

# College Savings Study

Prepared For:



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**INTRODUCTION**

Our aim in conducting the *College Savings Study* was to understand the attitudes of Americans parents of children under 18 towards saving for college/post high school education.

The results show that while a majority of parents are regularly saving, they still plan to rely on grants/scholarship/loans to help cover their child(ren)’s college/post high school education, and would be willing to have their child(ren) consider alternatives to help lower their education costs.

We are pleased to present the findings of the *College Savings Study* commissioned by NEFE,and hope that the results will serve as the basis for communications surrounding this topic.

**KEY FINDINGS**

**Regular College Savings: *Most parents seem to be on the ball***

Three quarters of American parents of kids under 18 (76%) say they are regularly saving for their child(ren)'s college/post high school education. The majority of savings held by those who expect their child to pursue college/post high school education and are regularly (66%) saving seem to be in a personal savings account, followed at a distance by investments (34%) and 529 savings plans (28%).

* Dads of kids under 18 are significantly more likely to be saving regularly than moms of kids under 18 (85% vs. 69%).
* Among those who expect their child to pursue college/post high school education and are regularly saving, dads of kids under 18 are nearly twice more likely to be saving through investments than moms in the same group (43% vs. 24%).

Among the 21% of parents of kids under 18 who are not regularly saving for their child(ren)'s college/post high school education, a majority (60%) say it’s because they are unable to save. Interestingly, only about one in five say it’s because their child(ren)'s education will be paid for using loans or other financial aid (20%) or scholarships or grants (16%).

**Show Me The Money: *How parents plan to pay***

Among those parents of kids under 18 who expect their child(ren) to pursue college/post high school education, nearly two thirds (63%) plan to rely on grants/scholarships to pay for education costs. Given the number who are saving via personal savings, it’s not surprising that about half (51%) plan to use personal savings to pay for college/post high school education. About a third (34%) plan to rely on loans, while over a quarter (27%) are counting on family gifts to help cover costs.

* Dads of kids under 18 who expect their child(ren) to pursue college/post high school education are significantly more likely than moms in the same group to plan to rely on personal savings to cover education costs (56% vs. 46%).
* Despite this, dads of kids under 18 who expect their child(ren) to pursue college/post high school education are more likely than moms to take a negative hit to cover these costs, whether it be accumulating debt by relying on a credit card (24% vs. 14%) or possibly paying penalty fees from borrowing from retirement savings to cover costs (13% vs. 5%).

**Sharing The Burden: *Parents would consider alternatives to help lower college/post high school education costs***

The cost of a college/post high school education may seem astronomical to some, and it’s no surprise that parents of kids under 18 who expect their child(ren) to pursue college/post high school education would look for alternatives to help lower costs. About two in five (41%) would have them take college credit course(s) while in high school. Perhaps realizing they shouldn’t have to shoulder the burden alone, 41% of these parents would encourage their child(ren) to work while getting their education. Parents of kids under 18 who expect their child(ren) to pursue college/post high school education seem to recognize that where their children chose to get their education will impact costs. About a third would encourage them to attend community college, then transferring to a four-year university to finish/obtain degree (36%), choose a public over a private school (33%) and have them go to an in-state or out-of-state school with tuition reciprocity (28%).

* Moms of kids under 18 who expect their child(ren) to pursue college/post high school education are significantly more likely than dads in the same group to consider having their child attend community college, then transferring to a four-year university to finish/obtain degree (41% vs. 30%).

**College Savings: *When to start?***

Interestingly, a third of parents of kids under 18 (33%) think the best time for a parent to start saving for their child(ren)’s college education is before the child is even born. Nearly half of parents of kids under 18 (47%) think the most appropriate time to begin college savings is when the child is toddler age to pre-teen.

**FULL METHODOLOGY**

This survey was conducted online within the United States by Harris Poll on behalf of NEFE October 9-11, 2018, among 648 U.S. adults ages 18+ who are parents of kids under 18.

Results were weighted for age within gender, region, race/ethnicity, income and education where necessary to align them with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents’ propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Poll avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in online surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in our panel, no estimates of theoretical sampling error can be calculated.

**About The Harris Poll**

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas; building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit [www.theharrispoll.com](http://www.theharrispoll.com).

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