

# HOW AMERICA PAYS FOR COLLEGE 2010

## Sallie Mae's National Study of College Students and Parents Conducted by Gallup

**2010 PASFAA Conference  
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The information contained in this presentation is not comprehensive, is subject to constant change, and therefore should serve only as general, background information for further investigation and study related to the subject matter and the specific factual circumstances being considered or evaluated. Nothing in this presentation constitutes or is designed to constitute legal advice.

# BACKGROUND

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## Study Objective

- ▶ To determine how American families are paying for college
  - Trend over time behaviors and attitudes related to the purchase and value of higher education

## Process

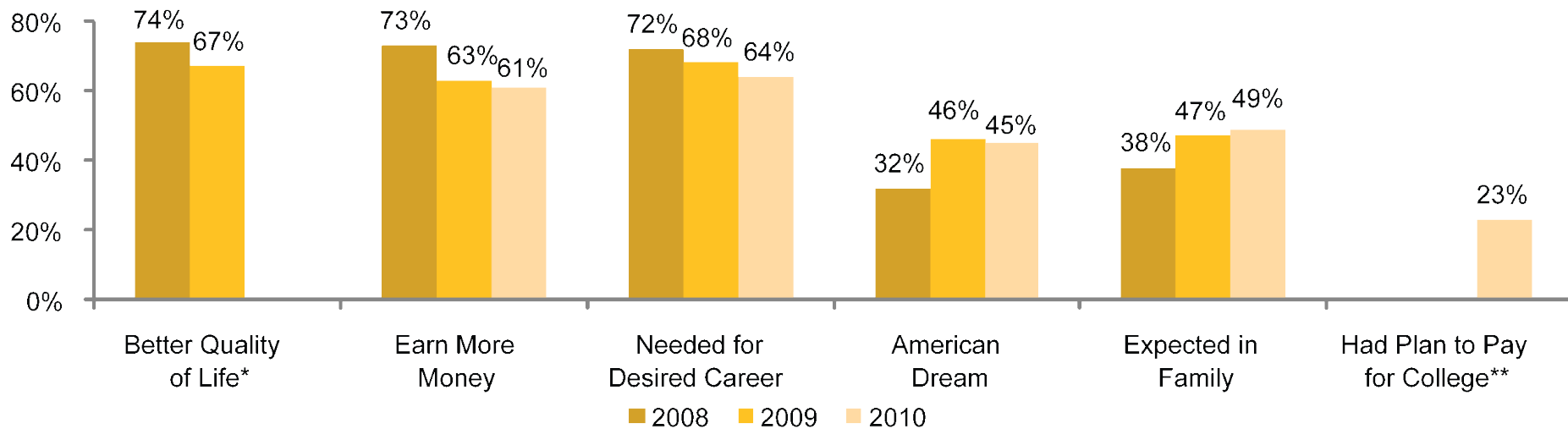
- ▶ Third annual survey and report
- ▶ Quantitative telephone research conducted spring 2010
  - 801 undergraduates enrolled AY 2009-10, ages 18-24
  - 823 parents of undergraduates
- ▶ Gallup random sampling methodology used to reach participants
- ▶ Composite of how the 'typical' family pays for college is a mathematical representation created by Gallup

# VALUE OF EDUCATION AND SCHOOL CHOICE



# STUDENTS' REASONS FOR CONTINUING EDUCATION

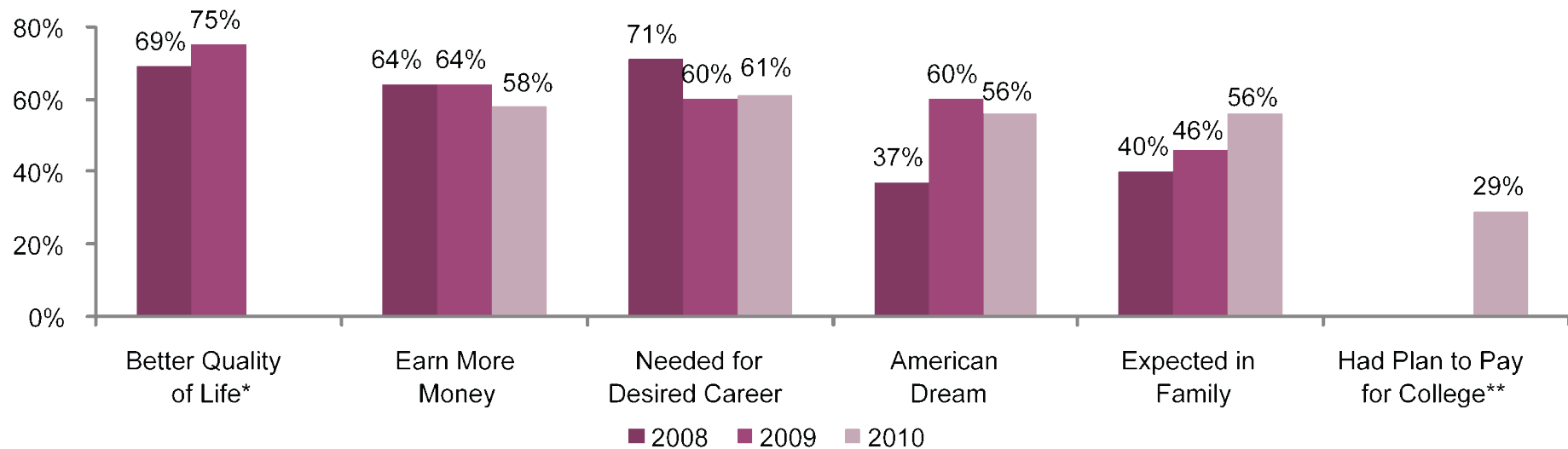
## STRONGLY AGREE, YEAR-OVER-YEAR



\*Not asked in 2010.

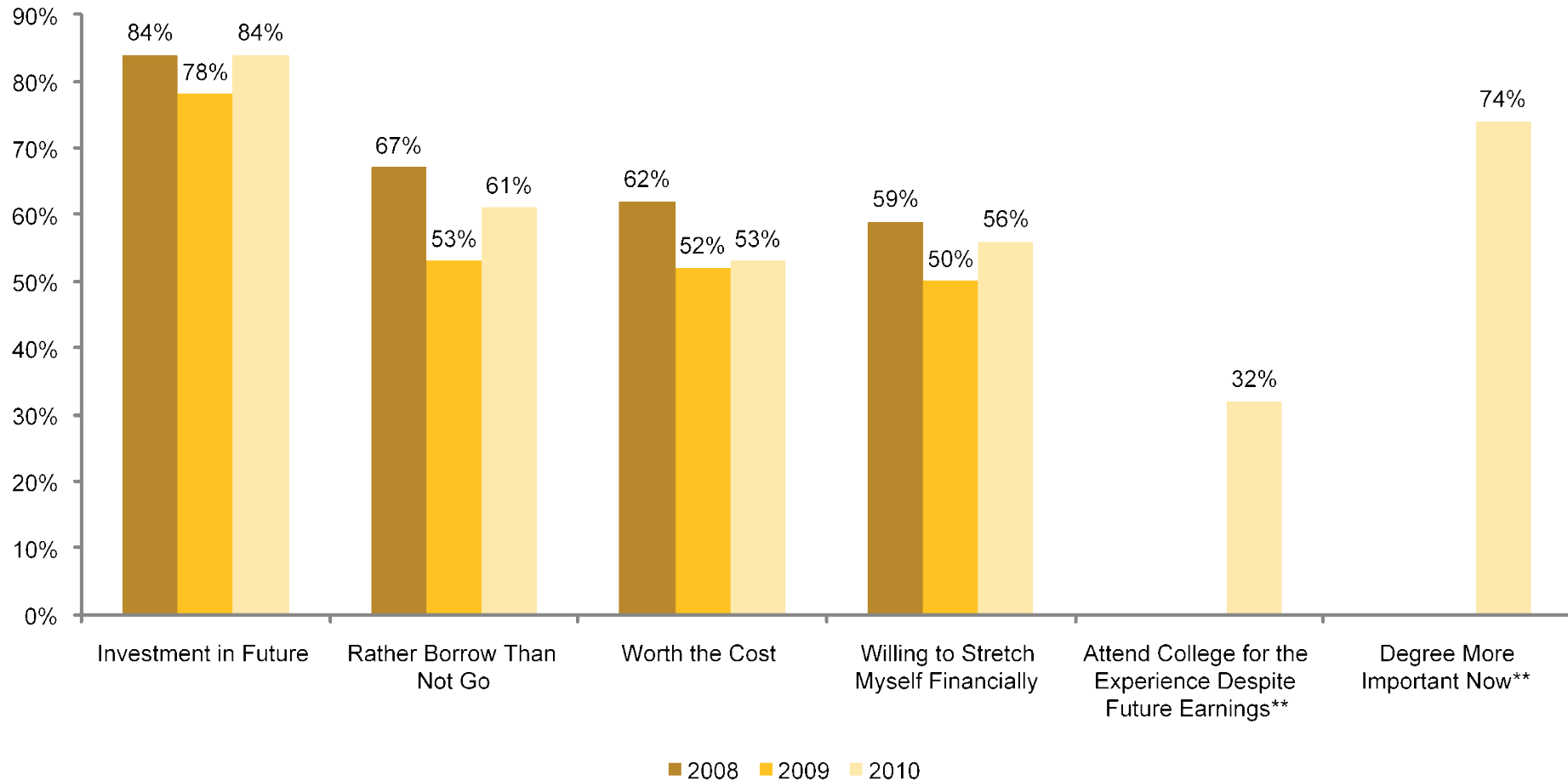
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# PARENTS' REASONS FOR CONTINUING EDUCATION STRONGLY AGREE, YEAR-OVER-YEAR



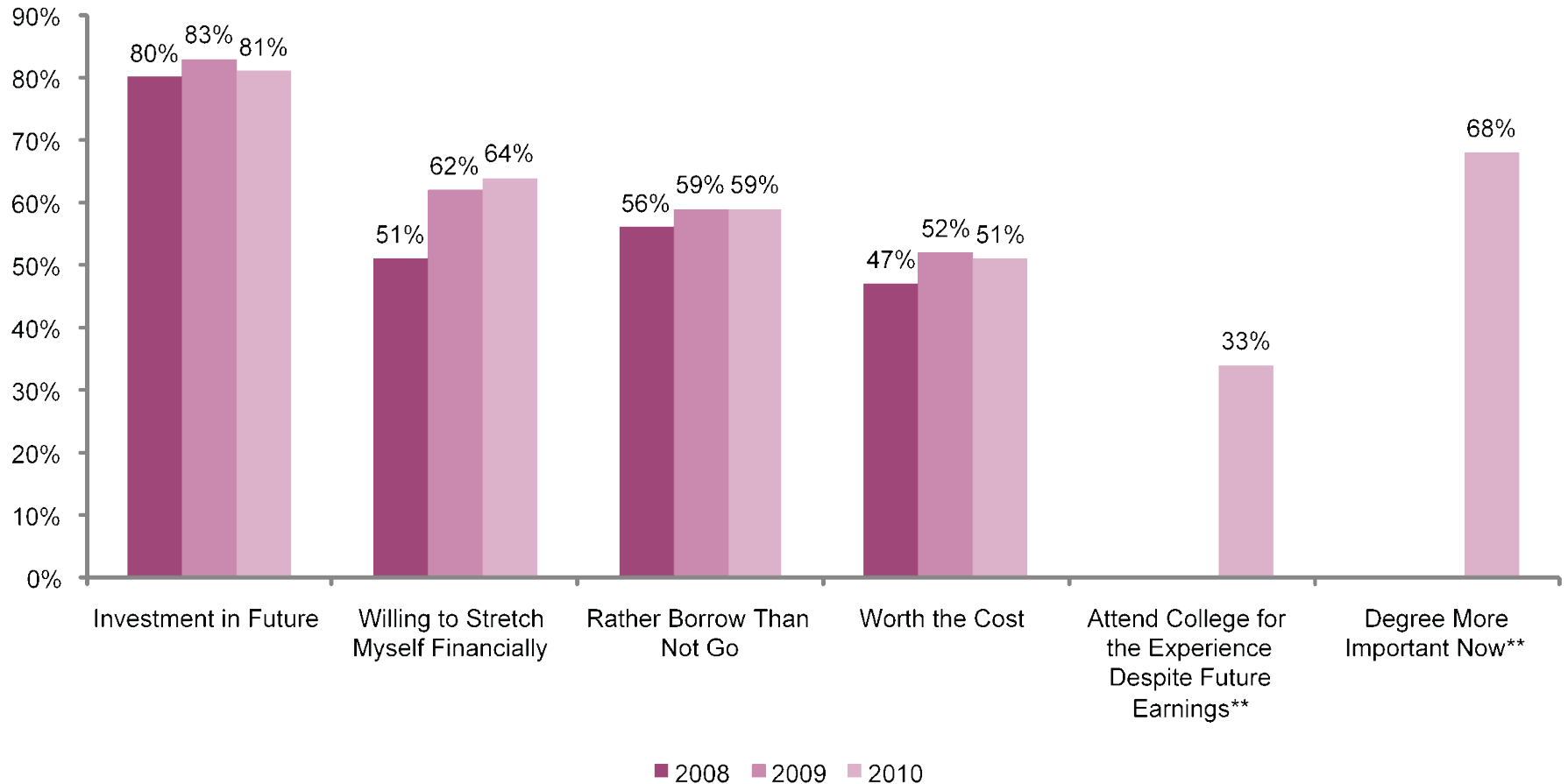
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# STUDENTS' ATTITUDES TOWARD COLLEGE STRONGLY AGREE, YEAR-OVER-YEAR



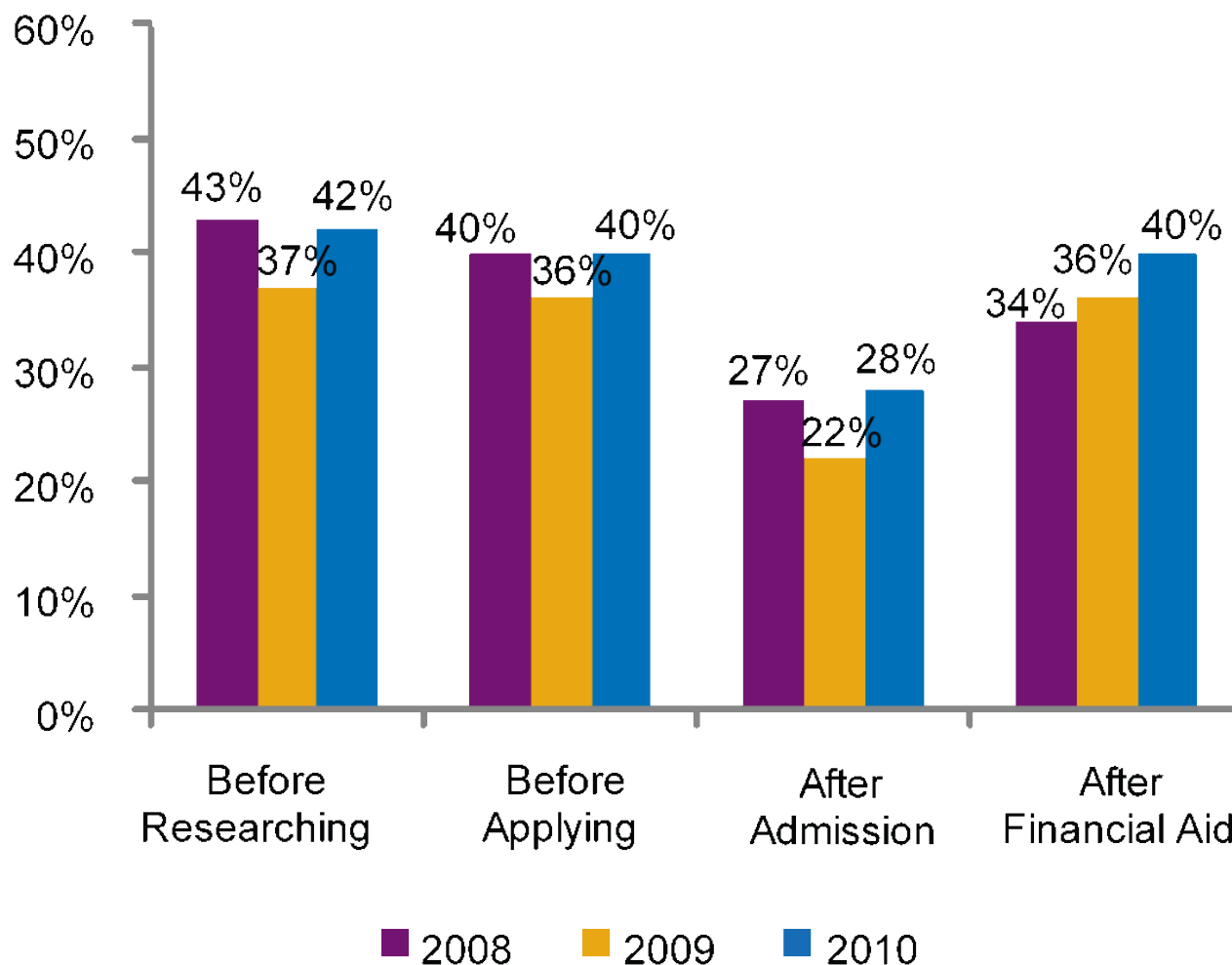
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# PARENTS' ATTITUDES TOWARD COLLEGE STRONGLY AGREE, YEAR-OVER-YEAR



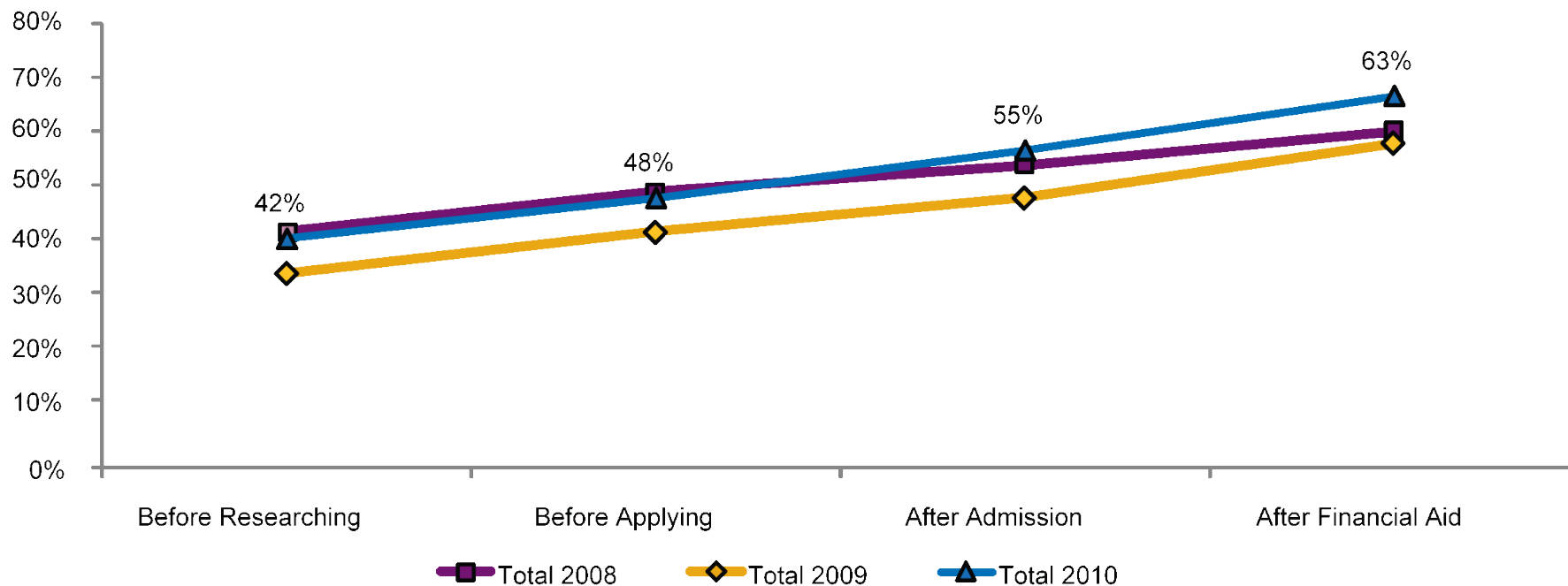
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# ELIMINATION OF SCHOOLS BASED ON COST YEAR-OVER-YEAR – INDIVIDUAL PERCENTS



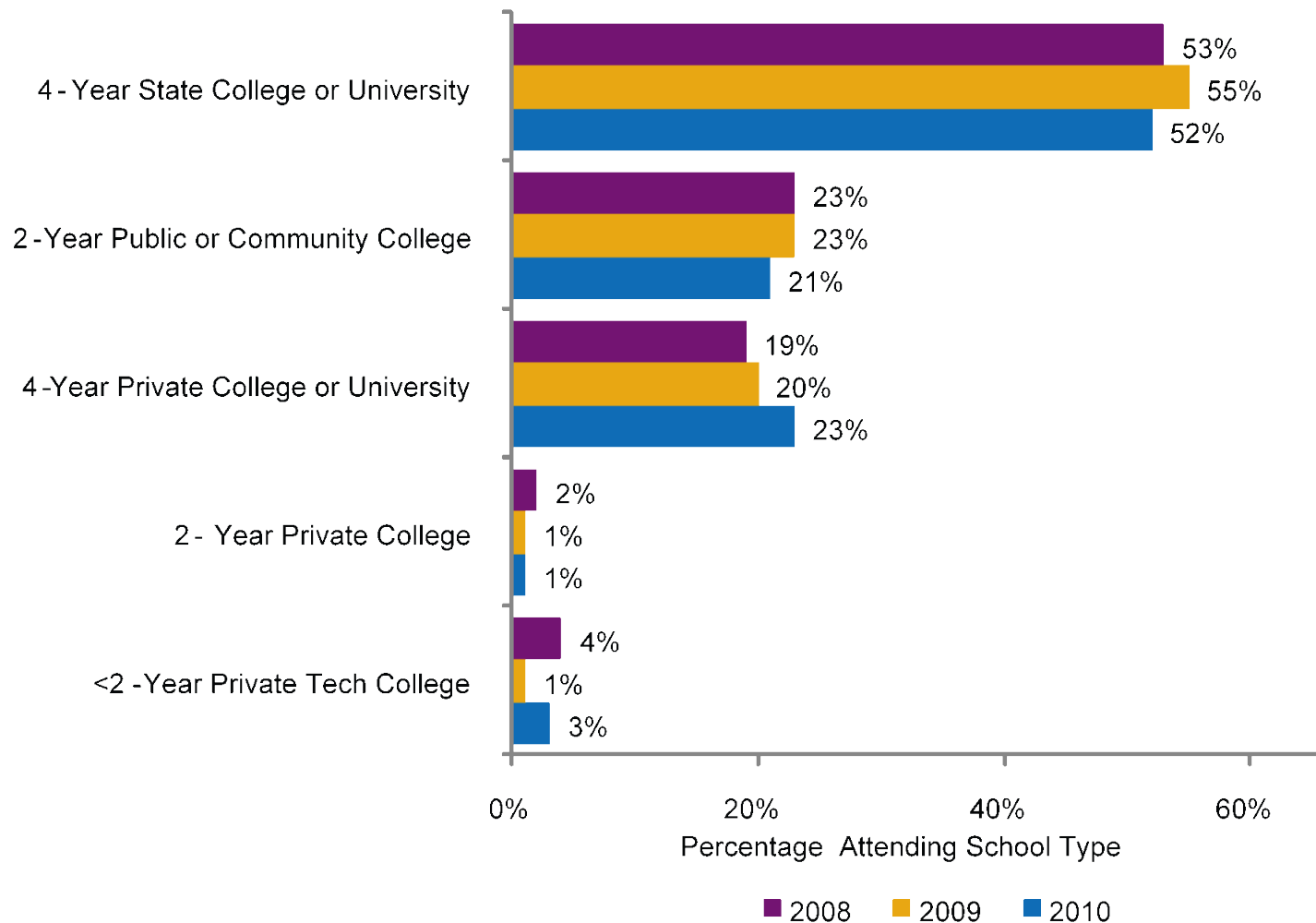
# ELIMINATION OF SCHOOLS BASED ON COST

## YEAR-OVER-YEAR - CUMULATIVE



# TYPE OF COLLEGE ATTENDED

## YEAR-OVER-YEAR



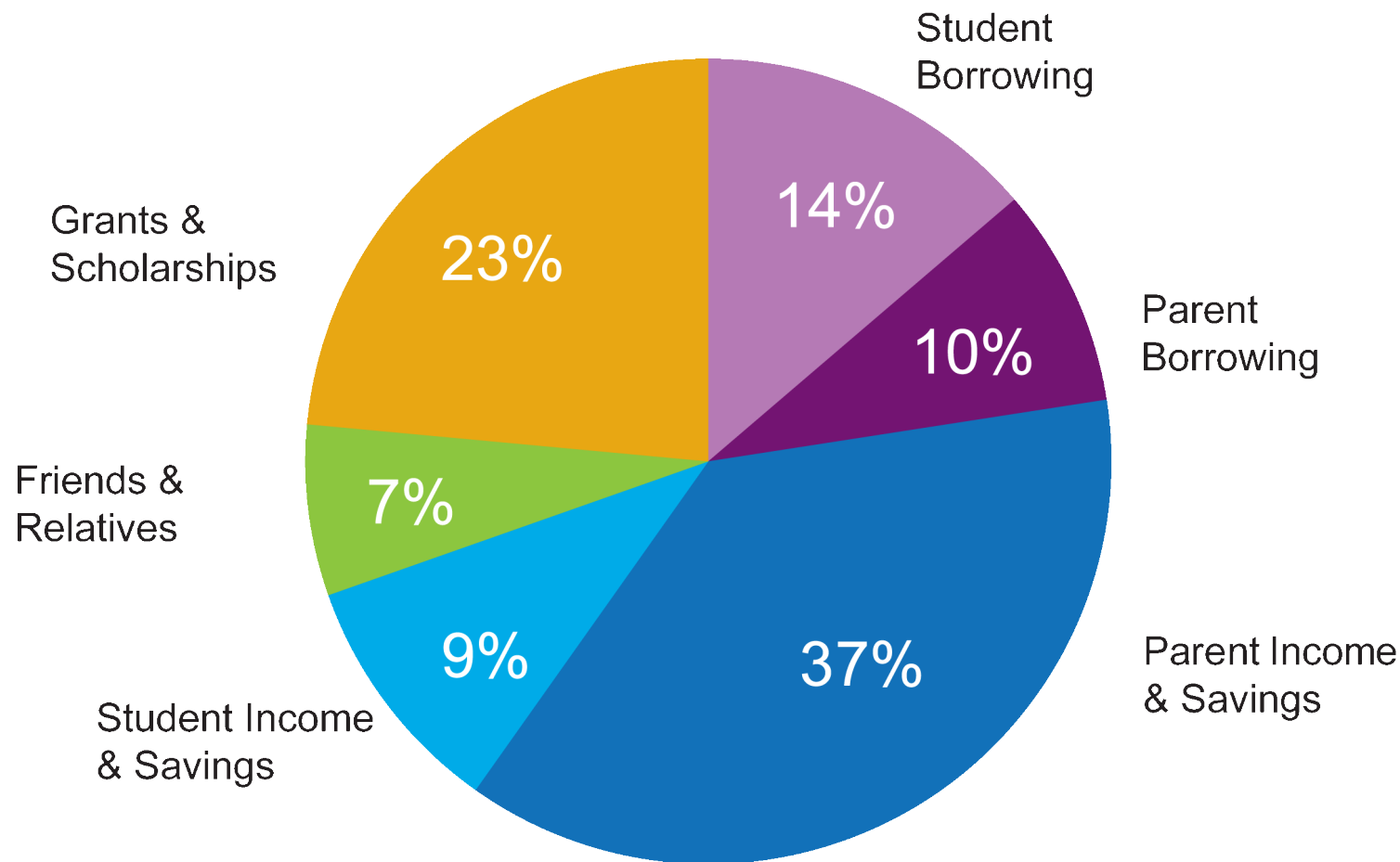
Note: The choices of Online School and Other were also asked and represented 1% or less of responses.

# COMPOSITE FUNDING SOURCES

The representative funding pie when all sources of funds are spread across all families of traditional college students.



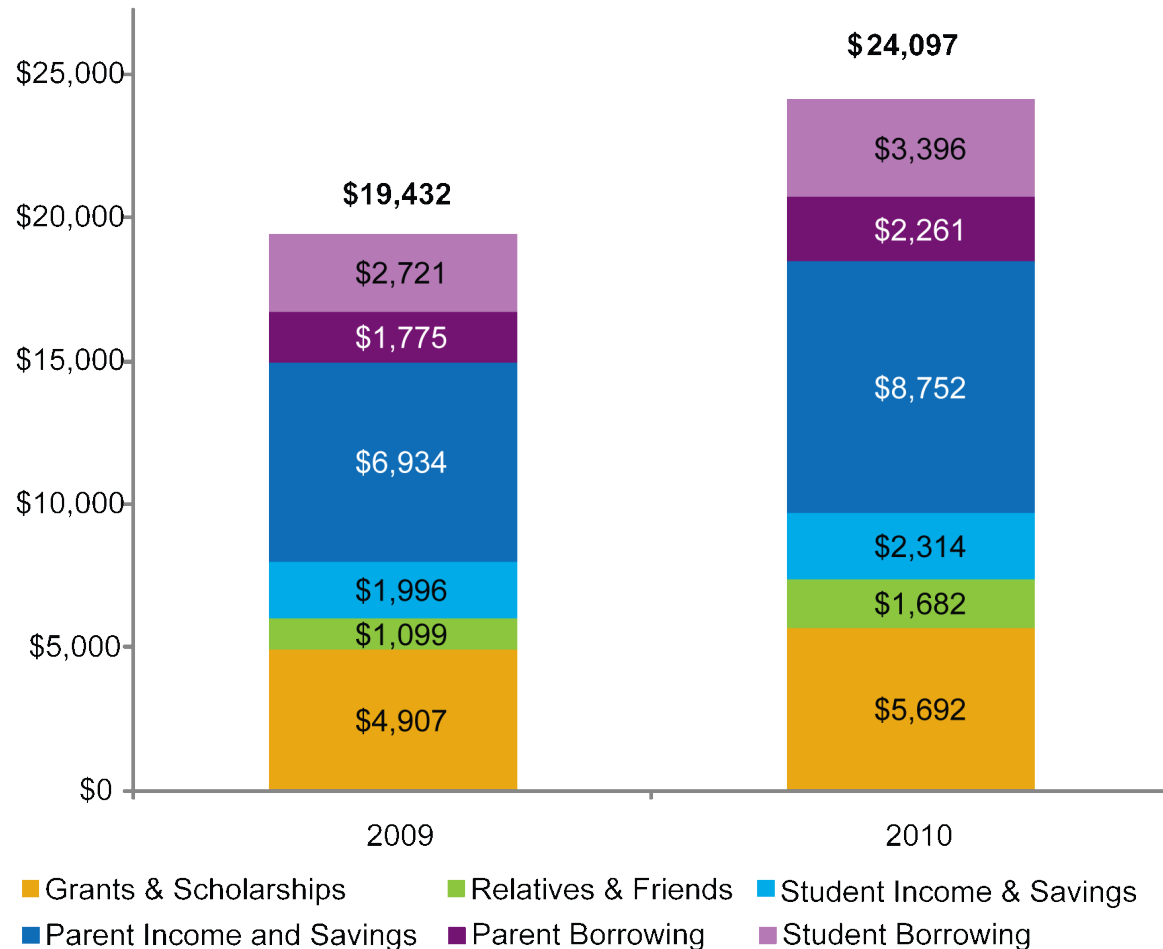
# HOW THE AVERAGE FAMILY PAYS FOR COLLEGE



**Average Percent of Total Cost of Attendance Paid from Each Source**

# HOW THE AVERAGE FAMILY PAYS FOR COLLEGE

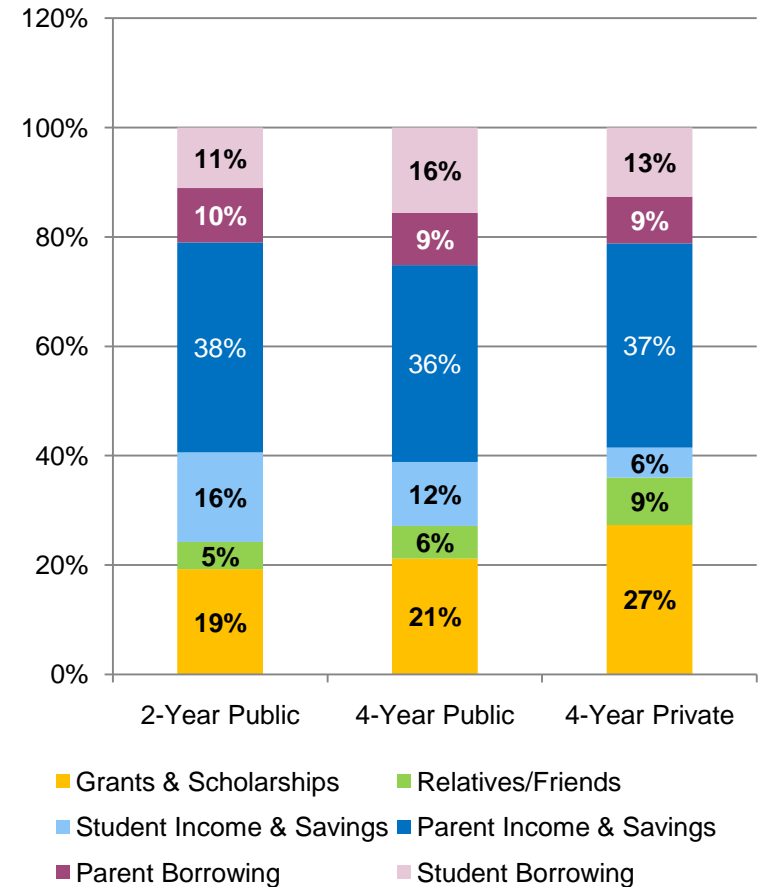
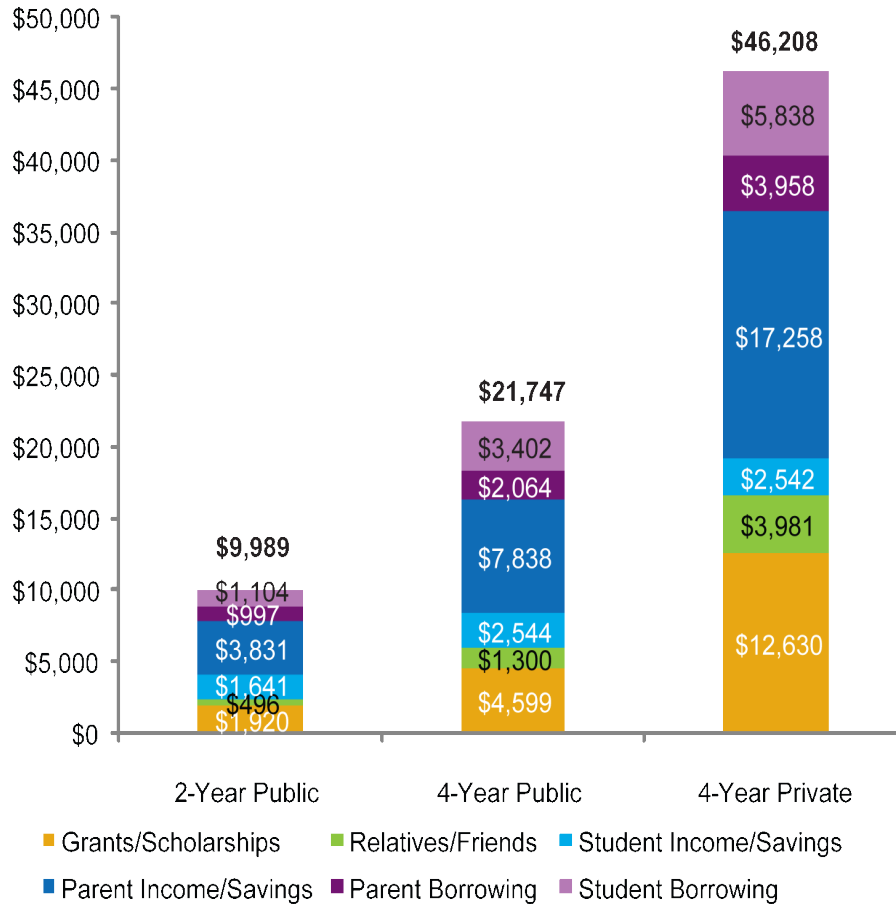
## YEAR-TO-YEAR COMPARISON



**Average Amount of Total Cost of Attendance Paid from Each Source**

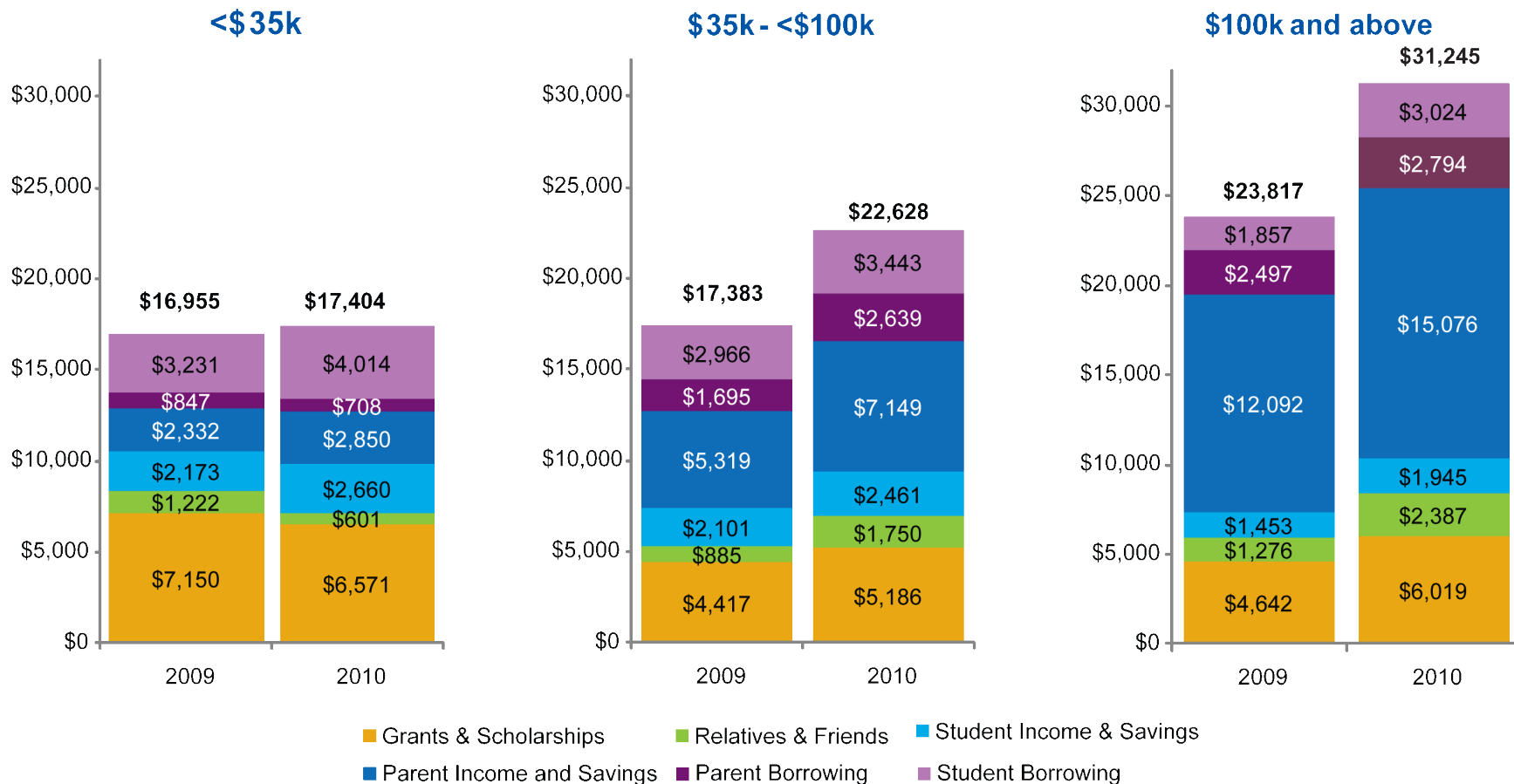
# HOW THE TYPICAL FAMILY PAYS FOR COLLEGE

## AVERAGE AMOUNTS AND SHARE BY SCHOOL TYPE



# HOW THE AVERAGE FAMILY PAYS FOR COLLEGE

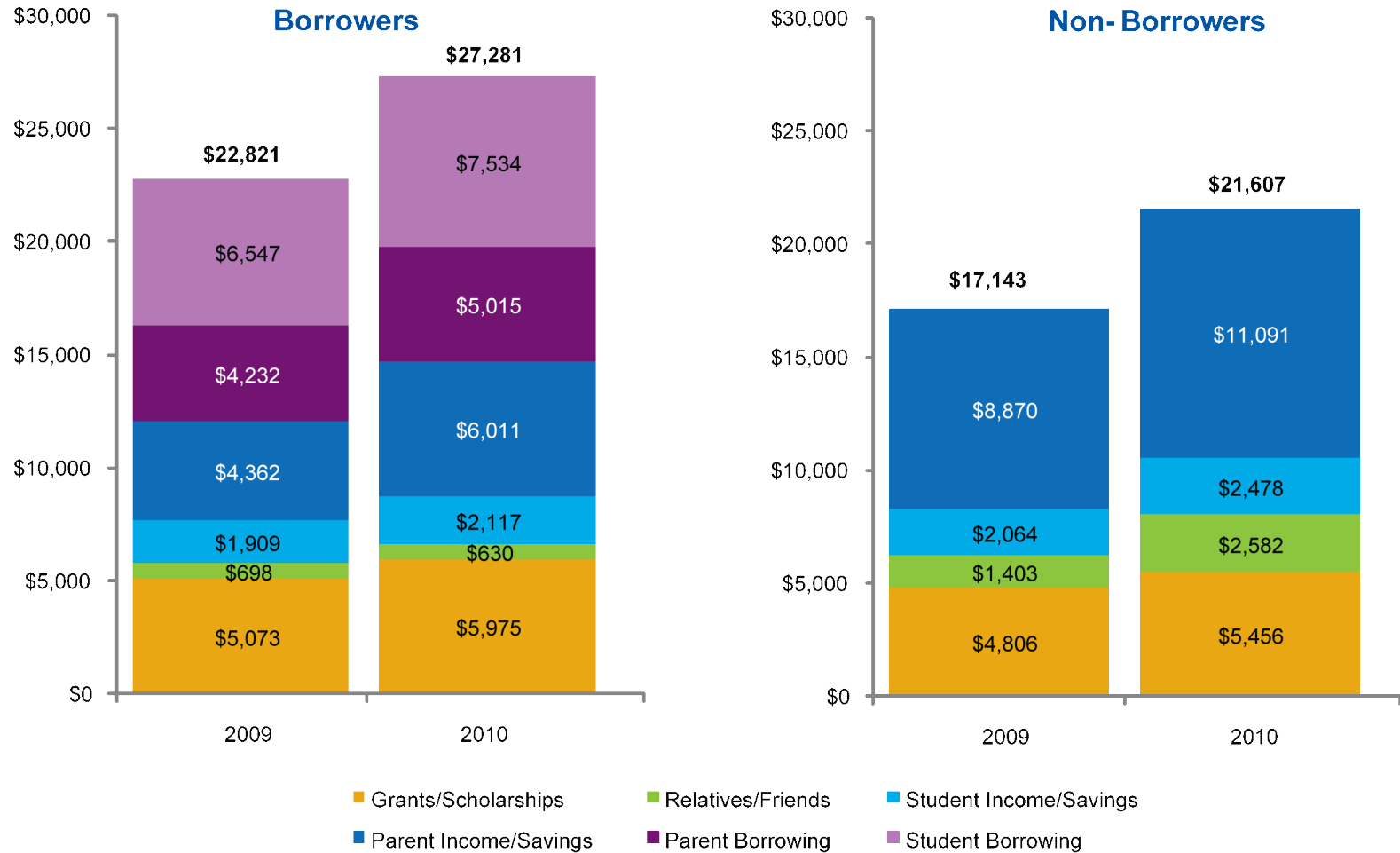
## YEAR-TO-YEAR COMPARISON



## Average Amounts By Income Level

# HOW THE AVERAGE FAMILY PAYS FOR COLLEGE

## YEAR-TO-YEAR COMPARISON



**By Borrowing Status**

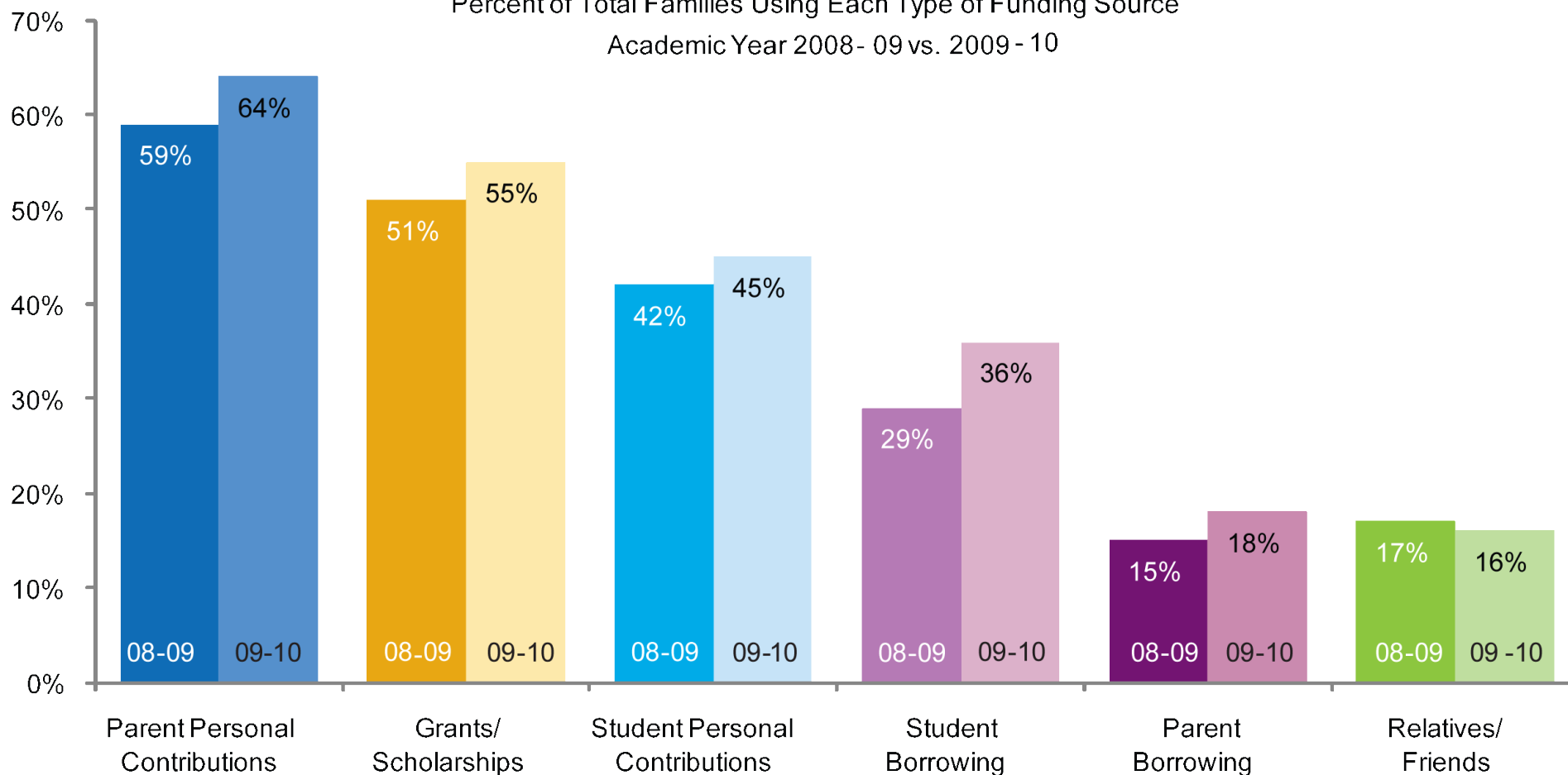
# FUNDING SOURCES

Percent of families actually using various sources and the average amounts used.

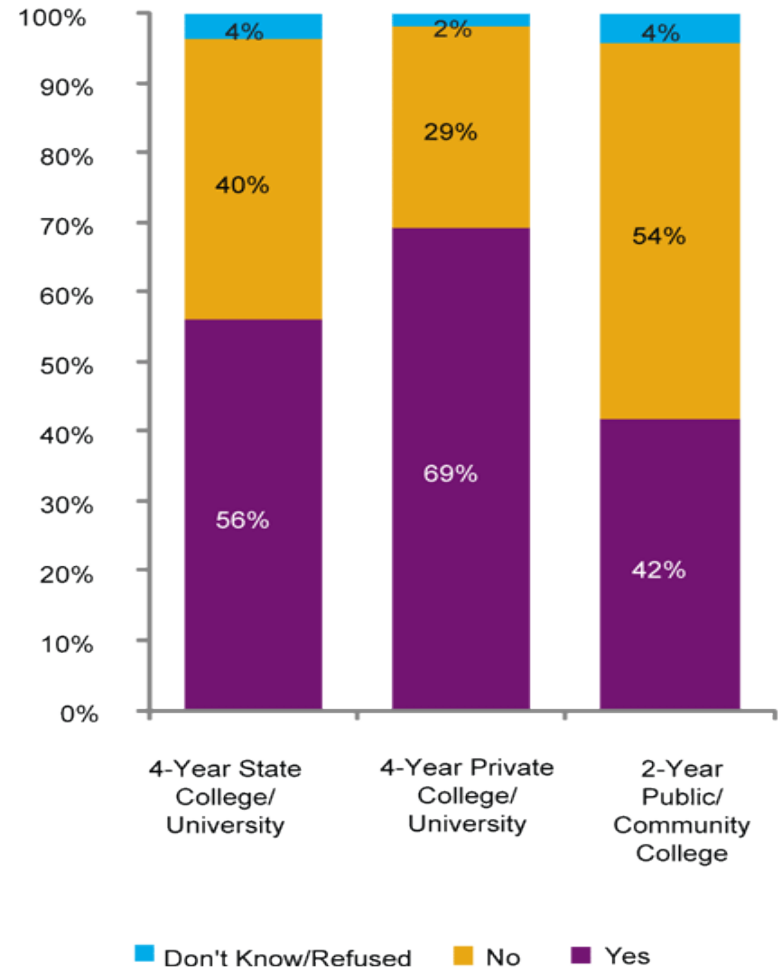
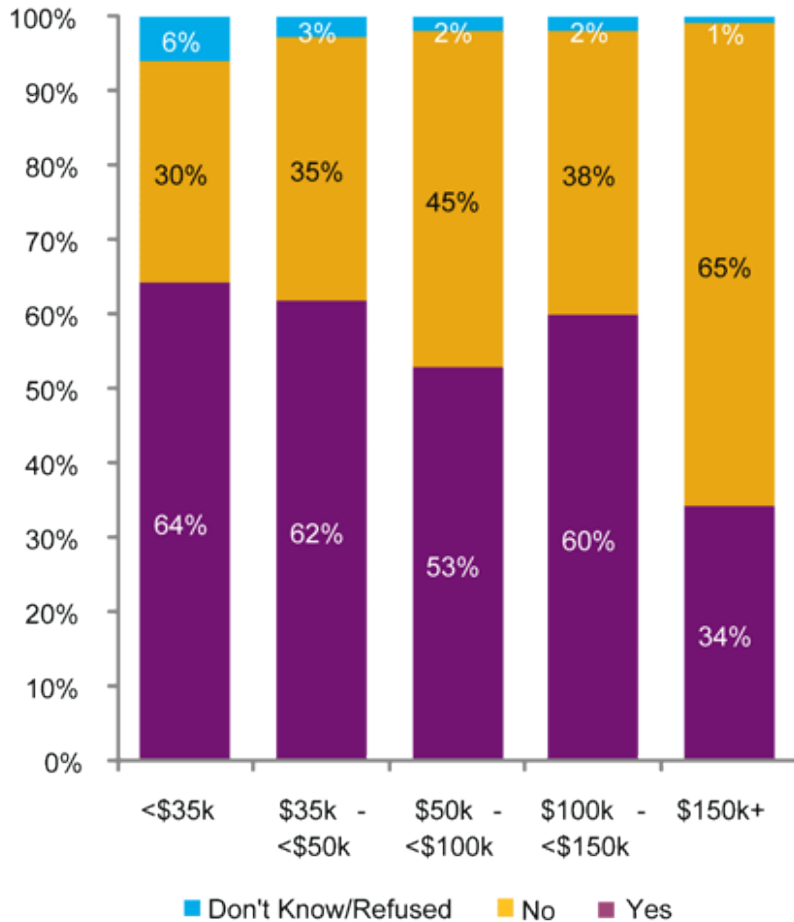


# SOURCES OF FUNDING

Percent of Total Families Using Each Type of Funding Source  
Academic Year 2008- 09 vs. 2009 - 10



# USE OF GRANTS AND SCHOLARSHIPS, BY INCOME AND BY SCHOOL TYPE



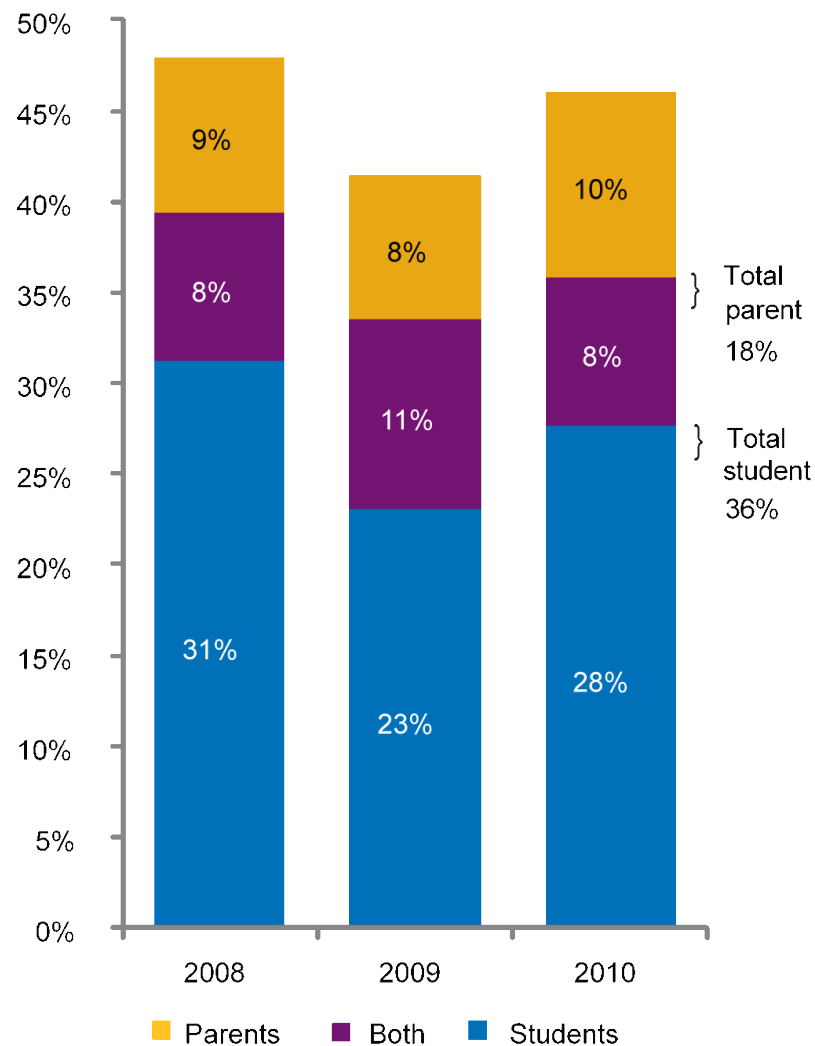
# SOURCES OF PERSONAL CONTRIBUTIONS

Sources of Personal Contributions				
	2010		2009	
	% of Total Families	Average Amount**	% of Total Families	Average Amount**
<b>Any Parent Sources</b>	<b>64%</b>	<b>\$11,687</b>	59%	\$9,581
Current Income	57%	\$7,958	55%	\$7,175
College Savings Plan (529)	15%	\$10,077	11%	\$7,312
Retirement Savings Withdrawal	6%	\$8,554	3%	\$5,318
Other Savings or Investments	14%	\$9,937	14%	\$7,776
<b>Any Student Sources</b>	<b>45%</b>	<b>\$4,430</b>	42%	\$3,708
Current Income	32%	\$3,430	25%	\$3,791
Savings	22%	\$3,329	26%	\$2,369
Federal Work-Study	8%	\$2,431	5%	\$1,893
Other Savings or Investments	3%	\$2,819	2%	\$5,749

Base: Parents of college students and college students.

\*\* Among those who used each source

# WHO BORROWED



# SOURCES OF BORROWED FUNDS

Sources of Borrowed Funds						
	2010		2009		2008	
	% of Total Families	Average Amount**	% of Total Families	Average Amount**	% of Total Families	Average Amount**
<b>Any Parent Sources</b>						
Federal PLUS Loans	<b>7%</b>	<b>\$9,153</b>	8%	\$7,664	6%	\$10,701
Private Education Loan	<b>4%</b>	<b>\$10,977</b>	5%	\$8,401	4%	\$6,910
Home Equity Loan or HELOC	<b>4%</b>	<b>\$11,204</b>	3%	\$8,028	3%	\$10,853
Credit Cards	<b>6%</b>	<b>\$4,943</b>	5%	\$3,886	3%	\$5,822
Retirement Account Loan	<b>3%</b>	<b>\$6,901</b>	1%	\$5,471	1%	\$6,299
Other Loans	<b>2%</b>	<b>\$8,529</b>	3%	\$5,762	5%	\$9,894
<b>Any Student Sources</b>						
Federal Student Loan (Stafford or Perkins)	<b>28%</b>	<b>\$5,807</b>	25%	\$5,327	28%	\$5,075
Private Education Loan	<b>13%</b>	<b>\$8,584</b>	12%	\$7,516	8%	\$7,694
Credit Cards	<b>5%</b>	<b>\$2,021</b>	5%	\$2,812	3%	\$2,542
Other Loans	<b>4%</b>	<b>\$9,360</b>	2%	\$5,819	8%	\$7,922

Base: Parents of college students and college students.

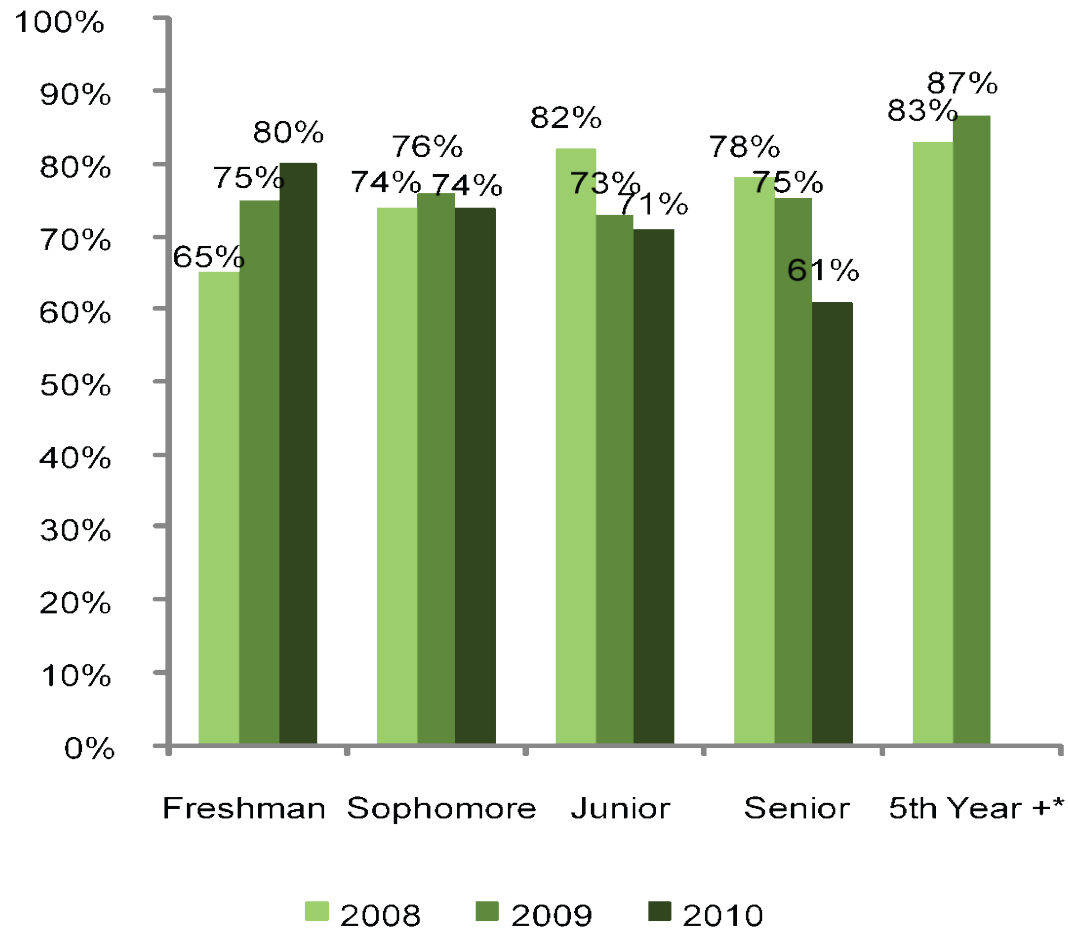
\*\* Among those who used each source

# ECONOMIC WORRIES AND ACTIONS



# COMPLETION OF FAFSA

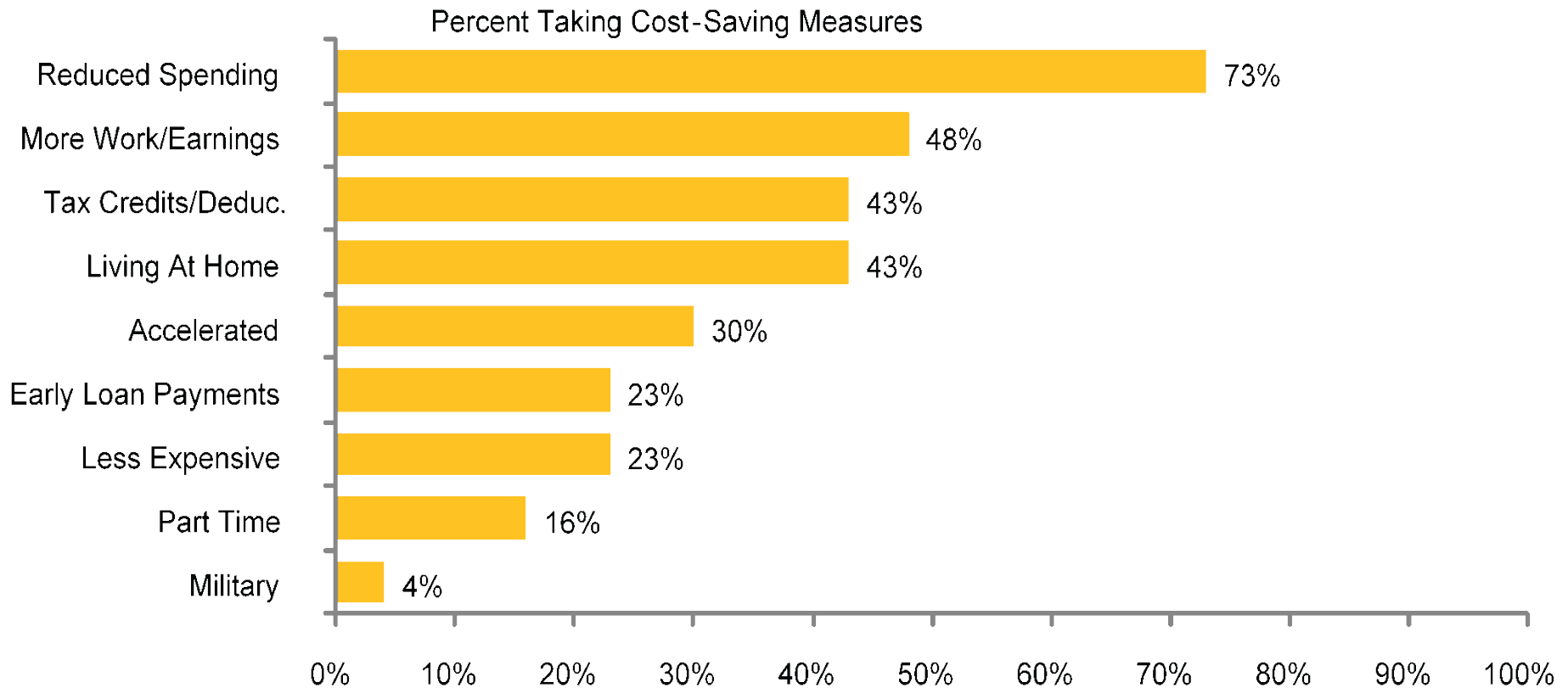
## YEAR-OVER-YEAR, BY GRADE LEVEL



\*Insufficient sample size for 2010.

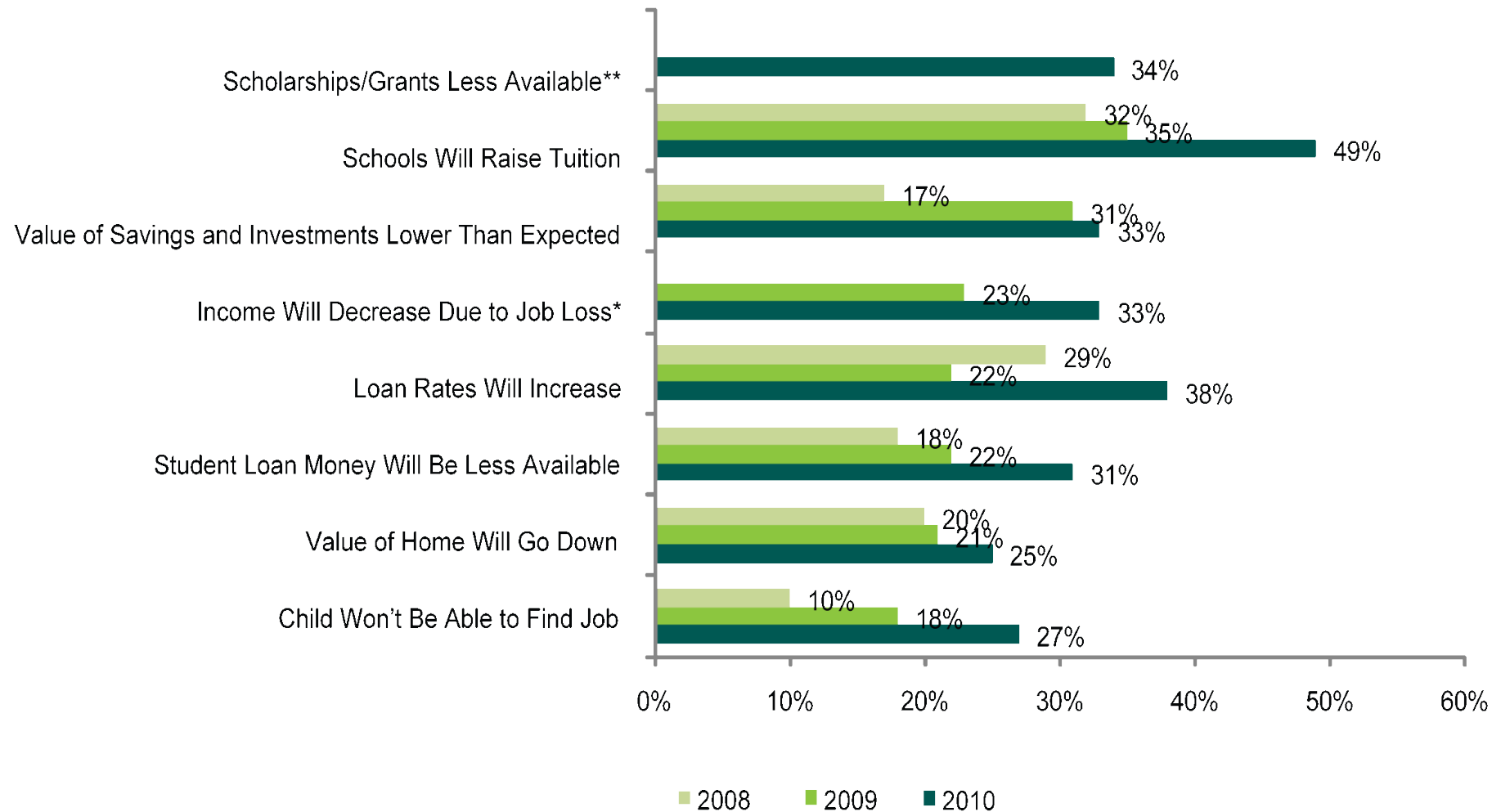
# COST-SAVING MEASURES TAKEN DURING THE CURRENT ACADEMIC YEAR

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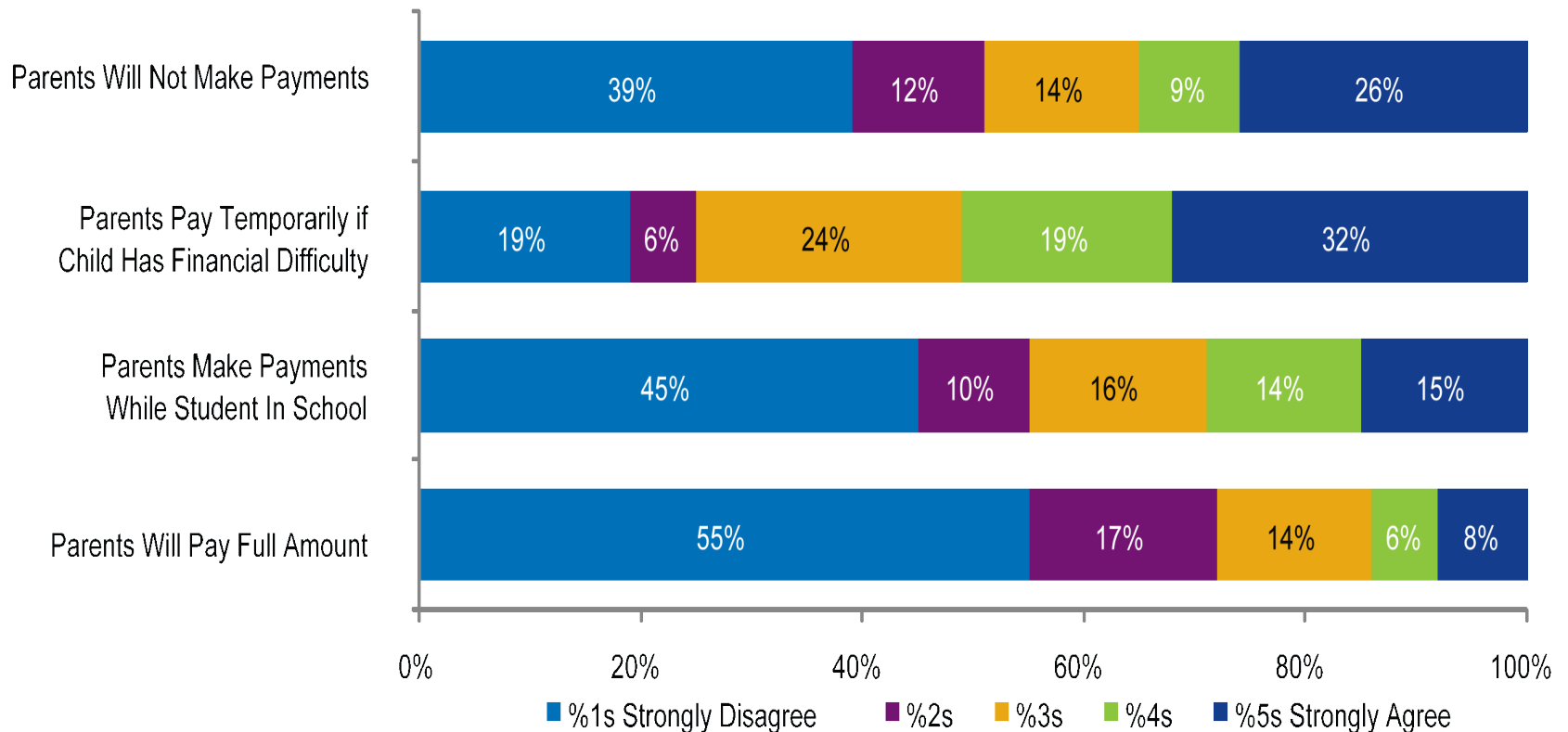


# PARENT ECONOMIC CONCERNS

## EXTREMELY WORRIED, YEAR-OVER-YEAR

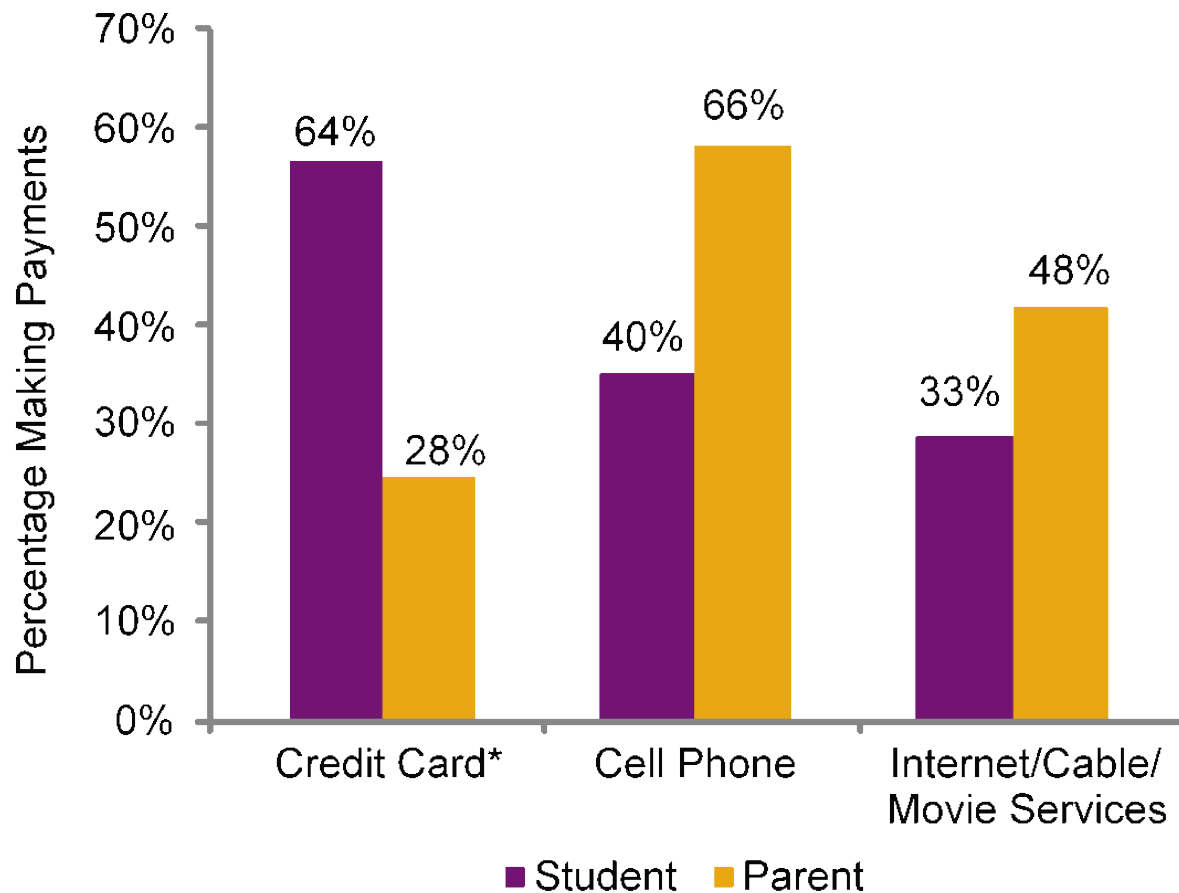


# WILL PARENTS MAKE PAYMENTS ON LOANS IN STUDENT'S NAME?



# SELECT STUDENT MONTHLY BILLS

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# MONTHLY PAYMENT AMOUNT ON STUDENT BILLS

	Average Amount
<b>Student</b>	
Credit Card*	\$168
Cell Phone	\$72
Internet/Cable/Movie Services	\$78
Student Total	<b>\$154</b>
<b>Parent</b>	
Credit Card*	\$259
Cell Phone	\$75
Internet/Cable/Movie Services	\$102
Parent Total	<b>\$157</b>
<b>Total</b>	
Student/Parent Total**	<b>\$225</b>

\*Only asked if student/parent reported that the student has a credit card.

\*\*Average of either parent or student monthly spending excluding those who reported that both parent and student paid nothing each month on all types of bills.

# [www.SallieMae.com/HowAmericaPays](http://www.SallieMae.com/HowAmericaPays)

