a. Yes, all of my children have their own savings account into which they deposit their own money for college
- b. Yes, some of my children have their own savings account into which they deposit their own money for college
- c. No

Table 33 — Child Has College Savings Account					
	N	Yes, all	Yes, some	No	Not sure
Total	2019	18%	5%	73%	4%
Saving Status					
Savers	1029	25%	6%	66%	3%
Non-savers	990	10%	4%	81%	5%
Planning Status					
Planners	832	27%	8%	62%	3%
Non-planners	1187	11%	4%	80%	5%
Race/Ethnicity					
White	1524	19%	5%	72%	4%
Black	241	18%	6%	72%	4%
Hispanic	404	20%	3%	70%	7%
Income					
<\$35k	580	11%	2%	81%	5%
\$35k - <\$100k	1001	18%	7%	72%	4%
\$100k+	438	27%	6%	65%	3%
Age of Child					
Child Age 0-6	682	16%	3%	78%	4%
Child Age 7-12	634	20%	7%	68%	5%
Child Age 13-17	549	20%	5%	73%	2%

Base: All parents

Q. Have you heard of 529 college savings plans?

Table 34 — Awareness of 529 Plans				
	N	Yes	No	Not sure
Total	1772	39%	56%	5%
Saving Status				
Savers	782	49%	47%	5%
Non-savers	990	32%	63%	6%
Planning Status				
Planners	620	49%	47%	4%
Non-planners	1151	34%	60%	6%
Race/Ethnicity				
White	1334	41%	54%	5%
Black	218	33%	61%	6%
Hispanic	379	28%	66%	6%
Income				
<\$35k	568	16%	79%	5%
\$35k - <\$100k	897	44%	50%	6%
\$100k+	307	68%	28%	4%
Age of Child				
Child Age 0-6	609	33%	62%	5%
Child Age 7-12	520	43%	52%	5%
Child Age 13-17	503	41%	55%	4%

Base: Parents without 529 plans

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

Table 35 — Reasons for Not Using a 529 Plan									
	Total	Savers	Non-savers	Child Age 0-6	Child Age 7-12	Child Age 13-17	<\$35k	\$35k - <\$100k	\$100k+
N	693	381	313	203	223	207	89	396	209
I can't afford to save for college	22%	7%	41%	16%	20%	29%	41%	24%	12%
I don't know enough about them	17%	20%	14%	22%	22%	10%	21%	19%	12%
I would rather save for college a different way	14%	18%	9%	13%	14%	14%	13%	9%	24%
I fear I will lose my money if my child doesn't go to college	8%	10%	6%	9%	6%	9%	6%	10%	7%
I am not comfortable investing in a state-government program	7%	8%	6%	9%	6%	6%	3%	7%	8%
The plans are risky	4%	5%	3%	2%	6%	4%	4%	5%	3%
I'm afraid child won't be eligible for financial aid if we have a college savings account	4%	4%	4%	4%	6%	2%	0%	4%	6%
Financial advisor discouraged me from doing so	3%	4%	2%	5%	5%	2%	2%	4%	3%
Other	7%	8%	6%	8%	5%	8%	3%	6%	11%
Not sure	13%	16%	8%	13%	10%	17%	9%	13%	14%

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

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

Table 36 — Features that Influence Choice of 529 Plan	
N	247
Tax benefits	35%
Knowing it was dedicated to college saving so I wouldn't be tempted to use the money for something else	20%
Low fees	19%
Low risk	18%
Investment in a fund that carries high return opportunity	12%
Age-based investment option which matures the year my child enters college	11%
Backed by state government	11%
Minimum contribution is low	10%
FDIC insured	9%
Easy self-service administration	9%
Flexible investment options	9%
The gifting program which makes it easy for friends/families to contribute	7%
Guaranteed interest rate	7%
Automatic payroll deduction	5%
Additional earnings tied to a shopping rewards program	3%
A matching contribution available from my employer	1%
Other	0%
Not sure	8%

Base: Parents who use 529 plans

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

Table 37 — Number of 529 Plans	
N	176
A 529 plan for each child	62%
One plan for all children	19%
More than one 529 plan but not one for each child	3%
Not sure	16%

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

Q. Have you heard of Coverdell Education Savings Accounts?

Table 38 — Awareness of Coverdell ESA				
	N	Yes	No	Not sure
Total	1882	11%	84%	6%
Saving Status				
Savers	892	16%	76%	8%
Non-savers	990	5%	91%	4%
Planning Status				
Planners	751	19%	74%	7%
Non-planners	1131	5%	90%	5%
Race/Ethnicity				
White	1423	11%	84%	5%
Black	226	9%	86%	5%
Hispanic	362	10%	84%	6%
Income				
<\$35k	558	3%	93%	4%
\$35k - <\$100k	930	9%	84%	7%
\$100k+	395	25%	69%	7%
Age of Child				
Child Age 0-6	633	8%	88%	4%
Child Age 7-12	589	16%	76%	8%
Child Age 13-17	510	9%	87%	4%

Base: Parents without Coverdell ESAs

Q. What is the main reason why you are not using a Coverdell Education Savings Account?

Table 39 — Reasons for Not Using a Coverdell ESA	
	Total
N	200
I don't know enough about them	23%
I would rather save for college a different way	20%
I can't afford to save for college	13%
The annual maximum contribution amount is too low	10%
I fear I will pay a penalty if my child doesn't go to college	6%
I make too much money to be eligible	5%
Financial advisor discouraged me from doing so	3%
I'm afraid child won't be eligible for financial aid if we have a college savings account	3%
The plans are risky	2%
Other	5%
Not sure	11%

Base: Parents without Coverdell ESAs but who have heard of them

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

Table 40 — Features That Influence Choice of Coverdell ESA	
	Total
N	135
Tax benefits	15%
Easy self-service administration	15%
Guaranteed interest rate	10%
Knowing it was dedicated to college saving so I wouldn't be tempted to use the money for something else	10%
Ability to use savings for eligible K-12 expenses also	10%
Flexible investment options	8%
Automatic payroll deduction	8%
Low risk	6%
Age-based investment option which matures the year my child enters college	5%
The gifting program which makes it easy for friends/families to contribute	5%
A matching contribution available from my employer	5%
Additional earnings tied to a shopping rewards program	4%
Investment in a fund that carries high return opportunity	4%
Minimum contribution is low	4%
Option to select FDIC insured investment	3%
Low fees	3%
Not sure	42%

Base: Parents who use Coverdell ESAs

Q. Do you have a Coverdell Education Savings Account for each child, or one for all children?

Table 41 — Number of Coverdell ESAs	
N	55
An account for each child	36%
One account for all children	17%
Not sure	47%

Base: Parents who use Coverdell ESAs and have more than one child

Q. What are the features that would motivate you to use such an account to begin or increase your savings for your child’s/ children’s college education? Please select the two most important.

Table 42a — Features that Would Motivate 529 Plan or ESA Use							
	Total	<\$35k	\$35k - <\$100k	\$100k+	Child Age 0-6	Child Age 7-12	Child Age 13-17
N	696	166	362	168	239	201	195
Guaranteed interest rate	20%	21%	19%	24%	19%	20%	23%
Low fees	17%	27%	11%	19%	15%	18%	15%
Tax benefits	18%	11%	18%	22%	12%	22%	19%
A matching contribution available from my employer	13%	7%	14%	15%	12%	16%	13%
FDIC insured	19%	18%	22%	11%	18%	15%	21%
Low risk	18%	17%	22%	12%	19%	13%	15%
Minimum contribution is low	9%	7%	8%	11%	3%	12%	12%
Knowing it was dedicated to college saving so I wouldn't be tempted to use the money for something else	8%	13%	6%	8%	12%	8%	6%
Investment in a fund that carries high return opportunity	9%	9%	9%	9%	10%	8%	8%
Backed by state government	4%	2%	6%	2%	4%	5%	3%
The gifting program which makes it easy for friends/families to contribute	3%	5%	2%	4%	2%	7%	2%
Age-based investment option which matures the year my child enters college	7%	10%	6%	4%	11%	5%	4%
Automatic payroll deduction	7%	4%	7%	9%	7%	5%	9%
Flexible investment options	7%	3%	9%	9%	6%	8%	8%
Additional earnings tied to a shopping rewards program	5%	4%	4%	10%	4%	5%	6%
Easy self-service administration	6%	5%	4%	11%	5%	5%	10%
Other	0%	0%	0%	1%	0%	0%	1%
Not sure	16%	20%	17%	10%	20%	15%	13%

Base: Parents who are saving but not using 529 plans or Coverdell ESAs

Table 42b — Features that Would Motivate 529 Plan or ESA Use	
	Non-savers
N	990
Guaranteed interest rate	12%
Low fees	17%
Tax benefits	18%
A matching contribution available from my employer	14%
FDIC insured	9%
Low risk	11%
Minimum contribution is low	12%
Knowing it was dedicated to college saving so I wouldn't be tempted to use the money for something else	10%
Investment in a fund that carries high return opportunity	6%
Backed by state government	4%
The gifting program which makes it easy for friends/families to contribute	7%
Age-based investment option which matures the year my child enters college	4%
Automatic payroll deduction	4%
Flexible investment options	3%
Additional earnings tied to a shopping rewards program	5%
Easy self-service administration	3%
Other	1%
Not sure	30%

Base: Parents who are not saving for college

8 TECHNICAL NOTES

Target Population

Ipsos conducted the *How America Saves for College* survey online between Friday, November 8 and Thursday, December 12, 2013. Ipsos interviewed 2,020 adult parents of children younger than 18 years.

Sample Design

Sample was drawn from two sources:

- Ipsos i-Say Panel, in which panelists opt-in and are incented by receiving instant win opportunities, sweepstakes entries and daily prize giveaways.
- A purchased list of adults with children under 18.

The sample design was a disproportionate stratified sample of parents. The sample was designed to over-represent African Americans and Hispanics, with a minimum of 400 responses from each group. Interviews were conducted in English and Spanish.

The sample was stratified by additional variables, such as household income, region and age of the oldest child. The target set for each of these variables is shown in Table A.

Weighting

To correct for the disproportionate stratified sample, the survey was weighted using a statistical technique called raking, in which all of the population marginal profiles of interest are replicated in the sample. The sample was weighted by gender, age, race/ethnicity, region, education and by household income crossed by race. All of the demographic profiles used in the weights were sourced from the November 2012 U.S. Census Bureau’s Current Population Survey (CPS), filtering in only adult parents with children younger than 18 years of age.

Table A: Sample targets for Household Income by Race/Ethnicity, Region, and Age of child

Household-total family income	White/Others	Black	Hispanic	Total
Less than 35k	238	186	197	621
Between 35k and 100k	578	167	164	908
More than 100k	384	47	39	470
Total	1200	400	400	2000

Region	
Northeast	346
Midwest	433
South	746
West	475
	2000

Age of Oldest Child	
Less than 7	592
7 through 12	675
13 through 17	732
	1999

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 (1,621), the MoE is estimated to be approximately +/- 2.5 percentage points, with a confidence level of 95%.

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

Effective base sizes

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

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

Sample Size	Margin of Error
50	14.1%
100	10.0%
200	7.1%
300	5.8%
400	5.0%
500	4.5%
600	4.1%
700	3.8%
800	3.5%
900	3.3%
1000	3.2%
1100	3.0%
1200	2.9%
1300	2.8%
1400	2.7%
1500	2.6%
1600	2.5%
1700	2.4%
1800	2.4%
1900	2.3%
2000	2.2%