



Perceptions & Realities of Paying for College

*Ascent Funding's 2019 National Study on Americans' Behavior
and Sentiment Around Paying for College*

College Survey
Executive Summary & Findings

April 2019

EXECUTIVE SUMMARY + KEY FINDINGS

Now is the time for disruption in how American families pay for higher education. The rising cost of tuition and associated needs are causing current students and parents to question their confidence in paying back money borrowed to obtain an education – and both groups are ready for new financing alternatives.

These sentiments are confirmed by Perceptions & Realities of Paying for College 2019, the second annual Ascent Funding study on Americans' behavior and sentiment around paying for college.

The study shares data gathered from two online surveys in March 2019: the first surveyed high school seniors expected to graduate in 2019 and parents of high school seniors expected to graduate in 2019; the second surveyed college students age 18-26 years old and parents of college students who have taken out student loans. The research uncovers student and parent groups' reflection on their preparation for college-related finance decisions, confidence in those decisions and the real challenges students are facing as they are immersed in the college experience.

While cost was the most important factor for families selecting a college and students are accepting the responsibility for that total cost of college, the total cost of a college education evokes concern and anxiety among students and parents. Remarkably, 65% of parents of college students stated they underestimated the overall cost of their student's education.

From addressing if different majors at the same institution should have different costs to offering loan repayment options that are flexible and are based on future income, both students and parents are interested in new and different ways to approach paying for higher education.

2019 study highlights among college students and parents of college students include:

A majority of students are accepting financial responsibility for their college education and related costs – and parents agree.

- More than half of students – 72%, in fact – believe 50 - 100% of tuition and the associated costs of a college degree should be the their responsibility, and 60% of parents agree.
- Parents and students agreed that students conducted the majority of research on student loan options (46%).
- While the majority of parents agree the bulk of financial responsibility should fall on students, 89% of parents feel some level of concern about their student's ability to pay for the remainder of their education with 65% of parents stating they underestimated the overall cost of their student's education.
- However, students ultimately accept full responsibility and do not want to burden anyone else with their financial obligations.
 - 54% of students stated they would consider obtaining a loan without a cosigner – the number one reason being they do not want to burden anyone with their debt (37%).
 - The second reason was students' desire to be independent (31%).
- When students were asked what they would have done differently to prepare for college, retrospectively:
 - 67% of students would have applied for more scholarships or grants.
 - 51% of students would have better managed other/related costs associated with school.
 - 27% of students would have fulfilled general credits at a 2-year institution before transferring.

Students' confidence levels regarding their ability to repay money borrowed for college varies significantly based on the type of loan.

- Only 15% of students feel extremely confident in their ability to repay money borrowed for college.

- 53% of students are moderately to slightly confident.
- Students with only private loans have the most confidence in their overall understanding and preparedness for the full financial responsibility of attending college.
 - 65% students with only private loans state high levels of confidence in their ability to repay the money they borrowed for college.
 - This is significantly higher than students with only federal loans, as only 34% feel high levels of confidence in their ability to repay their loans.
 - Additionally, 61% of students with private loans are extremely or very confident with how prepared they are for all costs associated with college beyond tuition.
 - Only 37% of students with federal loans demonstrate that same level of confidence.
- Most students agree that their overall confidence in prepayment would increase if they were offered a flexible loan repayment option based on their income post-graduation.
 - 63% of students with federal loans and 60% with private loans say they would feel more confident with a loan repayment plan that fluctuated based on their future income versus a more rigid payment offered through current programs.

One fourth of college students indicated they have not received loan disbursement funds from their college on time to cover school-related costs and were forced to find alternative sources of funding.

- 24% of current college students reported that in the past year they have not received student loan disbursements from their college on time and were forced to find additional sources of funding to cover school-related costs.
 - Nearly half of the students affected (46%) had to pull from their personal savings accounts while 43% had to ask family or friends to help cover their costs.
 - 60% of these affected students were responsible for covering anywhere from \$1,000 - \$10,000 in funds when their loan disbursement was late.
 - While waiting for their funds from their loan to come through, 51% of these students went without food, 49% went without school supplies and 38% without transportation.
- Delayed disbursement is also shown to impact students' confidence and concern about their ability to pay for the rest of their college education. 53% of students who received money later than anticipated were extremely concerned or very concerned about their ability to pay for the rest of their college education, versus only 38% of students who received funds on time who state the same.

College students and parents are open to new ways of financing higher education, given the increasing price of college tuition.

- When asked if the cost of a college education at the same school should vary depending on the major, 61% of all college survey respondents agreed (64% of parents and 59% of students agree).
 - When offered the ability to have a loan payment fluctuate based on income, instead of a more rigid payment offered through current programs, survey respondents had high confidence in this type of repayment.
 - 64% of students indicated somewhat to much more confidence in their ability to repay borrowed money if a loan payment fluctuated based on future income.
 - 68% of parents indicated somewhat to much more confidence in repaying money borrowed for college if a loan payment fluctuated based on income.
- Support for student loan options that don't involve a cosigner are also high.
 - 79% of parents would support their student obtaining a loan on their own.
 - 54% of students would consider obtaining a loan on their own.

Ascent Funding Contact

Lauren Thayer

Director of Marketing

lthayer@ascentprogram.com

College Survey Methodology

Allison+Partners Research + Insights surveyed 1,099 individuals, a mix of college students (18-26 years old) and parents of college students who have taken out student loans and all residing within the United States. The survey was fielded using the Qualtrics Insight Platform, and panel was sourced from Lucid. Fielding was executed in March 2019. The following percentages have been rounded up to the whole number.

About Ascent Funding

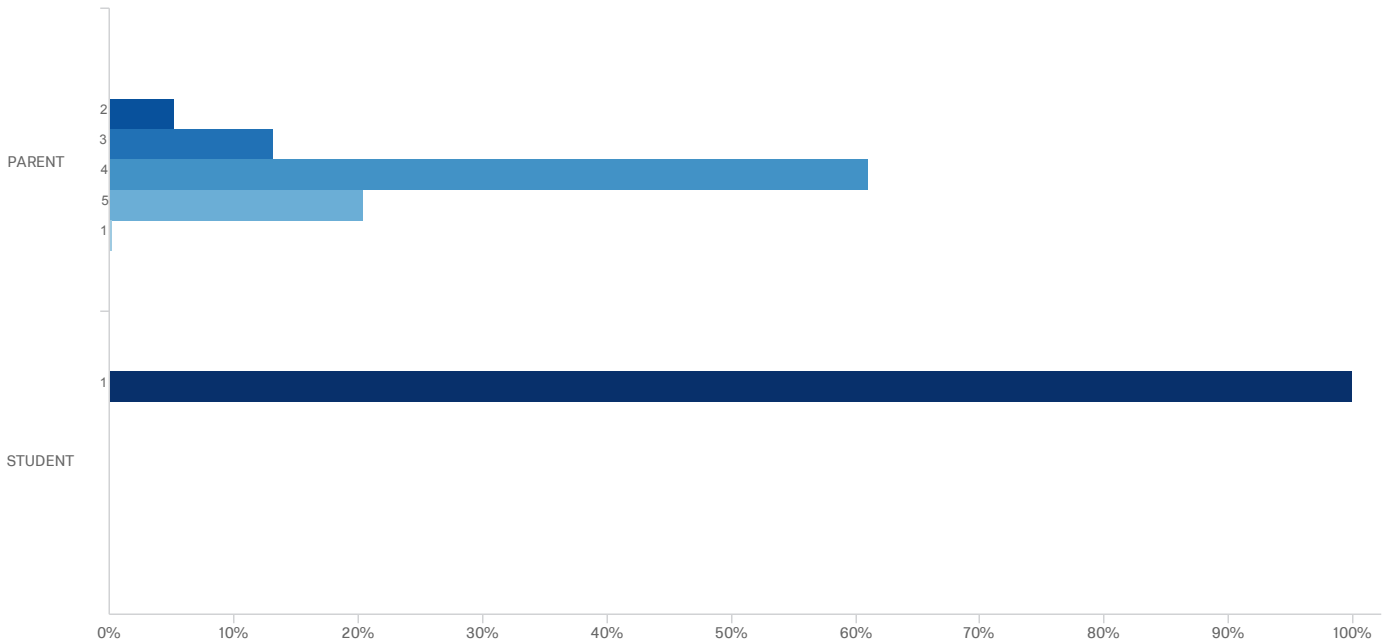
Ascent is built around one guiding principle: Student loans should expand possibilities, not limit them. That's why Ascent created a new private student loan model that gives students more opportunities to qualify for a loan, with or without a cosigner, to get the funding needed to cover tuition and living expenses. For eligible juniors, seniors and graduate students without a cosigner, Ascent utilizes broader credit tiers and considers creditworthiness, school, program, graduation date, major, cost of attendance and other factors. Ascent encourages transparency and financial wellness by incorporating financial literacy into the application process, preserving the notion that an education is an investment where students and families should understand the return on their investment relative to the cost. Ascent also offers benefits and resources that set students and families up for financial success.

To learn more about Ascent student loan options and benefits, please visit AscentStudentLoans.com.

College Survey Raw Data - Parents vs. Students

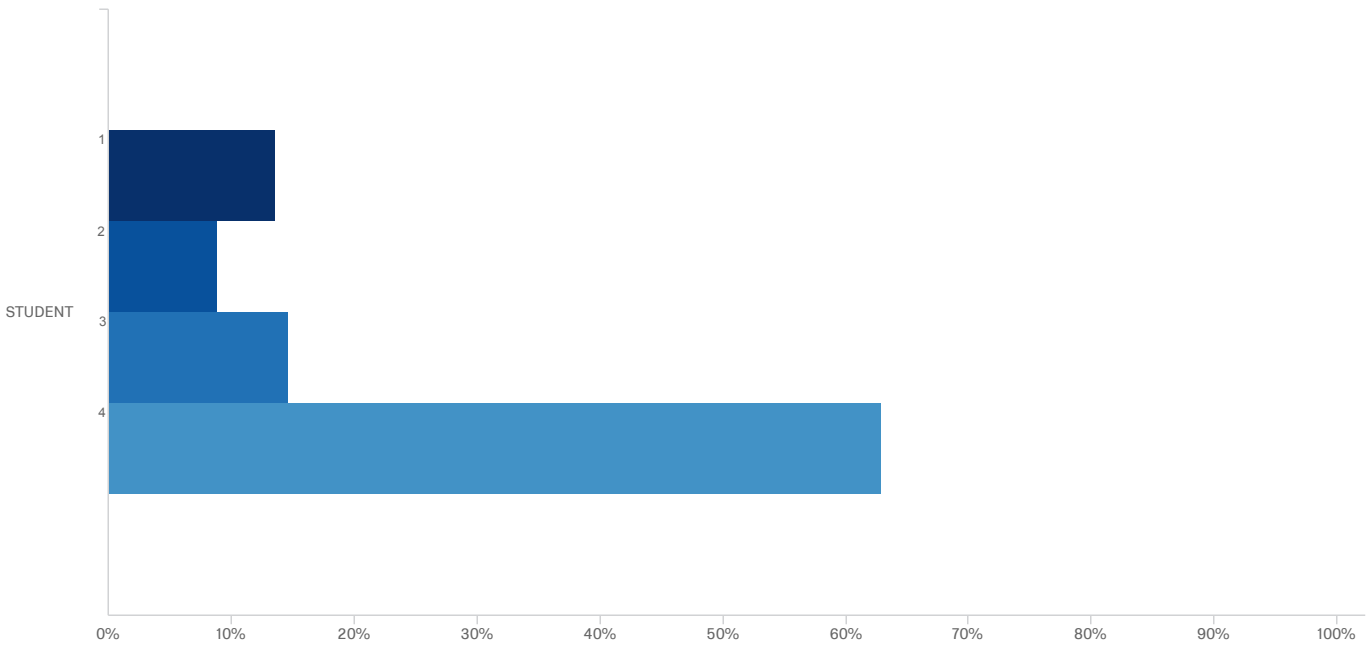
March 2019

What is your current age?



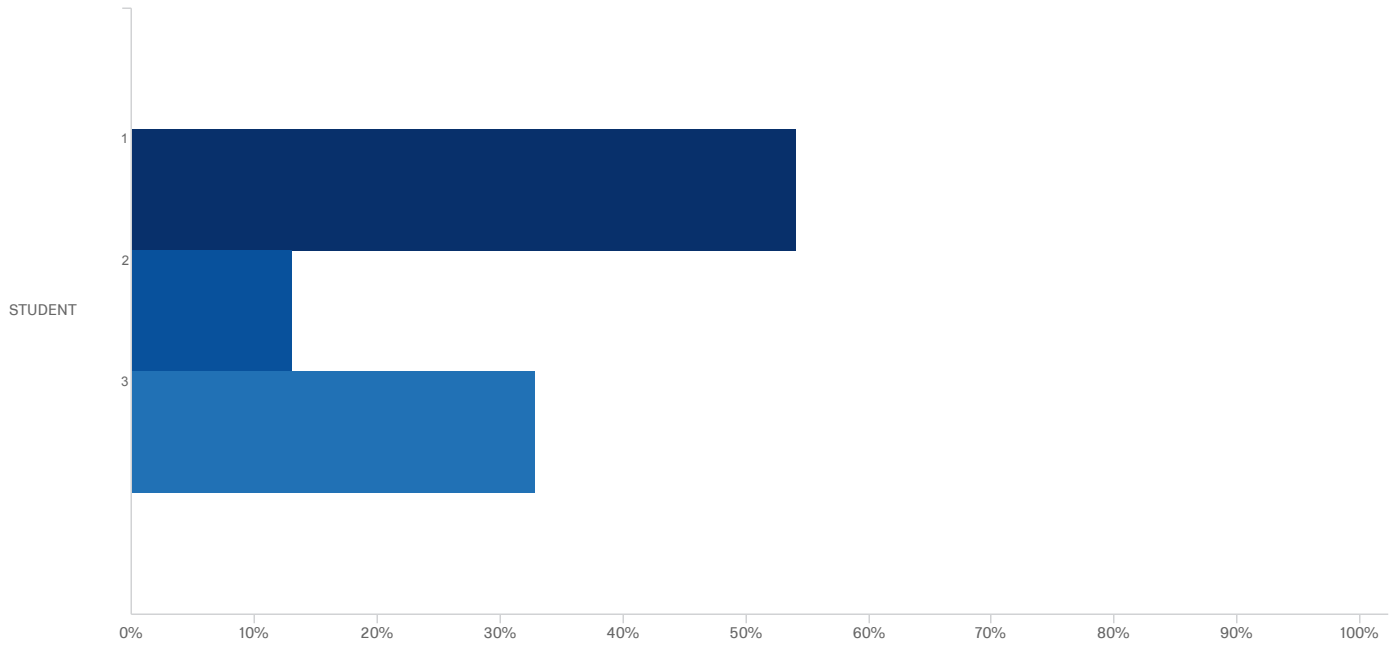
#	Field	PARENT	STUDENT
1	18 - 26	0%	100%
2	27 - 30	5%	0%
3	31 - 37	13%	0%
4	38 - 53	61%	0%
5	54 - 72	20%	0%
6	73+	0%	0%
		524	575

Are you currently enrolled in college?



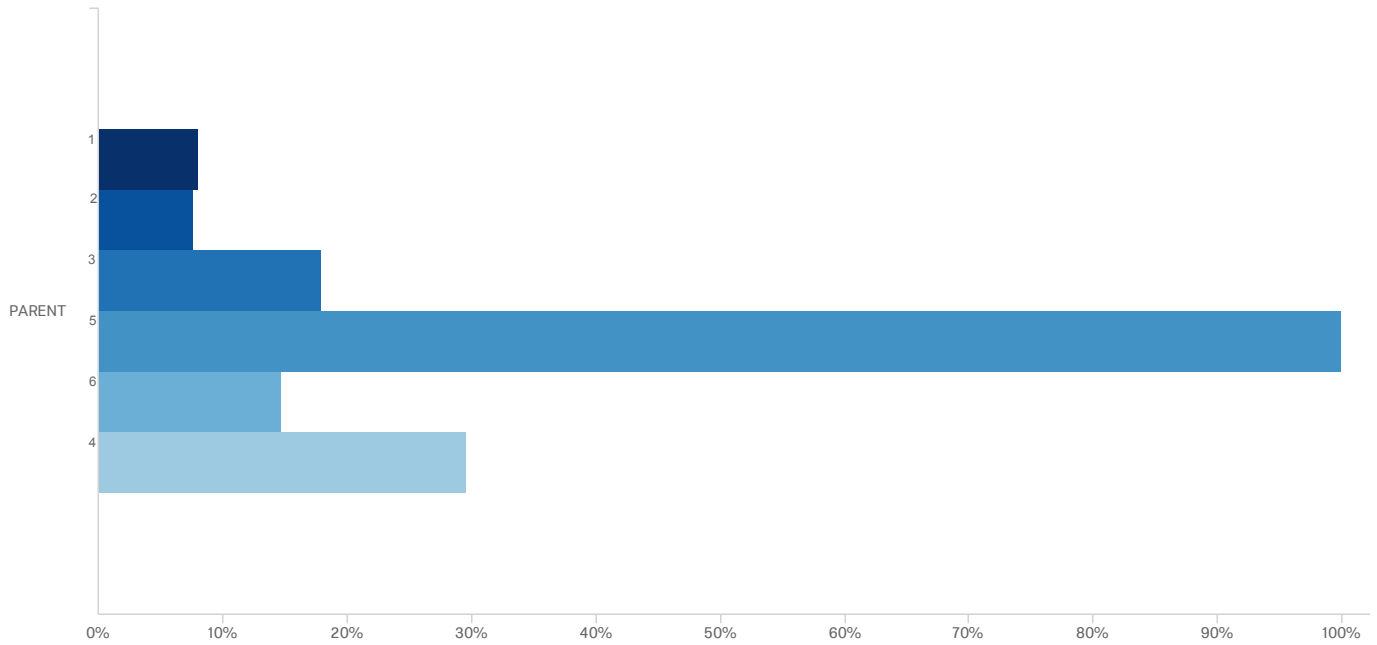
#	Field	STUDENT
1	Yes, currently enrolled for an associate's degree (2 year school) with less than 12 credit hours (part-time)	14%
2	Yes, currently enrolled for an associate's degree (2 year school) with more than 12 credit hours (full-time)	9%
3	Yes, currently enrolled for a bachelor's degree (4 year school) with less than 12 credit hours (part-time)	15%
4	Yes, currently enrolled for a bachelor's degree (4 year school) with more than 12 credit hours (full-time)	63%
		575

Have you or your parent(s) taken out a loan to pay for any portion of your college education?



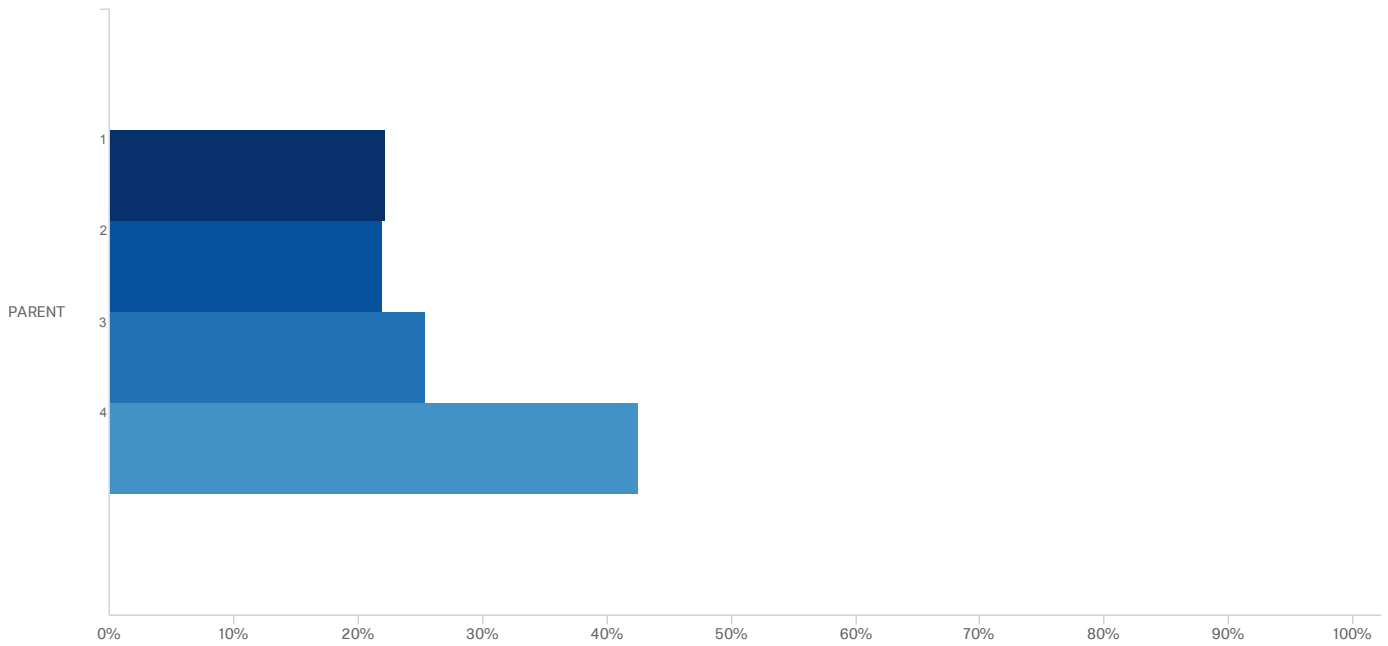
#	Field	STUDENT
1	Yes, a federal loan	54%
2	Yes, a private loan	13%
3	Yes, both federal and private loans	33%
		575

Please select the option(s) that best align with your child or children's age. Select all that apply if you have more than one child.



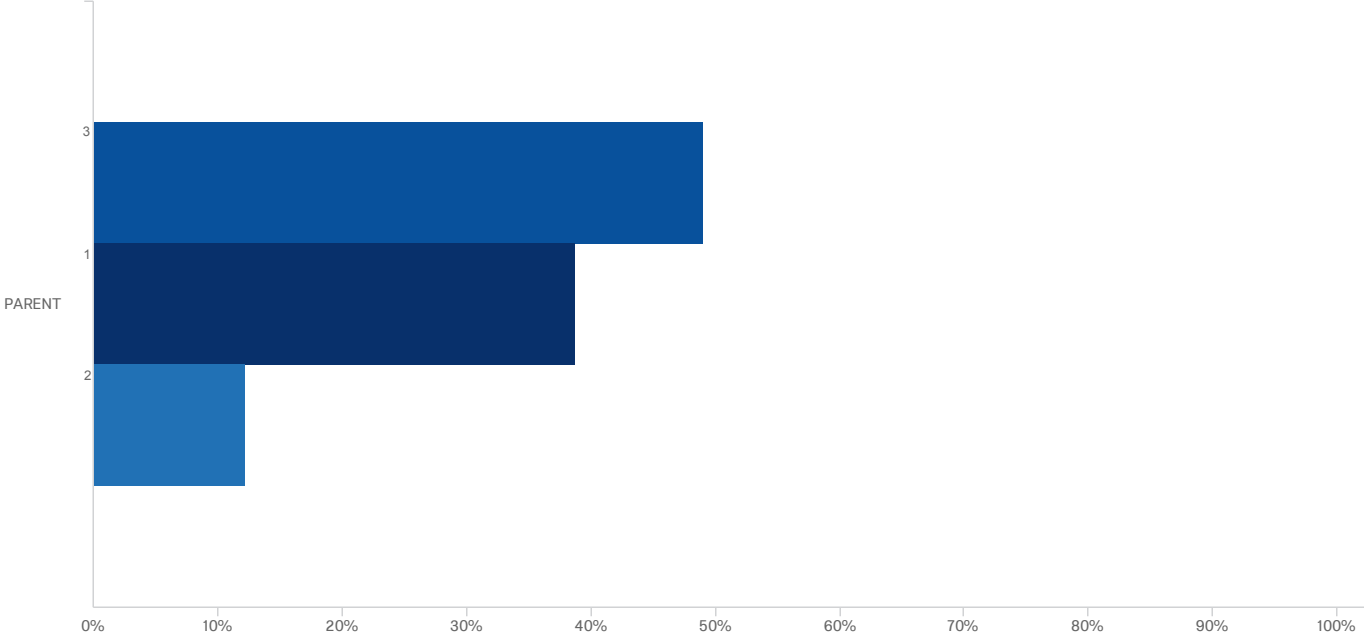
#	Field	PARENT
1	Infant/Toddler (0 - 3 years old)	8%
2	Preschooler / kindergartener (4 - 5 years old)	8%
3	Gradeschooler (6 - 12 years old)	18%
4	Teenager (13 - 17 years old)	30%
5	Young adult (18 - 26 years old)	100%
6	Adult (27 and above)	15%
		524

Is one or more of your children currently enrolled in college? Select all that apply.



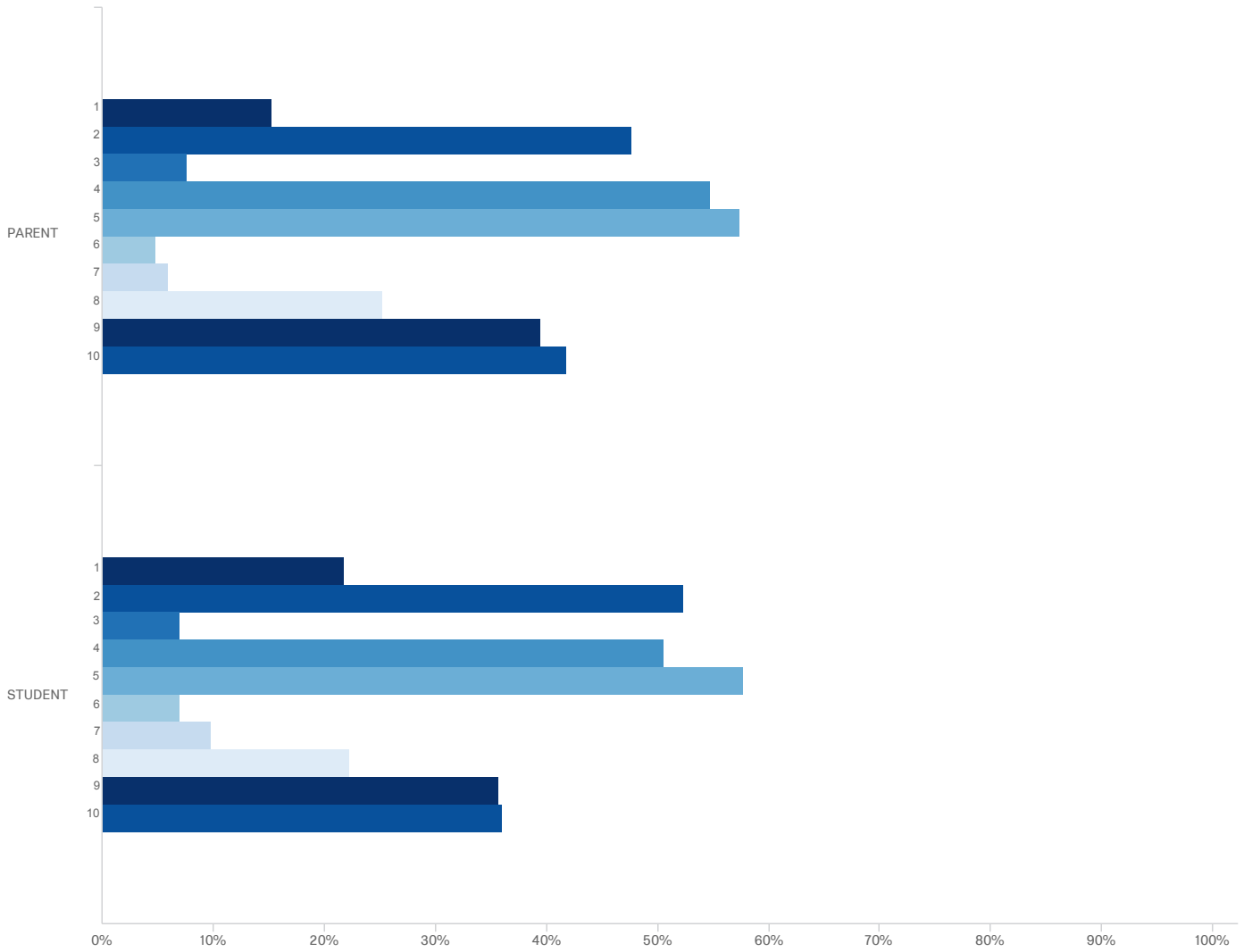
#	Field	PARENT
1	Yes, currently enrolled for an associate's degree (2 year school) with less than 12 credit hours (part-time)	22%
2	Yes, currently enrolled for an associate's degree (2 year school) with more than 12 credit hours (full-time)	22%
3	Yes, currently enrolled for a bachelor's degree (4 year school) with less than 12 credit hours (part-time)	25%
4	Yes, currently enrolled for a bachelor's degree (4 year school) with more than 12 credit hours (full-time)	43%
		524

Have you or your child(ren) taken out loans to pay for any portion of their college education?



#	Field	PARENT
1	Yes, a federal loan	39%
2	Yes, a private loan	12%
3	Yes, both federal and private loans	49%
		524

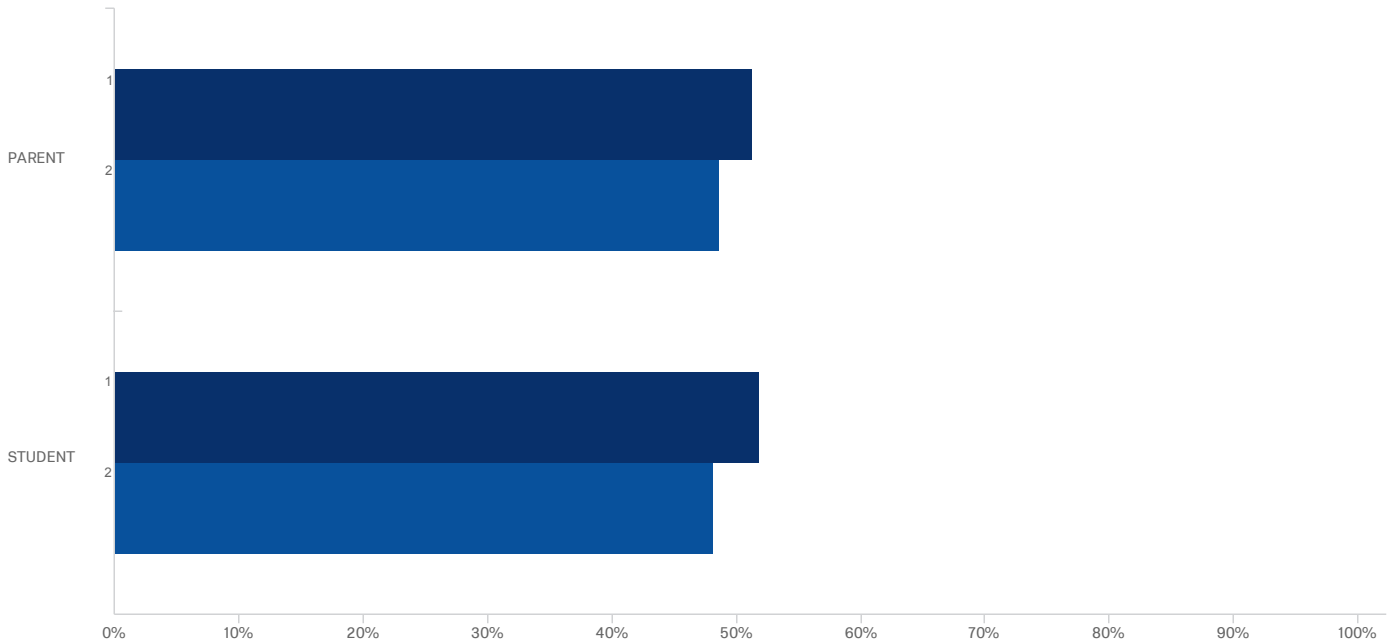
What were the most important factors you considered when selecting your/your child's college? Please select your top three factors.



#	Field	PARENT	STUDENT
1	Campus size	15%	22%
2	Location	48%	52%
3	On campus clubs or organizations	8%	7%
4	Academic strength in a specific major/field of study	55%	51%
5	Cost	57%	58%
6	I have a personal connection through a friend or family that attends the college	5%	7%
7	Sports teams	6%	10%

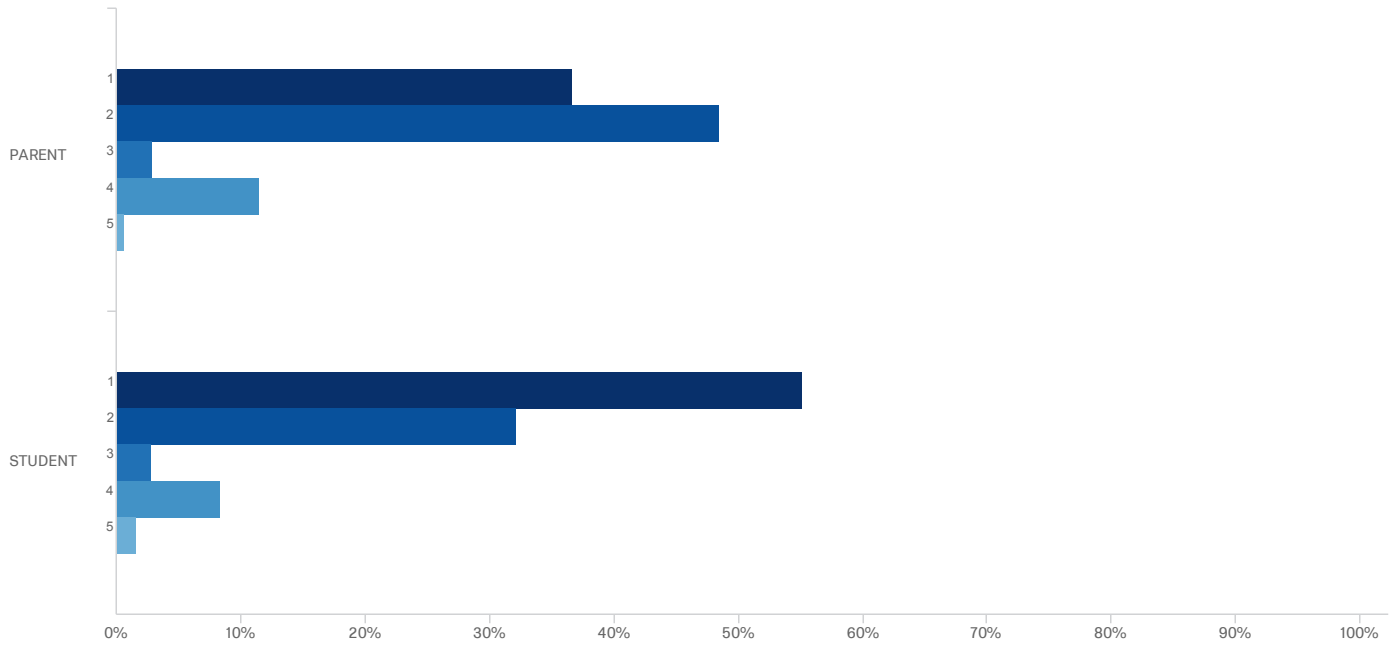
#	Field	PARENT	STUDENT
8	Ability to gain admission	25%	22%
9	Scholarship opportunities	40%	36%
10	Future employment/earning opportunity	42%	36%
		524	575

In your opinion, is a college education closer to a transactional investment (get an education and get a job) or a transformational investment (get an education and grow as an educated person)?



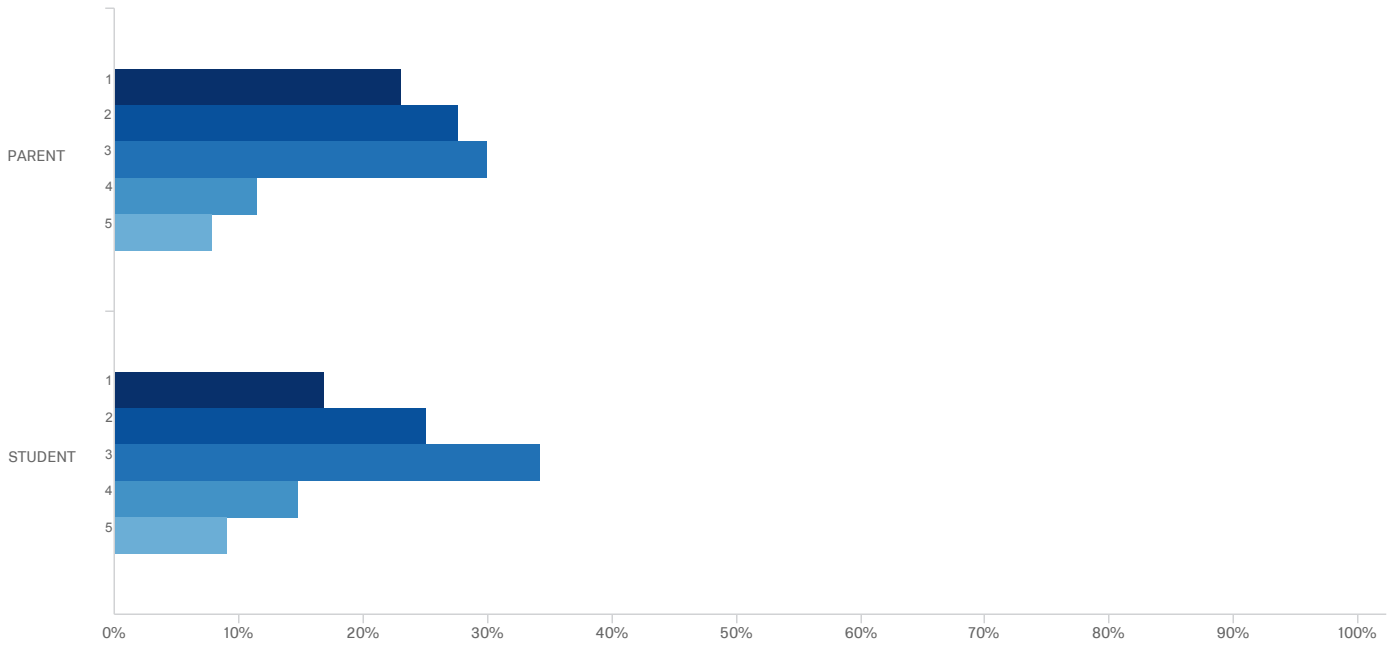
#	Field	PARENT	STUDENT
1	Primarily transactional	51%	52%
2	Primarily transformative	49%	48%
		524	575

Who did the majority of the research or work reviewing various loan options prior to selecting a student loan?



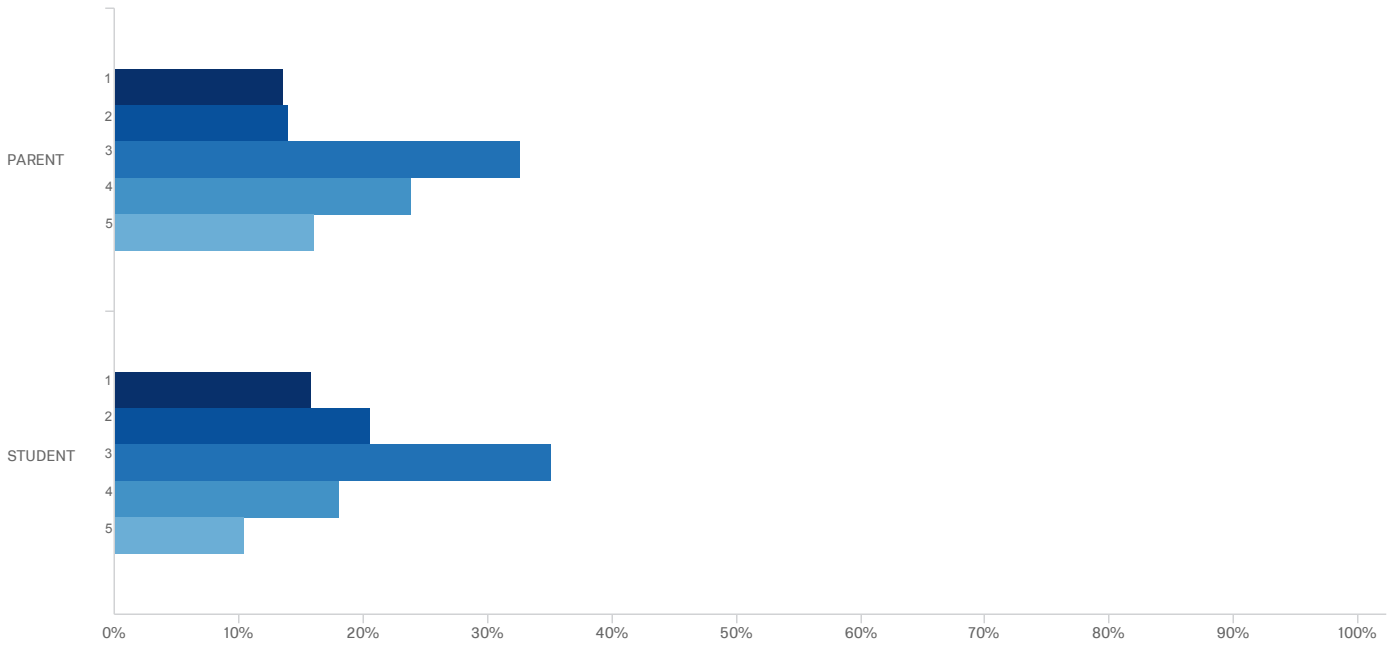
#	Field	PARENT	STUDENT
1	The student	37%	55%
2	The parent or parent(s)	48%	32%
3	Other family member	3%	3%
4	Outside advisor, counselor	11%	8%
5	Other	1%	2%
		524	575

How confident are you that you are prepared for all of the costs associated with college, beyond tuition? For example, text books, living expense, exam fees, etc.



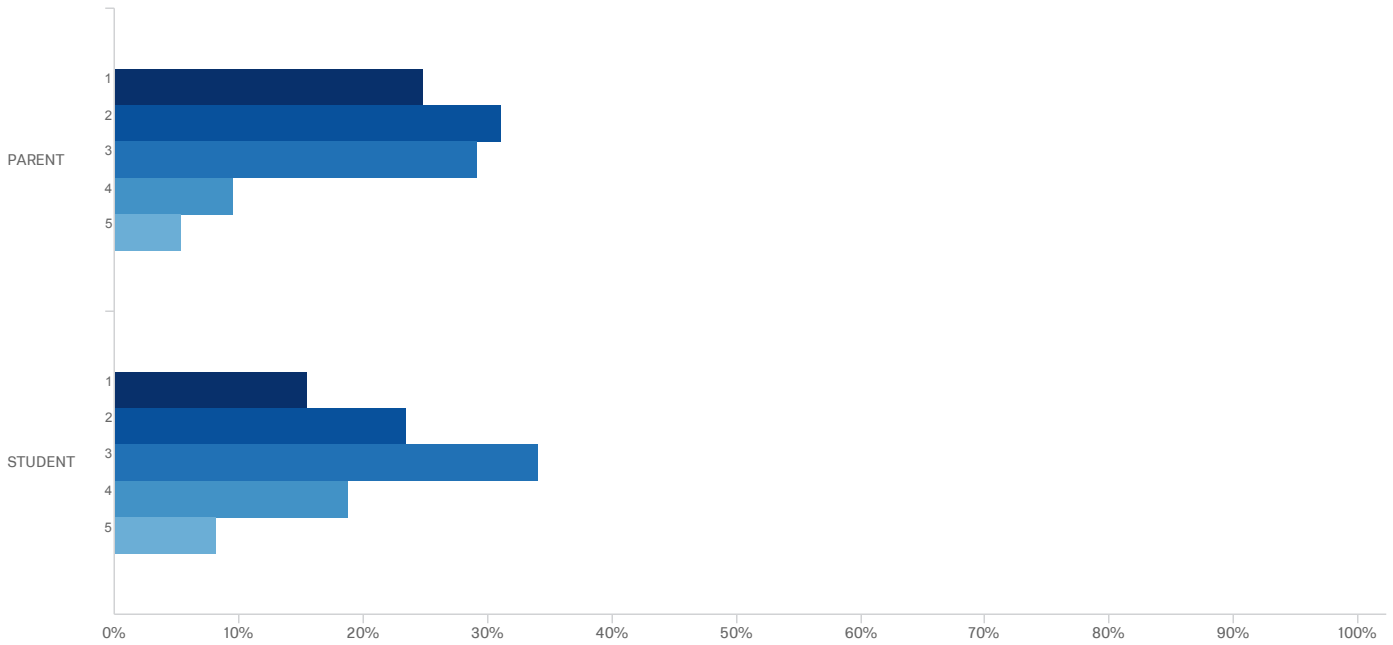
#	Field	PARENT	STUDENT
1	Extremely confident	23%	17%
2	Very confident	28%	25%
3	Moderately confident	30%	34%
4	Slightly confident	11%	15%
5	Not confident at all	8%	9%
		524	575

Thinking about tuition and the overall cost of a college degree (including living expenses, books, etc.) how much of the cost do you believe is the student's responsibility?



#	Field	PARENT	STUDENT
3	50-74%	33%	35%
2	75-99%	14%	21%
4	25-49%	24%	18%
1	100%	14%	16%
5	1-24%	16%	10%
		524	575

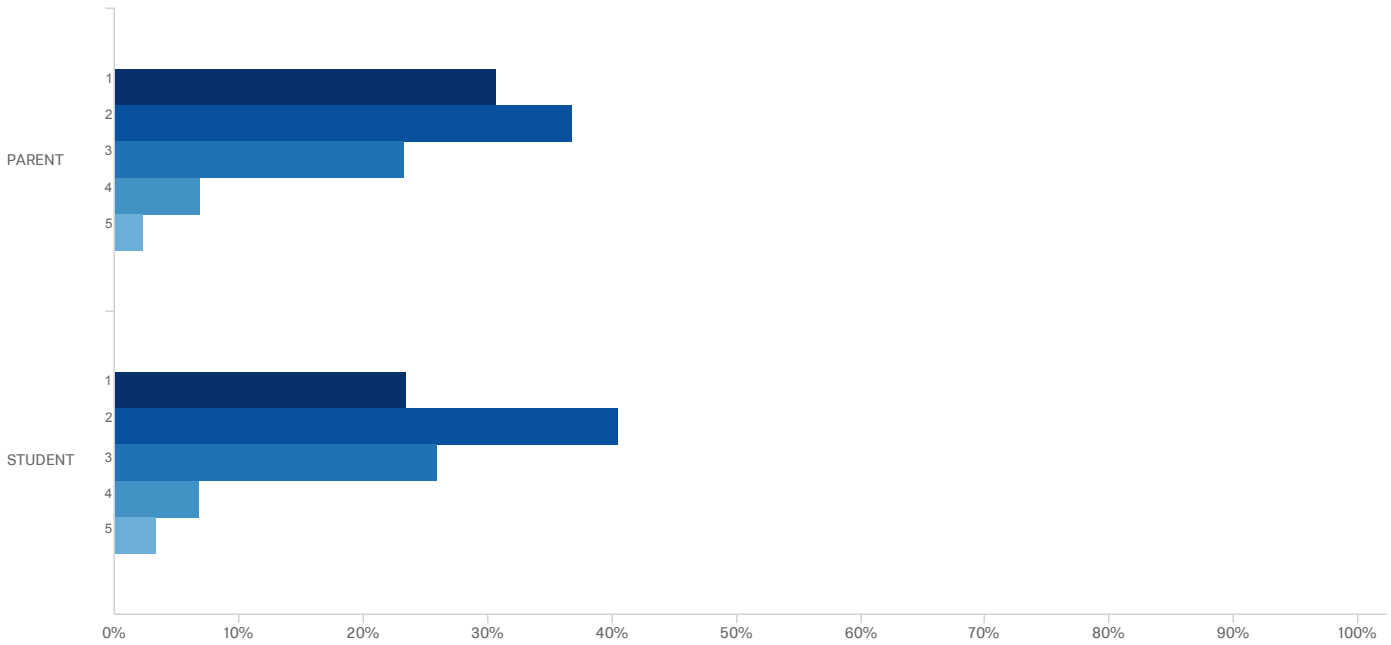
Overall, how confident do you feel in your ability to repay money borrowed for college after graduation?



#	Field	PARENT	STUDENT
1	Extremely confident	25%	15%
2	Very confident	31%	23%
3	Moderately confident	29%	34%
4	Slightly confident	10%	19%
5	Not confident at all	5%	8%
		524	575

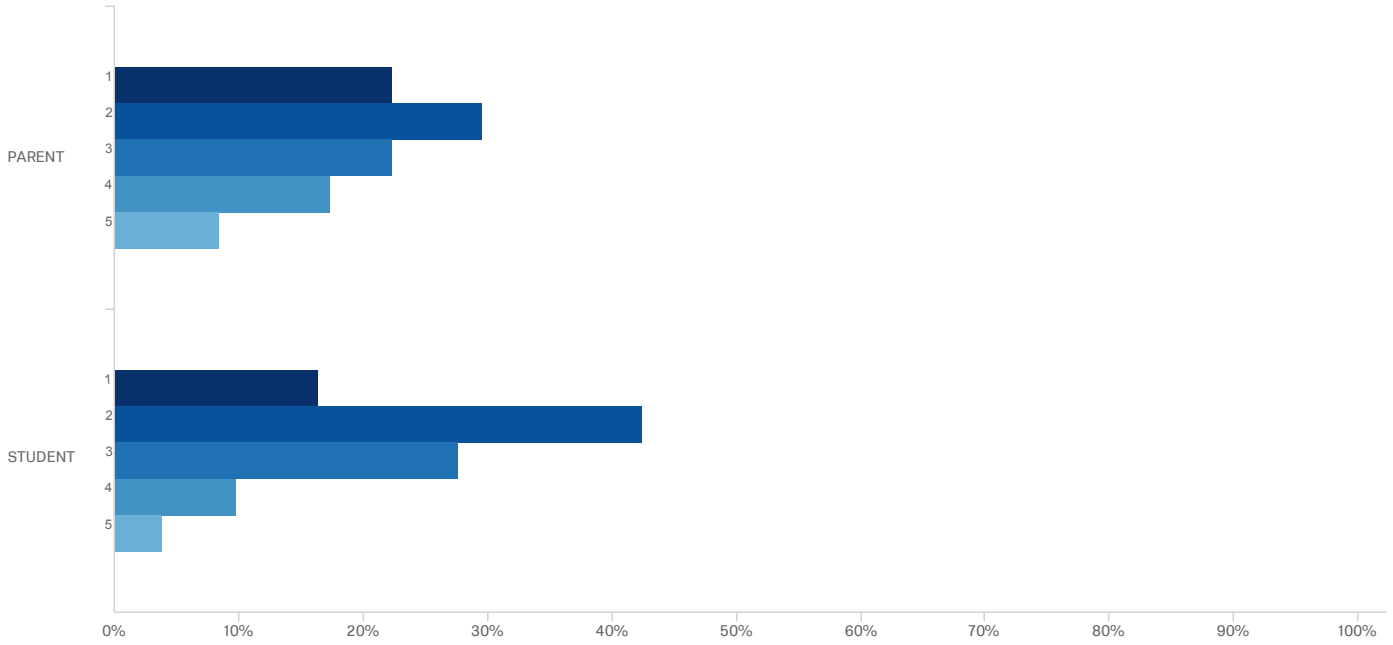
If instead of a fixed monthly payment, your loan payment fluctuated based on your

income, would you be more or less confident in your ability to repay your college loan?



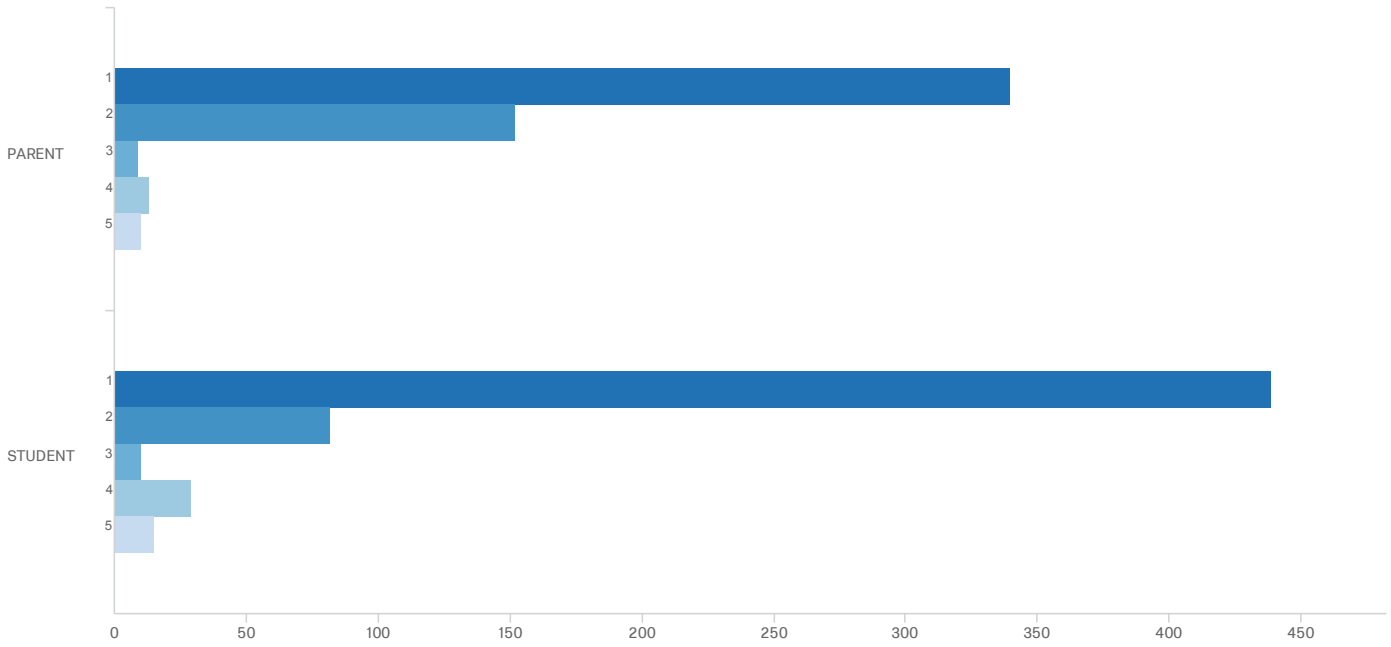
#	Field	PARENT	STUDENT
1	Much more confident	31%	23%
2	Somewhat more confident	37%	41%
3	Neither more or less confident	23%	26%
4	Somewhat less confident	7%	7%
5	Much less confident	2%	3%
		524	575

How appropriate is it for a college student to use a credit card for college-related expenses while in college?



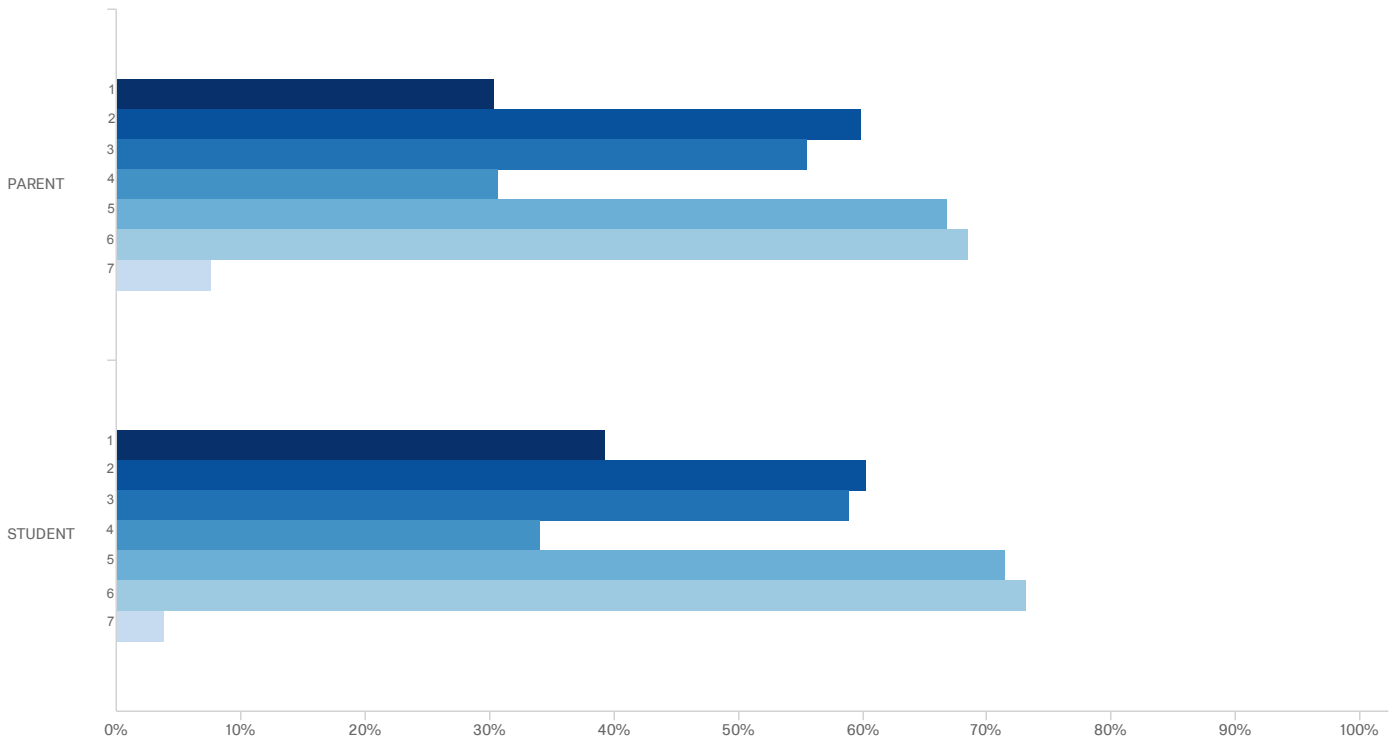
#	Field	PARENT	STUDENT
1	Extremely appropriate	22%	16%
2	Somewhat appropriate	30%	42%
3	Neither appropriate nor inappropriate	22%	28%
4	Somewhat inappropriate	17%	10%
5	Extremely inappropriate	8%	4%
		524	575

Who should be responsible to pay for a college student's credit card?



#	Field	PARENT	STUDENT
1	Student	65%	76%
2	Parent or parent(s)	29%	14%
3	Other family member	2%	2%
4	No one	2%	5%
5	Other	2%	3%
		524	575

What should a college student's credit card be used for? Please select all that apply.

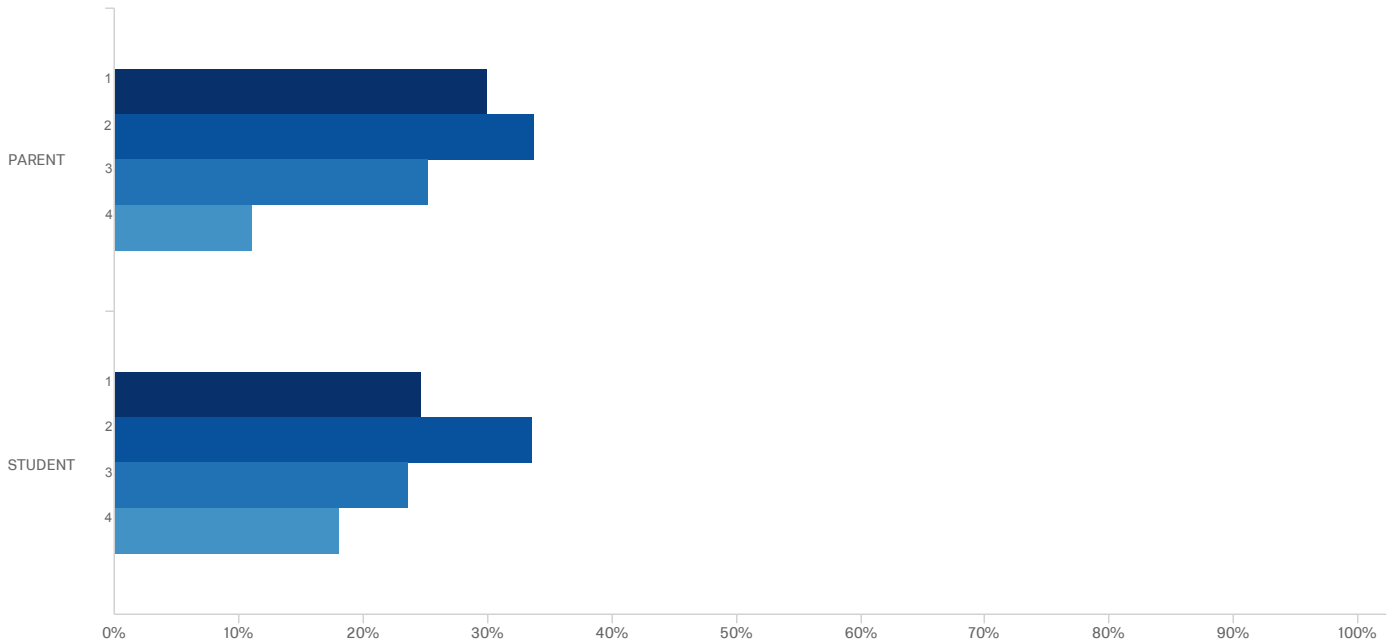


#	Field	PARENT	STUDENT
1	Tuition	30%	39%
2	Living expenses	60%	60%
3	Transportation expenses	56%	59%
4	Phone	31%	34%
5	Books	67%	71%
6	Food	69%	73%
7	Other	8%	4%
		524	575

Should the cost of a college education at the same school vary depending on the major?

For example, should an English major pay the same for education as an electrical

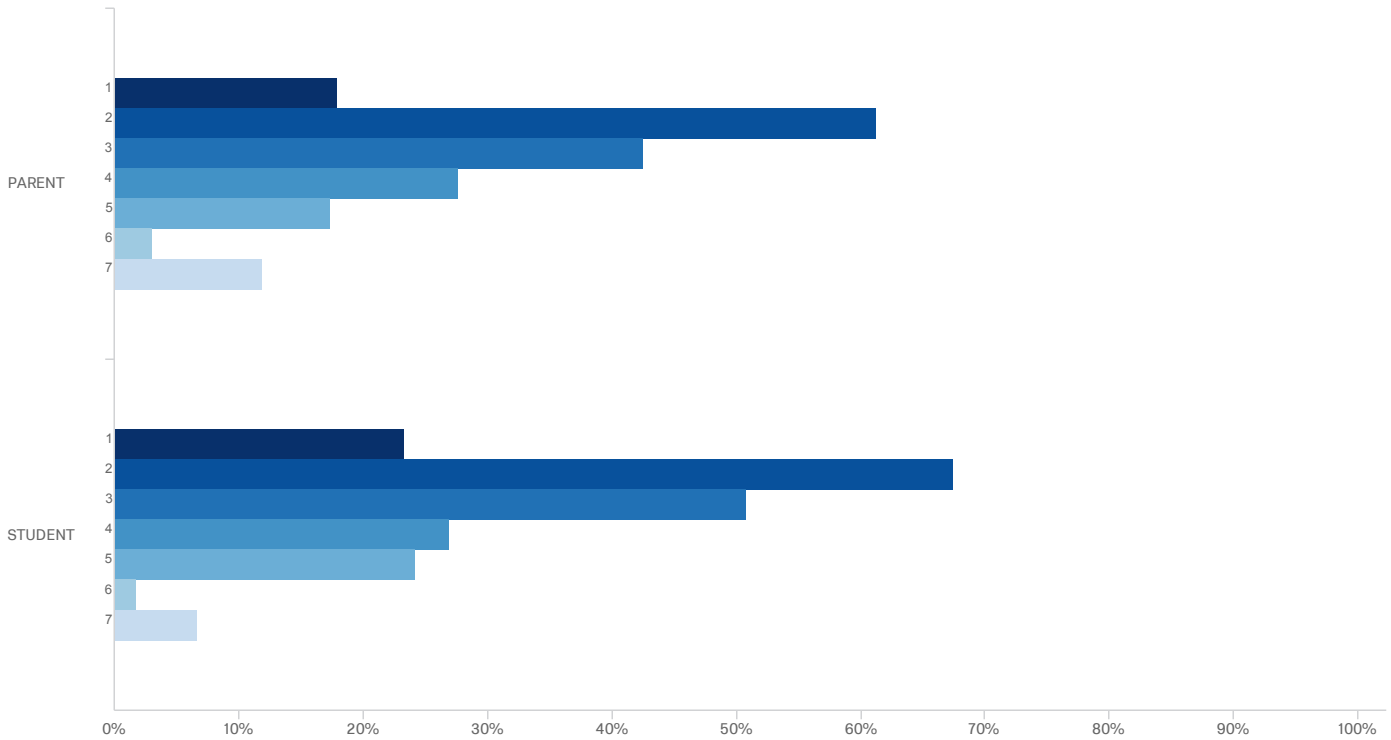
engineering major?



#	Field	PARENT	STUDENT
1	Definitely yes	30%	25%
2	Probably yes	34%	34%
3	Definitely no	25%	24%
4	Probably no	11%	18%
		524	575

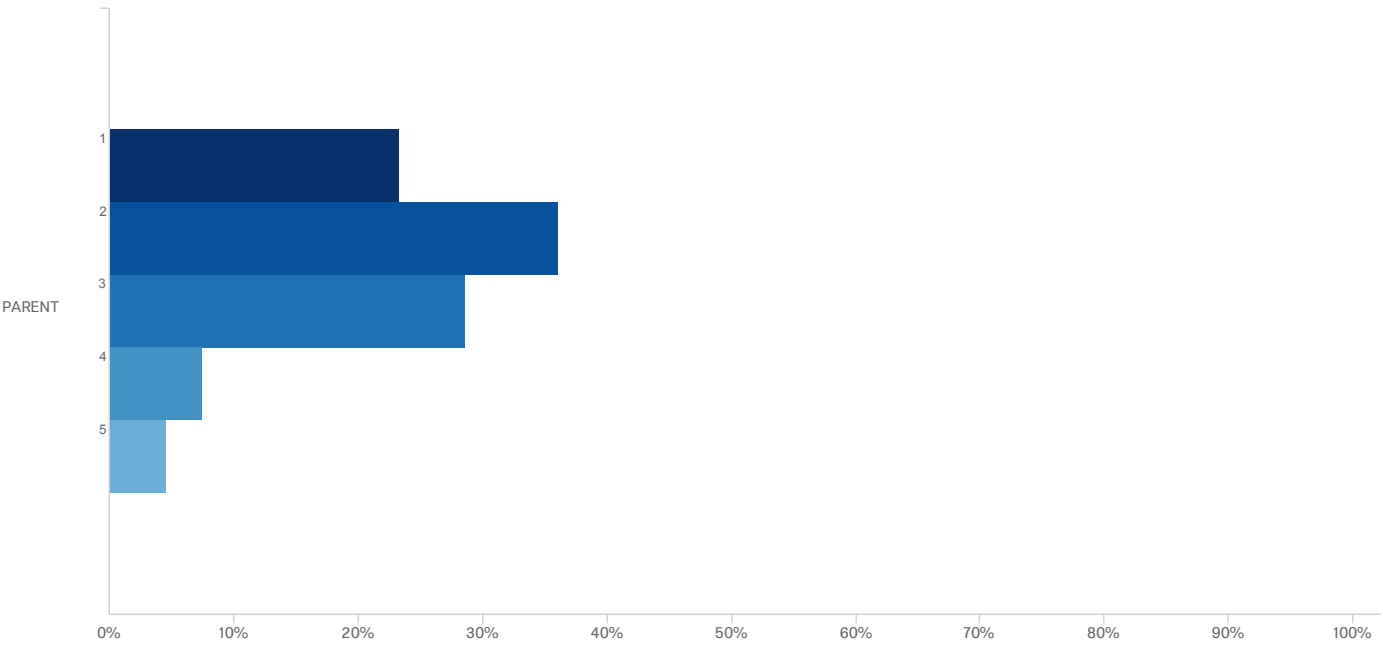
Knowing what you know now, what would you have done differently to prepare college?

Select all that apply.



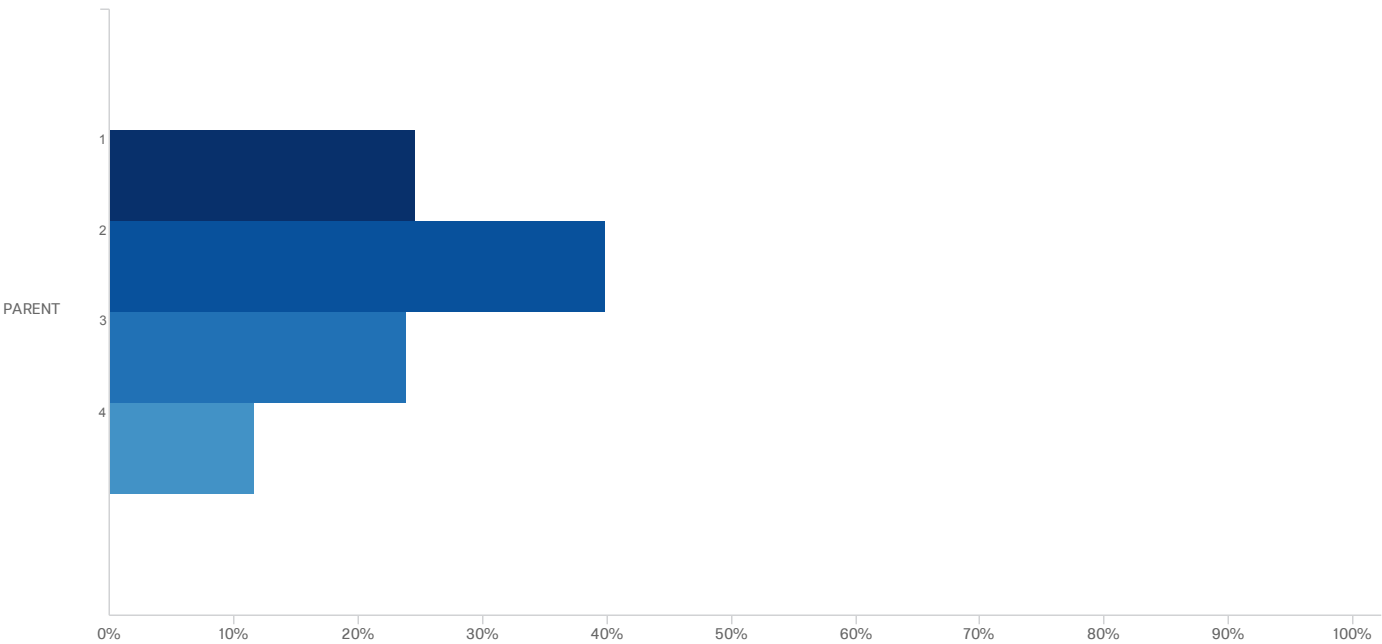
#	Field	PARENT	STUDENT
1	Choose a college that better matched my major	18%	23%
2	Apply for more scholarships/grants	61%	67%
3	Better managed other costs/expenses related to school	43%	51%
4	Fulfill general credits at a 2-year college before transferring	28%	27%
5	Picked a cheaper school	17%	24%
6	Other	3%	2%
7	Nothing	12%	7%
		524	575

How confident are you that you have an accurate understanding of the total amount of money that will be spent on your child's college education from when they begin to when they graduate?



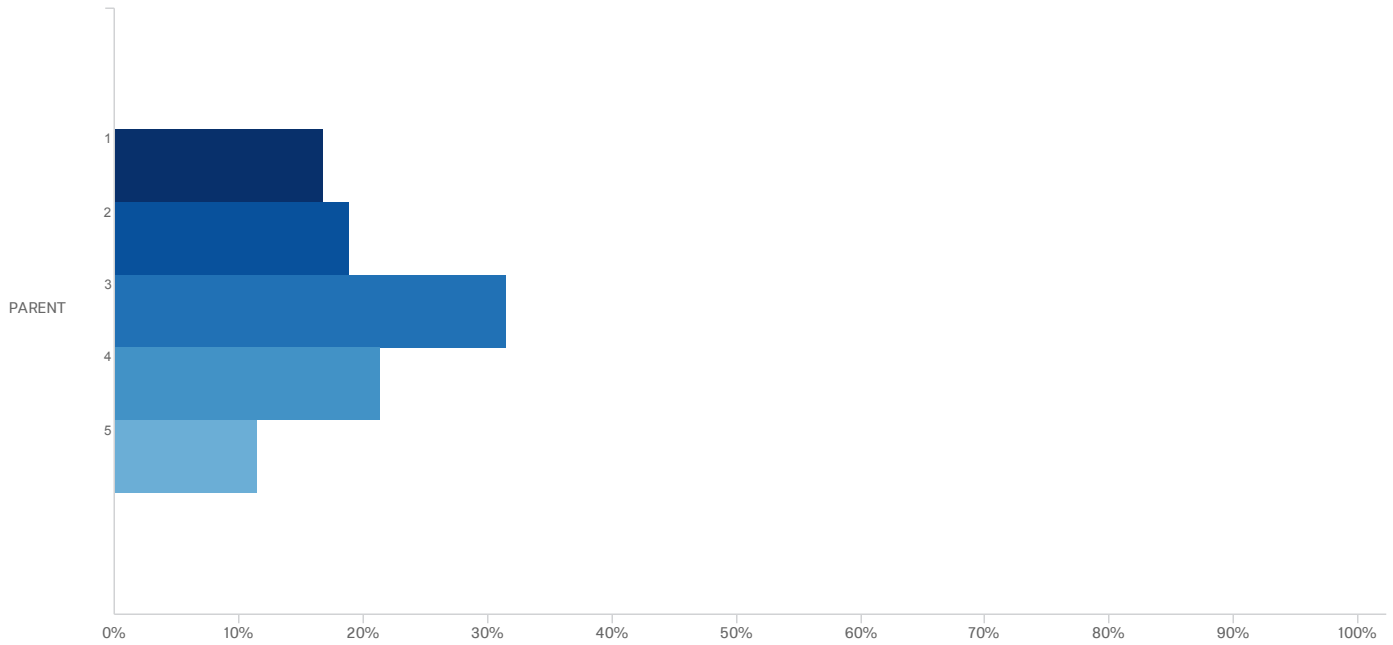
#	Field	PARENT
1	Extremely confident	23%
2	Very confident	36%
3	Moderately confident	29%
4	Slightly confident	7%
5	Not confident at all	5%
		524

Did you underestimate the cost of your child's education?



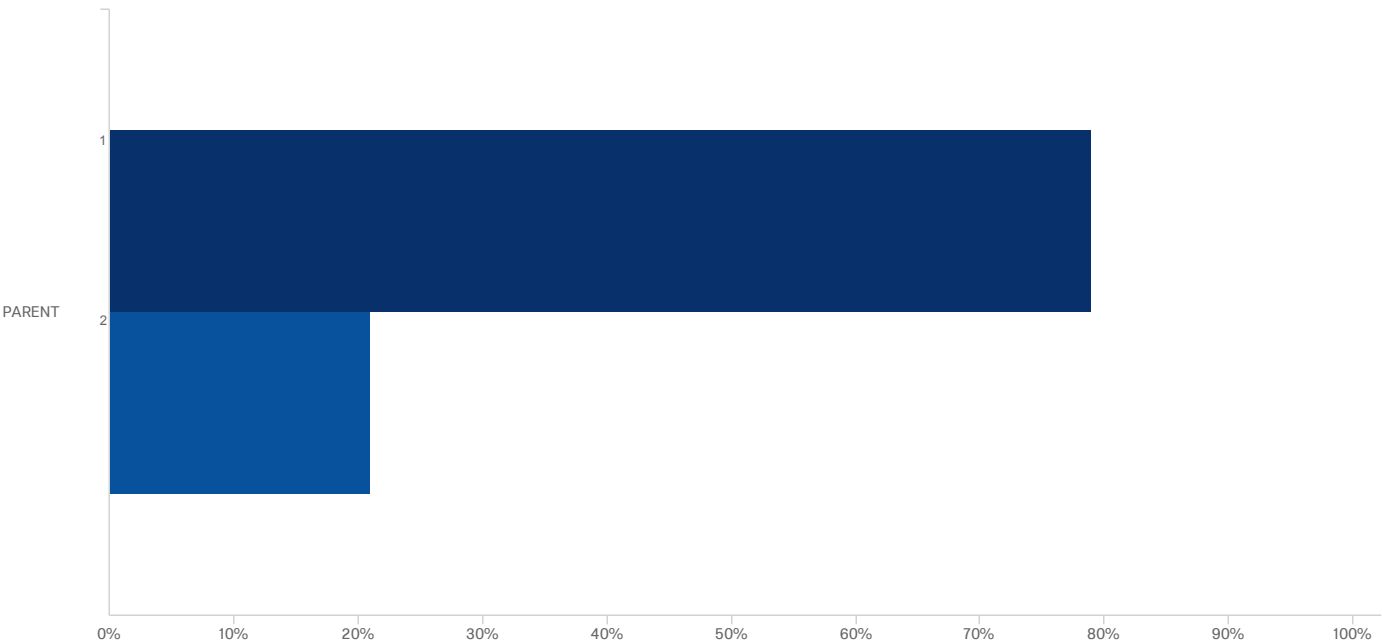
#	Field	PARENT
1	Definitely yes	25%
2	Probably yes	40%
3	Probably not	24%
4	Definitely not	12%
		524

How concerned are you about your or your child's ability to pay for the remainder of their education?



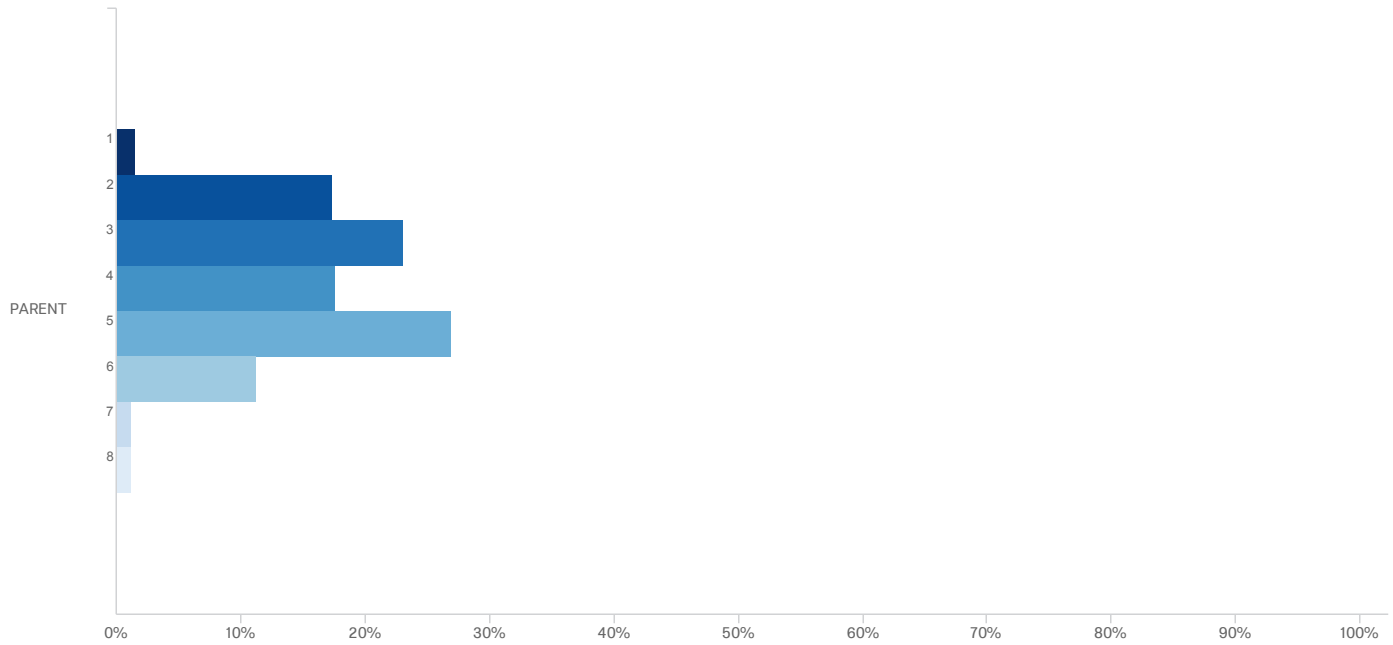
#	Field	PARENT
1	Extremely concerned	17%
2	Very concerned	19%
3	Moderately concerned	31%
4	Slightly concerned	21%
5	Not concerned at all	11%
		524

Would you support your child obtaining a loan on their own, without a cosigner?



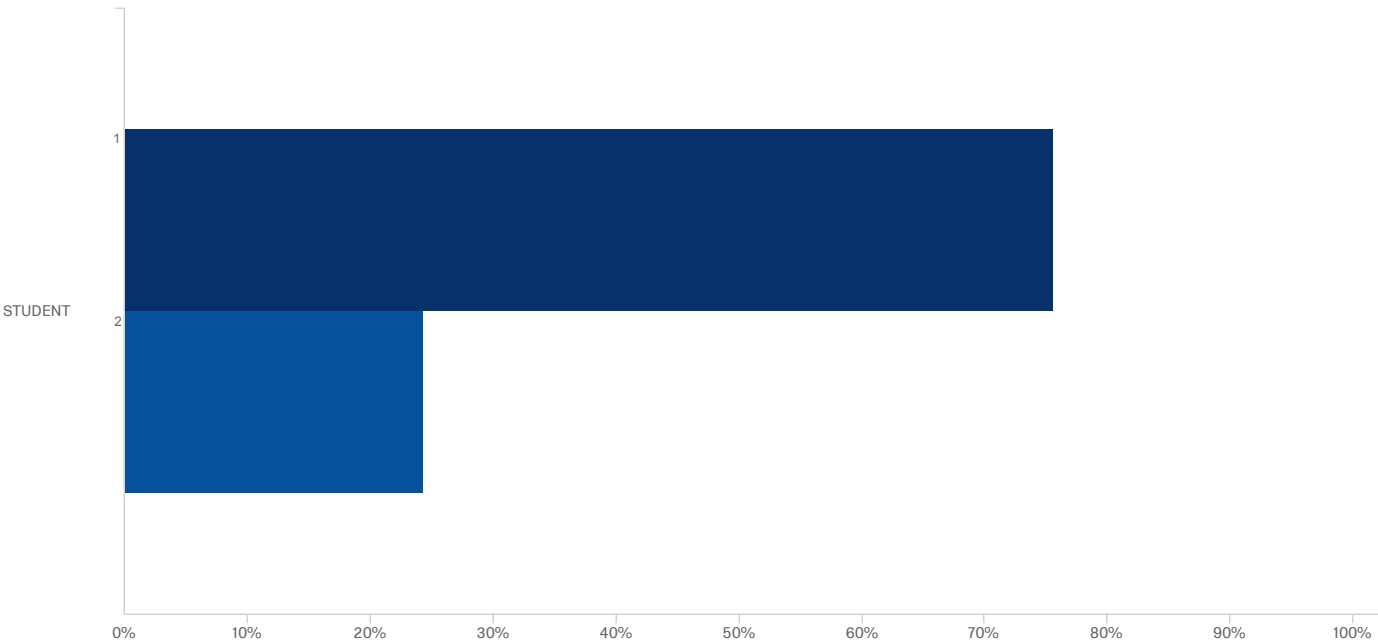
#	Field	PARENT
1	Yes	79%
2	No	21%
		524

What is the highest level of school you have completed or the highest degree you have received?



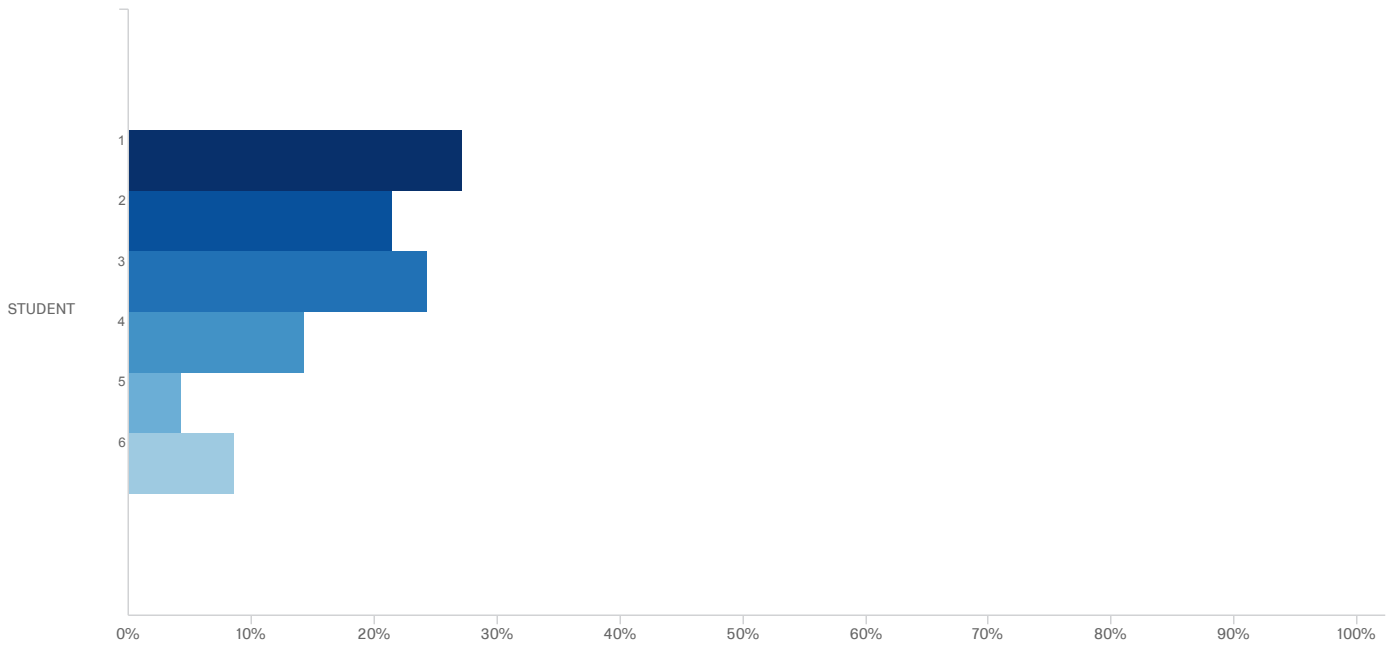
#	Field	PARENT
1	Less than high school degree	2%
2	High school graduate (high school diploma or equivalent including GED)	17%
3	Some college but no degree	23%
4	Associate degree in college (2-year)	18%
5	Bachelor's degree in college (4-year)	27%
6	Master's degree	11%
7	Doctoral degree	1%
8	Professional degree (JD, MD)	1%
		524

Considering the past year, did you receive your funds to pay for school in time to cover your tuition, room, board, book fees, etc.?



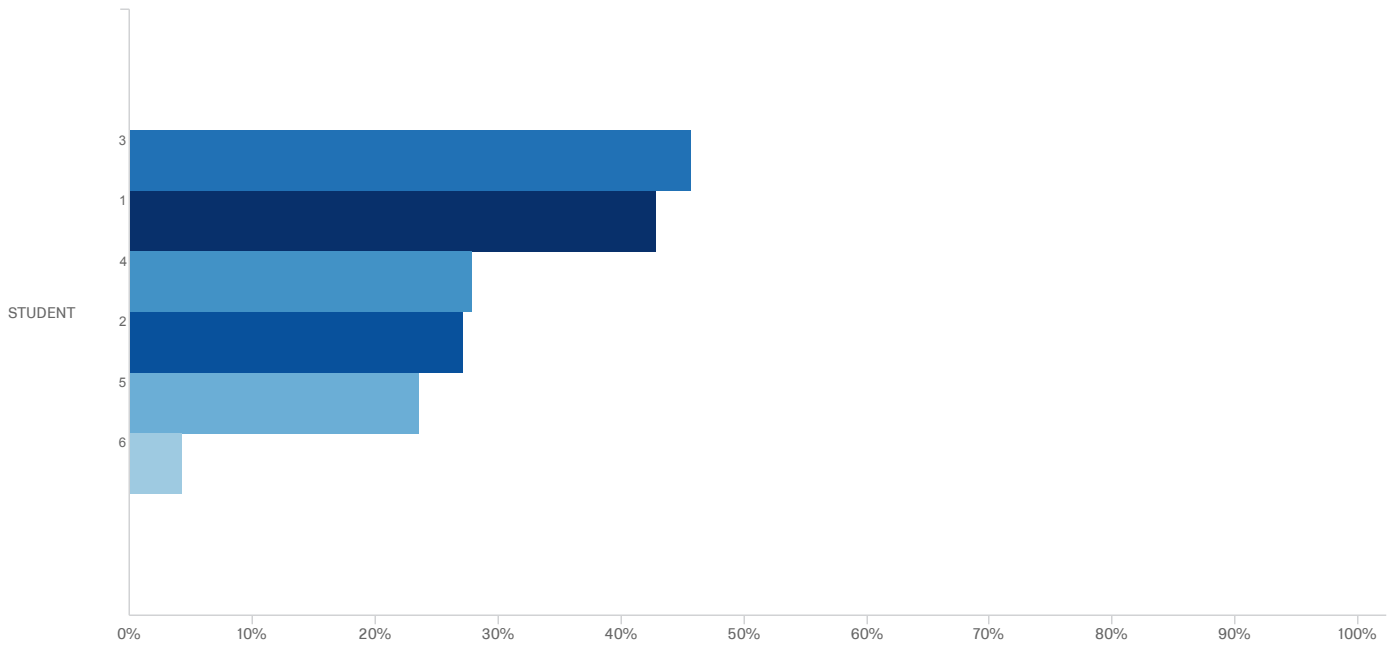
#	Field	STUDENT
1	Yes	76%
2	No	24%
		575

How much were you responsible for covering until you received the funds?



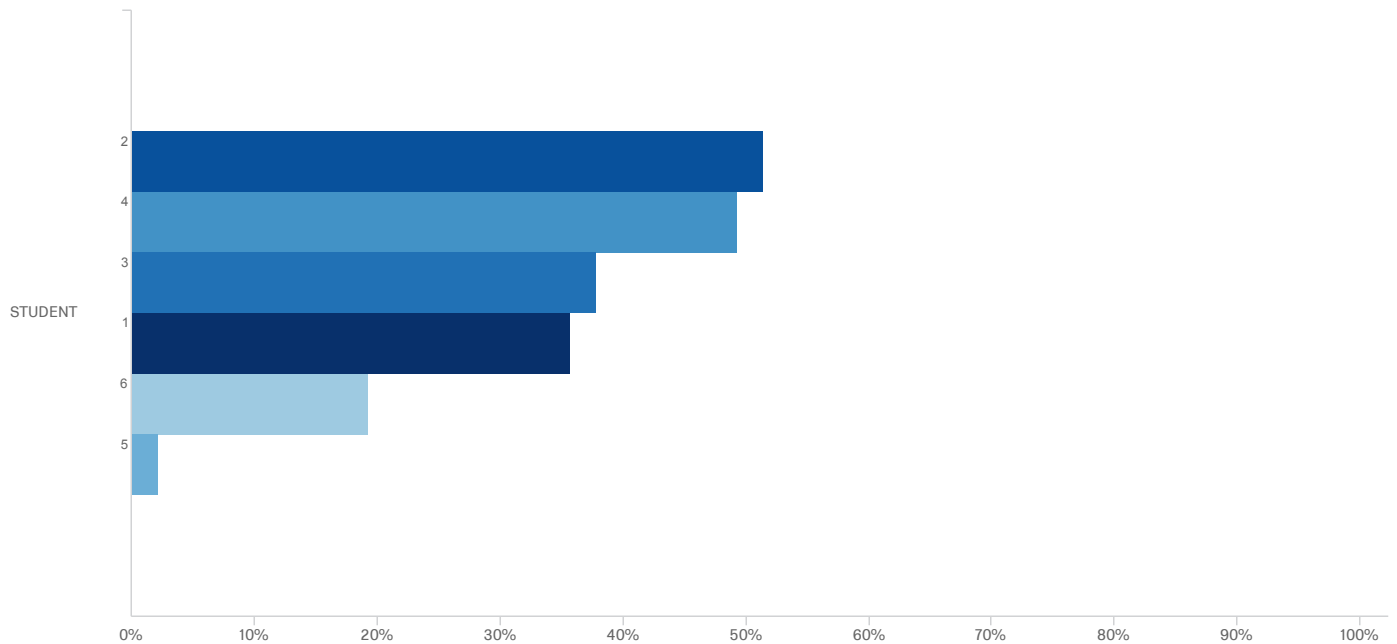
#	Field	STUDENT
1	Less than \$1,000	27%
2	\$1,000 - \$1,499	21%
3	\$1,500 - \$4,999	24%
4	\$5,000 - \$9,999	14%
5	\$10,000 - \$14,999	4%
6	More than \$15,000	9%
		140

How did you cover your expenses until you received the funds? Select all that apply.



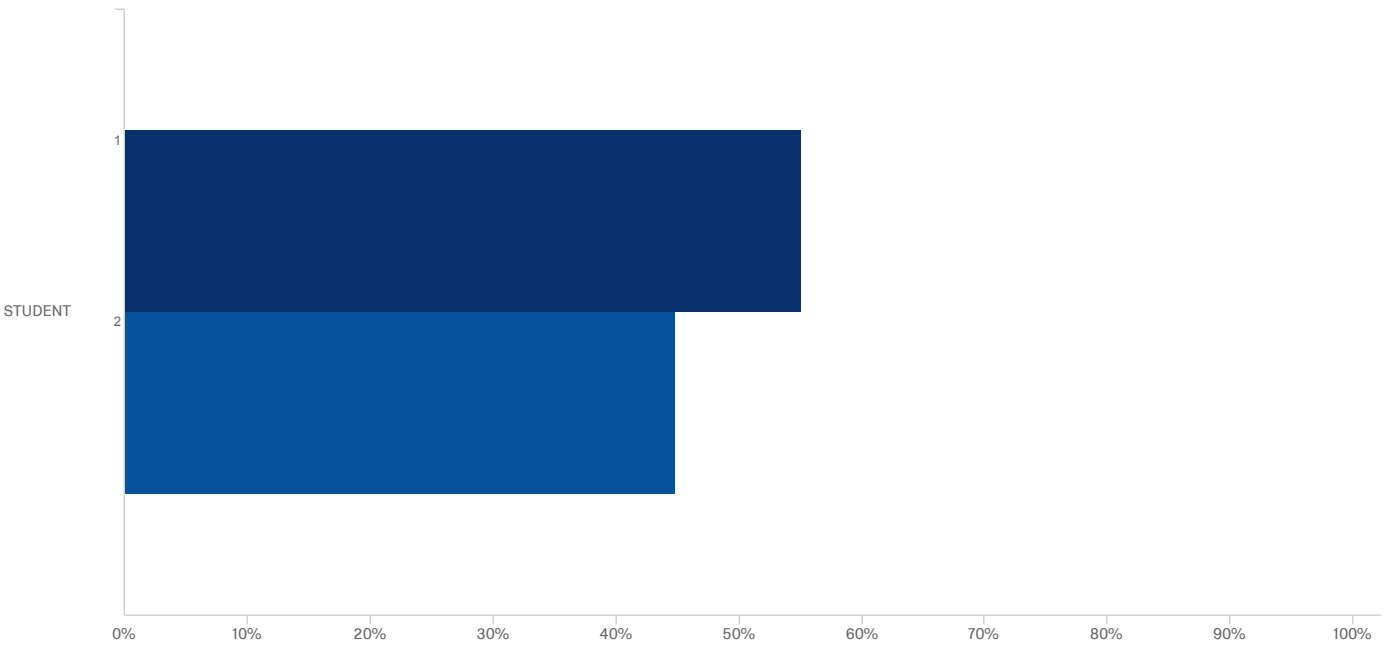
#	Field	STUDENT
1	Family/friend covered the cost	43%
2	Loan from friend/family	27%
3	Personal funds or savings	46%
4	Started a new job/increased existing work hours	28%
5	Credit card	24%
6	Other	4%
		140

Were there other expenses you struggled to meet or things you did without due to the timing of the loan disbursement (when you received the money for the loan)? Select all that apply.



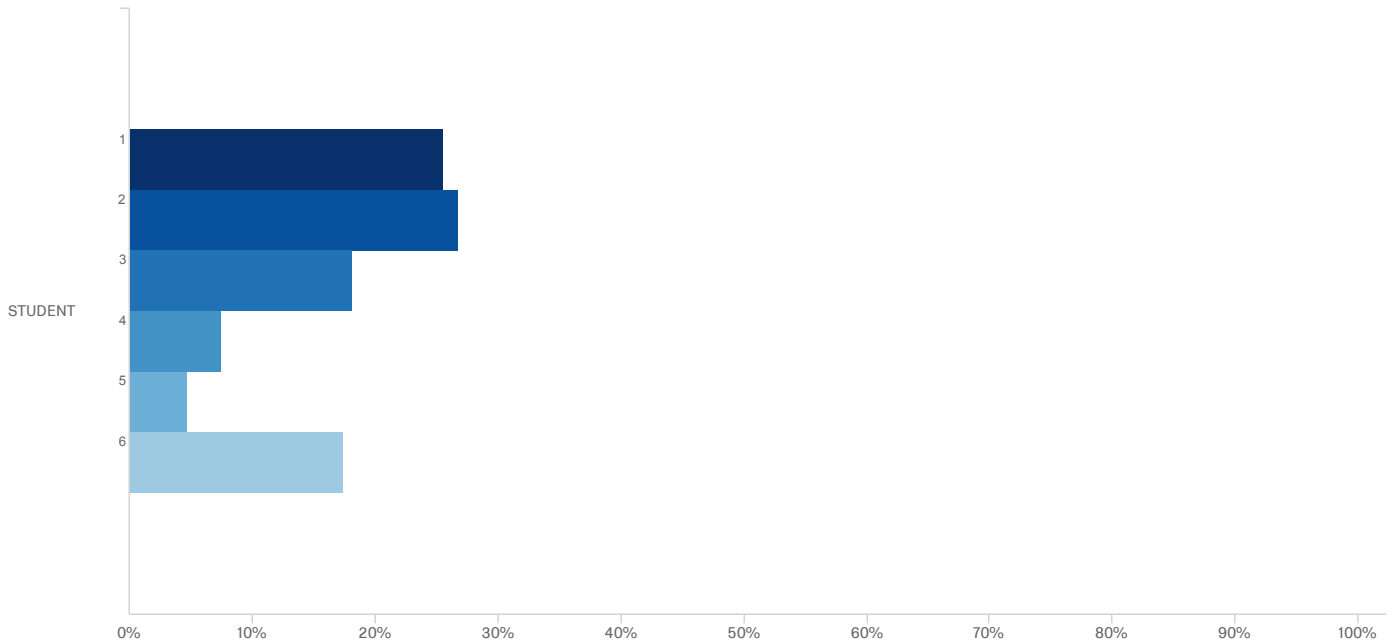
#	Field	STUDENT
1	Rent	36%
2	Food	51%
3	Transportation	38%
4	School supplies	49%
5	Other	2%
6	No other financial struggles due to loan funds taking too long	19%
		140

Do you have a credit card?



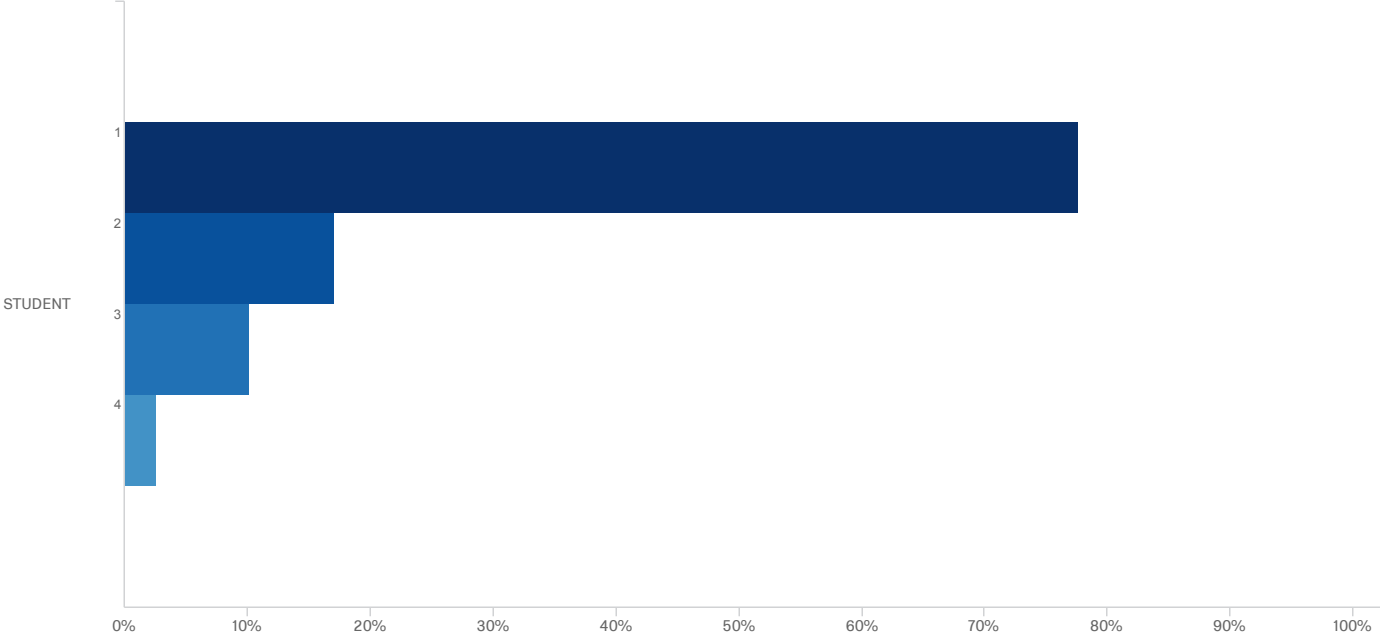
#	Field	STUDENT
1	Yes	55%
2	No	45%
		575

How difficult was it to secure a cosigner for your college loan? A cosigner is someone who agrees to repay the loan if the student is unable or unwilling to make the loan payments.



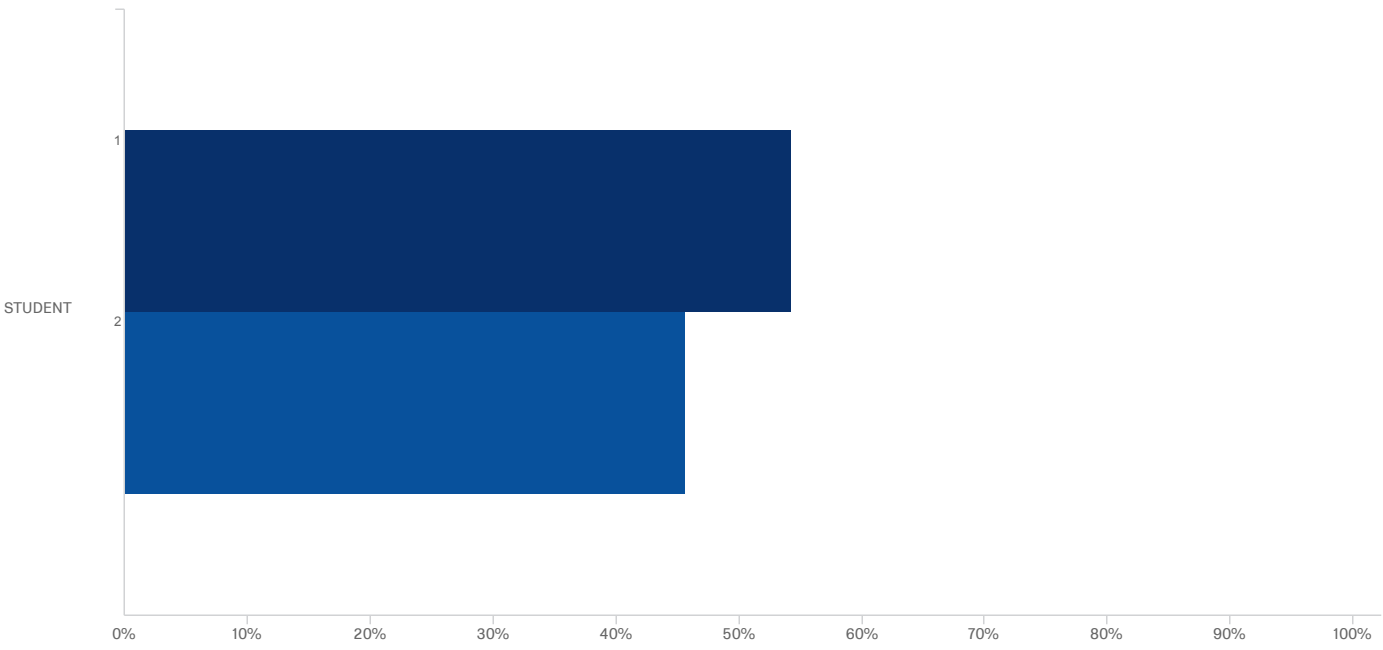
#	Field	STUDENT
2	Somewhat easy	27%
4	Somewhat difficult	7%
3	Neutral	18%
6	I did not utilize a cosigner	17%
1	Extremely easy	26%
5	Extremely difficult	5%
		575

Over the length of your loan, who have you used as your cosigner? Please select all that apply.



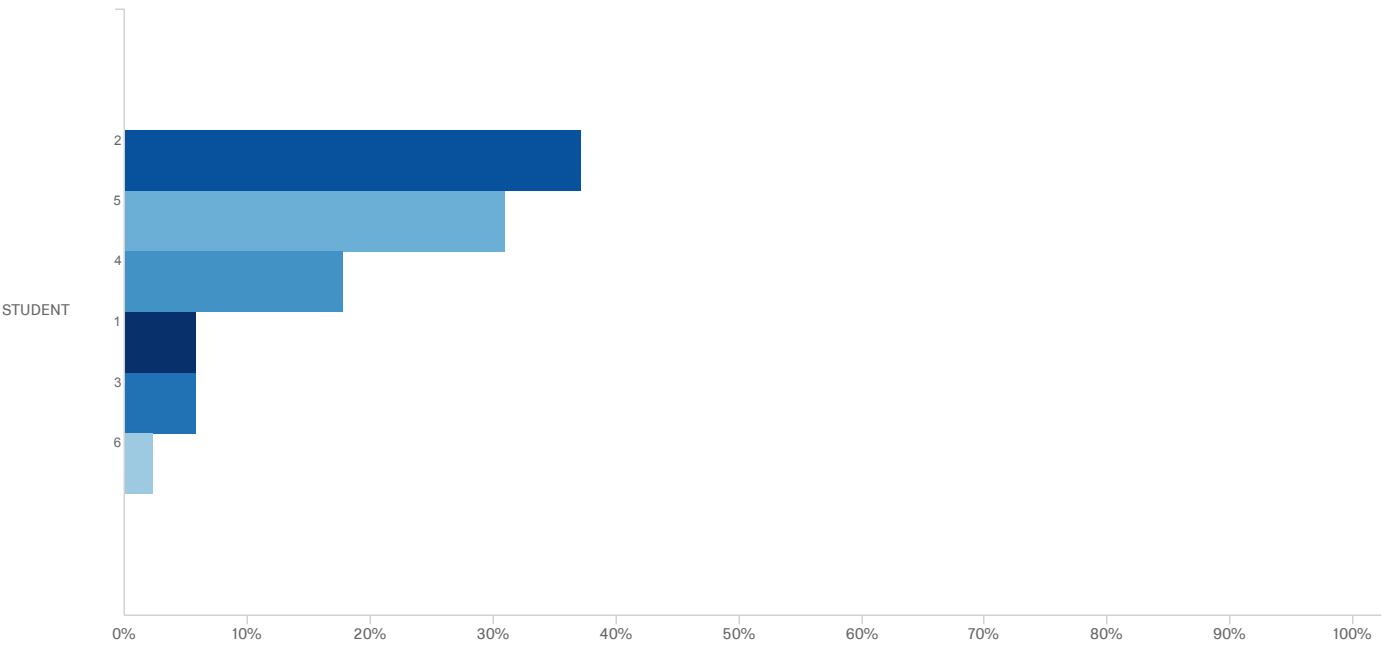
#	Field	STUDENT
1	Parent	78%
2	Other family member	17%
3	Mentor/friend	10%
4	Other	3%
		475

Would you consider obtaining a loan on your own, without a cosigner?



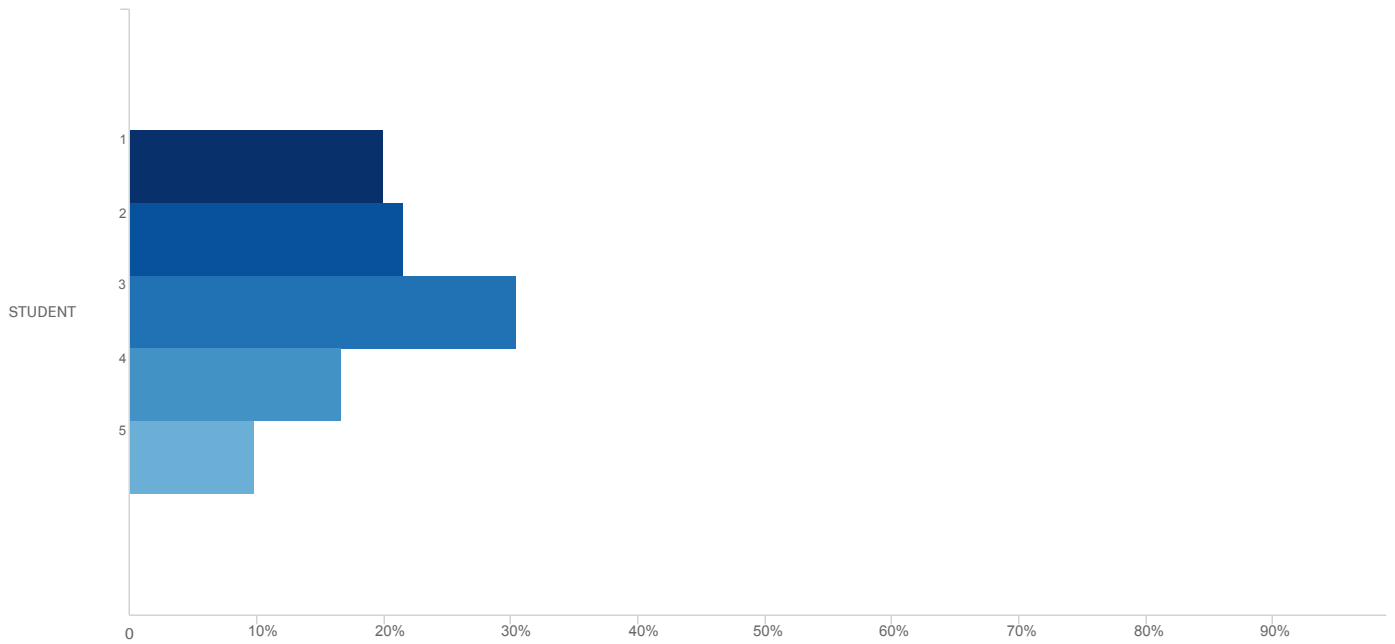
#	Field	STUDENT
1	Yes	54%
2	No	46%
		475

Why would you take out a loan without a cosigner?



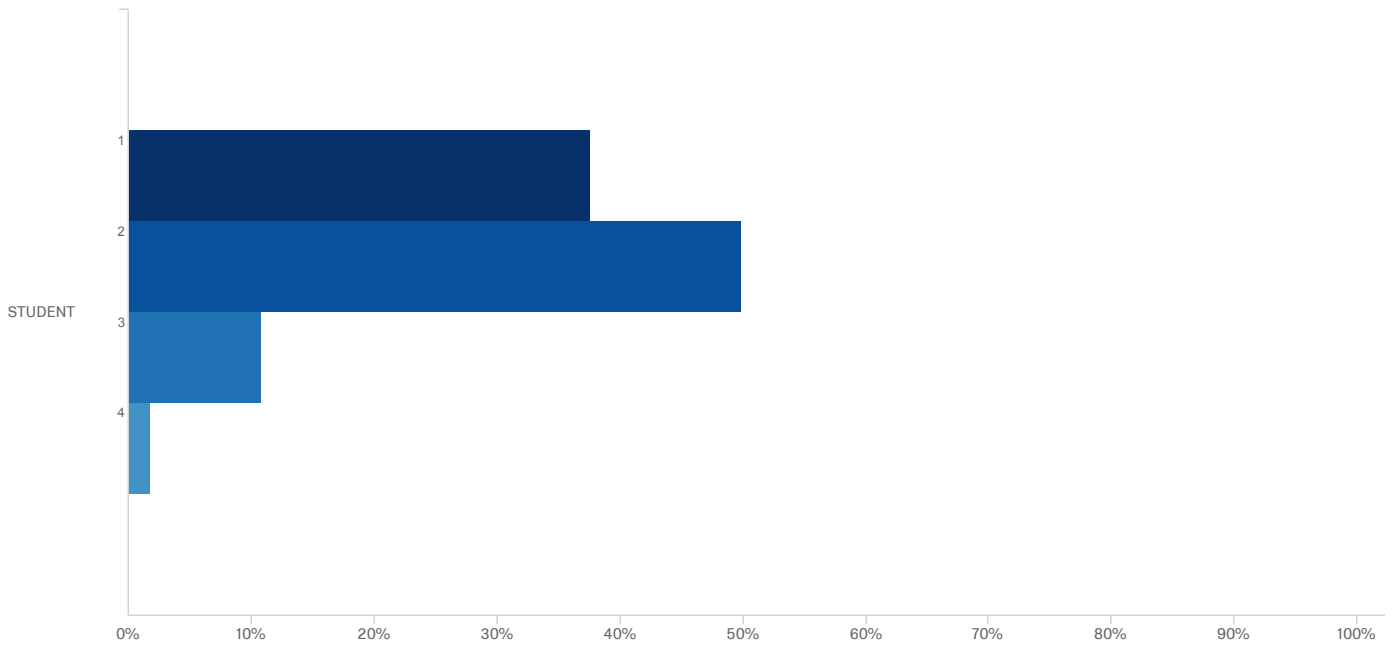
#	Field	STUDENT
1	I don't know a qualified cosigner	6%
2	I don't want to burden anyone with debt	37%
3	I know a cosigner but they can't help me	6%
4	I can qualify for a loan on my own	18%
5	I want to be independent	31%
6	Other	2%
		258

How concerned are you about your ability to pay for the rest of your college education?



#	Field	STUDENT
1	Extremely concerned	20%
2	Very concerned	22%
3	Moderately concerned	31%
4	Slightly concerned	17%
5	Not concerned at all	10%
		575

Has your intended or selected major changed since you have been in college?



#	Field	STUDENT
1	Yes	38%
2	No	50%
3	I was undecided when I chose my college	11%
4	Still undecided	2%
		575

End of Report