Families' College Experience in the Pandemic

How America Pays: Sallie Mae's national study of college students and parents

College Success Forum – January 25, 2022
Western PA College Success Roundtable
What we’ll cover

About this research
Valuing college education
Paying for college in a pandemic
Changes in the college experience
Looking forward

What’s in it for you

Learn how, if at all, the pandemic affected families’ thoughts on higher education
What strategies were used to pay for college in a pandemic
Challenges and benefits of online learning
About this research
How America Pays for College 2021

Study objectives
• 14th year surveying American families with an undergraduate student about attitudes toward a college education and how they paid for it

• The 2021 wave offers insight on families’ education experience through the pandemic

Sample and method
• Research fielded between April 8 – May 4, 2021
• 1,000 undergraduate students, age 18-24 and 985 parents of undergraduate students
• Research conducted by Ipsos online, in English
• The survey sample comprised a cross-section of key demographic variables
• Sampling weights were sourced from the Current Population Survey (CPS) and the National Center for Educational Statistics (NCES)
How families value college education
Families continue to value and invest in higher education

- Belief in the value of higher education did not waiver during the pandemic
- The importance of the social and intellectual experience of college is emerging
Cost continues to be a key factor in school decisions

- Overall, 79% of families say they eliminated a school from consideration based on cost at some point between deciding which colleges to research and which to attend.
- This year, more families are reporting eliminating schools based on cost earlier in the process.

% eliminated a school from consideration based on cost at each step, by academic year

- Before deciding which colleges to research:
  - AY 2018-19: 54%
  - AY 2019-20: 54%
  - AY 2020-21: 59%
- Before deciding which colleges to apply to:
  - AY 2018-19: 59%
  - AY 2019-20: 57%
  - AY 2020-21: 62%
- After finding out which colleges you/your child was admitted to but before looking at financial aid packages:
  - AY 2018-19: 42%
  - AY 2019-20: 44%
  - AY 2020-21: 45%
- After looking at the financial aid packages:
  - AY 2018-19: 60%
  - AY 2019-20: 57%
  - AY 2020-21: 60%

SOURCE: How America Pays for College 2021
Planning is at an all-time high, with room for more discussion

- Fewer than half of families are discussing important aspects of planning and outcomes
  - 47% discussed what all years of college will cost
  - 38% discussed the starting salary for jobs in student’s field of study
  - 31% discussed the need for more education beyond undergrad to reach career goals

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How families paid for college
On average, families spent $26,373 on college in AY 2020-21

• Down 12% from last year, but in line with total amount from AY 2018-19

• The perception of the overall value of education to the price has not changed over the past 3 years, with 7 in 10 families as ‘appropriate’ or a ‘bargain’ compared to the price they are paying
Education spending trends vary by school type

- 4-year school families report 2018-level costs
- 2-year college costs have increased
Families used tried-and-true paying strategies in AY 2020-21

- Even though families spent less on college this year, similar proportions of the total cost were covered by the same funding sources as in AY 2019-20

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FAFSA filing rates continue to decline

- Submission rates are similar among families of different income levels and races
- Reasons families did not complete the FAFSA
  - Most thought they wouldn’t qualify for any aid (44%)
  - Others missed the deadline, found the application too complicated or didn’t have the time (34%)
3 in 10 families appealed their financial aid offer

- Low-income families were more likely to ask the school for additional aid due to COVID-19
  - 44% of low-income families
  - 32% of middle-income families
  - 15% of high-income families

- Majority of financial aid appeals were granted, with families receiving:
  - Higher grant amount (52%)
  - Higher scholarship amount (47%)
  - Higher student loan amount (14%)
  - Higher work-study amount (13%)
Changes in the college experience
1 in 10 new and existing students changed schools due to the pandemic

- Students attending 2-year colleges and those who live in low-income households were more likely to make a change than others
  - 14% of 2-year school families
  - 7% of 4-year public families
  - 5% of 4-year private families
9 in 10 students learned online in AY 2020-21

- While in-person-only learning was rare, 54% of students had some in-person exposure
- Students attending 4-year private schools were more likely than others to have attended in-person classes
  - 68% attended only in person or hybrid at 4-year private schools
  - 51% at 4-year public schools
  - 43% at 2-year schools
Despite challenges, 87% rate online learning as positive or neutral

- Most common challenges were distractions that made it difficult to concentrate and difficulty connecting or collaborating with other students

- Many families recognized benefits of online learning as well, including:
  - 62% having less travel time
  - 40% having the ability to speed up time to graduation
  - 32% having the opportunity to attend a school they couldn’t otherwise because of location
African-American and Hispanic students embraced online learning

- African-American and Hispanic students are more likely to rate all aspects of the online learning experience higher than White students.
- Minority students report having more experience with online learning before the pandemic. In September 2019, % of students who took at least some online classes:
  - 45% of White students
  - 56% of African-American students
  - 49% of Hispanic students

Evaluation of online experience by race and ethnicity

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<thead>
<tr>
<th>Aspect</th>
<th>White</th>
<th>African-American</th>
<th>Hispanic</th>
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<tr>
<td>Rating online classes as positive or neutral</td>
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<td>College is still worth the cost even if courses are only online</td>
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<td>Equally able to learn material online and in person</td>
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<td>Feel connected to the school</td>
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<td>Able to speed up time to graduation</td>
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<td>Have the opportunity to attend a school wouldn't be able to otherwise</td>
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Majority of families prefer in-person learning, but online has a role

- Students are more open to online-only learning mode than parents are
  - 22% of students would prefer online-only vs. 11% of parents

- Most families feel ready to return to campus
  - 66% of families say they feel comfortable returning to campus
  - 78% agree that the schools have appropriate COVID-19 protocols that make them feel safe
Conclusion
How America Pays for College 2021

Despite the pandemic, families continued to value and invest in higher education considering it a path to opportunities and higher earnings for the students.

Families embraced online learning, recognizing its many benefits, yet most prefer to be on campus. Online learning offers an interesting opportunity to increase access to higher education, particularly for African-American and Hispanic families.

Families used tried-and-true strategies to pay for AY 2020-21, relying on a mix of funding sources. However, some families missed the opportunity to make education more affordable, as fewer families submitted the FAFSA.
Borrow responsibly
We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

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