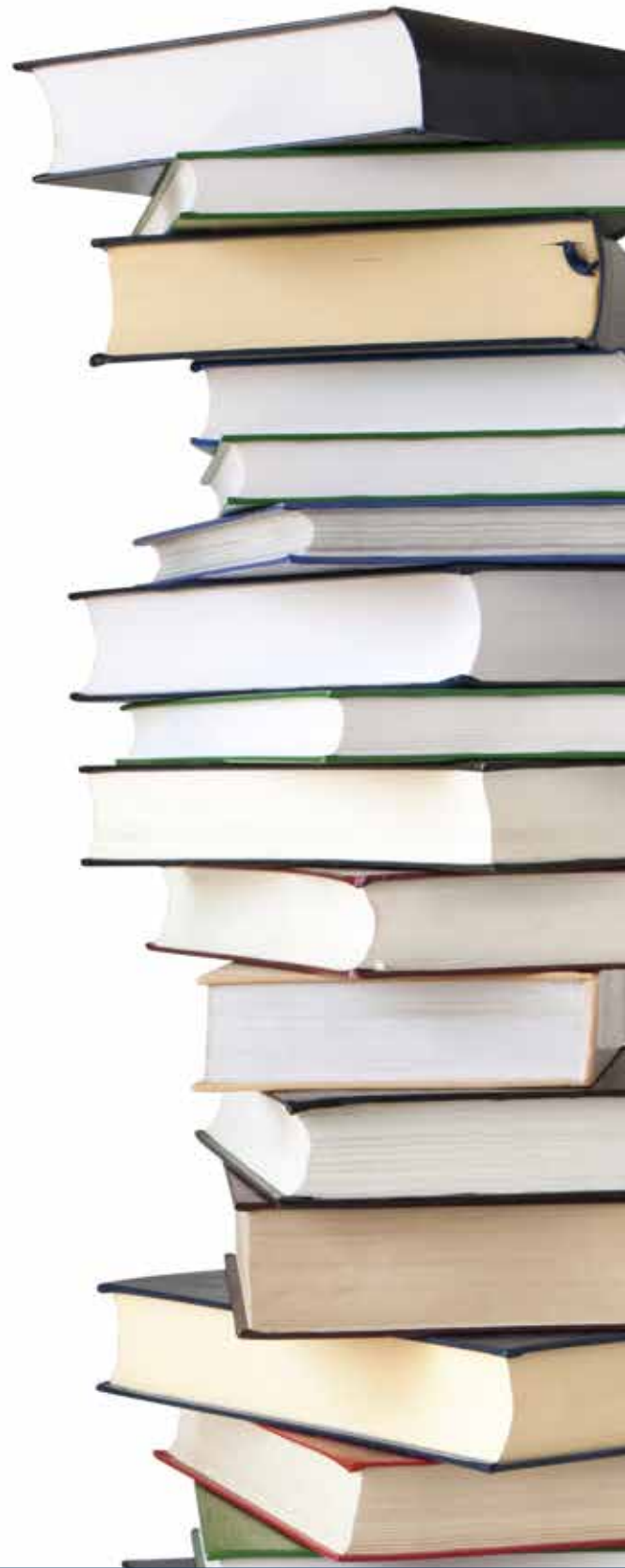


# HOW AMERICA PAYS FOR COLLEGE 2013

Sallie Mae's National Study of  
College Students and Parents



Conducted by  
Ipsos Public Affairs

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Access a related infographic and other information about this study at [SallieMae.com/HowAmericaPays](http://SallieMae.com/HowAmericaPays).

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# 1 ABOUT THIS STUDY

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Since 2008, Sallie Mae has conducted *How America Pays for College* annually. The study provides information about the resources American families invest in an undergraduate college education, and tracks families' attitudes toward attending and paying for college.

Unlike other studies which focus solely on education-specific sources of funding that families traditionally draw from, the perspective of this study is to assess all of the resources families utilize in a given academic year, including non-education-specific sources of saving and borrowing, such as retirement funds or credit cards. The comprehensive standpoint of this study illustrates the shared responsibility Americans have in paying for college.

*How America Pays for College* depicts the average amounts and proportion of total costs paid from each funding source that a "typical" family pays for college. The "typical" family is a composite representation produced mathematically from the data that shows how, and how much, the typical family paid for college.

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

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

For year-over-year comparison purposes, the report references the survey year (e.g. 2013, 2012, 2011, 2010, 2009, and 2008). Questions about paying for college specifically reference the July 1 – June 30 academic year ending in the year referenced. Thus, the survey conducted in 2013 covers amounts paid in academic year 2012-13; 2012 covers academic year 2011-12; and so on.

Interviews take place in the spring, during the second half of the academic year. The timing of the interviews allows families to report actual amounts used (vs. projected amounts) to meet the cost of college that year. However, planning for an upcoming academic year requires that families make important decisions affecting financing long before the start of the school year, such as choosing a college, applying for aid, and whether to utilize savings or borrowing.

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

# 2 OVERVIEW OF FINDINGS

Six years ago, Sallie Mae started a conversation with American families, asking them important questions about how they meet the cost of higher education and how they view the value of that investment.

The *How America Pays for College* study, conducted by Ipsos Public Affairs, shows that American families are settling into a post-recession reality with regards to how they pay for college. Since 2010, families have reduced how much they spend on college, with parents' contributions in particular seeing a significant decline. The use of grants and scholarships, now the largest contributor, and student borrowing have increased to make up for some of this deficit. In 2013, the use of college savings plans has also increased to its highest level ever.

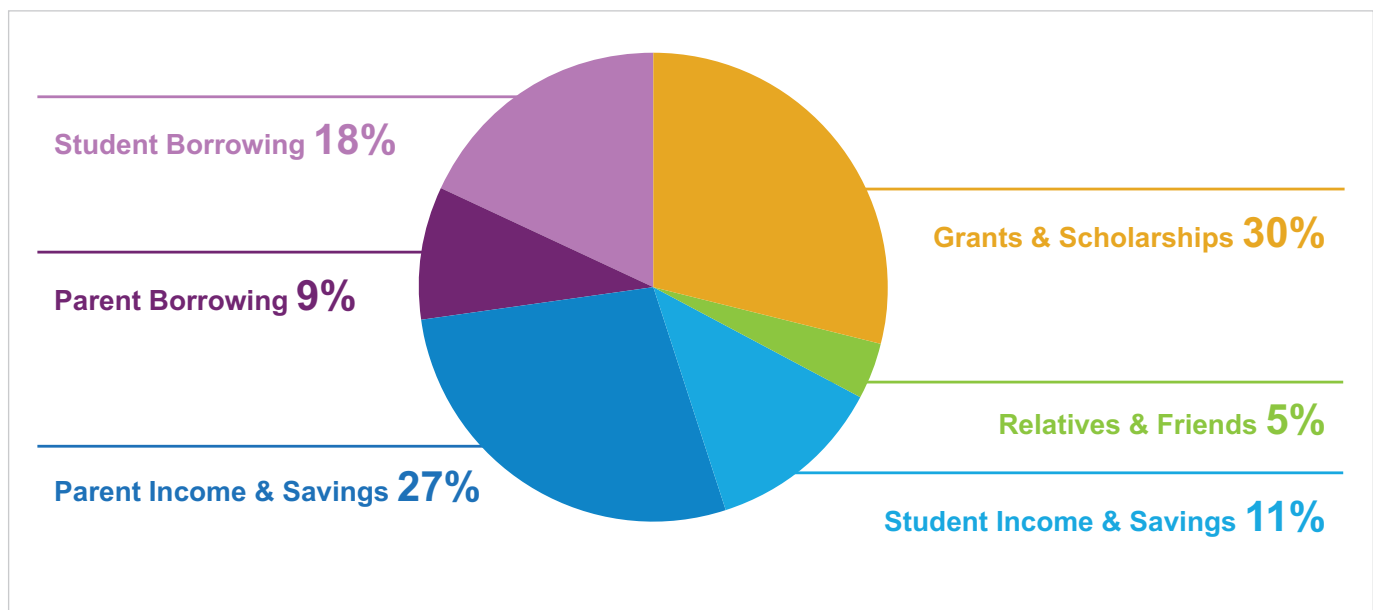
Throughout the recession and recovery, families have adopted cost consciousness in relation to how they choose and pay for college. Most eliminated colleges from their choice set due to cost at some point during the admissions process, and almost all took at least

one action to make college more affordable such as increasing work hours, having the student live at home, or filing education tax credits.

Despite these difficult economic times, American families' belief in the value of college has been unwavering, the vast majority of families believing that college is an investment in the future. In 2013, the data show that parents in particular are slightly more optimistic than in previous years about the value of college and their ability to pay for it. Parents continue to worry about paying for college, but to a significantly lesser degree than they had over the last three years.

This report will expand on the post-recession reality theme and look at the composition of college spending in-depth in the Discussion of Findings. In addition, the report introduces separate chapters containing new analysis around spending and attitudes by college major, planning, and expectations with regards to college expenditure, and college students' use of credit cards.

FIGURE 1 — HOW THE TYPICAL FAMILY PAYS FOR COLLEGE 2013: AVERAGE PERCENT OF TOTAL COST PAID FROM EACH SOURCE



# 3 DISCUSSION OF FINDINGS

## SPENDING ON COLLEGE LEVELS OUT

2013 *How America Pays for College* found that average spending on college in the 2012-2013 academic year was \$21,178, consistent with spending in 2011-12. This suggests that the decline in average college spending seen since 2010, when families paid a peak of \$24,097, has leveled out.

Although overall spending has leveled, there have been shifts within income groups. Middle-income families' college spending has rebounded this year to an average of \$22,197, 10 percent more than in 2012.<sup>1</sup> This was nearly as much as they paid at the peak of college spending in 2010. This increase was driven by middle-income families' greater use of grants and scholarships, which rose an average of \$859, followed by an increase in average student borrowing of \$380.

In contrast, high- and low-income families decreased their spending again in 2013. High-income families have pulled back considerably in their spending over the past four years, dropping sharply in 2011 and then steadily since then. As a result, the gap in spending between high-income and middle-income families, which was

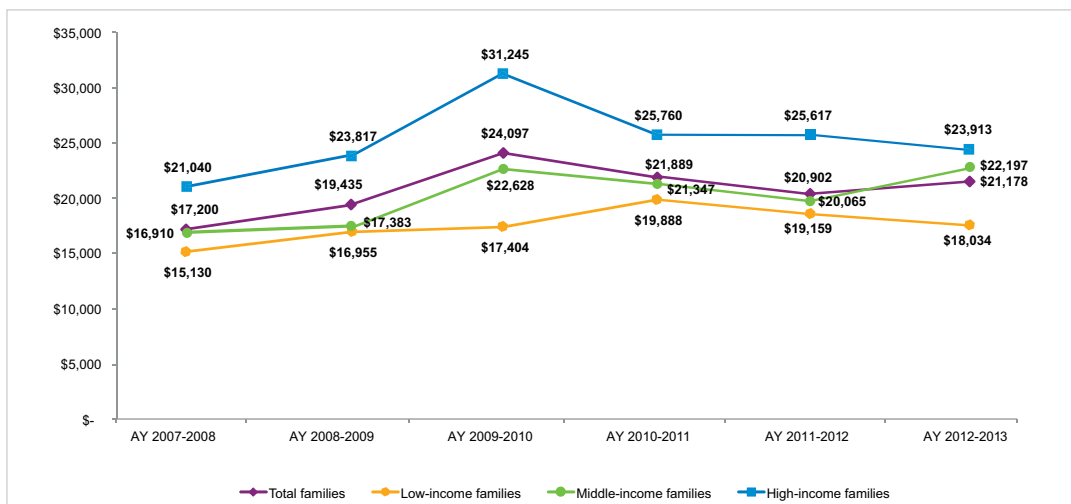
28 percent in 2010, has narrowed dramatically, with high-income families spending \$23,913 this year, only 7 percent more than the typical middle-income family.

Low-income families also continued to decrease their spending on college. The average amount low-income families paid for college in 2013 was \$18,034, a decline of 9 percent since 2011.

African-American families also show a significant decline in spending. African-American families spent \$18,871 in 2013, compared with \$20,943 in 2012, a decrease of 10 percent. This could be attributable to a significant shift away from four-year private schools among African-American students: this year 14 percent of students in African-American families were enrolled in a four-year private school, compared to 30 percent last year.

On the other hand, white families spent about the same in 2013 as they had in 2012 (\$21,487 and \$20,595, respectively), and Hispanic families increased the amount they spent by nearly 12 percent (\$21,687 in 2013 vs. \$19,395 in 2012).

FIGURE 2 — AVERAGE AMOUNT PAID FOR COLLEGE, YEAR-OVER-YEAR, BY INCOME LEVEL



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

## POST-RECESSION REALITY: PARENTS' DIMINISHED CONTRIBUTION TO PAYING FOR COLLEGE

*How America Pays for College* shows that one outcome of the recession and the slow economic recovery is the stress that it has placed on parents' ability to pay for college from their income and savings. Parents' average out-of-pocket spending has decreased by 35 percent since 2010, from \$8,752 to \$5,727.

The reduction in parents' spending on college has occurred at a greater rate than the overall decline in the total spending of college. The result is that, over the last three years, parent income and savings has paid for a smaller share of total college costs: 27 percent this year, compared to 37 percent at its peak in 2010. A drop in the average contribution from parents' current income led to the decline in this area. Over the past two years, the average contribution has declined 15 percent, from \$4,182 in 2011 to \$3,568 this year.

While parent income and other investments are shrinking as sources of funds to pay for college, reliance on 529 college savings plans appears to be shifting upward. In 2013, contributions from 529 college savings plans covered 7 percent of the total costs of college. This is an increase from 2012 when 529 college savings covered 4 percent of costs, and is equal to the percentage of costs covered from these plans in 2010 (7%), the year parent personal contributions peaked. The increase in funding share comes primarily from an increase in the number of families using the plans.

More families, 17 percent, used 529 college savings plans to pay for college in 2013 than in any other year. Eleven percent of low-income families reported using 529 plans, up from 5 percent last year and 9 percent in 2011. Sixteen percent of middle-income families reported using 529 plans compared to 12 percent in 2012 and 14 percent in 2011. Twenty-six percent of high-income families used 529 plans, a significant increase from 16 percent in 2012 and more in line with the 2011 figure of 24 percent.

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

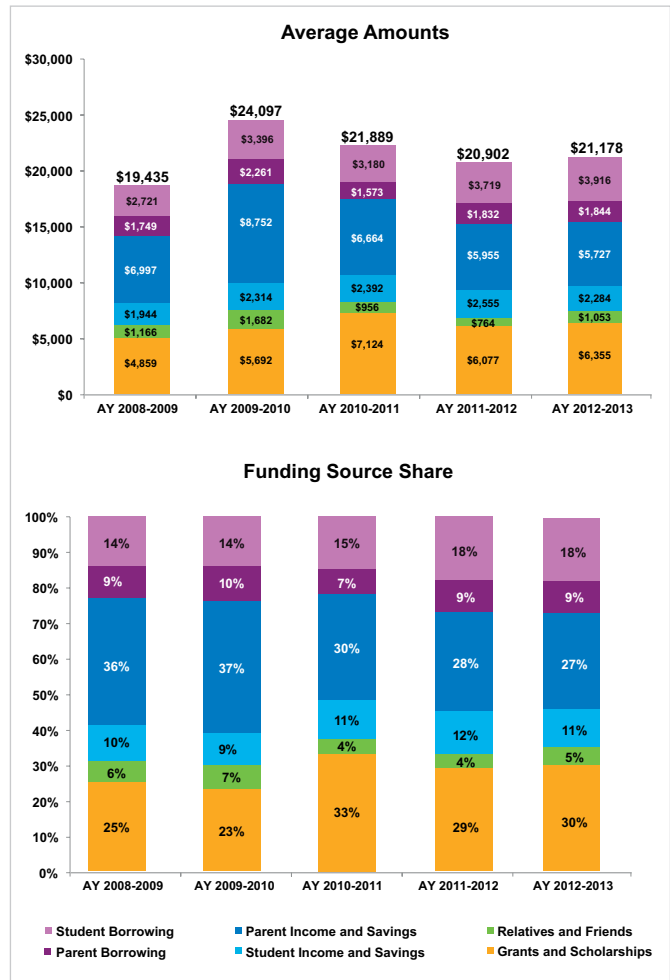
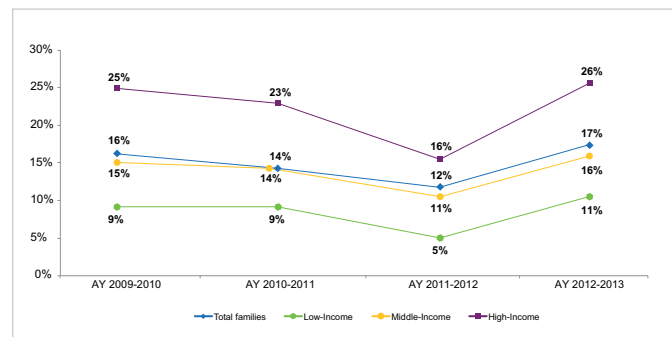


FIGURE 4 — PROPORTION OF FAMILIES USING 529 PLANS, YEAR-OVER-YEAR, BY INCOME LEVEL<sup>2</sup>



<sup>2</sup> For the purposes of this study, low-income families have been defined as those with an annual household income of less than \$35,000, middle-income are families with an annual income from \$35,000 to less than \$100,000, and high-income families are those with an annual income of \$100,000 or more.



FIGURE 5 — HOW THE TYPICAL LOW-INCOME FAMILY PAYS FOR COLLEGE, AVERAGE AMOUNT PAID FROM EACH SOURCE, YEAR-OVER-YEAR<sup>3</sup>

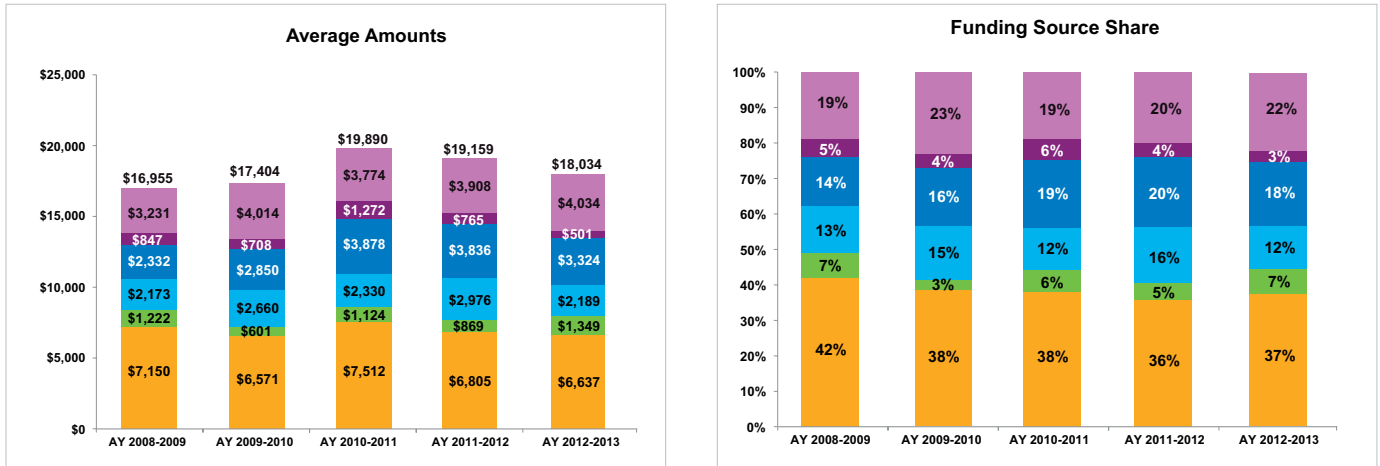


FIGURE 6 — HOW THE TYPICAL MIDDLE-INCOME FAMILY PAYS FOR COLLEGE, AVERAGE AMOUNT PAID FROM EACH SOURCE, YEAR-OVER-YEAR<sup>3</sup>

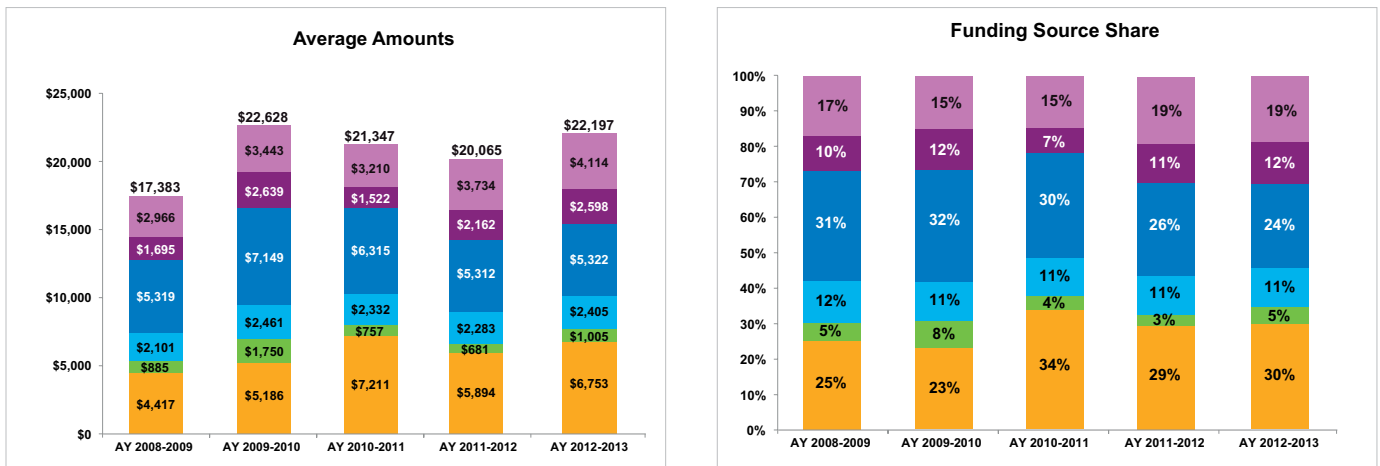
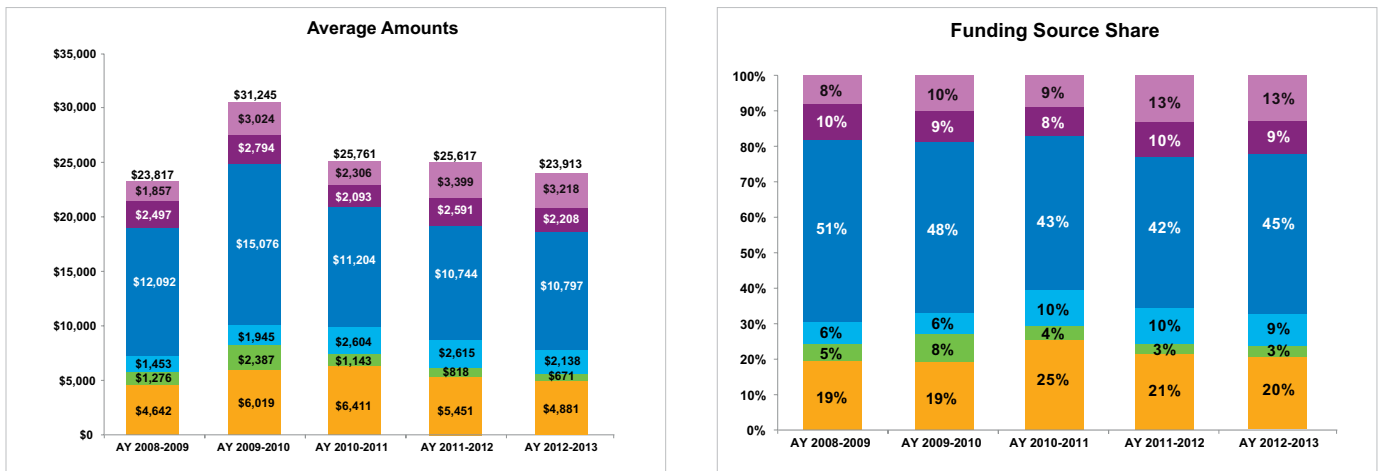


FIGURE 7 — HOW THE TYPICAL HIGH-INCOME FAMILY PAYS FOR COLLEGE, AVERAGE AMOUNT PAID FROM EACH SOURCE, YEAR-OVER-YEAR<sup>3</sup>



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

<sup>3</sup> For the purposes of this study, low-income families have been defined as those with an annual household income of less than \$35,000, middle-income are families with an annual income from \$35,000 to less than \$100,000, and high-income families are those with an annual income of \$100,000 or more.

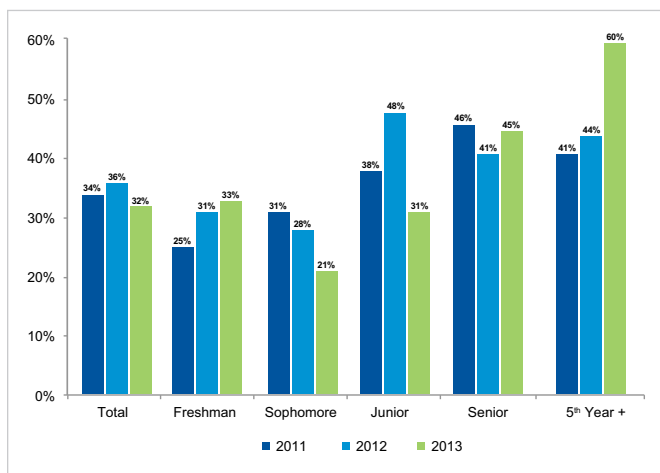
## BORROWING SHARE STABILIZES

In 2013, 18 percent of the total cost of college was covered by student borrowing and 9 percent by parent borrowing, the same share as last year. While parent borrowing to pay for college has remained fairly consistent over the past five years, the share of college costs covered by student borrowing had increased last year from prior years when pre-recession student borrowing contributed 14 percent of the total cost of college.

While slightly fewer students borrowed to pay for college in 2013, those who borrowed took out larger loans than in previous years. The amount borrowed in 2012-13 by students through federal loans specifically, an average of \$8,815, has increased significantly since the study began in 2008.

Upperclassmen were more likely to borrow than those in their first few years of school. Almost half of seniors and fifth-year students borrowed to pay the costs of college in 2013, significantly more than freshmen, sophomores, and juniors.

**FIGURE 8 — PROPORTION OF STUDENTS WHO BORROW, YEAR-OVER-YEAR, BY GRADE LEVEL**



The proportion of the total cost of college paid using borrowed money is lower for middle- and high-income families than for low-income families. Low-income students, who pay less for college, borrow a similar amount as middle-income students. They appear to do so because they receive 38 percent fewer dollars from parent income and savings. High-income families likely borrow less because parent current income and savings fund almost twice the share of costs than they do in middle-income families.

## GRANTS AND SCHOLARSHIPS FUND THE GREATEST SHARE OF COLLEGE COSTS

Grants and scholarships paid for 30 percent of college costs for the average family in 2013. The average amount of grants and scholarships across all families, \$6,355, was at its highest level over the past five years, except 2011. Grants and scholarships have funded roughly the same share of college costs over the past three years, but that share is significantly higher than pre-recession levels when they funded about one-fourth of college costs. The post-recession reality appears to be that grants and scholarships have replaced parent income and savings as the major contributor to paying for college.

Within this category, however, there has been some shifting between grants and scholarships. In 2013, scholarships covered 16 percent of costs and grants covered 14 percent, a reversal of 2012, when grants paid 16 percent of costs and scholarships paid 13 percent.

The majority of families who received scholarships report having received them from the college (61%), although families also report receiving scholarships from community and nonprofit groups (30%), and receiving state-based scholarships (18%). In addition to colleges providing a greater number of scholarships, the dollar values associated with college-awarded scholarships were much higher than with other types.

By school type, four-year private school students were the most likely to use either grants or scholarships to pay for school, which covered 37 percent of their college costs. Grants and scholarships paid for 34 percent of costs for students attending two-year public colleges and 22 percent of costs for students attending four-year public colleges.

The year-over-year decline in the share of college paid from grants is more pronounced among high-income students (5% in 2013 from 8% in 2012) than middle-income students (14% in 2013 from 16% in 2012) and low-income students (21% in 2013 from 23% in 2012). The decline also had a higher impact on African-American students—grants paid for 19 percent of African-American college costs in 2013, compared to 23 percent in 2012—than on white (13% in 2013 from 16% in 2012) and Hispanic students (18% in 2013 and 19% in 2012).

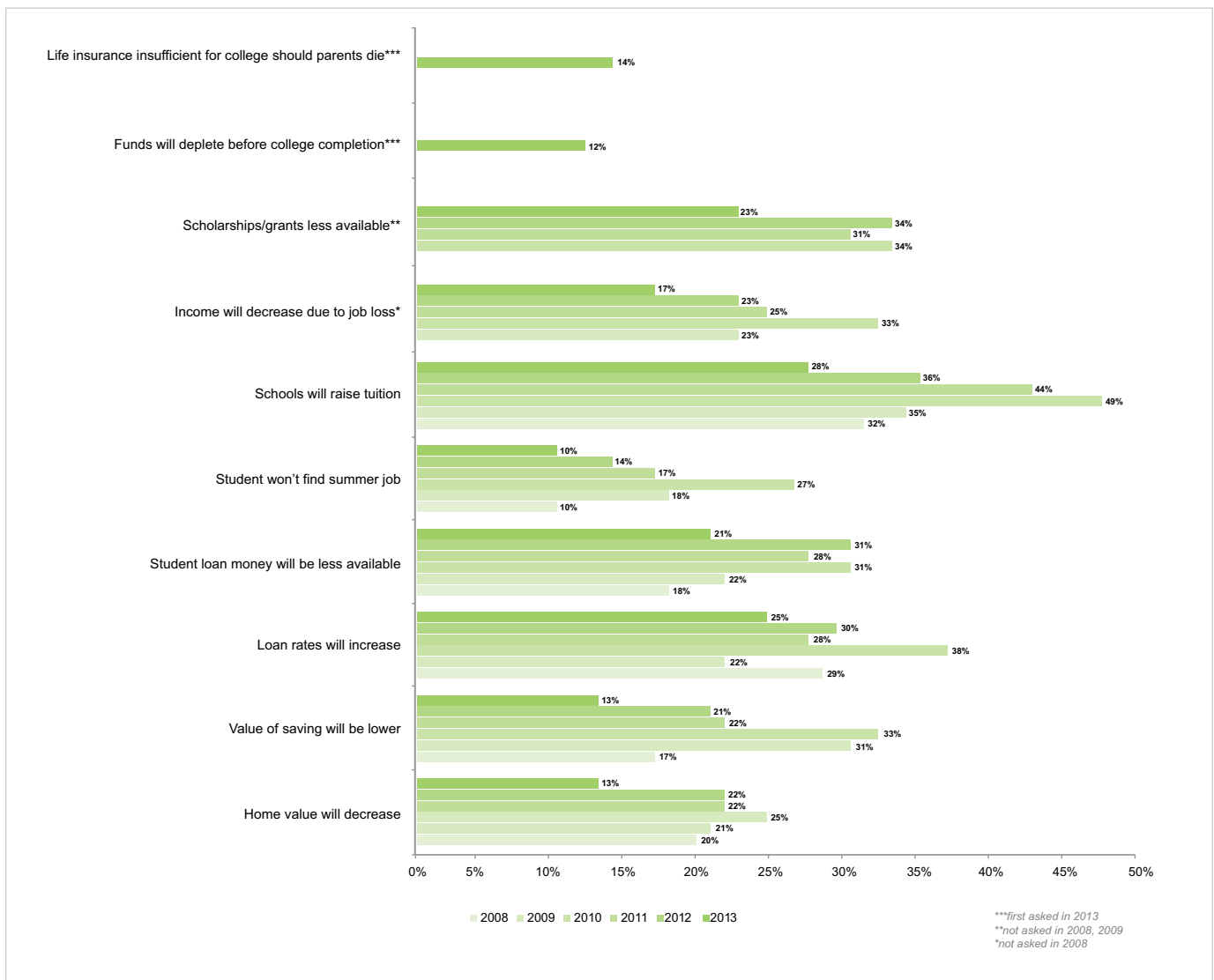
## FINANCIAL CONCERNS AND COST-CONSCIOUSNESS REMAIN BUT WORRY DECLINES

While most families expressed concerns about paying for college, in general these concerns were not as strongly felt in 2013 as in previous years, and parents' willingness to stretch financially to pay for college has increased to 58 percent in 2013, from 51 percent in 2011 and 53 percent in 2012.

Most significantly, parents expressed far less worry about economic factors than during the peak of the recession.

In 2010, half of parents stated they were extremely worried that schools would raise their tuition; this year, it was only slightly more than one-quarter (28%). Similarly, parents were far less worried this year about their own economic circumstances, such as losing their job (17% this year, compared to 33% in 2010), the value of their savings declining (13% compared to 33% in 2010) or the value of their home declining (13% versus 25% in 2010).

FIGURE 9 — PARENT ECONOMIC WORRIES



Parents in low-income families tend to be the most worried about economic issues, especially about possible job loss and the availability of student aid. This year, however, low-income parents were far less worried than other parents and less worried than previous years that schools would raise their tuition. Only 17 percent were extremely worried, compared to nearly one-third of middle- and high-income parents.

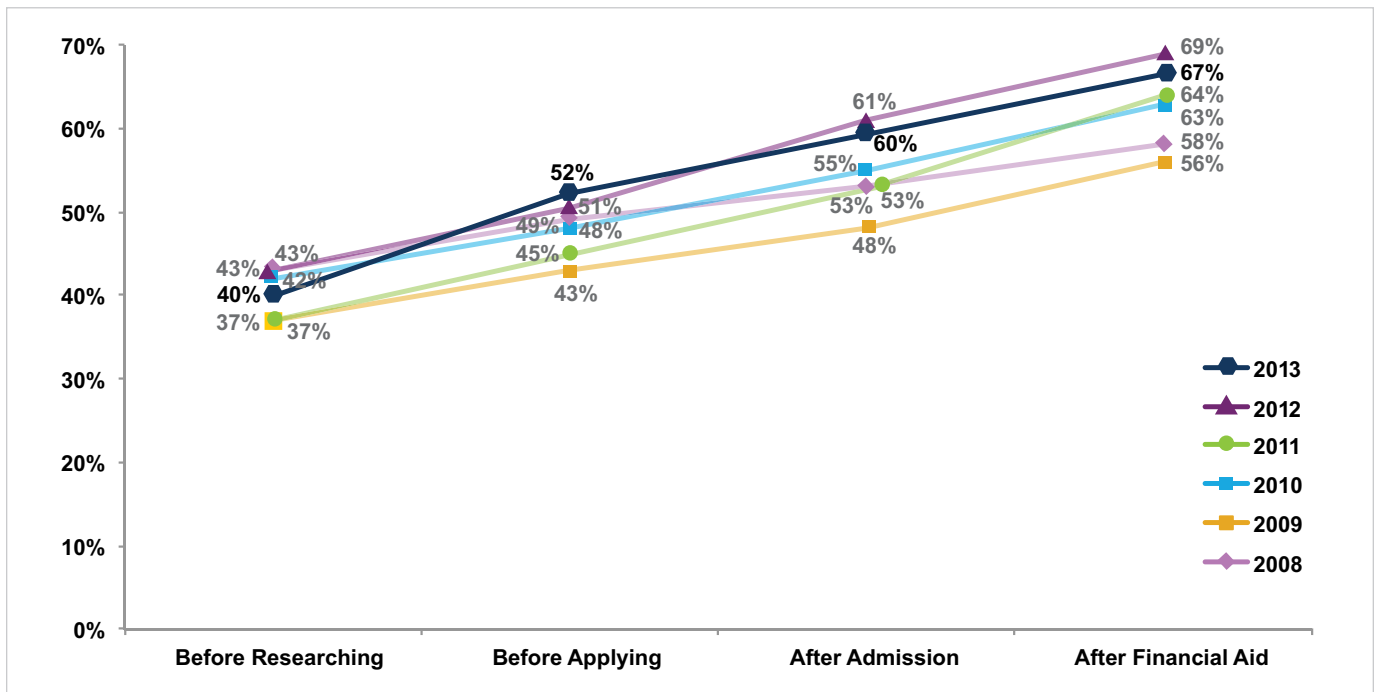
Only 9 percent of families considered not attending college due to cost in 2013. Low-income families were 6 percentage points more likely than high-income families, and part-time students were 10 percentage points more likely than full-time students, to consider not attending college due to cost.

Similar to previous years, 67 percent of families eliminated colleges based on cost at any stage during the research and admissions process, and specifically 40 percent of families eliminated schools prior to researching the university. In 2013, slightly fewer families than in 2012 reported having rejected schools due to cost after their financial aid package was received.

Families took a number of measures to make college more affordable. One-fifth of parents increased work hours or earnings to help pay for college in 2013, although this is down from one-quarter (24%) in 2012. Half of students (47%) increased their work hours in 2013, and one-quarter of students (27%) chose to accelerate their course work to spend fewer semesters earning a degree in an effort to spend less on college. While few families overall chose to transfer their student to a less-expensive school, one-fifth of low-income families chose to take this action.

Students living at home or with relatives continued to increase in 2013: 57 percent of families reported the student lived at home or with relatives this year compared to 51 percent last year and 44 percent in 2011.<sup>4</sup> This shift occurred across all income levels, but was especially high among low-income families where 62 percent live at home or with relatives to reduce the cost of college, compared to 45 percent two years ago. Only 19 percent of students have changed majors to pursue a more marketable field of study. This can be seen more among current business majors (27%) and vocational students (26%) than those studying in other majors.

FIGURE 10 — CUMULATIVE ELIMINATION OF COLLEGES BASED ON COST, YEAR-OVER-YEAR



<sup>4</sup> In previous years, the survey asked whether the student lived at home to make college more affordable. This year, the survey asked whether the student lived at home with parents or relatives to make college more affordable.

FIGURE 11 — STUDENT ATTITUDE TOWARD COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR

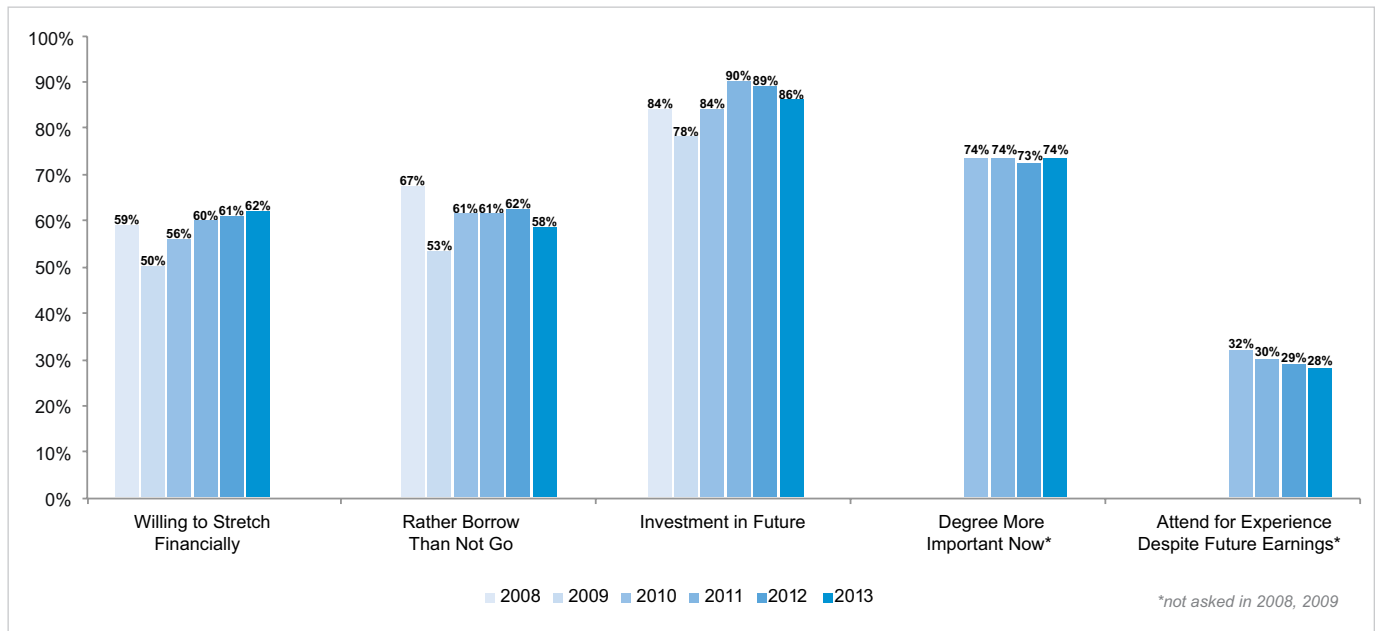


FIGURE 12 — PARENT ATTITUDE TOWARD COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR

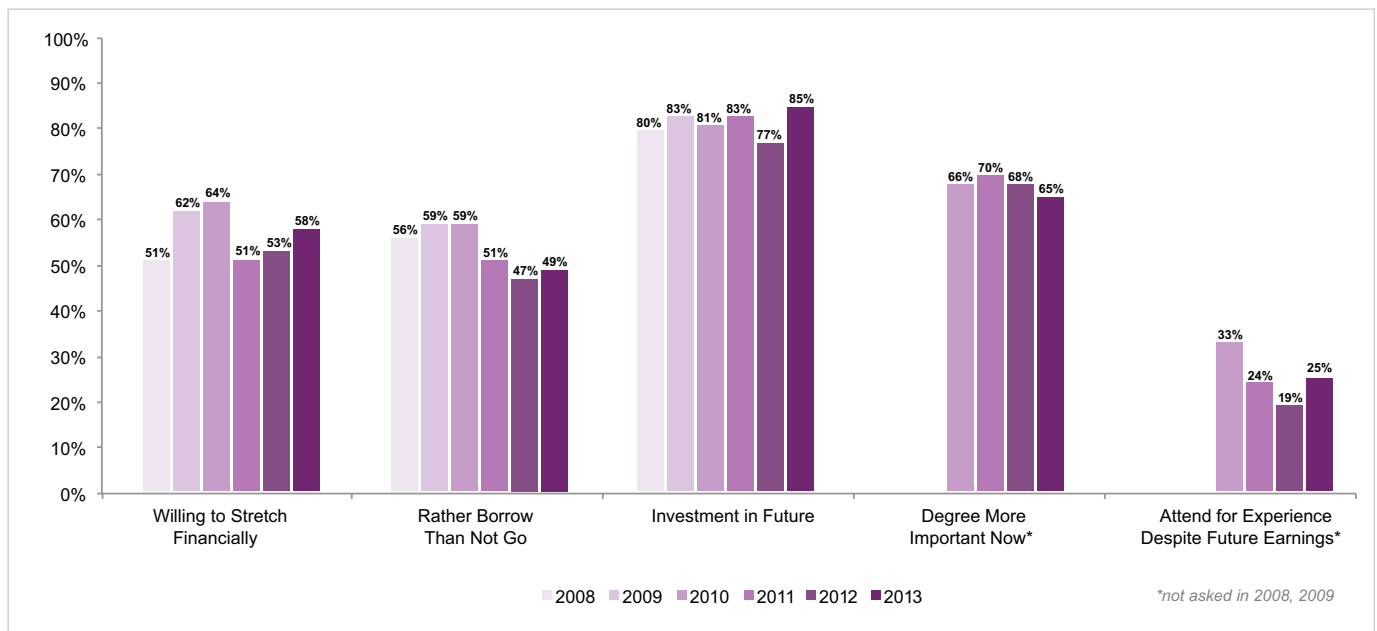


FIGURE 13 — STUDENTS' REASONS FOR ATTENDING COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR

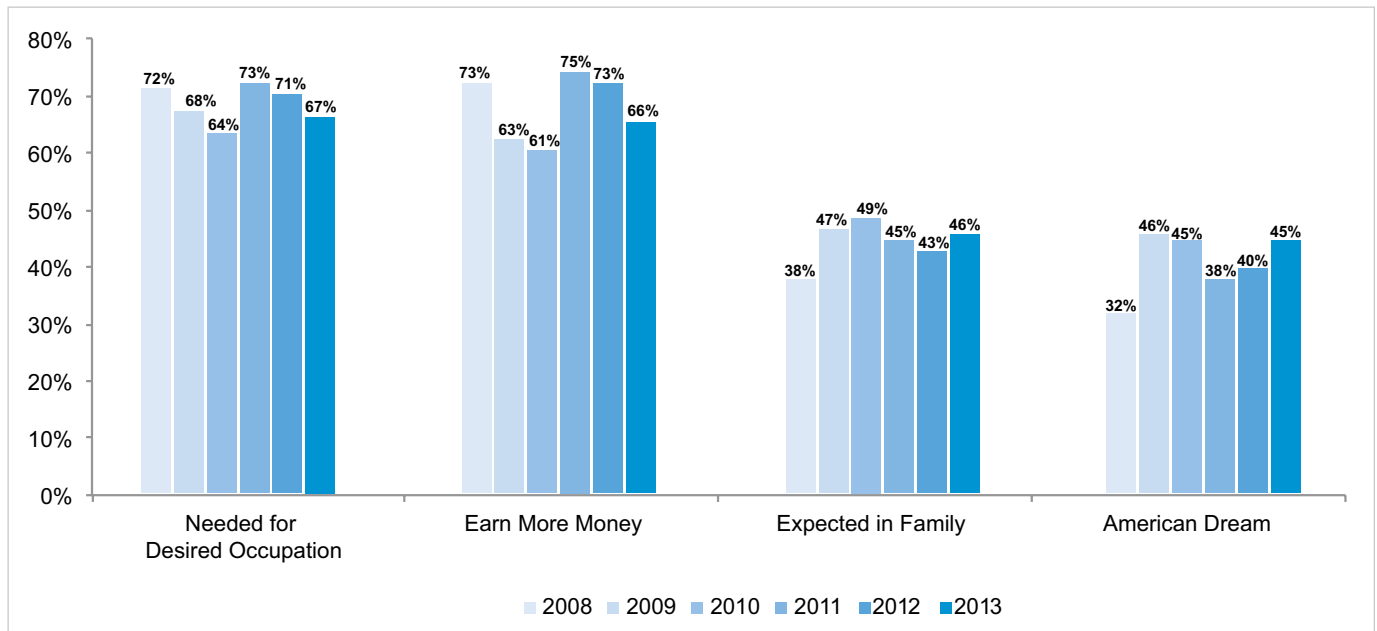
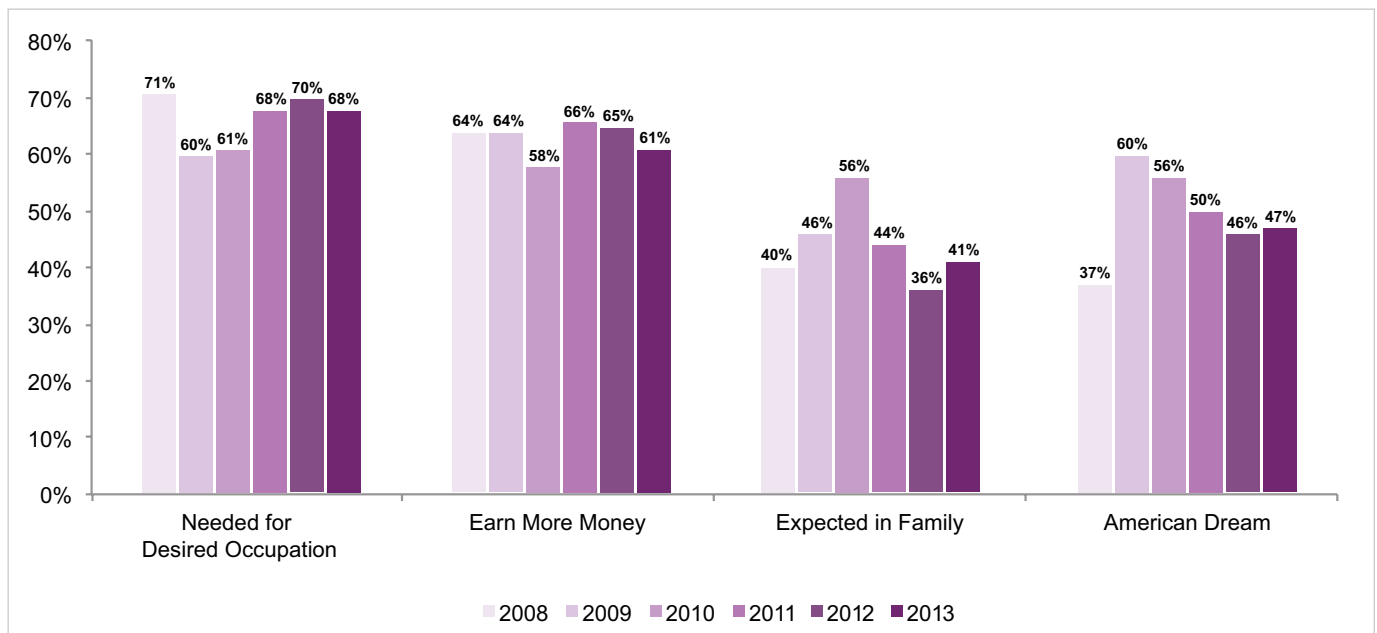


FIGURE 14 — PARENTS' REASONS FOR ATTENDING COLLEGE, RATED STRONGLY AGREE, YEAR-OVER-YEAR



## FAMILIES ARE OPTIMISTIC ABOUT COLLEGE AS AN INVESTMENT IN THE FUTURE

Since the beginning of the *How America Pays for College* study, families have strongly believed in the practical and financial value of a college education, weathering the effects of the economic uncertainty of the last four years.

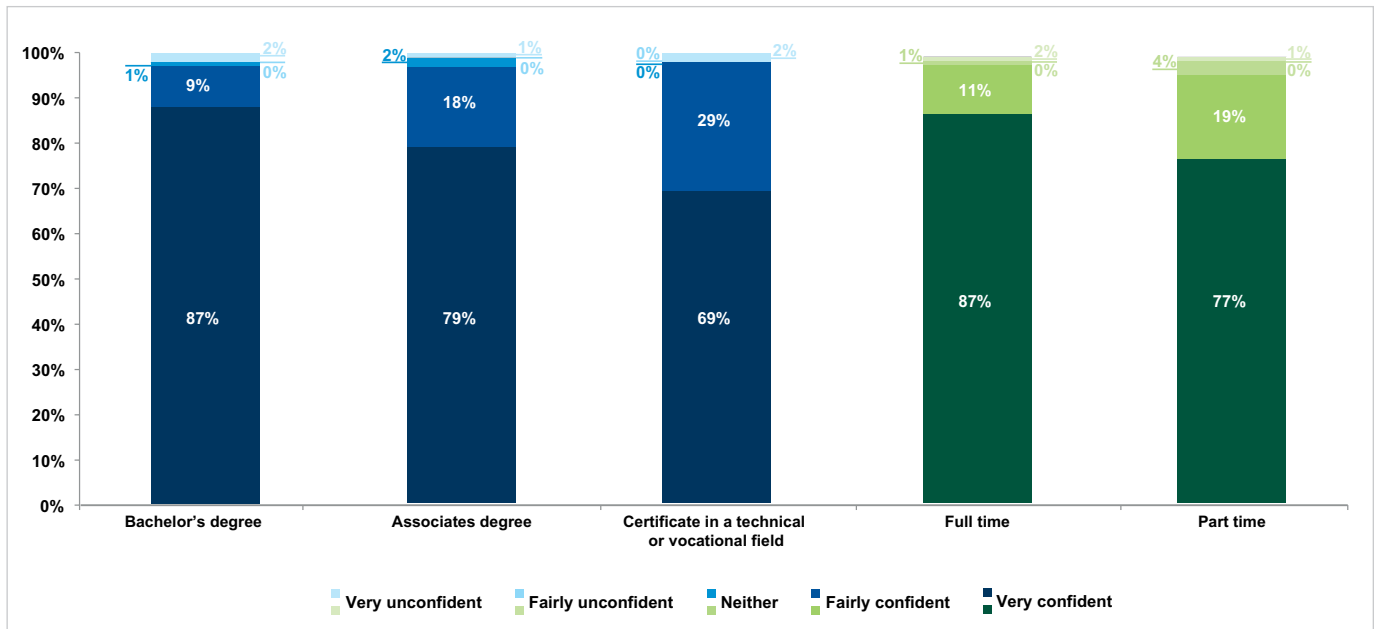
While there has been a considerable drop in parents' agreeing that the college experience is valuable for the intellectual and social experience alone—by 8 percentage points since 2010—85 percent of parents felt strongly that college was an investment in their child's future in 2013, the highest proportion seen in the last five years.<sup>5</sup>

The belief that students will earn more money with a college degree has remained consistently strong in 2013 (64% among all families), and more than half of families

felt they would rather borrow to pay for college than not go at all. This is consistent across income groups, even those with the most protracted economic concerns.

In addition, families are optimistic about school completion. Almost all families (97%) were confident (combined "very confident" and "fairly confident") that their students will complete the degree they set out to achieve. Ninety-two percent of families believed the degree will be completed within five years, and three-quarters believed the degree will be completed within four years. However, just over half of parents were at least somewhat worried their funds will run out before their child has completed college.

FIGURE 15 — LEVEL OF CONFIDENCE THAT STUDENT WILL ACHIEVE EXPECTED DEGREE



<sup>5</sup> Responses represent "strongly agree" which is a five on a scale of 1-5, unless otherwise noted.

## CONCLUSION

In 2013, *How America Pays for College* has demonstrated that American families are settling into a post-recession reality with regards to how they pay for college. Subsequent to a significant decline in spending after 2010, there has been a leveling off in the average spend on college and the contribution of various funding sources to the costs of college.

Parents have continued to reduce their out-of-pocket spending in 2013, with student borrowing and scholarships and grants continuing to fill the gap. In particular, with less access to scholarships and grants than low-income students, and less access to parent income and savings than high-income students, middle-income students are borrowing even more. In addition the data appear to show a boost in optimism in middle-income families while high- and low-income families continue to reduce their spending.

While families continue to express finance-related worry following the economic crisis and recession, they have fewer concerns about meeting the costs of college in 2013 than in previous years. Low-income families continue to be the most concerned and continue to increase the cost-saving measures taken so that their children can attend college.

However, the recession and recovery has not diminished families' belief in college as an investment in the future. While families are less likely to see college as valuable for the experience alone, they link a college degree with better work and higher earnings, and believe that it is worth stretching themselves financially to achieve that degree.



# 4 THE IMPORTANCE OF SOURCES THAT PAY FOR COLLEGE

In 2013, families spent around the same on college as they did in 2012. Tables 1a and 1b show the proportion of families who used various types of funding to pay for college, and the average dollar amounts that these families used from each source year-to-year.

The biggest change through the recession is the shift to grants and scholarships as the most frequently used source of funding for college. Nearly two-thirds of families (65%) used grants and scholarships to pay for college this year, up from 61 percent in 2012 and up from only half of families five years ago.

*Scholarship awards* drove this year's increase, with 35 percent of families using them in 2012 to 39 percent using them this year. The average award amount also increased, from \$7,673 in 2012 to \$8,349 in 2013, which is also higher than all other previous years' average award amounts.

The average *grant award* decreased slightly since 2012, from \$7,226 to \$6,538, but the proportion of families using grants remained the same at 45 percent. Over time there has been a reversal in the dominance of scholarship usage relative to grant usage. In 2009 and 2010, students were more likely to use scholarships (40% and 43%) than grants (30%). In 2011, an equivalent number of students used scholarships and grants (45% and 46%). In 2012 and 2013, families were more likely to use grants (45%) than scholarships (35% and 39%).

The proportion of families using parent income and savings to contribute to the costs of college (60%) has decreased since peak usage in 2011 (66%). Across all years of this study, parent current income is used more often than all other parent contribution types, but the frequency with which parents use income has dropped over time. Among families using current income (52%), the average amount that parents contributed has decreased from \$7,700 last year to \$6,896 in 2013.

A significant change this year is the increased frequency of using dedicated college savings plans—or 529 plans—to pay for college. In 2013, 17 percent of families used a 529 plan to pay for college, with an average contribution of \$7,959. Usage is up significantly from 2012, when only 11 percent of parents used 529 plans and it exceeds the prior peak usage year, 2010, when 15 percent of parents used 529 plans. Other types of parent savings have remained largely consistent year-on-year.

Few parents reported using retirement withdrawals to pay for college (5%) and the amount that they withdrew was significantly less than in previous years (\$2,710). When combining withdrawals and borrowing from retirement accounts, 7 percent of families relied on retirement funds, compared to 8 percent in 2012 and 5 percent in 2011. Combined borrowing and withdrawals from retirement was lower than prior years; in 2013 it averaged \$3,256, compared with \$6,478 in 2012 and \$4,785 in 2011.

The use of student personal contributions to pay for college saw a significant increase in 2011 when, for the first time, half of students contributed to their tuition payments using their own income and savings (50% in 2011, compared to 45% in 2010 and 42% in 2009). This year, that trend has continued, as 51 percent of students report using their current income and savings to pay for college. Students are most frequently paying through their current income (34%, averaging \$3,130), followed by savings (27%, averaging \$2,764) and Federal Work-Study (5%, averaging \$1,605). The average amount contributed from current income alone has decreased somewhat this year, down from \$3,702 last year, though the proportion of families using their student current income has not. The average amount paid from Federal Work-Study has also decreased significantly, from \$2,405 in 2012 to \$1,605 in 2013, though the frequency of using Federal Work-Study (5%) has not decreased.

Students borrow more frequently than parents, though parents are likely to borrow larger sums, on average, than students. Almost one-third (32%) of students borrowed money for college this year, whereas just 12 percent of parents borrowed.

The frequency of student borrowing dropped from 36 percent in 2012. Like previous years, the borrowing of federal student loans is more prevalent than borrowing through other types of credit. This year, 29 percent of students took federal student loans, fewer than in 2012, and the first decrease in usage after increasing usage each year of the prior study years. The average amount borrowed through federal student loans has increased from \$5,327 in 2009 up to \$8,815 in 2013.

The proportion of families using private student loans (9%) has decreased since 2010, the year that saw the greatest usage (13%). However, the average amount borrowed among these users has increased to \$9,324 from what previously had been the highest average amount, \$8,584 in 2010.

The frequency of parent borrowing (12%) has remained consistent since 2011 (13%) after having decreased from 2010 (18%). Over the last six years, parents have been more likely to borrow Federal Parent PLUS Loans to pay for college than any other type of credit. This year, PLUS loans were used by 7 percent of families, at an average amount of \$9,887. Other forms of parent credit used to pay for college (private education loans, HELOC, retirement account loans, credit cards, or other loans) were each only taken by 5 percent or fewer families.

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

Frequency of Sources and Average Amounts Used										
	2013		2012		2011		2010		2009	
	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**
<b>Non-Borrowed Sources</b>										
<b>Parent Income and Savings</b>	<b>60%</b>		<b>58%</b>		<b>66%</b>		<b>64%</b>		<b>59%</b>	
Parent Current Income	52%	\$6,896	52%	\$7,700	58%	\$6,396	57%	\$7,958	55%	\$7,175
College Savings Plan (529)	17%	\$7,959	11%	\$6,616	14%	\$9,729	15%	\$10,077	11%	\$7,312
Retirement Savings Withdrawal	5%	\$2,710	5%	\$6,542	4%	\$4,102	6%	\$8,554	3%	\$5,318
Other Parent Savings or Investments	11%	\$4,249	9%	\$6,391	13%	\$5,439	14%	\$9,937	14%	\$7,776
<b>Student Income and Savings</b>	<b>51%</b>		<b>50%</b>		<b>50%</b>		<b>45%</b>		<b>42%</b>	
Student Current Income	34%	\$3,130	35%	\$3,702	32%	\$2,946	32%	\$3,430	25%	\$3,791
Student Savings	27%	\$2,764	27%	\$2,746	24%	\$2,593	22%	\$3,329	26%	\$2,369
Federal Work-Study	5%	\$1,605	5%	\$2,405	11%	\$1,712	8%	\$2,431	5%	\$1,893
Other Student Savings or Investments	8%	\$2,618	7%	\$3,073	8%	\$3,871	3%	\$2,819	2%	\$5,749
<b>Grants and Scholarships</b>	<b>65%</b>		<b>61%</b>		<b>67%</b>		<b>55%</b>		<b>51%</b>	
Scholarships	39%	\$8,349	35%	\$7,673	45%	\$7,677	43%	\$7,819	40%	\$6,907
Grants	45%	\$6,538	45%	\$7,226	46%	\$6,184	30%	\$6,124	30%	\$5,109
<b>Relatives or Friends</b>	<b>18%</b>		<b>16%</b>		<b>19%</b>		<b>16%</b>		<b>17%</b>	
		\$5,244		\$4,169		\$4,328		\$9,243		\$5,496

\*\*Among those who used each source

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

Frequency of Sources and Average Amounts Used										
	2013		2012		2011		2010		2009	
	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**
<b>Borrowed Sources</b>										
<b>Parent Borrowing</b>	<b>12%</b>		<b>13%</b>		<b>13%</b>		<b>18%</b>		<b>15%</b>	
Federal PLUS Loans	7%	\$9,887	8%	\$10,464	8%	\$6,787	7%	\$9,153	8%	\$7,664
Private Education Loan	2%	\$7,316	3%	\$7,294	4%	\$6,686	4%	\$10,977	5%	\$8,401
Home Equity Loan or HELOC	1%	\$4,602	2%	\$12,557	3%	\$8,676	4%	\$11,204	3%	\$8,028
Parent Credit Cards	3%	\$4,681	4%	\$4,911	3%	\$4,764	6%	\$4,943	5%	\$3,886
Retirement Account Loan	1%	\$3,952	2%	\$4,357	1%	\$2,779	3%	\$6,901	1%	\$5,471
Parent Other Loans	5%	\$11,817	3%	\$9,227	4%	\$6,580	2%	\$8,529	3%	\$5,762
<b>Student Borrowing</b>	<b>32%</b>		<b>36%</b>		<b>34%</b>		<b>36%</b>		<b>29%</b>	
Federal Student Loans	29%	\$8,815	34%	\$7,874	30%	\$6,983	28%	\$5,807	25%	\$5,327
Private Education Loan	9%	\$9,324	10%	\$8,096	9%	\$6,358	13%	\$8,584	12%	\$7,516
Student Credit Cards	3%	\$3,156	3%	\$2,169	5%	\$1,357	5%	\$2,021	5%	\$2,812
Student Other Loans	5%	\$6,927	3%	\$6,011	4%	\$5,437	4%	\$9,360	2%	\$5,819

\*\*Among those who used each source

# 5 ATTITUDES TOWARD COLLEGE VARY BY COLLEGE MAJOR

Choosing the right college major can be critical to a college graduate's job security and future earnings. According to the U.S. Department of Education National Center for Education Statistics, the most popular majors are business studies, social science, and professional degrees such as health degrees and related programs.<sup>6</sup> The 2013 *How America Pays for College* study has found no strong correlation between the popularity of college majors and the average amount each degree recipient pays for college, nor a correlation between attitudes toward college and major.

## SPEND ON COLLEGE VS. STARTING SALARY

Social science and engineering majors paid the most for college in 2013 (\$28,776 and \$25,639, respectively), followed closely by liberal arts majors (\$23,029). The average amount spent per year on college by math and science, visual and performing arts, and business majors falls in the middle spending range, at \$20,420, \$19,849, and \$18,576, respectively. Students in the professional and vocational fields of study paid the least per year, at \$17,701 and \$15,510, respectively. There are no significant differences between college majors in the type

of college they attend, with the exception of mathematics majors who are more likely than other majors to attend four-year public schools.

The average starting salary for employed recent college graduates in 2012, according to the National Association of Colleges and Employers, was \$44,455.<sup>7</sup> Those paying the most for a college degree, social science majors, are the graduates with one of the lowest-paying starting salaries of \$36,988 on average. Engineering, the second-most expensive degree, is the field with the highest starting salary (\$62,655). Students studying in a health professional field, who pay one of the lowest amounts for college, fall above the starting salary average at \$49,196.

In terms of value for money, a social science degree costs the most and has one of the lowest starting salaries, whereas engineering students pay a larger amount for their degrees and new graduates earn, on average, \$18,000 more than the average graduate starting his or her career. Business also appears to provide value for money: business majors pay \$2,600 less per year than the average for their degree and start making approximately \$9,400 more than the average annual starting salary.

<sup>6</sup> <http://nces.ed.gov/fastfacts/display.asp?id=37>

<sup>7</sup> National Association of Colleges and Employers, *Salary Survey*, January 2013

**Table 2 — Cost of College, Percent Paid from Borrowing and Starting Salary, by Major**

	Avg amount paid for college AY2012-13	% Paid from student borrowing	Avg starting salary* 2012 graduates
<b>Social Sciences</b> (Psychology, Anthropology, Economics, Geography, Sociology, Political Science & Government, International Relations, Philosophy)	\$28,776	20%	\$36,988
<b>Engineering, Electrical Engineering, Environmental Science, Mathematics</b>	\$25,639	13%	\$62,655
<b>Liberal Arts</b> (English, Communications, Advertising, Journalism, Foreign Languages, Linguistics, History, Sociology)	\$23,029	16%	\$43,100
<b>Math/Science</b> (Biology, Chemistry, Physics, Agricultural Sciences, Computer Science, Mechanical)	\$20,420	18%	\$42,471
<b>Visual and Performing Arts</b> (Art, Graphic Design, Fashion Design, Film, Radio, Television, Photography, Music, Performing Arts)	\$19,849	30%	\$33,800
<b>Business</b> (Accounting, Marketing, Finance, Management, International Business)	\$18,576	14%	\$53,900
<b>Professional</b> (Education, Law, Medicine, Healthcare, Nursing, Veterinary Medicine)	\$17,701	23%	\$49,196 (health) \$40,668 (education)
<b>Vocational</b> (Culinary Arts, Construction Trades, Mechanical Technicians, Computer Technicians)	\$15,510	17%	not available
<b>Average</b>	<b>\$21,178</b>	<b>18%</b>	<b>\$44,455</b>

\*Salary source: National Association of Colleges and Employers, *Salary Survey*, January 2013

## CONCERNS ABOUT MEETING THE COSTS OF COLLEGE

In 2013, business and vocational majors were the least concerned about meeting the costs of college, with only 4 percent considering not attending due to cost. Business majors' parents worry least about economic issues: 62 percent are not worried about their home decreasing in value and 66 percent are not worried that their funds will run out before the student has completed college. Only 34 percent of the parents of business majors are worried that schools will raise tuition and 16 percent are concerned that scholarship and grant money will be less available, the top two concerns for parents overall (48% and 41%, respectively).<sup>8</sup> Business and vocational majors in this year's survey were more likely to pay less on average for college and to have a slightly higher proportion of their costs covered by grants and scholarships. This may explain some of their differing attitudes toward paying for college than other majors.

To make college more affordable, the most common action families took in 2013 was reducing student personal spending by cutting back on entertainment, vacations, or other non-personal items (60%). Visual and performing arts majors (70%) and professional majors (65%) are the most likely to have taken this

action. Only 42 percent of vocational major students cut down on personal spending. However, vocational majors seem to take more actions than others to make college more affordable. Most vocational majors live at home (82%) and tend to choose a school closer to home to reduce travel costs. Vocational majors are also more likely to have filed for education tax credits and student interest tax deductions, and their parents are more likely to have increased their work hours or earnings to help pay for college.

Affordability measures taken by students of the most expensive major, social science, include 63 percent reducing personal spending, 54 percent choosing a school that was closer to home to cut down on travel times, half living at home (50%), and half increasing their work hours (50%). Engineering majors, a major with one of the highest starting salaries, are the least likely to live at home (46%) or to transfer to a less-expensive school (4%). Professional and business majors take very similar actions to make college more affordable. About two-thirds of both majors chose a school closer to home and lived at home with parents or relatives (63% of business majors and 61% of professional studies majors) and, among

<sup>8</sup> This represents parents reporting that their worry is 4 or 5 on a scale of 1 to 5 with 5 representing "very worried." Other parts of the report discuss parents who are very worried.

those not living at home, one-third of both majors added a roommate to save on housing costs (31% of business majors and 31% of professional studies majors). The only real distinction between these two majors is the student's tendency to increase his/her work hours or earnings. Fifty-one percent of professional majors increased their work hours, but only 33 percent of business majors did the same.

## INVESTING IN THE FUTURE

Math, science, and visual and performing arts majors all feel very strongly that college is an investment in the future (90% and 89%, respectively). Relative to other majors, vocational and liberal arts majors are the least likely to attend for the social and intellectual experience alone regardless of future earnings (19% and 18%, respectively). Vocational majors are most likely to feel that a college degree is more important than it used to be (79%) and that they will earn more money with the degree (71%).

Most professional (84%) and engineering (81%) majors believe that a college degree is required for their desired occupation. In contrast, only 50 percent of visual and performing arts majors are earning a degree because it is required for their desired occupation, and these students are the most likely to attend college for the social and intellectual experience alone regardless of whether they will earn more money with a college degree (37%).

Visual and performing arts students also have the lowest rates of planning prior to enrollment (30%). Engineering majors saw the highest proportion of families creating a plan to pay for all years of college before enrollment (48%). When it comes to creating a contingency plan, about 21 percent of all majors have one, although fewer social science, engineering, and visual and performing arts majors have a contingency plan in case of an unexpected event (17%, 17%, and 15%, respectively).

Social science and liberal arts majors are highly confident that they will earn their degree (93% and 92%, respectively). Only 71 percent of vocational majors are very confident that they will be able to complete the degree. Even so, 64 percent of vocational majors anticipate no obstacles to completing their degree within their originally planned time frame.

# 6 STUDENTS WHO BORROW PRIVATE EDUCATION LOANS

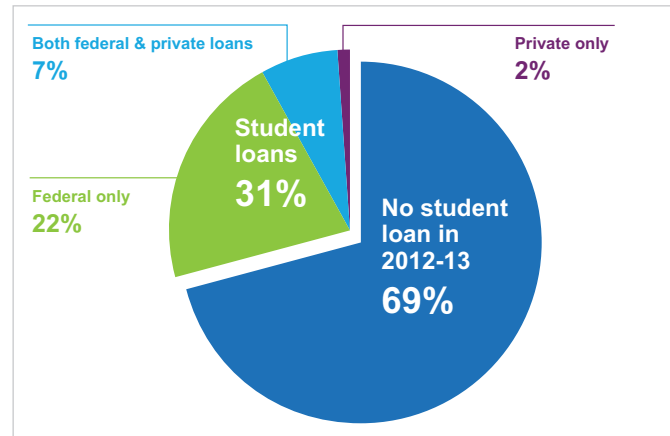
Student borrowing is an increasingly important source of funding—paying 18 percent of the total amount spent on college in academic year 2012-13, compared with 14 percent five years ago. The share of costs paid specifically through private education loans has remained relatively consistent over the past five years, covering 4 percent of college costs in 2012-13, compared to 5 percent in 2008-09.

Three in 10 students borrowed student loans in 2012-13, including nearly one in 10 who borrowed a private loan. Most private education loan borrowers also took out federal student loan. This year, 69 percent of families paid for college without a student loan—federal or private. Twenty-two percent of undergraduates borrowed only federal loans, 7 percent used both federal and private education loans, and only 2 percent borrowed a private education loan with no federal loan.

Private education loans appear to help families pay for higher-cost colleges. Students attending four-year colleges are more likely than those at two-year schools to use private education loans, and those attending private colleges are more likely to use them than those attending public colleges. Less than 5 percent of students at two-year schools used private education loans, compared to 9 percent of students at four-year public schools and 14 percent of students at four-year private schools. Families who borrowed paid an average of \$28,589 for college in 2012-13, and those where the student specifically used private education loans spent \$35,679. Families who did not borrow at all spent an average of \$16,237.

Of the 9 percent of students who used private education loans in 2013, about half (51%) borrowed less than \$5,000.

FIGURE 16 — STUDENT LOAN BORROWING, BY TYPE





Four-Year Colleges	No Private Education Loan	Borrowed < \$5,000 in Private Loans	Borrowed > \$5,000 in Private Loans	Average Amount Spent on College
Public	91%	4%	5%	\$19,796
Private	86%	6%	8%	\$39,434

Families who use private education loans demonstrate some differences in attitudes and behavior when considering the value of college and affordability.

Families where the student borrowed a private education loan are more likely to agree a degree is important and are more willing to extend themselves financially.

- ▶ Sixty-nine percent of private education loan holders strongly agreed they are willing to stretch financially, compared to 59 percent without private loans.
- ▶ A higher proportion of private education loan users strongly agreed they would rather borrow than not go to college (66% vs. 53% of non-users).
- ▶ Seventy-nine percent of private loan users strongly agreed a college degree is more important than it used to be, compared to 67 percent of non-private loan users.
- ▶ Private loan borrowers (92%) are more likely than others (84%) to feel very confident they will achieve the degree they have set out to earn.

Private education loan borrowers were more likely to take certain measures to make college more affordable.

- ▶ Private education loan borrowers were more likely to complete the FAFSA: 95 percent, compared to 81 percent of all others.
- ▶ Private student loan borrowers were more likely to have reduced personal spending (74%) than other students (59%).
- ▶ Forty-seven percent were making payments on their student loans while in school in order to reduce the cost of the loans, compared to 20 percent of other students.
- ▶ Fifty-three percent had filed education tax credits or student loan interest tax deductions, compared to 40 percent of others.

Private education loan borrowers were also more open to exploring their college experience options.

- ▶ Private education loan users were less likely to eliminate colleges from consideration due to cost prior to researching (31% eliminated colleges vs. 40% of others) and, cumulatively, prior to applying (42% vs. 53%). After all stages, 61 percent of private education loan holders eliminated colleges due to cost, compared to 68 percent of other families.
- ▶ Private education loan users were less likely to live at home: 49 percent, compared to 58 percent of others.

Private education loan users were more likely to take advantage of certain planning-to-pay resources while being more worried about paying for college.

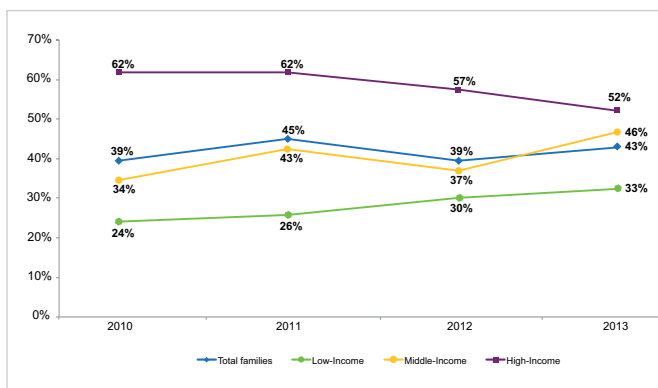
- ▶ Sixty-six percent of private education loan holders used scholarship search websites, compared to 60 percent of others.
- ▶ More private education loan borrowers used an online financial aid eligibility calculator (63%) and a loan payment calculator (40%) than other families (53% and 21%, respectively).
- ▶ Private education loan holders were more likely to use a tuition payment plan (40%) than other families (23%).
- ▶ Parents in families where the student used a private education loan are more worried on all economic worry factors; in particular, they are much more likely to feel extreme worry that schools will raise tuition (58%), compared to other parents (26%).
- ▶ Families where a student used a private education loan are less likely to agree they have a contingency plan to pay for college should an emergency arise (31%) than families where the student did not use a private education loan (42%).



# 7 PLANNING TO PAY FOR COLLEGE

Planning ahead for the costs of college can be a crucial factor in helping students both with initial access to higher education and with completing their program and earning a degree. *How America Pays for College* shows that most families do not have a financial plan to cover all years of college prior to the student enrolling. On average, 43 percent of families in 2013 agreed they had a plan for all years of college at the outset, consistent with the findings over the past three years.

FIGURE 17 — HAD A PLAN TO PAY FOR ALL YEARS PRIOR TO ENROLLING<sup>9</sup>



However, there are differences among income groups, with a steady increase over time in low-income families' reporting they had a plan to pay for college (from 24% in 2010 to 33% in 2013), and an increase in middle-income planning (34% in 2010 to 46% in 2013). In comparison, the number of high-income families with a plan decreased during that same period, from 62 percent in 2010 to 52 percent this year.

By school type, families with a student enrolled in the most expensive school type, four-year private colleges, are more likely to say they have a plan for all years (51%) than those attending public colleges (39% at two-year public colleges and 42% at four-year public colleges).

## PLANNING RESOURCES

Nine in ten families used some type of resource to help them plan ahead to pay for college. The most widely used resource, scholarship search websites, was used by 60 percent of families. Middle-income families were more likely to have used a scholarship search (69%) than low-income (56%) or high-income families (48%). Hispanic families were more likely to have used a scholarship search (67%) than white families (59%). Those who borrowed were more likely to search for scholarships than those who didn't borrow (65%, compared with 58%).

Most families (56%) said they relied on a high school guidance counselor for help in planning for college. Families in which the parents did not attend college were more likely to rely on the high school counselor (62%) than families in which the parents attended college (53%).

Among online calculators, the most commonly used is a financial aid eligibility calculator (57%). A much smaller proportion used other calculators such as a college cost calculator (23%), a loan payment calculator (22%), or a college net price calculator (14%). Only 13 percent of families indicated they had used a college savings planner.

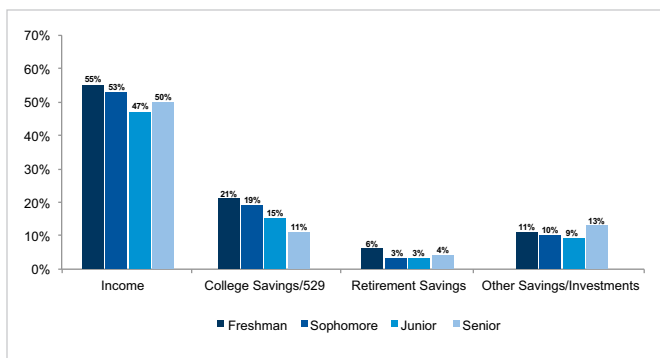
## PLANNING BY SAVING

Accumulating savings to pay for college is one indicator of how families plan for college. Parents in 60 percent of families funded college through personal contributions in 2013. However, only half as many families (28%) used money set aside in parents' savings funds. While 27 percent of the total costs of college in 2013 came from parent income and savings, most of that came from current income, with parent savings accounting for approximately 10 percent of the total funds spent on college. Two-thirds of the money used from parent savings this year came from dedicated college savings plans, such as 529 plans, with 17 percent of all families reporting that they used these accounts.

<sup>9</sup> Combined "strongly agree" and "somewhat agree"

This data is interesting when compared with the data from Sallie Mae’s *How America Saves for College* study also conducted this year. In that study, 50 percent of parents with children under age 18 reported that they are saving for college, with 27 percent of those currently saving using a 529 plan.<sup>10</sup> There is a clear discrepancy between the number of families that report saving for college and the number of families using savings for college. While a higher proportion of families utilize parent personal contributions during the student’s freshman year—including dedicated college savings accounts (21%)—compared to other grade levels, that proportion is still well below the share who report saving today. Factors that could help explain this discrepancy are that families reallocated college savings during the economic crisis, or that families are holding on to their investments longer in hope of increasing their value.

**FIGURE 18 — PERCENT OF FAMILIES WHO USED PARENT PERSONAL CONTRIBUTIONS, BY GRADE LEVEL**



## UNEXPECTED COSTS OF COLLEGE

Half of families (50%) lack a financial contingency plan should an emergency arise such as job loss or family illness. The likelihood of having created a contingency plan varies by income. Almost one half (48%) of all high-income families have a contingency plan, compared with 36 percent of low-income families. Far more families who did not borrow money for college have a contingency plan (46%) than those who borrowed (33%).

Families are almost universally confident their student will achieve his/her degree with 85 percent very confident and only 2 percent lacking confidence. About half of families (49%) do not foresee any obstacles to degree completion, but one-quarter (26%) of families report that a lack of finances may hinder degree completion. This is similar to the percentage of parents (24%) who worry that they could run out of funds prior to their child completing his/her degree. This economic worry is a greater concern for low-income families (33%) than for middle- (23%) and high-income families (16%).

The National Student Clearinghouse Research Center reports that among students who initially enrolled in four-year institutions, 63 percent at private nonprofits and 61 percent at public colleges completed their degree within six years.<sup>11</sup> Students enrolled full time are much more likely to complete their degree within six years than those enrolled part time (76% compared to 21%).

*How America Pays for College* shows that 92 percent of families pursuing a bachelor’s degree believe it will take five years or less to earn their degree. High-income families have more confidence that the degree will take five years or less (94%) than low-income families (89%). Sophomore year students are more confident that the degree will be completed in five years than any other grade level (96%). Ninety-two percent of freshmen and juniors believe it will take five years or less and confidence drops slightly among senior year students to 89 percent.

The overwhelming confidence families express, combined with the lack of a financial plan, could result in some families being taken by surprise financially. Two in five families (40%) report encountering major expenses they did not expect in paying for college. Low- and middle-income families reported more unexpected expenses than high-income families (39% and 42%, compared with 30%). The most unexpected expense was books, supplies, and equipment (19%). Based on the Clearinghouse data on college completion rates, in addition to these unexpected expenses, many families may be surprised when they face one or two more years of college costs than they originally anticipated.

<sup>10</sup> Sallie Mae and Ipsos, *How America Saves for College*, 2013

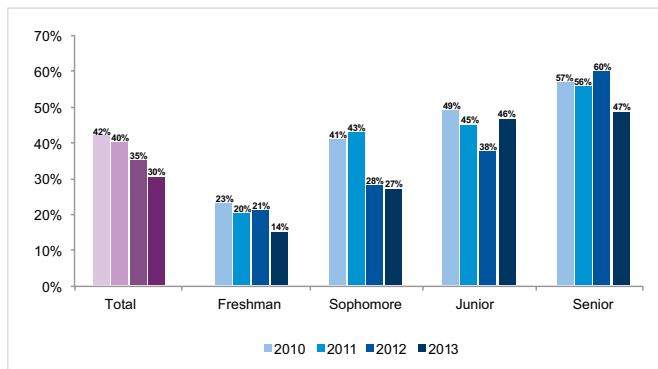
<sup>11</sup> [http://www.studentclearinghouse.info/signature/4/NSC\\_Signature\\_Report\\_4.pdf](http://www.studentclearinghouse.info/signature/4/NSC_Signature_Report_4.pdf)

# 8 COLLEGE STUDENTS AND CREDIT CARDS

The role credit cards play in meeting the total cost of college is small.

- ▶ In only 3 percent of families, students used credit cards to pay college costs, the same as in 2012.
- ▶ For those who used credit cards, the average amount charged in 2013 was \$3,156. This indicates that credit cards are used as a supplemental source of funds rather than a primary one.
- ▶ Both student and parent credit card use contributes just 1 percent of the total cost of college.

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



## CREDIT CARD OWNERSHIP

Following the introduction of the CARD Act of 2009, and in the wake of the recession, credit card use has declined each year since 2010 when the *How America Pays for College* study started tracking card ownership.

- ▶ Thirty percent of undergraduate students report having a credit card in 2013, down from 35 percent in 2012 and 42 percent in 2010.
- ▶ The decline in 2013 was predominantly seen in freshmen, with only 14 percent owning a credit card, compared with the 21 percent who owned one in 2012.
- ▶ Seniors in 2013 also show a decline in ownership from around 60 percent between 2010 and 2012 to 47 percent; this is consistent with the drop seen in 2012 among juniors.

College student credit card ownership varies by geographic region and by race/ethnicity.

- ▶ Students who live in the West are more likely to carry cards (37%) than students living in the Northeast and South (26% and 27%, respectively); 30 percent of students in the Midwest carry credit cards.
- ▶ White students (33%) are more likely to have credit cards than Hispanic or African-American students (22% and 24%, respectively).
- ▶ There is no significant difference in credit card ownership by income level: 34 percent of high-income students, 28 percent of middle-income students, and 32 percent of low-income students carry credit cards.

## STUDENT PAYMENT BEHAVIOR AND OUTSTANDING BALANCES

The majority of students with credit cards reported responsible payment behavior.

- ▶ More than six in 10 (62%) pay off all cards each month.
- ▶ Another 33 percent pay at least the minimum required payment each month with most paying more than the minimum.
- ▶ Only 1 percent pay less than the minimum required each month.

## CREDIT VS. DEBIT

Debit cards lead credit cards as the plastic of choice among college students. More than twice as many students (77%) carry debit cards than those who carry credit cards.

- ▶ Twenty-seven percent of college students carry both types of card while 20 percent don't carry any. Only 9 percent of seniors and 8 percent of juniors carry no card while 22 percent of sophomores and 31 percent of freshmen are card-less.

While debit card ownership remains high among college students, there is a slight reduction in reported usage since 2011, when 82 percent of college students carried a debit card.

- ▶ Community college students are less likely to have a debit card (63%) than those attending four-year colleges (private 79%, public 84%).

- ▶ African-American (82%) and white students (77%) are more likely to have a debit card than Hispanic students (68%).
- ▶ High-income students (88%) are more likely to have a debit card than middle- (76%) and low-income students (71%).

About half of the debit cards carried are linked to bank accounts. Thirty-seven percent of students' cards are linked to a bank account funded by the student and another 9 percent to an account funded by the parent.

About half of debit cards carried are those where funds are loaded directly to the card. The sources or responsible parties loading funds directly to the cards are the student (18%), the college (14%), the parent (8%), and the student employer (8%).

FIGURE 20 — STUDENT CREDIT CARD PAYMENT BEHAVIOR

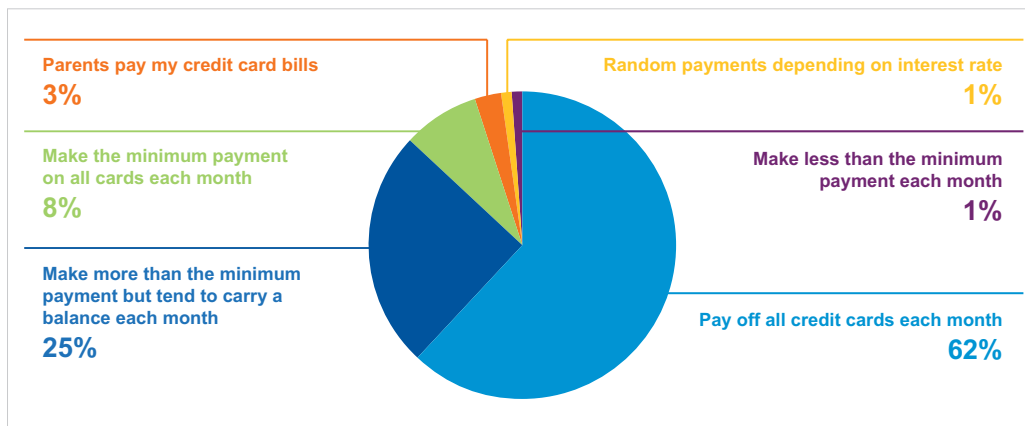
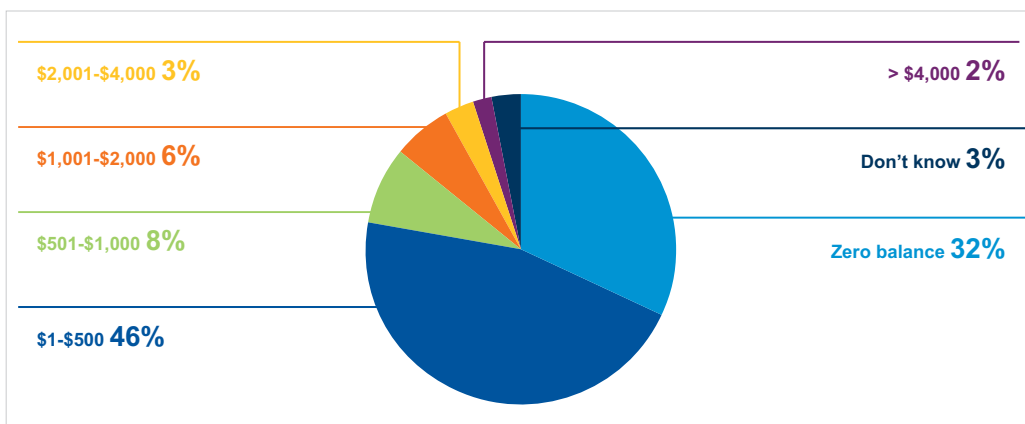


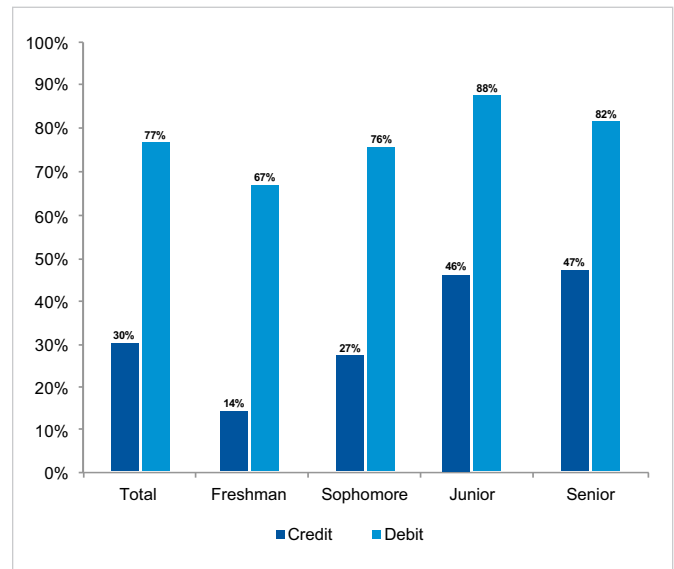
FIGURE 21 — AVERAGE OUTSTANDING STUDENT CREDIT CARD BALANCES



Few college students carry high balances\* on their credit cards, which may be the result of the high percentage that pay their balances in full every month.

- ▶ Thirty-two percent have a zero balance and another 46 percent have less than \$500 on their cards.
- ▶ Two percent carry a balance greater than \$4,000.
- ▶ The average balance across all cards is \$499. However, with the high proportion of zero and low balances, the median balance is \$136.
- ▶ By grade level, sophomores carry the lowest average balance across all cards (\$258) and freshmen and seniors carry the highest (\$611 and \$610, respectively) while juniors carry \$546. However, the median balance is higher for upperclassmen (juniors \$181, seniors \$184) than for underclassmen (freshmen \$47, sophomores \$48).
- ▶ Notable differences in average balance can be seen by school type and region. Students attending four-year private colleges carry an average balance of \$737, higher than the average balance of those attending four-year public (\$441) and two-year public colleges (\$409). Students from the Midwest carry an average balance of \$743, higher than the balances of students from other regions (Northeast \$434, South \$494, and West \$350).

FIGURE 22 — CREDIT CARD AND DEBIT CARD OWNERSHIP, BY GRADE LEVEL



\*Researcher’s note: The data on this page was updated from the originally published report. See page 55 for details.

# 9 DATA TABLES

**Q.** Of the total [named dollar amount] cost of attendance, how much money did you (student)/your child use to pay for college this year from each of the following sources? Your best estimate is fine.

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

**Table 3 — Grant Use and Average Amounts**

	N	% of Total Families*	Average Amount**
<b>Total</b>	1602	45%	\$6,538
<b>Income</b>			
<\$35k	533	63%	\$6,170
\$35-\$100k	768	43%	\$7,037
\$100k+	301	19%	\$5,757
<b>Race/Ethnicity</b>			
White	1141	42%	\$6,643
Black	230	55%	\$6,385
Hispanic	275	55%	\$7,170
<b>Borrowing Status</b>			
Borrowed	622	55%	\$7,146
Did Not Borrow	980	38%	\$5,991
<b>Grade Level</b>			
Freshman	501	50%	\$5,806
Sophomore	426	41%	\$7,221
Junior	337	47%	\$6,359
Senior	245	38%	\$8,172
5th Year +	64	50%	\$4,581
<b>Type of School</b>			
4-Year State College/University	731	40%	\$5,696
4-Year Private College/University	351	52%	\$11,786
2-Year Public/Community College	480	48%	\$3,766

Base: Parents of college students and college students  
 \*Percent of total families naming amount >\$0  
 \*\*Among those who used each source

**Table 4 — Scholarship Use and Average Amounts**

	N	% of Total Families*	Average Amount**
<b>Scholarships</b>	1602	39%	\$8,349
<b>Income</b>			
<\$35k	533	35%	\$7,237
\$35-\$100k	768	44%	\$8,384
\$100k+	301	36%	\$10,213
<b>Race/Ethnicity</b>			
White	1141	43%	\$8,044
Black	230	31%	\$9,559
Hispanic	275	23%	\$10,887
<b>Borrowing Status</b>			
Borrowed	622	41%	\$8,153
Did Not Borrow	980	38%	\$8,476
<b>Grade Level</b>			
Freshman	501	44%	\$8,053
Sophomore	426	36%	\$10,161
Junior	337	37%	\$8,959
Senior	245	40%	\$6,898
5th Year +	64	53%	\$4,485
<b>Type of School</b>			
4-Year State College/University	731	38%	\$5,903
4-Year Private College/University	351	64%	\$13,709
2-Year Public/Community College	480	26%	\$5,450

Base: Parents of college students and college students  
 \*Percent of total families naming amount >\$0  
 \*\*Among those who used each source

**Q.** You told us that you/your child received [\$ amount] in scholarships to pay for college this year. How much of this amount was:

- a. Awarded by the state/government
- b. Awarded by the college
- c. Awarded by a community or nonprofit organization?

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

**Table 5 – Percent Citing Scholarship Source**

	N	% State	% College	% Nonprofit
	634	18%	62%	30%
<b>Income</b>				
<\$35k	193	17%	54%	35%
\$35-\$100k	332	23%	65%	30%
\$100k+	109	4%	69%	20%
<b>Race/Ethnicity</b>				
White	482	18%	65%	34%
Black	75	23%	64%	22%
Hispanic	69	14%	47%	17%
<b>Borrowing Status</b>				
Borrowed	249	20%	69%	31%
Did Not Borrow	385	16%	58%	29%
<b>Grade Level</b>				
Freshman	227	19%	57%	39%
Sophomore	148	15%	67%	24%
Junior	125	19%	61%	35%
Senior	98	13%	70%	19%
<b>Type of School</b>				
4-Year State College/University	272	16%	58%	38%
4-Year Private College/University	206	17%	83%	21%
2-Year Public/Community College	145	22%	43%	26%

Base: Parents and college students in families that reported using scholarships

**Table 6 – Use of Funds from Relatives & Friends**

	N	% of Total Families*
	1602	18%
<b>Relative &amp; Friend Contributions</b>		
<b>Income</b>		
<\$35k	533	21%
\$35-\$100k	768	19%
\$100k+	301	12%
<b>Race/Ethnicity</b>		
White	1141	18%
Black	230	21%
Hispanic	275	15%
<b>Borrowing Status</b>		
Borrowed	622	18%
Did Not Borrow	980	19%
<b>Grade Level</b>		
Freshman	501	22%
Sophomore	426	18%
Junior	337	14%
Senior	245	17%
5th Year +	64**	25%
<b>Type of School</b>		
4-Year State College/University	731	20%
4-Year Private College/University	351	17%
2-Year Public/Community College	480	18%

Base: Parents of college students and college students

\*Percent of total families naming amount >\$0

\*\*Small sample size

**Q.** Of the total [named dollar amount] cost of attendance, how much money did you (student)/your child use to pay for college this year from each of the following sources? Your best estimate is fine.

- a. Federal Work-Study
- b. Your/your child’s savings
- c. Your/your child’s current income
- d. Other student savings or investments

**Q.** Of the total [named dollar amount] cost of attendance, how much money did you (parent)/your parents use to pay for college this year from each of the following sources? Your best estimate is fine.

- a. Parent current income
- b. College savings fund, such as a 529 plan
- c. Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)
- d. Other parent savings or investments

**Table 7 — Use of Student Income & Savings**

	N	% of Total Families*
<b>Student Personal Contributions</b>	1602	51%
<b>Income</b>		
<\$35k	533	51%
\$35-\$100k	768	55%
\$100k+	301	39%
<b>Race/Ethnicity</b>		
White	1141	52%
Black	230	47%
Hispanic	275	53%
<b>Borrowing Status</b>		
Borrowed	622	49%
Did Not Borrow	980	52%
<b>Grade Level</b>		
Freshman	501	47%
Sophomore	426	48%
Junior	337	55%
Senior	245	55%
5th Year +	64	61%
<b>Type of School</b>		
4-Year State College/University	731	53%
4-Year Private College/University	351	44%
2-Year Public/Community College	480	54%

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

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

	N	% of Total Families*
<b>Parent Personal Contributions</b>	1602	60%
<b>Income</b>		
<\$35k	533	45%
\$35-\$100k	768	65%
\$100k+	301	75%
<b>Race/Ethnicity</b>		
White	1141	62%
Black	230	49%
Hispanic	275	60%
<b>Borrowing Status</b>		
Borrowed	622	54%
Did Not Borrow	980	64%
<b>Grade Level</b>		
Freshman	501	64%
Sophomore	426	61%
Junior	337	56%
Senior	245	57%
5th Year +	64	64%
<b>Type of School</b>		
4-Year State College/University	731	59%
4-Year Private College/University	351	67%
2-Year Public/Community College	480	57%

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



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

	N	% Yes
<b>Parent Personal Contributions</b>	1602	25%
<b>Income</b>		
<\$35k	533	22%
\$35-\$100k	768	26%
\$100k+	301	27%
<b>Race/Ethnicity</b>		
White	1141	22%
Black	230	26%
Hispanic	275	32%
<b>Borrowing Status</b>		
Borrowed	622	31%
Did Not Borrow	980	21%
<b>Grade Level</b>		
Freshman	501	24%
Sophomore	426	24%
Junior	337	22%
Senior	245	29%
5th Year +	64*	35%
<b>Type of School</b>		
4-Year State College/University	731	21%
4-Year Private College/University	351	33%
2-Year Public/Community College	480	23%

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

**Q.** What source of money did you use to make the monthly payment?

	N	%
<b>Current income or cash flow</b>	392	68%
Savings		25%
Loans		13%
Credit cards		10%
Contribution from someone other than student or parent		4%
Other		0%
Don't know		3%

Base: Parents of college students and college students who use tuition payment plans

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

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

Table 11 — Who Contributed Borrowed Funds								
	N	Family Borrowed % Yes	N	Student Only %*	Parent Only %*	Both %*	Total Student	Total Parent
<b>Total</b>	1602	44%	705	64%	20%	13%	77%	33%
<b>Income</b>								
<\$35k	533	42%	222	83%	7%	4%	87%	11%
\$35-\$100k	768	47%	363	55%	25%	19%	74%	44%
\$100k+	301	41%	123	60%	27%	12%	72%	39%
<b>Race/Ethnicity</b>								
White	1141	45%	511	68%	16%	13%	81%	29%
Black	230	47%	107	58%	31%	10%	68%	41%
Hispanic	275	38%	106	61%	23%	16%	77%	39%
<b>Grade Level</b>								
Freshman	501	46%	232	62%	18%	12%	74%	30%
Sophomore	426	34%	144	61%	33%	6%	67%	39%
Junior	337	42%	140	69%	16%	15%	84%	31%
Senior	245	58%	141	63%	16%	19%	82%	35%
<b>Type of School</b>								
4-Year State College/University	731	45%	332	73%	13%	11%	84%	24%
4-Year Private College/University	351	62%	217	52%	22%	22%	74%	44%
2-Year Public/Community College	480	29%	137	61%	32%	5%	66%	37%
<b>Region</b>								
Northeast	319	55%	175	61%	21%	13%	74%	34%
Midwest	376	50%	188	68%	20%	12%	80%	32%
South	501	38%	190	68%	18%	9%	77%	27%
West	398	38%	152	59%	21%	19%	78%	40%

\*Categories are mutually exclusive. These are percent of families that borrow.  
Base: Parents of college students and college students, then parents of college students and college students in families that borrowed

**Q.** Of the total [named dollar amount] cost of attendance, how much money did you (parent)/your parents use to pay for college this year from each of the following borrowed sources? Your best estimate is fine.

- a. Federal Parent PLUS Loan
- b. Private education loans in your/your parent’s name, not including loans where you/your parent are only a cosigner
- c. Home equity loan or line of credit
- d. Credit cards in your/your parent’s name
- e. Retirement account loan (including 401k, Roth IRA, or other IRA)
- f. Other loans in your/your parent’s name

**Q.** Of the total [named dollar amount] cost of attendance, how much money did you (student)/your child use to pay for college this year from each of the following borrowed sources? Your best estimate is fine.

- a. Federal student loans, such as Stafford or Perkins loans, or the Direct Loan Program
- b. Private education loans in your/your child’s name, including loans where your parent/you or anyone else is a cosigner
- c. Credit cards in your/your child’s name
- d. Other loans in your/your child’s name

	N	% of Total Families*
<b>Parent Borrowing</b>	1602	12%
<b>Income</b>		
<\$35k	533	4%
\$35-\$100k	768	18%
\$100k+	301	13%
<b>Race/Ethnicity</b>		
White	1141	12%
Black	230	17%
Hispanic	275	11%
<b>Grade Level</b>		
Freshman	501	13%
Sophomore	426	9%
Junior	337	11%
Senior	245	19%
<b>Type of School</b>		
4-Year State College/University	731	10%
4-Year Private College/University	351	25%
2-Year Public/Community College	480	8%

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

	N	% of Total Families*
<b>Student Borrowing</b>	1602	32%
<b>Income</b>		
<\$35k	533	36%
\$35-\$100k	768	32%
\$100k+	301	26%
<b>Race/Ethnicity</b>		
White	1141	34%
Black	230	30%
Hispanic	275	28%
<b>Grade Level</b>		
Freshman	501	33%
Sophomore	426	21%
Junior	337	31%
Senior	245	45%
<b>Type of School</b>		
4-Year State College/University	731	36%
4-Year Private College/University	351	43%
2-Year Public/Community College	480	17%

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

Table 14a — Composite of College Funding Sources						
Average Value Contributed from Each Source, by Income Level						
			Total	Income		
				<\$35k	\$35k - <\$100k	\$100k+
Borrowed	Parents	Federal Parent PLUS Loan	\$754	\$285	\$965	\$1,014
		Private education loans	\$191	\$46	\$301	\$161
		Home equity loan or line of credit	\$79	\$19	\$127	\$62
		Credit cards	\$167	\$51	\$264	\$116
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$51	\$5	\$77	\$65
		Other loans	\$601	\$96	\$865	\$790
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,569	\$2,780	\$2,625	\$2,071
		Private education loans	\$865	\$598	\$1,034	\$889
		Student credit cards	\$106	\$169	\$90	\$41
		Student other loans	\$376	\$487	\$365	\$216
Non-Borrowed	Parents	Parent current income	\$3,568	\$2,214	\$3,586	\$5,808
		College savings fund, such as a 529 plan	\$1,448	\$504	\$1,127	\$3,847
		Other parent savings or investments	\$525	\$394	\$479	\$859
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$186	\$212	\$131	\$283
	Student	Student current income	\$1,119	\$1,180	\$1,031	\$1,283
		Student savings	\$799	\$618	\$1,011	\$572
		Federal Work-Study	\$110	\$173	\$88	\$61
		Other student savings or investments	\$255	\$218	\$275	\$267
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,405	\$2,772	\$3,701	\$3,727
		Grants (federal, state, or school based)	\$2,951	\$3,865	\$3,052	\$1,155
Relatives or friends (money that doesn't have to be repaid)		\$1,053	\$1,349	\$1,005	\$671	
Total Paid			\$21,178	\$18,034	\$22,197	\$23,913

Table 14b — Composite of College Funding Sources						
Average Value Contributed from Each Source, by Race/Ethnicity						
			Total	Race/Ethnicity		
				White	Black	Hispanic
Borrowed	Parents	Federal Parent PLUS Loan	\$754	\$721	\$1,138	\$642
		Private education loans	\$191	\$98	\$344	\$371
		Home equity loan or line of credit	\$79	\$106	\$29	\$11
		Credit cards	\$167	\$113	\$220	\$332
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$51	\$46	\$124	\$14
		Other loans	\$601	\$442	\$137	\$1,593
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,569	\$2,837	\$2,470	\$2,003
		Private education loans	\$865	\$712	\$663	\$1,686
		Student credit cards	\$106	\$115	\$118	\$120
		Student other loans	\$376	\$433	\$304	\$245
Non-Borrowed	Parents	Parent current income	\$3,568	\$3,429	\$2,774	\$3,367
		College savings fund, such as a 529 plan	\$1,448	\$1,790	\$547	\$427
		Other parent savings or investments	\$525	\$591	\$356	\$597
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$186	\$179	\$260	\$175
	Student	Student current income	\$1,119	\$1,121	\$1,066	\$1,093
		Student savings	\$799	\$910	\$529	\$566
		Federal Work-Study	\$110	\$107	\$148	\$196
		Other student savings or investments	\$255	\$260	\$289	\$332
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,405	\$3,516	\$3,219	\$2,771
		Grants (federal, state, or school based)	\$2,951	\$2,818	\$3,513	\$3,926
Relatives or friends (money that doesn't have to be repaid)		\$1,053	\$1,144	\$622	\$1,222	
Total Paid			\$21,178	\$21,487	\$18,871	\$21,687

**Table 14c — Composite of College Funding Sources:**

Average Value Contributed from Each Source, by School Type						
			Total	School Type		
				2-Year Public	4-Year Public	4-Year Private
Borrowed	Parents	Federal Parent PLUS Loan	\$754	\$109	\$731	\$1,667
		Private education loans	\$191	\$22	\$64	\$678
		Home equity loan or line of credit	\$79	\$46	\$35	\$233
		Credit cards	\$167	\$102	\$84	\$412
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$51	\$53	\$14	\$135
		Other loans	\$601	\$139	\$255	\$2,078
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,569	\$1,061	\$2,726	\$4,219
		Private education loans	\$865	\$115	\$696	\$2,328
		Student credit cards	\$106	\$48	\$144	\$116
Student other loans		\$376	\$349	\$225	\$752	
Non-Borrowed	Parents	Parent current income	\$3,568	\$1,846	\$3,736	\$5,877
		College savings fund, such as a 529 plan	\$1,448	\$552	\$1,706	\$1,994
		Other parent savings or investments	\$525	\$323	\$735	\$408
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$186	\$216	\$150	\$223
	Student	Student current income	\$1,119	\$894	\$1,284	\$1,157
		Student savings	\$799	\$534	\$980	\$847
		Federal Work-Study	\$110	\$82	\$109	\$162
		Other student savings or investments	\$255	\$244	\$279	\$242
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,405	\$1,672	\$2,250	\$8,513
		Grants (federal, state, or school based)	\$2,951	\$1,900	\$2,250	\$5,927
Relatives or friends (money that doesn't have to be repaid)		\$1,053	\$363	\$1,345	\$1,466	
<b>Total Paid</b>			<b>\$21,178</b>	<b>\$10,668</b>	<b>\$19,796</b>	<b>\$39,434</b>

**Table 14d — Composite of College Funding Sources:**

Average Value Contributed from Each Source, by Family Borrowing Status					
			Total	Family Borrowing Status	
				Borrowed	Did Not Borrow
Borrowed	Parents	Federal Parent PLUS Loan	\$754	\$1,868	n/a
		Private education loans	\$191	\$460	n/a
		Home equity loan or line of credit	\$79	\$180	n/a
		Credit cards	\$167	\$397	n/a
		Retirement account loan (including 401k, Roth IRA, or other IRA)	\$51	\$108	n/a
		Other loans	\$601	\$1,484	n/a
	Student	Federal student loans, such as Stafford or Perkins loans	\$2,569	\$6,404	n/a
		Private education loans	\$865	\$2,142	n/a
		Student credit cards	\$106	\$243	n/a
Student other loans		\$376	\$919	n/a	
Non-Borrowed	Parents	Parent current income	\$3,568	\$2,977	\$3,962
		College savings fund, such as a 529 plan	\$1,448	\$818	\$1,868
		Other parent savings or investments	\$525	\$265	\$698
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$186	\$195	\$181
	Student	Student current income	\$1,119	\$977	\$1,214
		Student savings	\$799	\$673	\$883
		Federal Work-Study	\$110	\$115	\$107
		Other student savings or investments	\$255	\$241	\$265
	Other	Scholarships (received from the school or outside organizations or businesses)	\$3,405	\$3,261	\$3,500
		Grants (federal, state, or school based)	\$2,951	\$3,818	\$2,373
Relatives or friends (money that doesn't have to be repaid)		\$1,053	\$1,044	\$1,058	
<b>Total Paid</b>			<b>\$21,178</b>	<b>\$28,589</b>	<b>\$16,237</b>

**Table 15a — Composite of College Funding Sources:**

Average Percent of Total Cost of Attendance Met by Each Source, by Income Level						
			Total	Income		
				<\$35k	\$35k - <\$100k	\$100k+
Borrowed	Parents	Federal Parent PLUS Loan	4%	2%	4%	4%
		Private education loans	1%	0%	1%	1%
		Home equity loan or line of credit	0%	0%	1%	0%
		Credit cards	1%	0%	1%	0%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	0%	0%
		Other loans	3%	1%	4%	3%
	Student	Federal student loans, such as Stafford or Perkins loans	12%	15%	12%	9%
		Private education loans	4%	3%	5%	4%
		Student credit cards	1%	1%	0%	0%
		Student other loans	2%	3%	2%	1%
Non-Borrowed	Parents	Parent current income	17%	12%	16%	24%
		College savings fund, such as a 529 plan	7%	3%	5%	16%
		Other parent savings or investments	2%	2%	2%	4%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	1%	1%	1%
	Student	Student current income	5%	7%	5%	5%
		Student savings	4%	3%	5%	2%
		Federal Work-Study	1%	1%	0%	0%
		Other student savings or investments	1%	1%	1%	1%
	Other	Scholarships (received from the school or outside organizations or businesses)	16%	15%	17%	16%
		Grants (federal, state, or school based)	14%	21%	14%	5%
		Relatives or friends (money that doesn't have to be repaid)	5%	7%	5%	3%

**Table 15b — Composite of College Funding Sources:**

Average Percent of Total Cost of Attendance Met by Each Source, by Race/Ethnicity						
			Total	Race/Ethnicity		
				White	Black	Hispanic
Borrowed	Parents	Federal Parent PLUS Loan	4%	3%	6%	3%
		Private education loans	1%	0%	2%	2%
		Home equity loan or line of credit	0%	0%	0%	0%
		Credit cards	1%	1%	1%	2%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	1%	0%
		Other loans	3%	2%	1%	7%
	Student	Federal student loans, such as Stafford or Perkins loans	12%	13%	13%	9%
		Private education loans	4%	3%	4%	8%
		Student credit cards	1%	1%	1%	1%
		Student other loans	2%	2%	2%	1%
Non-Borrowed	Parents	Parent current income	17%	16%	15%	16%
		College savings fund, such as a 529 plan	7%	8%	3%	2%
		Other parent savings or investments	2%	3%	2%	3%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	1%	1%	1%
	Student	Student current income	5%	5%	6%	5%
		Student savings	4%	4%	3%	3%
		Federal Work-Study	1%	0%	1%	1%
		Other student savings or investments	1%	1%	2%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	16%	16%	17%	13%
		Grants (federal, state, or school based)	14%	13%	19%	18%
		Relatives or friends (money that doesn't have to be repaid)	5%	5%	3%	6%

**Table 15c — Composite of College Funding Sources:**

Average Percent of Total Cost of Attendance Met by Each Source, by School Type						
			Total	School Type		
				2-Year Public	4-Year Public	4-Year Private
Borrowed	Parents	Federal Parent PLUS Loan	4%	1%	4%	4%
		Private education loans	1%	0%	0%	2%
		Home equity loan or line of credit	0%	0%	0%	1%
		Credit cards	1%	1%	0%	1%
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	0%	0%
		Other loans	3%	1%	1%	5%
	Student	Federal student loans, such as Stafford or Perkins loans	12%	10%	14%	11%
		Private education loans	4%	1%	4%	6%
		Student credit cards	1%	0%	1%	0%
		Student other loans	2%	3%	1%	2%
Non-Borrowed	Parents	Parent current income	17%	17%	19%	15%
		College savings fund, such as a 529 plan	7%	5%	9%	5%
		Other parent savings or investments	2%	3%	4%	1%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	2%	1%	1%
	Student	Student current income	5%	8%	6%	3%
		Student savings	4%	5%	5%	2%
		Federal Work-Study	1%	1%	1%	0%
		Other student savings or investments	1%	2%	1%	1%
	Other	Scholarships (received from the school or outside organizations or businesses)	16%	16%	11%	22%
		Grants (federal, state, or school based)	14%	18%	11%	15%
		Relatives or friends (money that doesn't have to be repaid)	5%	3%	7%	4%

**Table 15d — Composite of College Funding Sources:**

Average Percent of Total Cost of Attendance Met by Each Source, by Family Borrowing Status					
			Total	Family Borrowing Status	
				Borrowed	Did Not Borrow
Borrowed	Parents	Federal Parent PLUS Loan	4%	7%	n/a
		Private education loans	1%	2%	n/a
		Home equity loan or line of credit	0%	1%	n/a
		Credit cards	1%	1%	n/a
		Retirement account loan (including 401k, Roth IRA, or other IRA)	0%	0%	n/a
		Other loans	3%	5%	n/a
	Student	Federal student loans, such as Stafford or Perkins loans	12%	22%	n/a
		Private education loans	4%	7%	n/a
		Student credit cards	1%	1%	n/a
		Student other loans	2%	3%	n/a
Non-Borrowed	Parents	Parent current income	17%	10%	24%
		College savings fund, such as a 529 plan	7%	3%	12%
		Other parent savings or investments	2%	1%	4%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	1%	1%
	Student	Student current income	5%	3%	7%
		Student savings	4%	2%	5%
		Federal Work-Study	1%	0%	1%
		Other student savings or investments	1%	1%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	16%	11%	22%
		Grants (federal, state, or school based)	14%	13%	15%
		Relatives or friends (money that doesn't have to be repaid)	5%	4%	7%

**Q.** How informed, if at all, did you feel about the loan terms and borrower responsibilities for the federal student loan(s) you borrowed for the 2012-2013 academic year? For example were you informed about repayment amounts, interest rate, loan fees, etc.?

N	
260	
35%	Very Informed
46%	Fairly Informed
7%	Neither Informed nor Uninformed
9%	Fairly Uninformed
3%	Very Uninformed

Base: College students who borrowed federal student loans

**Q.** How informed, if at all, did you feel about the loan terms and borrower responsibilities for the private student loan(s) you borrowed for the 2012-2013 academic year? For example were you informed about repayment amounts, interest rate, loan fees, etc.?

N	
81	
42%	Very Informed
39%	Fairly Informed
4%	Neither Informed nor Uninformed
6%	Fairly Uninformed
9%	Very Uninformed

Base: College students who borrowed private education loans

**Q.** Can you tell me the name of the school your child/you attended in the 2012-2013 school year? And which campus is that? (Match to school type.)

	N	4-Year Public	4-Year Private	2-Year Public	2-Year Private
<b>Total</b>	1602	46%	22%	30%	1%
<b>Income</b>					
<\$35k	533	43%	20%	36%	0%
\$35k - <\$100k	768	44%	23%	29%	2%
\$100k+	301	54%	24%	21%	1%
<b>Race/Ethnicity</b>					
White	1141	45%	24%	29%	2%
Black	230	56%	14%	28%	1%
Hispanic	275	27%	17%	50%	4%
<b>Region</b>					
Northeast	319	41%	38%	19%	2%
Midwest	376	44%	25%	29%	1%
South	501	47%	14%	37%	1%
West	398	49%	16%	31%	2%
<b>Grade Level</b>					
Freshman	501	38%	25%	35%	1%
Sophomore	426	38%	15%	43%	4%
Junior	337	56%	23%	20%	0%
Senior	245	57%	29%	13%	0%
5th Year +	64*	67%	9%	24%	0%
<b>Borrowing Status</b>					
Borrowed	622	48%	30%	19%	1%
Did Not Borrow	980	44%	17%	37%	2%

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

**Q.** In which state is the student attending college?

	N	In-State	Out-of-State
<b>Total</b>	1602	79%	21%
<b>Income</b>			
<\$35k	533	80%	20%
\$35k - <\$100k	768	81%	19%
\$100k+	301	72%	28%
<b>Race/Ethnicity</b>			
White	1141	77%	23%
Black	230	78%	22%
Hispanic	275	84%	16%
<b>Region</b>			
Northeast	319	63%	37%
Midwest	376	82%	19%
South	501	82%	18%
West	398	87%	13%
<b>School Type</b>			
4-Year State College/University	731	83%	17%
4-Year Private College/University	351	59%	41%
2-Year Public/Community College	480	90%	10%
<b>Borrowing Status</b>			
Borrowed	622	78%	22%
Did Not Borrow	980	80%	20%

Base: Parents of college students and college students



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

<b>Table 20 — Student Course of Study</b>	
	<b>% Major</b>
<b>Professional</b> (Education, Law, Medicine, Healthcare, Nursing, Veterinary Medicine)	17%
<b>Math/Science</b> (Biology, Chemistry, Physics, Agricultural Sciences, Computer Science, Mechanical)	15%
<b>Social Sciences</b> (Psychology, Anthropology, Economics, Geography, Sociology, Political Science & Government, International Relations, Philosophy)	15%
<b>Business</b> (Accounting, Marketing, Finance, Management, International Business)	12%
<b>Liberal Arts</b> (English, Communications, Advertising, Journalism, Foreign Languages, Linguistics, History, Sociology)	8%
<b>Visual and Performing Arts</b> (Art, Graphic Design, Fashion Design, Film, Radio, Television, Photography, Music, Performing Arts)	5%
<b>Engineering, Electrical Engineering, Environmental Science, Mathematics</b>	7%
<b>Vocational</b> (Culinary Arts, Construction Trades, Mechanical Technicians, Computer Technicians)	4%
<b>They have not yet decided</b>	2%
<b>Other</b>	15%

Base: Parents of college students and college students

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

Table 21 — Degree Type Expected to Earn						
	N	BA Degree	AA Degree	Voc/Tech Certificate	No Degree	Not sure
<b>Total</b>	1602	73%	20%	4%	1%	2%
<b>Income</b>						
<\$35k	533	69%	23%	5%	1%	3%
\$35k - <\$100k	768	74%	21%	4%	1%	1%
\$100k+	301	81%	14%	4%	1%	1%
<b>Race/Ethnicity</b>						
White	1141	75%	19%	5%	1%	2%
Black	230	73%	24%	1%	0%	1%
Hispanic	275	65%	28%	4%	1%	3%
<b>Grade Level</b>						
Freshman	501	64%	25%	7%	1%	2%
Sophomore	426	63%	32%	3%	1%	2%
Junior	337	89%	9%	2%	0%	0%
Senior	245	88%	11%	0%	0%	1%
<b>Enrollment Status</b>						
Full time	1335	78%	18%	2%	1%	2%
Part time	246	48%	35%	16%	0%	2%
<b>Parent College Experience</b>						
College Degree	719	83%	12%	3%	1%	1%
Some College, No Degree	409	70%	24%	4%	0%	2%
No College	472	61%	29%	6%	1%	3%

Base: Parents of college students and college students

Q. How confident are you that you/ your child will achieve this?

Table 22 — Confidence in Degree Achievement				
	Total	BA Degree	AA Degree	Voc/Tech Certificate
<b>N</b>	1564	1177	321	66
Very Confident	85%	87%	79%	69%
Fairly Confident	12%	9%	18%	29%
Neither Confident nor Unconfident	1%	1%	2%	0%
Fairly Unconfident	0%	0%	0%	0%
Very Unconfident	2%	2%	1%	2%

Base: Parents of college students and college students who expect to earn a degree or certificate

**Q.** How many years in total (including the ones already completed) do you expect this degree completion to take?

Table 23 — Number of Years to Earn Degree				
	Total	BA Degree	AA Degree	Voc/Tech Certificate
<b>N</b>	1564	1177	321	66
One Year	4%	2%	5%	29%
Two Years	15%	8%	36%	42%
Three Years	11%	8%	23%	12%
Four Years	44%	51%	24%	15%
Five Years	18%	22%	4%	2%
Six Years	5%	5%	6%	0%
More than Six Years	3%	3%	0%	0%

Base: Parents of college students and college students who expect to earn a degree or certificate

**Q.** What obstacles, if any, do you anticipate that will prevent you/your child from completing his/her degree within your originally planned time frame?

Table 24 — Obstacles to Degree Completion				
	Total	BA Degree	AA Degree	Voc/Tech Certificate
<b>N</b>	1564	1177	321	66
Lack of Finances	25%	26%	21%	27%
Academic Challenges	5%	6%	4%	3%
Limited Space for Required Courses	4%	4%	3%	0%
Other Priorities Engaging Student	4%	5%	4%	0%
Student Lack of Direction	2%	2%	4%	5%
Institution is not Right Fit	1%	1%	1%	0%
Some Other Reason	15%	16%	13%	11%
No Obstacles Anticipated	49%	48%	49%	55%

Base: Parents of college students and college students who expect to earn a degree or certificate

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

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

**Table 25 — Attitudes Towards College, Rated “Strongly Agree”**

	% Strongly Agree								
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	1602	828	774	1141	230	275	533	768	301
Willing to Stretch Myself Financially	60%	62%	58%	57%	68%	66%	62%	59%	59%
Rather Borrow Than Not Go	54%	58%	49%	54%	61%	55%	50%	54%	59%
Investment in Future	85%	86%	85%	85%	90%	90%	85%	85%	86%
Degree More Important Now*	70%	74%	65%	66%	88%	80%	70%	69%	71%
Attend College for the Experience Despite Future Earnings*	27%	28%	25%	23%	30%	29%	29%	25%	28%

\*Not asked in 2008 or 2009

Base: Parents of college students and college students

**Table 26 — Attitudes Toward College, Scale 1-5**

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Willing to Stretch Myself Financially	1602	60%	29%	4%	4%	3%
Rather Borrow Than Not Go	1602	54%	28%	4%	7%	6%
Investment in Future	1602	85%	12%	1%	1%	1%
Degree More Important Now*	1602	70%	19%	6%	4%	2%
Attend College for the Experience Despite Future Earnings*	1602	27%	32%	12%	16%	13%

\*Not asked in 2008 or 2009

Base: Parents of college students and college students

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

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

Table 27 — Reasons for Continuing Education, Rated "Strongly Agree"									
	% Strongly Agree								
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
N	1602	828	774	1141	230	275	533	768	301
Needed for Desired Occupation	68%	67%	68%	67%	71%	69%	70%	68%	64%
Earn More Money	64%	66%	61%	61%	76%	73%	65%	62%	65%
Expected in Family	44%	46%	41%	40%	56%	41%	35%	43%	61%
American Dream	46%	45%	47%	41%	60%	66%	51%	43%	47%

Base: Parents of college students and college students

Table 28 — Reasons for Continuing Education, Scale 1-5						
	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Needed for Desired Occupation	1602	68%	17%	4%	7%	4%
Earn More Money	1602	64%	24%	6%	4%	3%
Expected in Family	1602	44%	25%	8%	13%	10%
American Dream	1602	46%	37%	9%	4%	3%

Base: Parents of college students and college students

**Q.** Please state your level of agreement with the following statement. Please state whether you:

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

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

**Table 29 — Planning to Pay for College, Rated “Strongly Agree”**

	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	1602	828	774	1141	230	275	533	768	301
Had a Plan for All Years	20%	17%	23%	21%	18%	13%	16%	19%	29%
Contingency Plan if Emergency	21%	14%	28%	21%	22%	16%	16%	22%	26%
Considered Not Attending	9%	7%	10%	7%	11%	8%	11%	9%	5%

Base: Parents of college students and college students

**Table 30 — Planning to Pay for College, Scale 1-5**

	N	Strongly Agree	Somewhat Agree	Neither	Somewhat Disagree	Strongly Disagree
Had a Plan for All Years	1602	20%	23%	8%	21%	29%
Contingency Plan if Emergency	1602	21%	20%	9%	24%	26%
Considered Not Attending	1602	9%	13%	6%	20%	52%

Base: Parents of college students and college students

**Q.** Did you use any of the following online tools or resources to help you plan ahead to pay for college?

- a. Scholarship search websites
- b. Savings planner
- c. College cost calculator
- d. Financial aid eligibility calculator
- e. Loan payment calculator
- f. Financial advisor
- g. High school counselor
- h. College net price calculator
- i. Some other resource
- j. Did not use any

Table 31 — Planning Resources									
	Total	Students	Parents	White	Black	Hispanic	<\$35k	\$35k - <\$100k	\$100k+
<b>N</b>	1602	828	774	1141	230	275	533	768	301
Scholarship Search Websites	60%	59%	62%	59%	64%	67%	56%	69%	48%
High School Counselor	56%	54%	58%	53%	63%	65%	57%	58%	47%
Financial Aid Eligibility Calculator	55%	58%	53%	55%	54%	59%	58%	57%	47%
College Cost Calculator	23%	26%	20%	21%	23%	26%	20%	28%	15%
Loan Payment Calculator	22%	22%	22%	20%	27%	26%	18%	25%	22%
College Net Price Calculator	14%	18%	11%	12%	13%	16%	12%	17%	11%
Savings Planner	13%	12%	15%	12%	17%	14%	10%	16%	11%
No Resources Used	11%	10%	12%	13%	11%	8%	11%	8%	21%

Base: Parents of college students and college students

**Q.** For the 2012-2013 school year, what is the total cost of attendance per year, including tuition, room and board, and any other school costs, for enrolled students at your child's/your school, without financial aid? Your best estimate is fine.

Table 32 — Total Cost of Attendance		
	N	Mean
<b>Total</b>	1602	\$17,636
<b>Income</b>		
<\$35k	533	\$15,316
\$35-\$100k	768	\$17,742
\$100k+	301	\$21,074
<b>Race/Ethnicity</b>		
White	1141	\$18,010
Black	230	\$16,119
Hispanic	275	\$16,835
<b>Type of School</b>		
4-Year State College/University	731	\$15,972
4-Year Private College/University	351	\$32,545
2-Year Public/Community College	480	\$8,788
2-Year Private College	22*	\$19,126
<b>Borrowing Status</b>		
Borrowed	622	\$22,682
Did Not Borrow	980	\$14,354
<b>Enrollment Status</b>		
Full time	1335	\$19,187
Part time	246	\$8,119

Base: Parents of college students and college students

\*Small sample size



**Q.** Please let me know whether or not you eliminated any schools based on cost at each of the following steps in the college application process:

- a. Before deciding which colleges to research
- b. Before deciding which colleges to apply to
- c. After finding out which colleges your child was/you were admitted to but before looking at financial aid packages
- d. After looking at the financial aid packages

Table 33 — Elimination of Colleges Based on Cost					
% Saying Yes at Each Point					
	N	Before Researching	Before Applying	After Admission	After Financial Aid
<b>Total</b>	1602	40%	44%	31%	43%
Parents	774	36%	39%	24%	32%
Students	828	43%	49%	38%	52%
<b>Income</b>					
<\$35k	533	37%	40%	35%	44%
\$35-\$100k	768	43%	48%	32%	45%
\$100k+	301	36%	39%	23%	35%
<b>School Type</b>					
4-Year State College/University	731	43%	46%	32%	44%
4-Year Private College/University	351	31%	34%	27%	44%
2-Year Public/Community College	480	41%	47%	33%	41%
<b>Race/Ethnicity</b>					
White	1141	38%	43%	26%	38%
Black	230	42%	43%	41%	51%
Hispanic	275	44%	51%	41%	46%
<b>Borrowing Status</b>					
Borrowed	622	44%	44%	30%	47%
Did Not Borrow	980	37%	44%	31%	40%

Base: Parents of college students and college students

**Q. For the 2012-2013 academic year did you complete the FAFSA?**

Table 34 — Completed FAFSA Application				
	N	% Yes	% No	% Don't Know
<b>Total</b>	1602	82%	18%	1%
Students	828	83%	17%	0%
Parents	774	82%	18%	1%
<b>Income</b>				
<\$35k	533	84%	15%	1%
\$35k - <\$100k	768	84%	16%	0%
\$100k+	301	74%	26%	0%
<b>Race/Ethnicity</b>				
White	1141	81%	19%	1%
Black	230	88%	12%	0%
Hispanic	275	83%	17%	0%
<b>Grade Level</b>				
Freshman	501	86%	14%	0%
Sophomore	426	82%	17%	1%
Junior	337	80%	20%	0%
Senior	245	78%	22%	0%
5th Year +	64*	81%	19%	0%
<b>Region</b>				
Northeast	319	79%	20%	0%
Midwest	376	87%	13%	0%
South	501	81%	18%	1%
West	398	81%	19%	0%
<b>School type</b>				
4-Year State College/University	731	81%	18%	1%
4-Year Private College/University	351	84%	16%	0%
2-Year Public/Community College	480	81%	19%	0%
2-Year Private College	22*	94%	6%	0%

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

**Q. Why didn't you complete the FAFSA?**

Table 35 — Reasons Did Not Complete FAFSA Application									
	N	% Family Doesn't Need Aid	% Family Won't Qualify	% Wasn't Aware of FAFSA	% Other Sources Paying	% Not Eligible	% Missed Deadline	% Other Reason*	% Don't Know
<b>Total</b>	281	19%	21%	12%	9%	11%	8%	14%	9%
Parents	144	16%	20%	17%	16%	6%	10%	14%	5%
Students	138	21%	22%	7%	2%	17%	5%	14%	13%

\*Reasons reported received at least 5% of total responses  
 Base: Parents of college students and college students who did not complete a FAFSA application

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

	Total
<b>N</b>	<b>1602</b>
Books, supplies, and equipment	19%
Board/food	6%
Transportation (commute)	5%
Tuition	5%
Room	4%
Fees	3%
Daily/monthly living expenses such as clothing, cell phone bill, laundry, credit card bill etc.	2%
Health care (including prescriptions, dental)	2%
Entertainment/leisure/vacations	1%
Computer and personal electronics	1%
Car issues (e.g. breaking down/parking/gas)	1%
Cost of everything	1%
Other	3%
None	60%

Base: Parents of college students and college students

	No Unexpected Expenses	Some Unexpected Expense
<b>Total</b>	<b>60%</b>	<b>40%</b>
<b>Student</b>	<b>56%</b>	<b>44%</b>
<b>Parent</b>	<b>63%</b>	<b>37%</b>
<b>Race/Ethnicity</b>		
<b>White</b>	<b>61%</b>	<b>39%</b>
<b>Black</b>	<b>61%</b>	<b>39%</b>
<b>Hispanic</b>	<b>44%</b>	<b>56%</b>
<b>Parent College Experience</b>		
<b>College Degree</b>	<b>64%</b>	<b>36%</b>
<b>Some College, No Degree</b>	<b>57%</b>	<b>43%</b>
<b>No College</b>	<b>54%</b>	<b>46%</b>
<b>Type of School</b>		
<b>4-Year State College/University</b>	<b>63%</b>	<b>37%</b>
<b>4-Year Private College/University</b>	<b>54%</b>	<b>46%</b>
<b>2-Year Public/Community College</b>	<b>59%</b>	<b>41%</b>
<b>Region</b>		
<b>Northeast</b>	<b>60%</b>	<b>40%</b>
<b>Midwest</b>	<b>62%</b>	<b>38%</b>
<b>South</b>	<b>56%</b>	<b>44%</b>
<b>West</b>	<b>61%</b>	<b>39%</b>

Base: Parents of college students and college students

**Q.** For the 2012-2013 academic year, did you/your child take any of the following actions to make college more affordable? How about...?

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

**Table 38 — More Affordable Actions**

		% Taking													
	N	Military	Transfer to Less Expensive School*	Living at Home	Add Roommate**	Parent Work More	Student Work More	Parent Reduced Spending	Student Reduced Spending	Part Time	Accelerate	Changed Majors	Tax Credits/Deduc.	Early Loan Payments	
<b>Total</b>	1602	4%	13%	57%	35%	20%	47%	48%	60%	15%	27%	19%	41%	22%	
<b>Income</b>															
<\$35k	533	4%	21%	62%	38%	18%	50%	43%	66%	20%	29%	16%	39%	19%	
\$35-\$100k	768	3%	11%	57%	34%	23%	47%	52%	62%	15%	27%	22%	40%	24%	
\$100k+	301	5%	6%	50%	34%	19%	44%	46%	46%	8%	21%	16%	48%	23%	
<b>Race/Ethnicity</b>															
White	1141	4%	11%	54%	34%	18%	49%	47%	58%	13%	27%	17%	43%	22%	
Black	230	3%	17%	58%	28%	27%	41%	46%	55%	22%	21%	19%	39%	24%	
Hispanic	275	3%	14%	79%	46%	30%	50%	63%	74%	21%	34%	28%	40%	22%	
<b>School Type</b>															
4-Year State College/University	731	4%	10%	48%	34%	21%	48%	46%	58%	12%	24%	16%	40%	20%	
4-Year Private College/University	351	3%	7%	41%	32%	19%	45%	46%	59%	10%	23%	14%	45%	33%	
2-Year Public/Community College	480	3%	23%	83%	47%	21%	49%	52%	63%	25%	34%	26%	39%	18%	

Base: Parents of college students and college students except where noted

\* Parents of college students and college students where student is not a freshman (total N=1101)

\*\* Parents of college students and college students where student is not living at home (total N=680)

**Q.** When thinking about paying for college, to what extent are you worried about each of the following economic factors? Please use a five-point scale, where 5 means very worried and 1 means not at all worried. You may use any of the numbers 1, 2, 3, 4 or 5 for your rating.

- a. The value of your home will go down.
- b. The value of your savings or investments will be lower than you expected.
- c. Loan rates will go up.
- d. Student loan money will be less available.
- e. Life insurance alone may not be enough to cover the cost of college if I or child's other parent were to die.
- f. Schools will have to raise tuition to cover their increased costs.
- g. Scholarship and grant money will be less available.
- h. Earned income will go down due to job loss.
- i. Our funds will run out before our child has completed college.

	N	Home Value Will Decrease	Value of Savings Will Be Lower	Loan Rates Will Increase	Student Loan Money Less Available	Student Won't Find Summer Job*	Schools Will Raise Tuition	Income Will Decrease Due to Job Loss	Scholarships/ Grants Less Available	Funds Will Deplete**	Life Insurance Insufficient**
<b>Total Parents</b>	774	13%	13%	25%	21%	10%	28%	17%	23%	12%	14%
<b>Race/Ethnicity</b>											
White	594	12%	10%	20%	19%	8%	27%	12%	22%	11%	12%
Black	103	20%	14%	43%	35%	20%	28%	31%	33%	15%	28%
Hispanic	136	15%	22%	27%	22%	13%	37%	23%	23%	18%	17%
<b>Income</b>											
<\$35k	210	13%	11%	27%	21%	7%	17%	23%	25%	14%	24%
\$35k - <\$100k	385	16%	17%	27%	24%	11%	32%	18%	24%	13%	13%
\$100k+	178	8%	6%	18%	17%	13%	33%	9%	21%	9%	6%
<b>Region</b>											
Northeast	157	8%	12%	18%	18%	12%	20%	15%	22%	4%	14%
Midwest	186	15%	13%	26%	23%	12%	27%	14%	25%	14%	13%
South	246	19%	16%	36%	30%	11%	32%	22%	26%	16%	14%
West	186	8%	11%	16%	12%	7%	32%	16%	18%	13%	16%

	N	% 1s Not at all Worried	% 2s	% 3s	% 4s	% 5s Extremely Worried
Home Value Will Decrease	774	47%	13%	16%	8%	13%
Value of Savings Will Be Lower	774	32%	17%	28%	11%	13%
Loan Rates Will Increase	774	28%	13%	22%	13%	25%
Student Loan Money Will Be Less Available	774	29%	9%	24%	17%	21%
Student Won't Find Summer Job*	631	46%	14%	15%	15%	10%
Schools Will Raise Tuition	774	19%	9%	24%	20%	28%
Income Will Decrease Due to Job Loss	774	34%	14%	22%	13%	17%
Scholarships/Grants Less Available	774	25%	12%	21%	18%	23%
Funds Will Deplete**	774	44%	11%	20%	12%	12%
Life Insurance Insufficient**	774	53%	11%	14%	9%	14%

The following footnotes apply to both tables:

Base: Parents of college students except where noted

\*Parents of college freshmen, sophomores, and juniors (total N=631)

\*\*Not asked prior years

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

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

Table 41 — Debit Card and Credit Card Ownership						
	N	Debit Card	Credit Card	Either	Both	Neither
<b>Total</b>	1602	77%	30%	80%	27%	20%
Student	828	86%	29%	88%	27%	12%
Parent	774	67%	32%	72%	26%	28%
<b>Income</b>						
<\$35k	533	71%	32%	75%	28%	25%
\$35k - <\$100k	768	76%	28%	80%	23%	20%
\$100k+	301	88%	34%	89%	32%	11%
<b>Race/Ethnicity</b>						
White	1141	77%	33%	82%	28%	18%
Black	230	82%	24%	83%	24%	17%
Hispanic	275	68%	22%	70%	20%	30%
<b>Grade Level</b>						
Freshman	501	67%	14%	69%	13%	31%
Sophomore	426	76%	27%	79%	24%	22%
Junior	337	88%	46%	92%	42%	8%
Senior	245	82%	47%	91%	38%	9%
5th Year +	64*	81%	24%	81%	24%	19%
<b>Borrowing Status</b>						
Borrowed	622	80%	28%	81%	27%	19%
Did Not Borrow	980	75%	31%	80%	26%	20%
<b>Type of School</b>						
4-Year State College/University	731	84%	35%	88%	31%	12%
4-Year Private College/University	351	79%	31%	81%	29%	19%
2-Year Public/Community College	480	63%	22%	67%	18%	33%
2-Year Private College	22*	80%	19%	80%	19%	20%
<b>Region</b>						
Northeast	319	74%	26%	78%	22%	22%
Midwest	376	75%	30%	80%	26%	20%
South	501	75%	27%	78%	24%	22%
West	398	82%	37%	85%	34%	15%

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

**Q.** How is the debit card primarily funded?

	N
Student funds a linked bank account	1228
Student loads funds directly to the card	37%
Parent funds a linked bank account	18%
Parent loads funds directly to the card	9%
College loads funds directly to the card from financial aid refund	8%
Linked to work place	14%
Other	8%
Don't know	3%

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

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

	N	Average Amount*	Median Amount*	% Zero	% >\$4,000
<b>Total</b>	482	\$499	\$136	32%	2%
Student	238	\$650	\$179	29%	2%
Parent	245	\$349	\$98	35%	1%
<b>Income</b>					
<\$35k	170	\$655	\$277	14%	2%
\$35k - <\$100k	211	\$466	\$111	38%	1%
\$100k+	101	\$312	\$13	48%	1%
<b>Race/Ethnicity</b>					
White	376	\$474	\$96	37%	2%
Black	55	\$678	\$257	11%	3%
Hispanic	61	\$480	\$121	22%	0%
<b>Grade Level</b>					
Freshman	70	\$611	\$47	39%	3%
Sophomore	113	\$258	\$48	37%	1%
Junior	156	\$546	\$181	29%	1%
Senior	114	\$610	\$184	29%	3%
<b>Borrowing Status</b>					
Borrowed	176	\$700	\$189	26%	3%
Did Not Borrow	306	\$381	\$96	36%	1%
<b>Type of School</b>					
4-Year State College/University	256	\$441	\$129	35%	0%
4-Year Private College/University	110	\$737	\$186	31%	5%
2-Year Public/Community College	104	\$409	\$91	27%	2%
<b>Region</b>					
Northeast	82	\$434	\$98	24%	0%
Midwest	114	\$743	\$0	49%	7%
South	136	\$494	\$272	15%	0%
West	147	\$350	\$49	39%	0%

Base: Parents of college students and college students with a credit card in student's name where student receives bill/is responsible for payment

\*Calculation includes zero balances

**Please note:** The average and median credit card balances in table 43 were updated in September 2013 to be consistent with prior year calculations, allowing for year-over-year comparison. The amounts first reported in July 2013 were not consistent with prior year calculations as they excluded zero balances. The amounts now represent average and median balances across all student cards, including those with a zero balance. The average and median credit card balances among only students who carry a balance (excluding those with a zero balance) can be found in the addendum to this report (page 59).

**Q.** What best describes the student’s typical credit card payment behavior?

Table 44 — Student Credit Card Payment Behavior	
N	482
Pay off all credit cards each month	61%
Make more than the minimum payment but tend to carry a balance each month	25%
Make the minimum payment on all cards each month	8%
My parents pay my credit card bills	3%
Random payments depending on interest rate	1%
Make less than the minimum payment each month	1%
Don't know	2%

Base: Parents of college students and college students with a credit card in student’s name where student receives bill/is responsible for payment

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

Table 45 — Parent Monthly Payment on Student Credit Card			
	N	Average Amount	% Zero
<b>Total</b>	482	\$34	87%
Student	238	\$6	92%
Parent	245	\$61	82%
<b>Income</b>			
<\$35k	170	\$10	92%
\$35k - <\$100k	211	\$24	83%
\$100k+	101	\$95	86%
<b>Race/Ethnicity</b>			
White	376	\$35	89%
Black	55	\$17	77%
Hispanic	61	\$28	77%
<b>Grade Level</b>			
Freshman	70	\$8	86%
Sophomore	113	\$13	87%
Junior	156	\$55	90%
Senior	114	\$49	83%
<b>Borrowing Status</b>			
Borrowed	176	\$25	85%
Did Not Borrow	306	\$40	88%
<b>Type of School</b>			
4-Year State College/University	256	\$55	85%
4-Year Private College/University	110	\$18	84%
2-Year Public/Community College	104	\$4	95%
<b>Region</b>			
Northeast	82	\$104	77%
Midwest	114	\$8	91%
South	136	\$30	83%
West	147	\$20	92%

Base: Parents of college students and college students with a credit card in student’s name where student receives bill/is responsible for payment



# 10 TECHNICAL NOTES

## POPULATION

Ipsos conducted the *How America Pays for College* survey by telephone between Wednesday, April 10 and Thursday, May 9, 2013. Ipsos interviewed 1,602 individuals: 802 parents of 18 to 24-year-old undergraduate students, and 800 18 to 24-year-old undergraduate students.

## SAMPLE DESIGN

Two sample sources were used for this study:

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

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

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

Region	College Enrollment Size	Students
Midwest	< 5000	66
	> 5000	135
Northeast	< 5000	60
	> 5000	126
South	< 5000	109
	> 5000	198
West	< 5000	8
	> 5000	98
Total		800

## WEIGHTING

To correct for the disproportionate stratified sample, both samples were weighted using a statistical technique called raking, in which all of the population marginal profiles of interest are replicated in the sample. The sample of parents was weighted by gender, age, race/ethnicity, region, education, and by college information (region, size, and type). The sample of students was weighted by gender, age, race/ethnicity, region, and by college information (region, size, and type). All of the demographic profiles used for both parents and students in the weights were sourced from the February 2012 Current Population Survey (CPS). The National Center for Educational Statistics provided additional data for the college information weights.

## MARGIN OF ERROR (MOE)

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

When estimating percentages from this survey using the whole sample (1,602), the MoE is estimated to be approximately +/- 2.5 percentage points, with a confidence level of 95%. When comparing data between waves, a simple rule of thumb to judge whether the observed difference is statistically significant is to sum the margin of error for the two waves—for comparing the 2012 and 2013 surveys this would be 5%. If the difference is larger, then it is considered statistically significant.

If percentages are being estimated from sub-domains of the survey, i.e., not using the whole sample, then the MoE will be higher than the one stated above, and must be re-calculated. Assuming that each domain being compared has a different sample size, the rule when estimating percentages from a base of n cases is  $MoE(n) = 1/\sqrt{n}$ . In this context, to judge whether the observed difference between two domains (groups) with different sample sizes, say n1 and n2, is statistically significant, this difference should be compared to  $(1/\sqrt{n1}) + (1/\sqrt{n2})$ . If it is larger, then it's considered statistically significant.

## EFFECTIVE BASE SIZES

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

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

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

## CALCULATING HOW AMERICA PAYS FOR COLLEGE

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

There are two types of averages presented in this report: one relative to the entire population (the composite scores, for example, see Tables 14a-d and 15a-d, pp. 36-39) and others that mention amounts among users of a specific item or funding source (for example, see Table 1a and 1b, pp. 18-19).

# 11 ADDENDUM

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

**Note:** See page 55 for alternative calculation of data.

Table 43B — Student Outstanding Credit Card Balances, among Those Who Carry a Balance						
	Average Amount			Median Amount		
	2011	2012	2013	2011	2012	2013
<b>Total</b>	\$1,224	\$1,143	\$747	\$499	\$391	\$296
Student	\$1,097	\$1,463	\$925	\$500	\$459	\$373
Parent	\$1,389	\$540	\$551	\$499	\$277	\$280
<b>Income</b>						
<\$35k	\$979	\$840	\$772	\$542	\$429	\$360
\$35k - <\$100k	\$1,546	\$1,396	\$770	\$506	\$407	\$295
\$100k+	\$815	\$996	\$618	\$306	\$289	\$186
<b>Race/Ethnicity</b>						
White	\$1,100	\$1,303	\$770	\$463	\$285	\$352
Black	\$1,323	\$1,436	\$769	\$805	\$635	\$271
Hispanic	\$1,545	\$852	\$625	\$499	\$430	\$224
<b>Grade Level</b>						
Freshman	\$973	\$944	\$1,007	\$383	\$293	\$271
Sophomore	\$1,348	\$590	\$416	\$482	\$396	\$277
Junior	\$929	\$1,089	\$788	\$533	\$370	\$355
Senior	\$1,422	\$849	\$859	\$421	\$416	\$326
<b>Borrowing Status</b>						
Borrowed	\$1,562	\$1,501	\$949	\$562	\$467	\$299
Did Not Borrow	\$864	\$679	\$607	\$377	\$200	\$289
<b>Type of School</b>						
4-Year State College/University	\$1,091	\$1,345	\$690	\$473	\$295	\$299
4-Year Private College/University	\$1,390	\$1,121	\$1,098	\$408	\$435	\$381
2-Year Public/Community College	\$1,392	\$802	\$566	\$576	\$368	\$288
<b>Region</b>						
Northeast	\$1,683	\$1,948	\$585	\$500	\$444	\$229
Midwest	\$1,093	\$951	\$1,507	\$382	\$294	\$300
South	\$1,124	\$1,096	\$587	\$430	\$448	\$360
West	\$1,081	\$714	\$582	\$534	\$286	\$311

Base: Parents of college students and college students with a credit card in student’s name where student receives bill/is responsible for payment and where the balance on the card is >\$0.