



Perceptions & Realities of Paying for College

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

High School Survey
Executive Summary & Findings

April 2019

EXECUTIVE SUMMARY + KEY FINDINGS

There's nothing like the excitement of heading off to college as a freshman, until the harsh realities of financial implications come into play. While this time for a young person and their family should be jubilant, many incoming freshman and parents are filled with concern and anxiety about the financial commitment of a college education. According to Perceptions & Realities of Paying for College 2019, a study of high school students who are heading off to college, 93% of students are concerned about their ability to pay for it.

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 of college students age 18-26 years old and parents of college students who have taken out student loans. The research uncovers student and parent perspectives on their college research, selection and application process, their understanding of available finance options, and insights on how they are putting together a plan to finance college.

While high school seniors are trying to be engaged and informed young consumers, they may be overestimating their understanding of the financial implications of a college education.

2019 highlights among high school seniors heading to college and parents of these students include:

High school seniors are serving as decision makers on their future college education; however, there is a knowledge gap in their understanding of all financing options.

- High school seniors are spearheading the majority of research surrounding college expenses and financial options, as well as filling out their own applications.
 - 62% of students say they conducted the majority of the research around potential college expenses and financial aid options; however, half of all parents (50%) believe they conducted the majority of this research.
 - 84% of students say they completed their own college applications and 86% of parents agreed.
- Both high school seniors and parents reinforce that the student serves as the ultimate decision maker on their future college experience.
 - 80% of students and 74% of parents state the student will be the final decision maker on selecting a college.
- 90% of high school seniors state they are moderately to extremely knowledgeable about all the financing options for college. However, nearly one third (31%) don't plan to or haven't decided yet if they will fill out the Free Application for Federal Student Aid (FAFSA®).
- When high school seniors were asked how they planned to pay for their college education, only 33% indicated tapping federal loan options and 25% indicated they would explore need-based aid from their selected college.

The overall cost of a college education is the key factor in selecting one college over another.

- High school seniors and parents unanimously agree that cost is an important factor when making a decision about where to attend college.
 - 98% of both students and parents state that cost is an important factor in making a college decision.
 - Further, 80% of parents and 75% of students state cost is an extremely or very important factor in this decision – reaffirming cost as a make or break factor significantly swaying a student's final decision.
- Followed by cost, high school seniors value the academic distinction of colleges, specifically among certain majors, and scholarship opportunities as top attributes when selecting a college.

- When asked to pick the most important factors in making a college decision, 61% of students selected cost, 50% selected academic strength in a specific major or field and 48% selected scholarship opportunities.

High school seniors already plan to accept financial responsibility for their college education, but worry about their ability to pay for everything.

- High school seniors and parents have a different understanding of who should accept the most financial responsibility for the overall cost of a college education.
 - 72% of students believe 50 – 100% of the tuition and overall cost of a college education should be their responsibility; while just over half (53%) of parents say the same.
- High school seniors and parents equally feel the burden and stress about their ability to pay for a college education.
 - 89% of parents are concerned about their ability to finance their student’s education with 47% of parents believing students should only bear 1 – 50% of the financial burden.
 - 93% of students are also concerned about their ability to pay for college.
- Over half of all high school seniors (56%) plan on paying for college by working, yet parents have a different idea.
 - After working, 45% of students plan to rely on their parents for financial support for college even though 72% of students believe they should be responsible for 50 – 100% of their college costs.
 - Parents have the opposite perspective, with 55% planning to provide financial support to pay for the college education, followed by using merit-based aid or scholarships and federal loans (tied at 49%).
- Both high school seniors and parents agree that a flexible repayment option that fluctuated based on the student’s future income would increase their overall confidence in their ability to repay their debt.
 - Among students, 62% say they would be more confident in their ability to pay off their student loans if their payment fluctuated based on their future income versus a more rigid payment offered through current programs.
 - Parents support a flexible repayment option – 63% would also feel more confident in the ability to pay off a student loan.

Ascent Funding Contact

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High School Survey Methodology

Allison+Partners Research + Insights surveyed 1,015 individuals, a mix of high school students expected to graduate in 2019 and parents of high school students expected to graduate in 2019, all residing within the United States. The survey was fielded using the Qualtrics Insight Platform, and panel was sourced from Fulcrum by Lucid. Fielding was executed in March 2019. The following percentages have been rounded up to the whole number.

About Ascent Funding

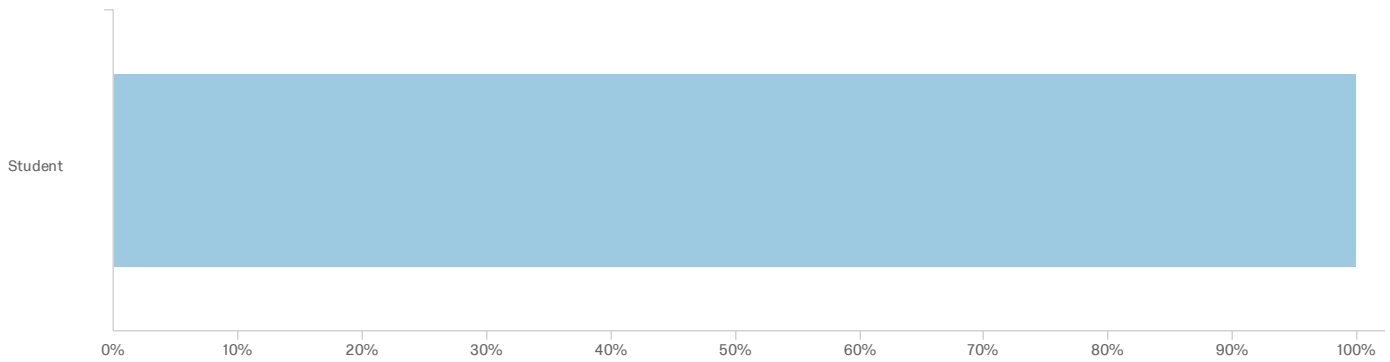
Ascent is built around one guiding principle: Student loans should expand possibilities, not limit them. That’s why Ascent created a new private student loan model that gives students more opportunities to qualify for a loan, with or without a cosigner, to get the funding needed to cover tuition and 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.

High School Survey Raw Data - Parents vs. Students

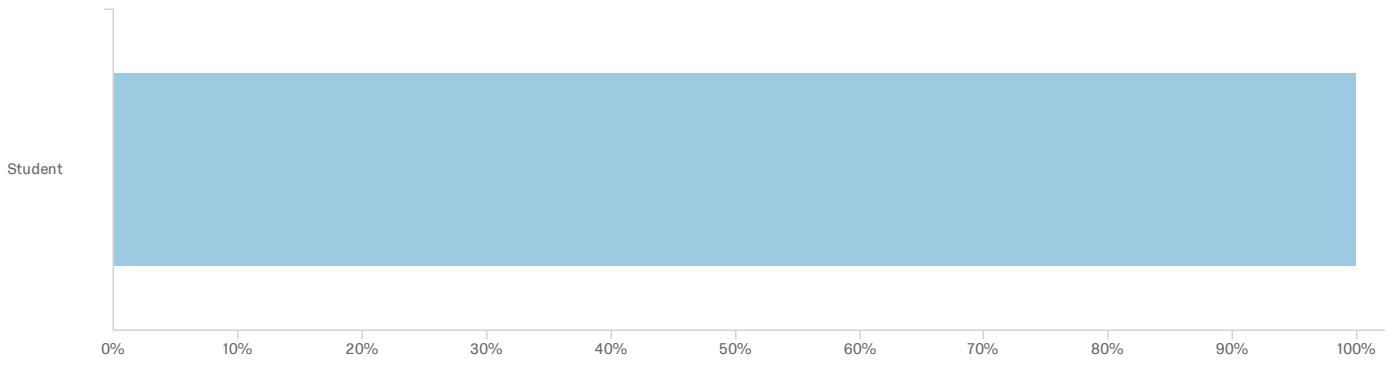
March 2019

What year are you expecting to graduate high school?



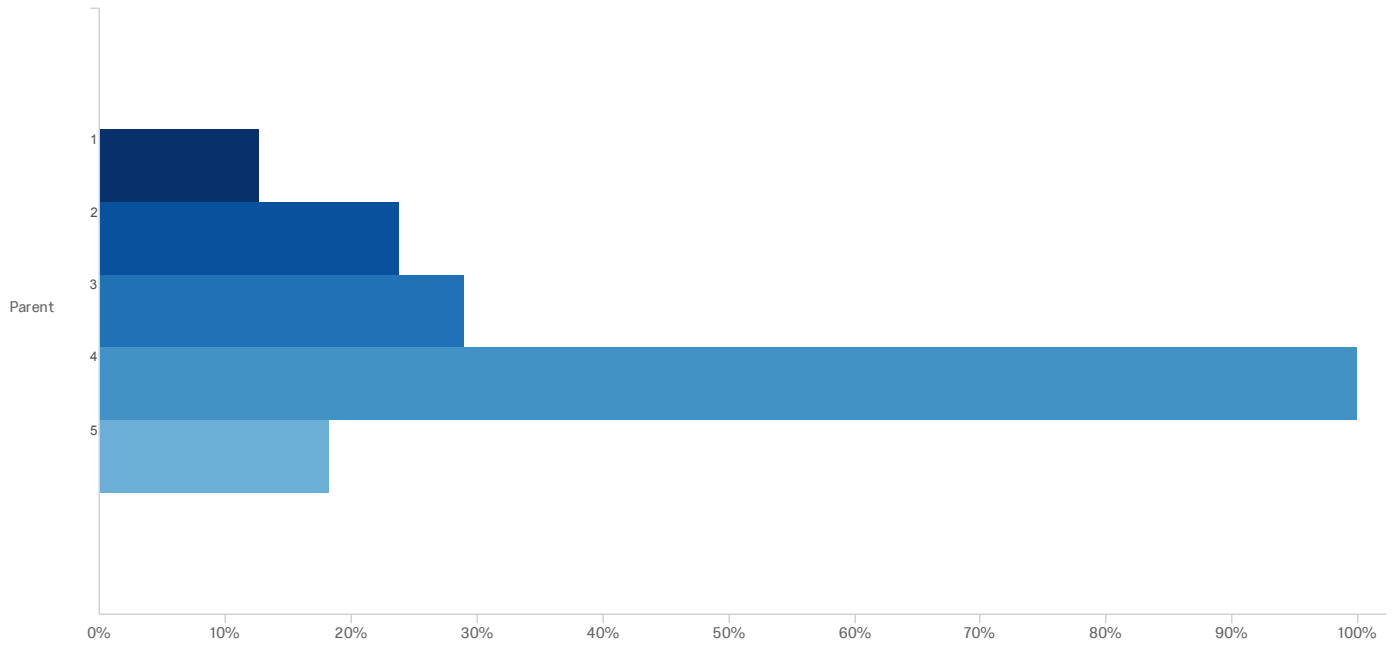
#	Field	Student
1	2019	100%
		511

Do you plan on attending college?



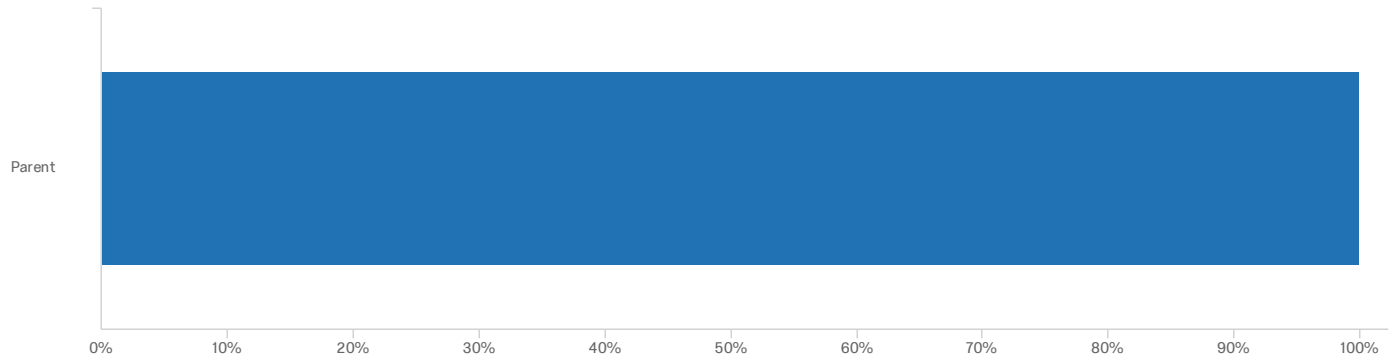
#	Field	Student
1	Yes, I plan to attend college	100%
		511

Please select the option that best aligns with your child's current level in school. Select all that apply if you have more than one child.



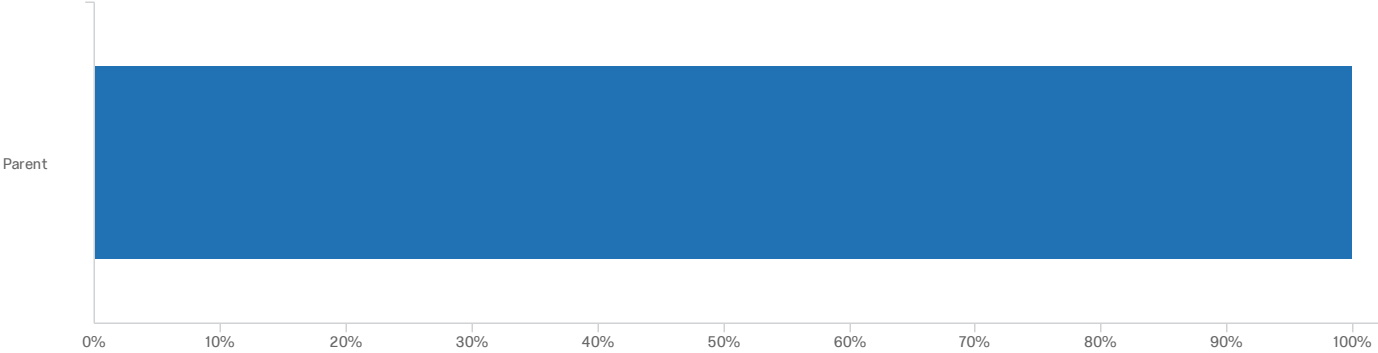
#	Field	Parent
1	Kindergarten or younger	13%
2	Elementary school	24%
3	Middle school	29%
4	High school	100%
5	Above high school age	18%
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You indicated at least one of your children is in high school. Please indicate what year they are expecting to graduate.



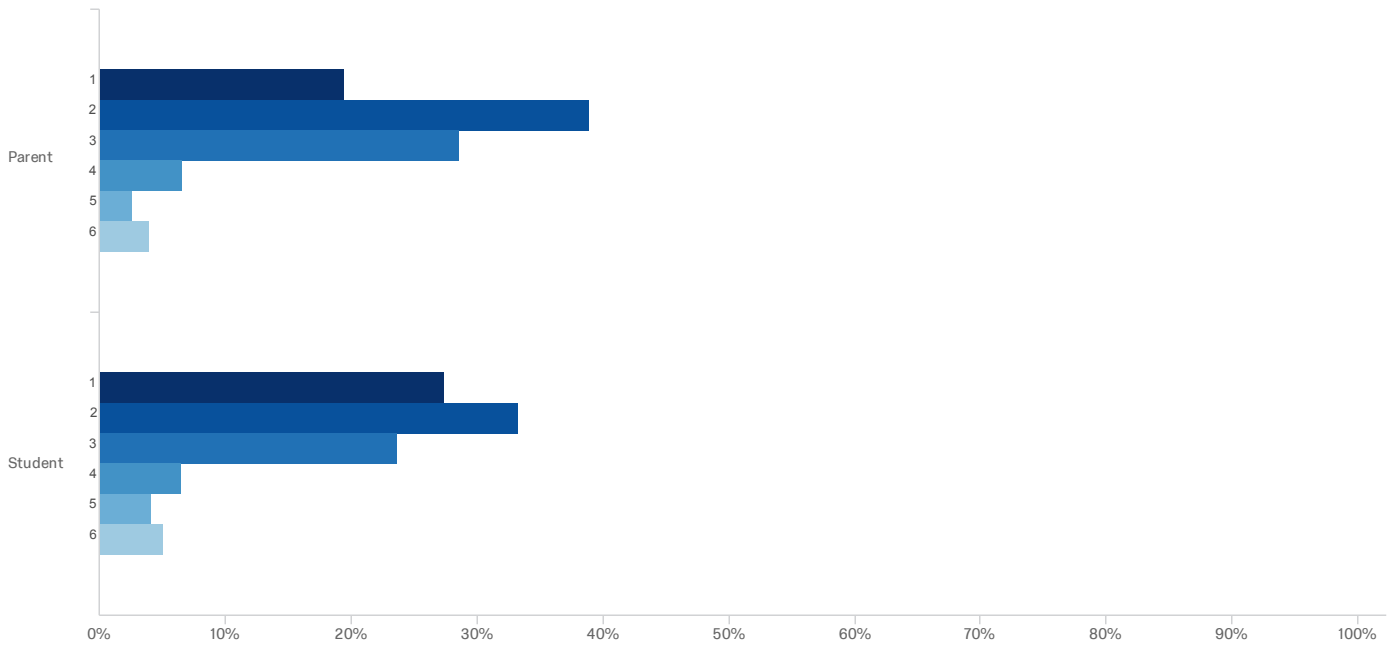
#	Field	Parent
1	2019	100%
		504

When your child graduates from high school, do they plan to attend college?



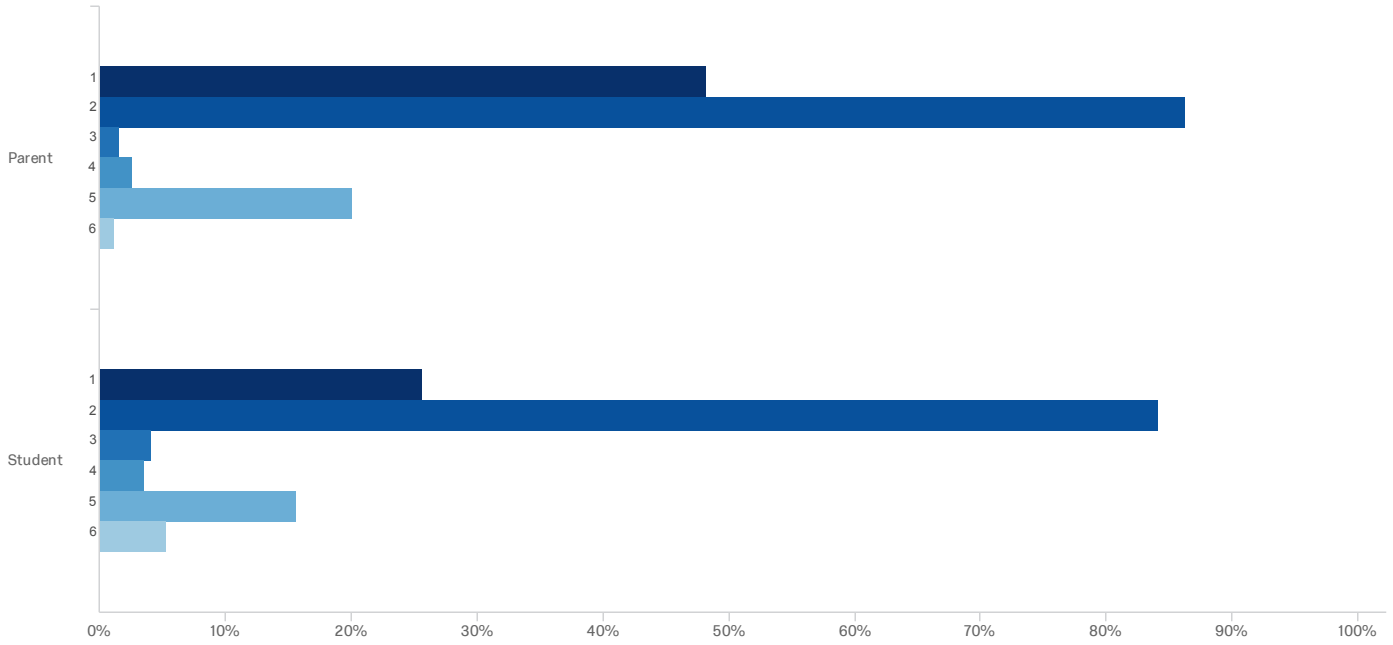
#	Field	Parent
1	Yes, they plan to attend college	100%
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How many colleges did you or your child apply to?



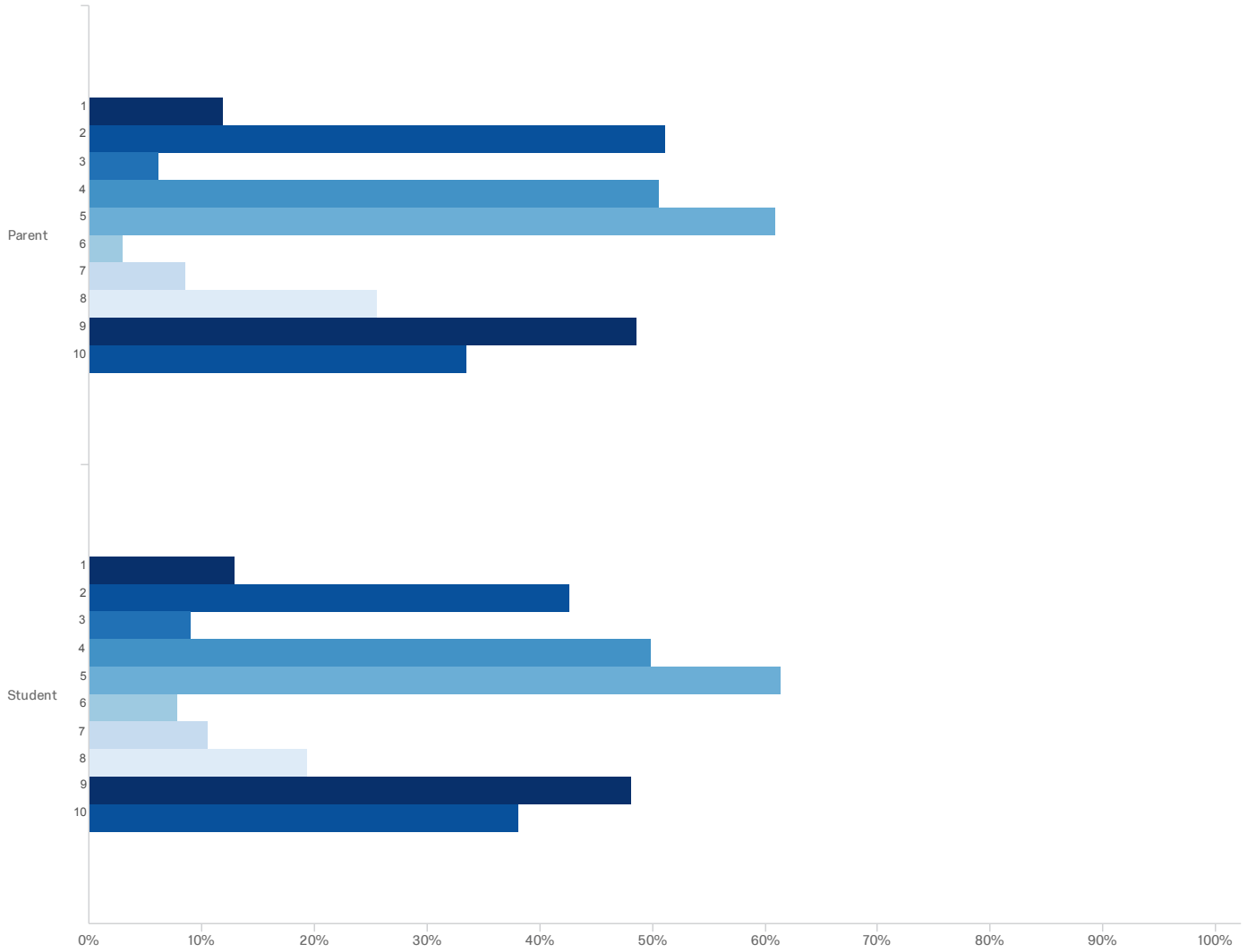
#	Field	Parent	Student
1	0-1	19%	27%
2	2-3	39%	33%
3	4-5	29%	24%
4	6-7	7%	6%
5	8-9	3%	4%
6	10+	4%	5%
		504	511

Throughout the college application process, who completed the applications? Select all that apply.



#	Field	Parent	Student
2	Student	86%	84%
1	Parent	48%	26%
5	Counselor	20%	16%
6	Other	1%	5%
3	Other relative	2%	4%
4	Non family member	3%	4%
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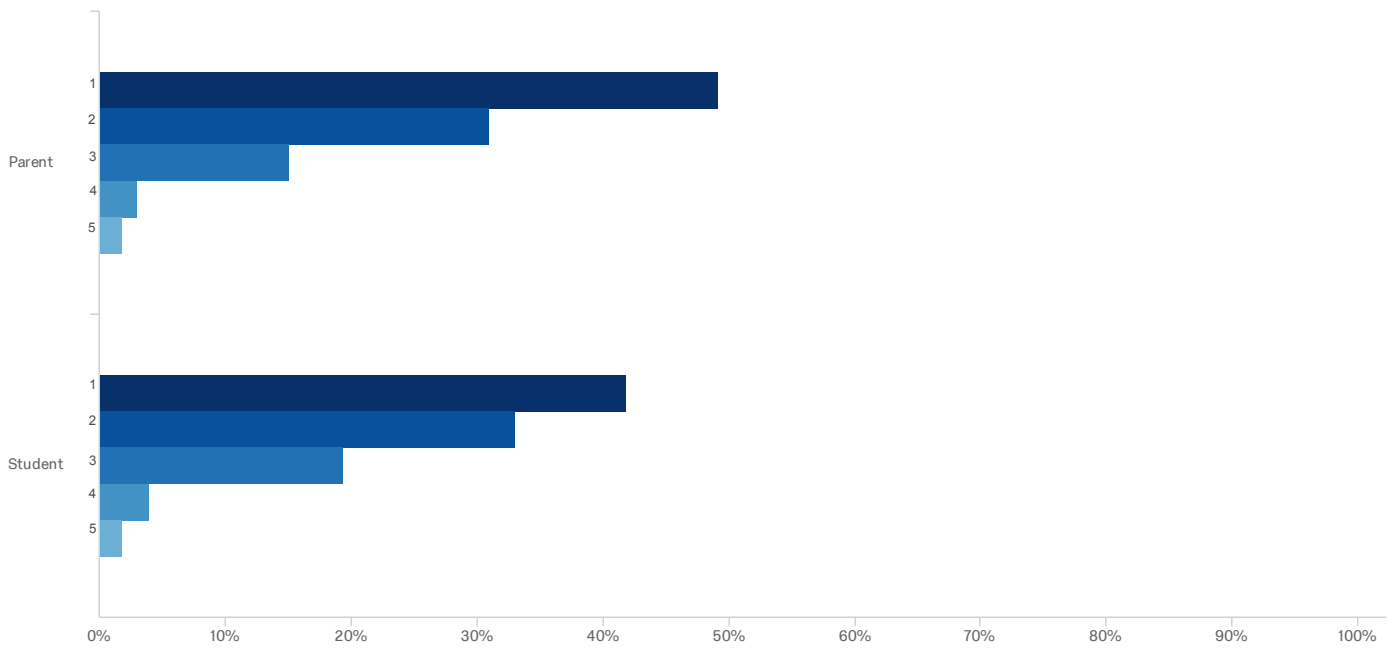
What are the most important factors to consider when selecting your (or your child's) college? Please select your top three factors.



#	Field	Parent	Student ▲
5	Cost	61%	61%
4	Academic strength in a specific major/field of study	51%	50%
9	Scholarship opportunities	49%	48%
2	Location	51%	43%
10	Future employment/earning opportunities	34%	38%
8	Ability to gain admission	26%	19%
1	Campus size	12%	13%

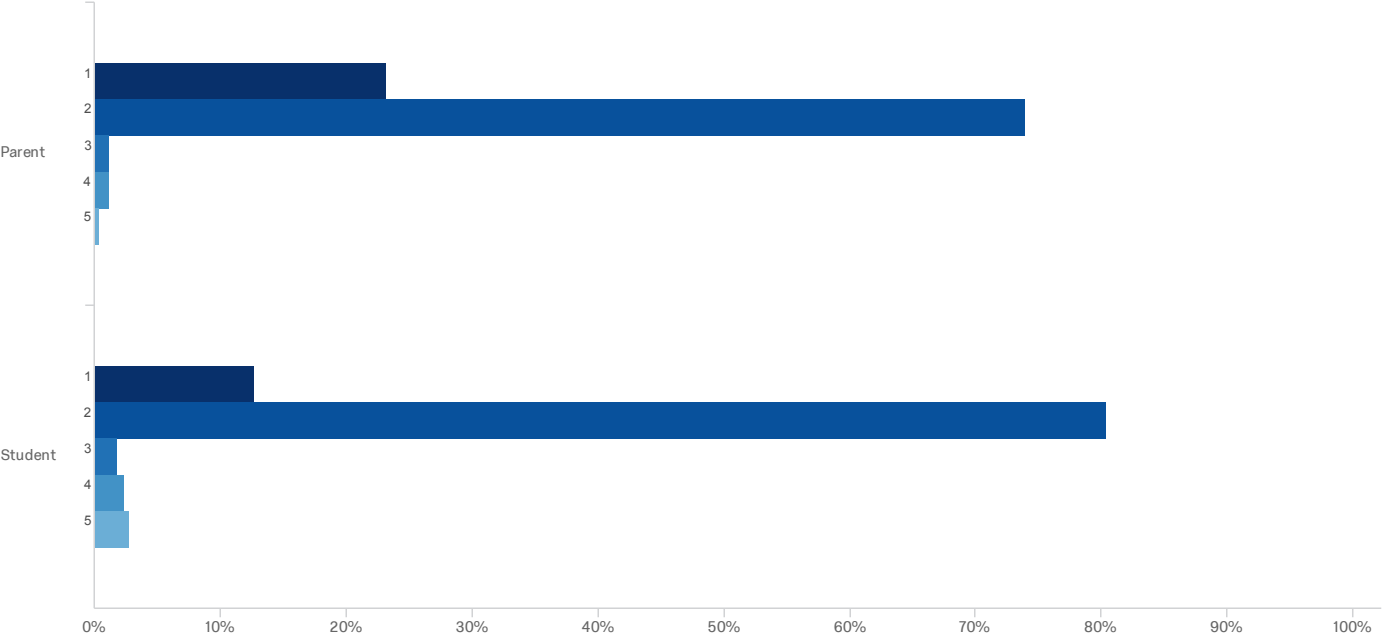
#	Field	Parent	Student
7	Sports teams	9%	11%
3	On campus clubs and organizations	6%	9%
6	I have a personal connection through a friend or family that attends the college	3%	8%
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How important is/was the cost of the school when making your final selection?



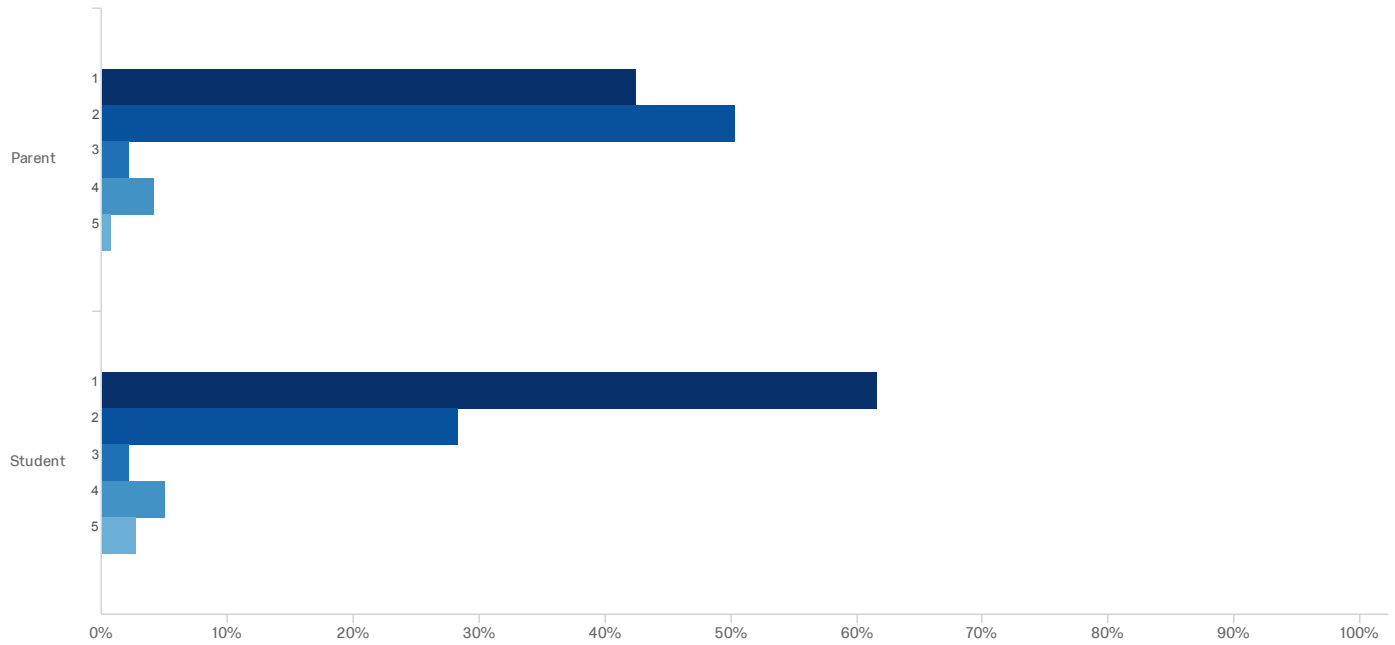
#	Field	Parent	Student
1	Extremely important	49%	42%
2	Very important	31%	33%
3	Moderately important	15%	19%
4	Slightly important	3%	4%
5	Not at all important	2%	2%
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Who was or will be the ultimate decision maker when selecting a final college?



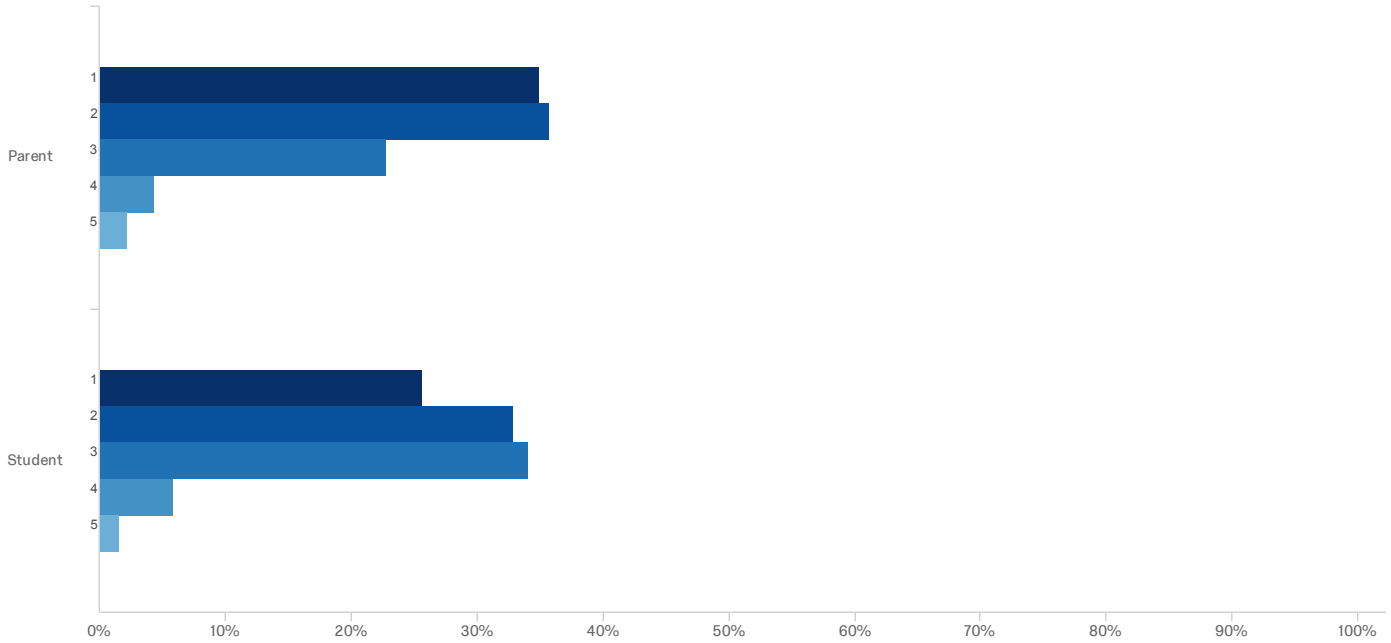
#	Field	Parent	Student
1	Parent	23%	13%
2	Student	74%	80%
3	Non-parent/family member	1%	2%
4	Outside advisor	1%	2%
5	Other	0%	3%
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Who did the majority of the research or work surrounding college expenses and financial aid options?



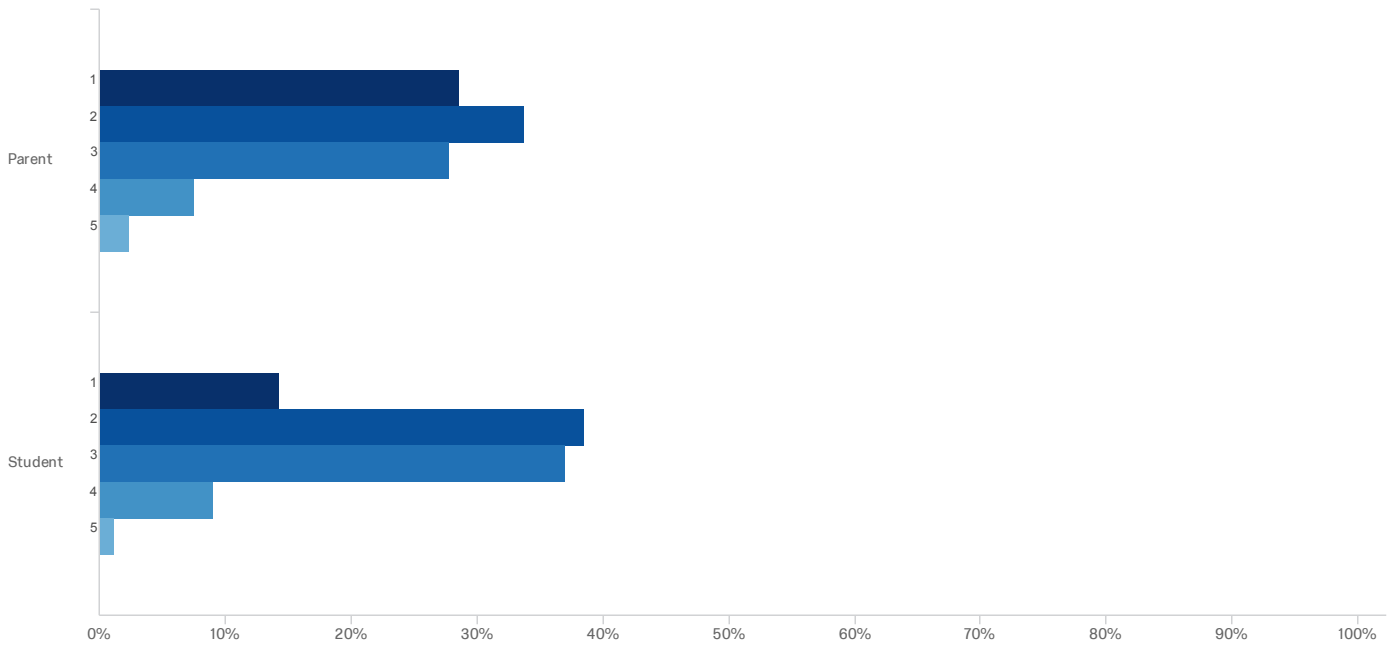
#	Field	Parent	Student
1	Student	42%	62%
2	Parent	50%	28%
3	Non-parent/family member	2%	2%
4	Outside advisor	4%	5%
5	Other	1%	3%
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How confident are you that you have an accurate understanding of the total cost of a college education?



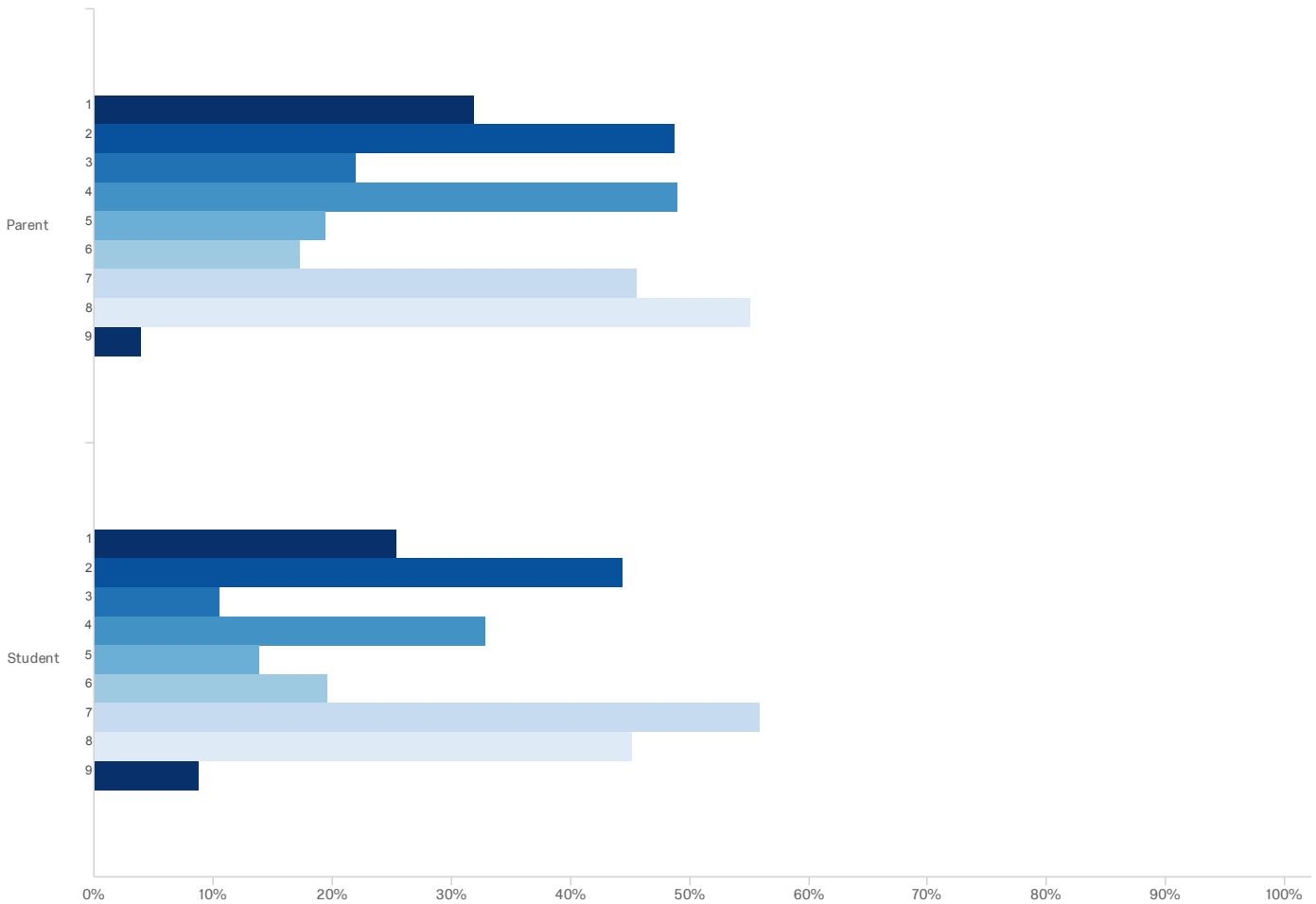
#	Field	Parent	Student
1	Extremely confident	35%	26%
2	Very confident	36%	33%
3	Moderately confident	23%	34%
4	Slightly confident	4%	6%
5	Not confident at all	2%	2%
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Overall, how knowledgeable do you feel you are about the options to pay for college?



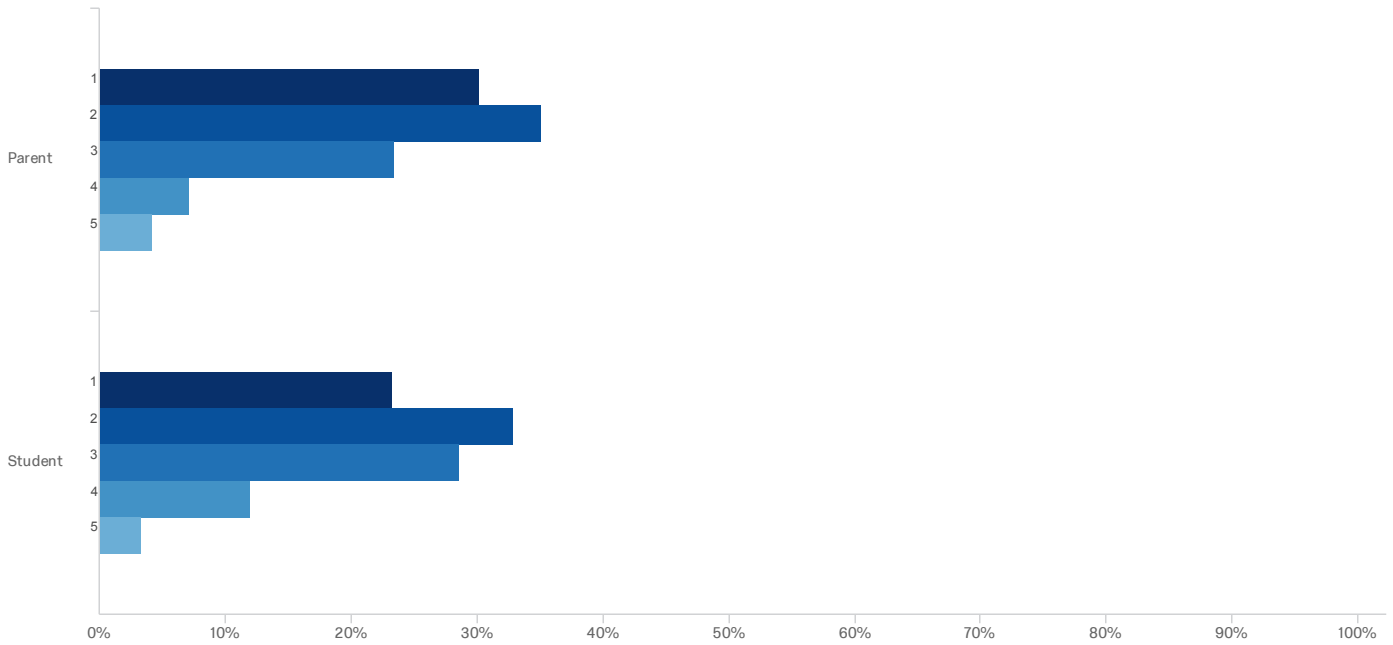
#	Field	Parent	Student
1	Extremely knowledgeable	29%	14%
2	Very knowledgeable	34%	39%
3	Moderately knowledgeable	28%	37%
4	Slightly knowledgeable	8%	9%
5	Not knowledgeable at all	2%	1%
		504	511

How did/do you plan on paying for college? Please select all that apply.



#	Field	Parent	Student
7	Student funded by working/jobs	46%	56%
8	Parent providing support/funds	55%	45%
2	Merit-based aid/scholarship	49%	44%
4	Federal loans	49%	33%
1	Need-based aid from the college	32%	25%
6	Financial support from other family member	17%	20%
5	Private loans	19%	14%
3	529 savings plan or other investment	22%	11%
9	Other	4%	9%
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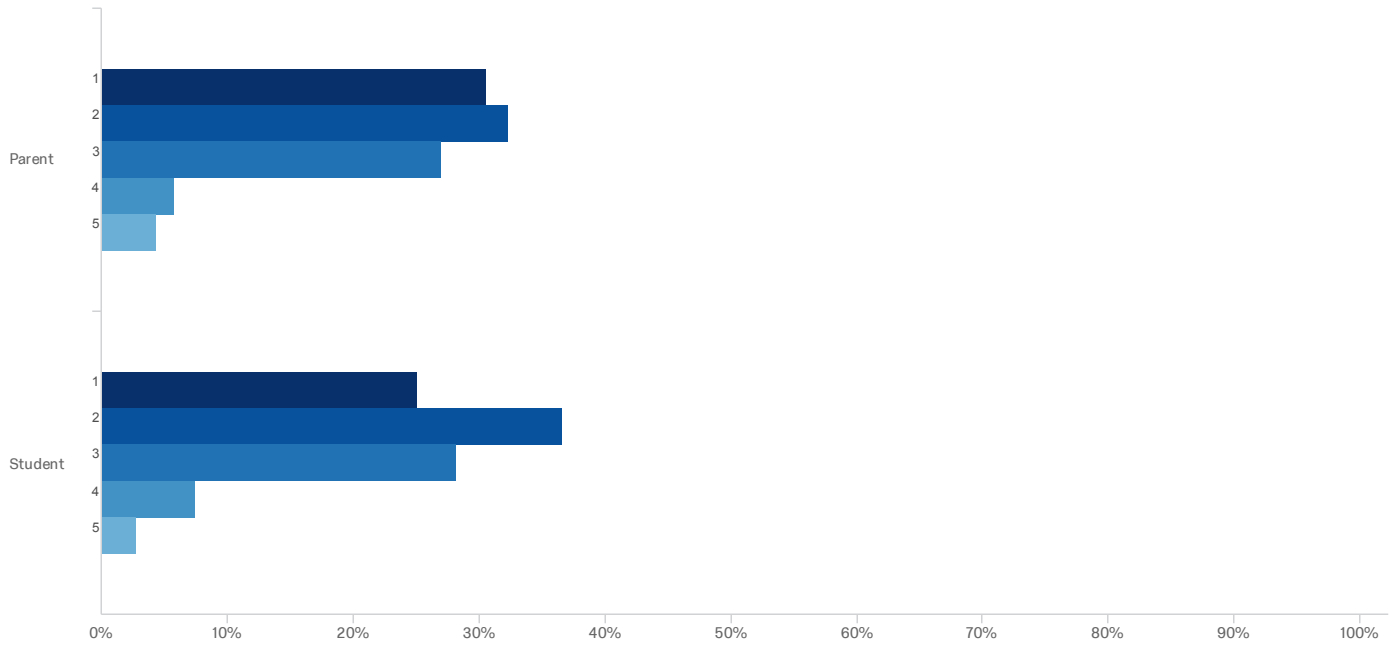
Overall, how confident do you feel in your ability to repay money borrowed for college after graduation?



#	Field	Parent	Student
1	Extremely confident	30%	23%
2	Very confident	35%	33%
3	Moderately confident	23%	29%
4	Slightly confident	7%	12%
5	Not confident at all	4%	3%
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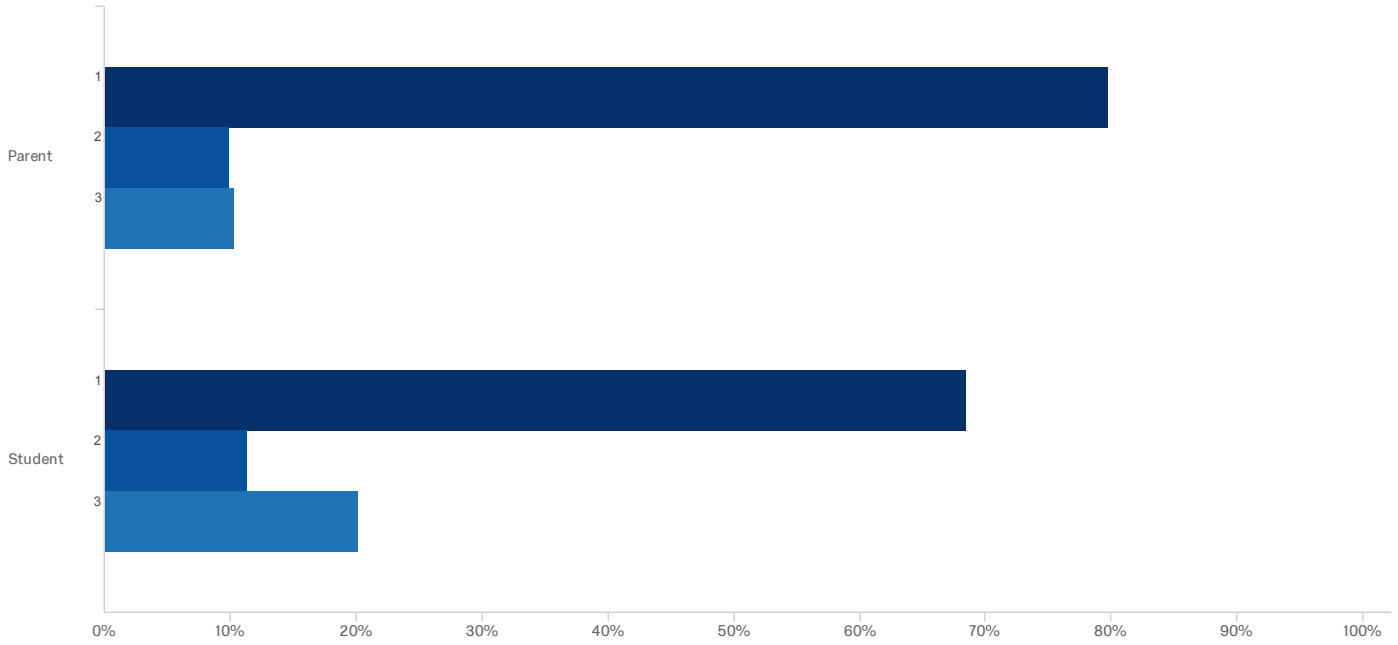
If instead of a fixed monthly payment, your loan payment fluctuated based on your

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



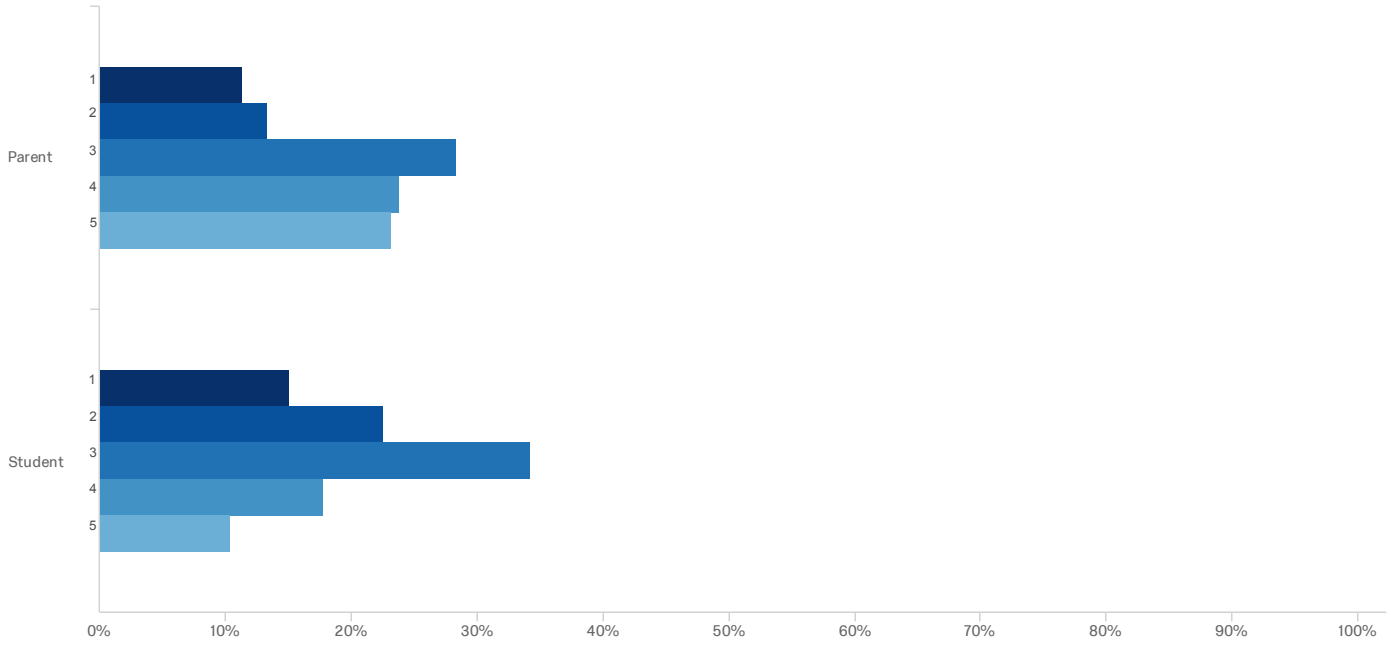
#	Field	Parent	Student
1	Much more confident	31%	25%
2	Somewhat more confident	32%	37%
3	Neither more or less confident	27%	28%
4	Somewhat less confident	6%	7%
5	Much less confident	4%	3%
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Have you or do you plan to fill out the Free Application for Federal Student Aid (FAFSA) to apply for a federal loan to pay for college?



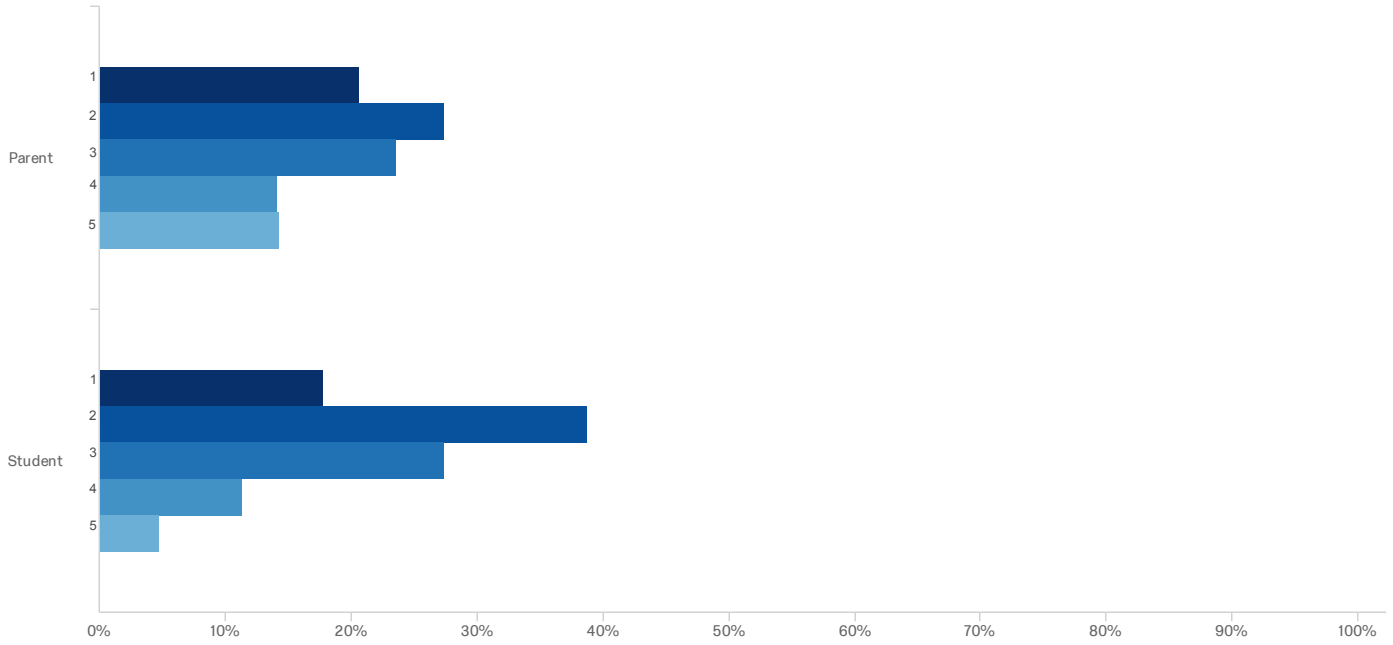
#	Field	Parent	Student
1	Yes	80%	68%
2	No	10%	11%
3	Don't know	10%	20%
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Thinking about tuition and the overall cost of a college degree (including living expenses, books, etc.) how much of the cost do you believe should be the student's responsibility?



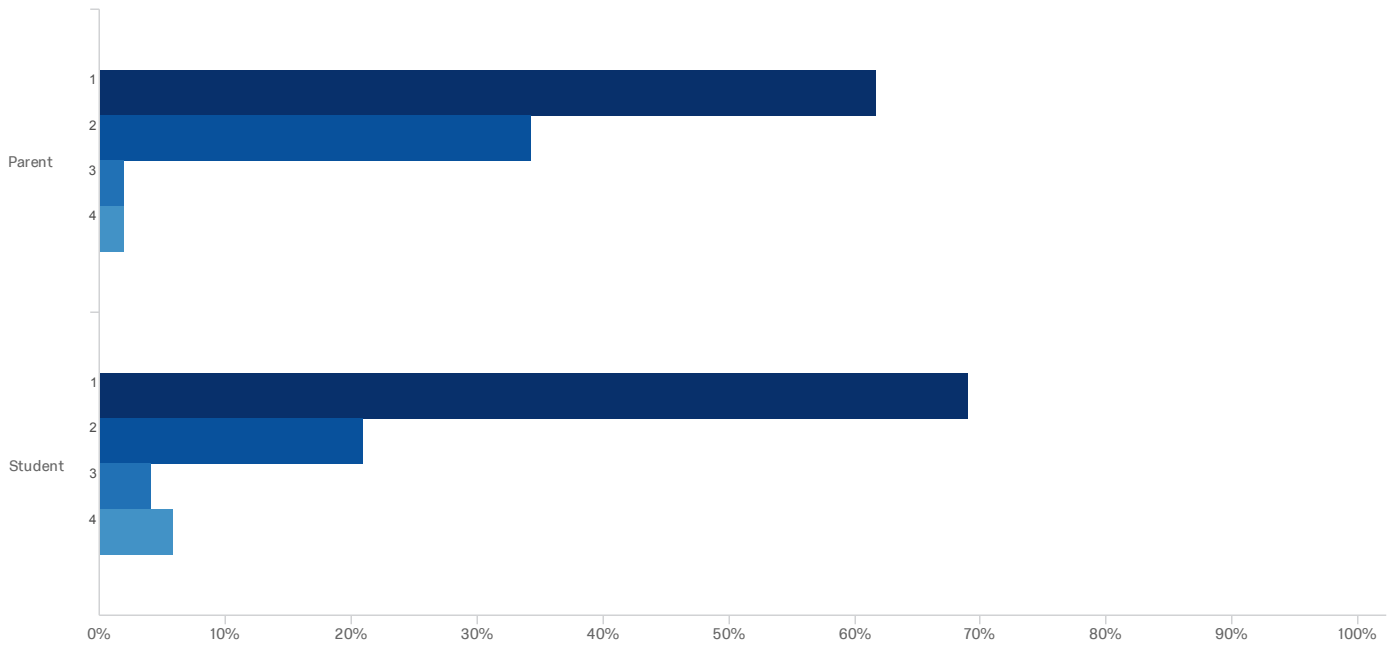
#	Field	Parent	Student
1	100%	11%	15%
2	75-99%	13%	23%
3	50-74%	28%	34%
4	25-49%	24%	18%
5	1-24%	23%	10%
		504	511

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



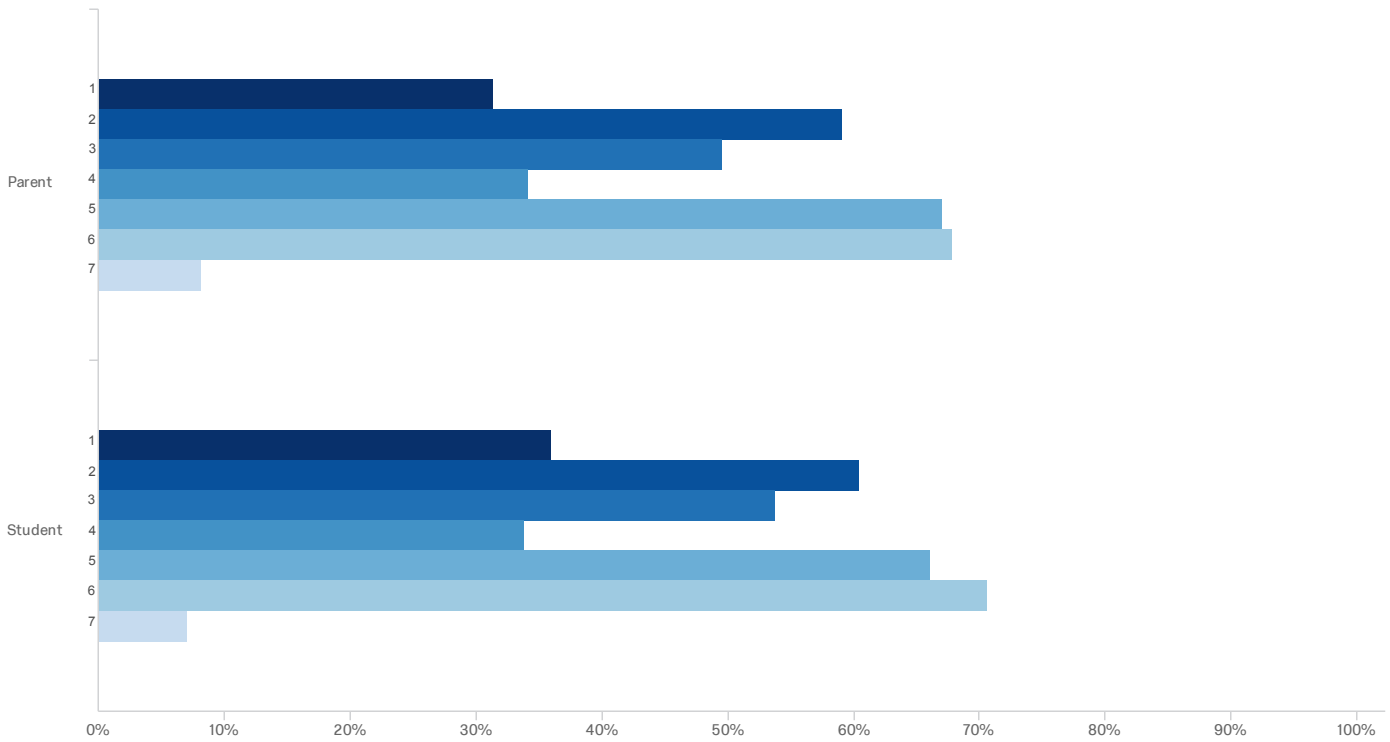
#	Field	Parent	Student
1	Extremely appropriate	21%	18%
2	Somewhat appropriate	27%	39%
3	Neither appropriate nor inappropriate	24%	27%
4	Somewhat inappropriate	14%	11%
5	Extremely inappropriate	14%	5%
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Who should be responsible to pay for a college student's credit card?



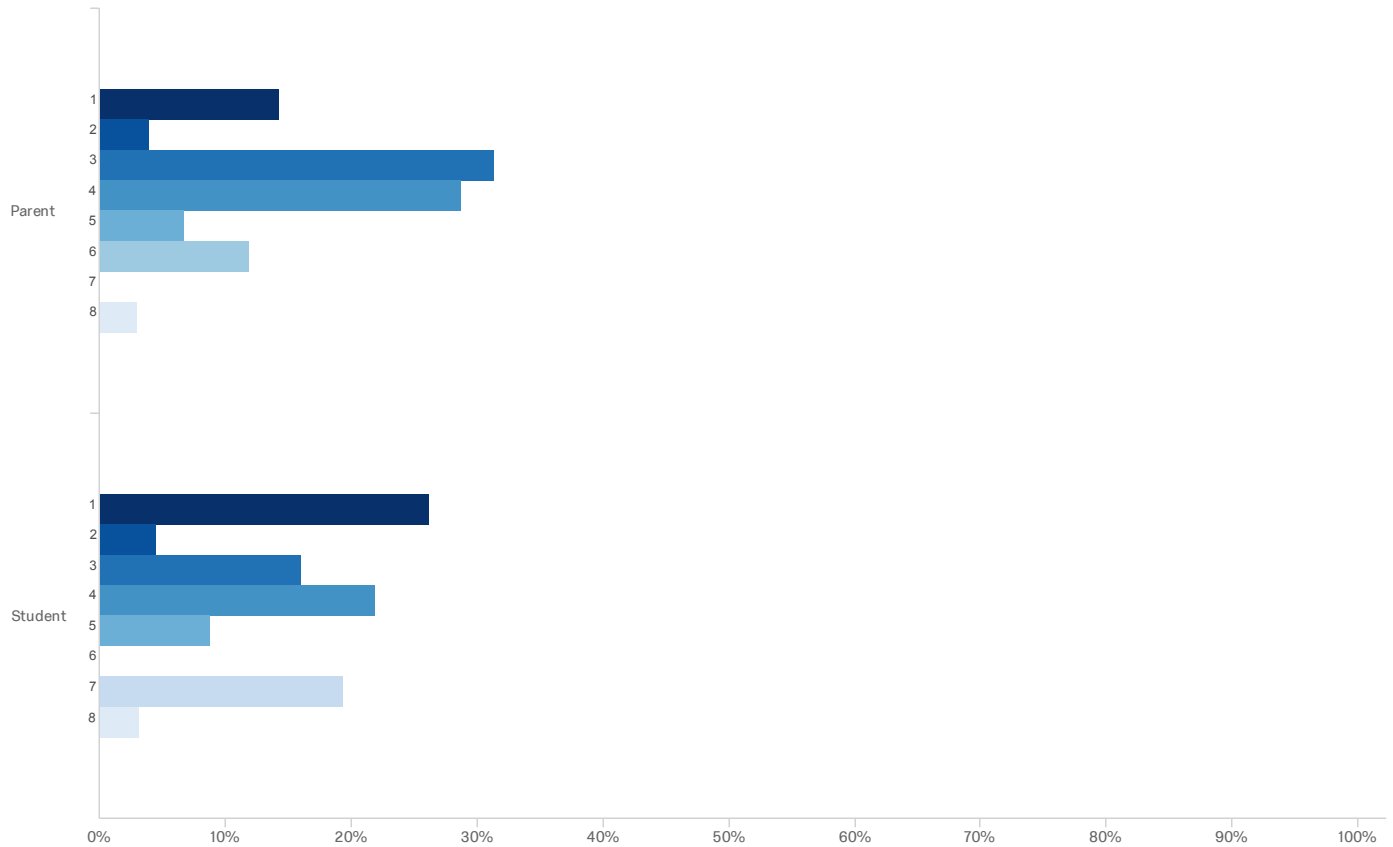
#	Field	Parent	Student
1	Student	62%	69%
2	Parent or parent(s)	34%	21%
3	Other family member	2%	4%
4	Other	2%	6%
		504	511

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



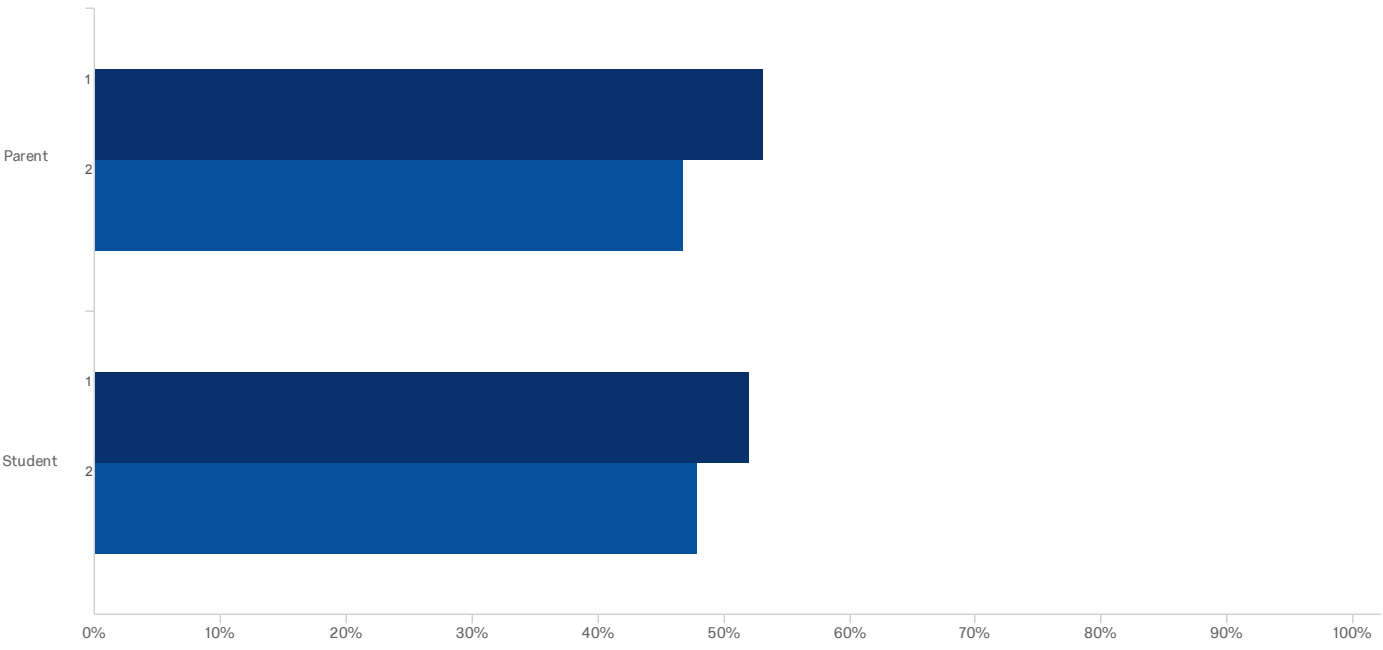
#	Field	Parent	Student
6	Food	68%	71%
5	Books	67%	66%
2	Living expenses	59%	60%
3	Transportation expenses	50%	54%
1	Tuition	31%	36%
4	Phone	34%	34%
7	Other	8%	7%
		504	511

From which source have you received the most information about your options to pay for college?



#	Field	Parent	Student
1	High school counselors	14%	26%
4	Online or personal research	29%	22%
7	Your own parent(s)	0%	19%
3	College admissions or financial aid offices	31%	16%
5	Friends or other family members	7%	9%
2	Private college counselor or coach	4%	5%
8	Other	3%	3%
6	Your own student	12%	0%
		504	511

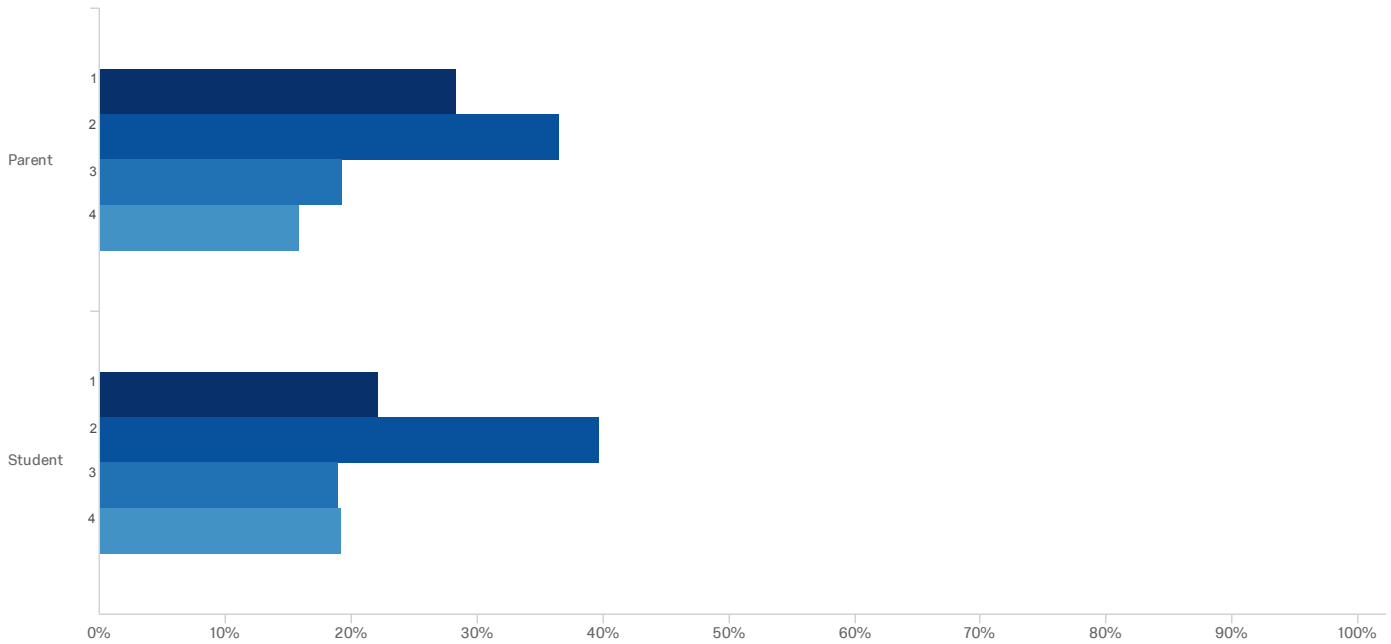
In your opinion, is a college education closer to a transactional investment (get an education and get a job) or a transformational investment (get an education and grow as an educated person)?



#	Field	Parent	Student
1	Primarily transactional	53%	52%
2	Primarily transformative	47%	48%
		504	511

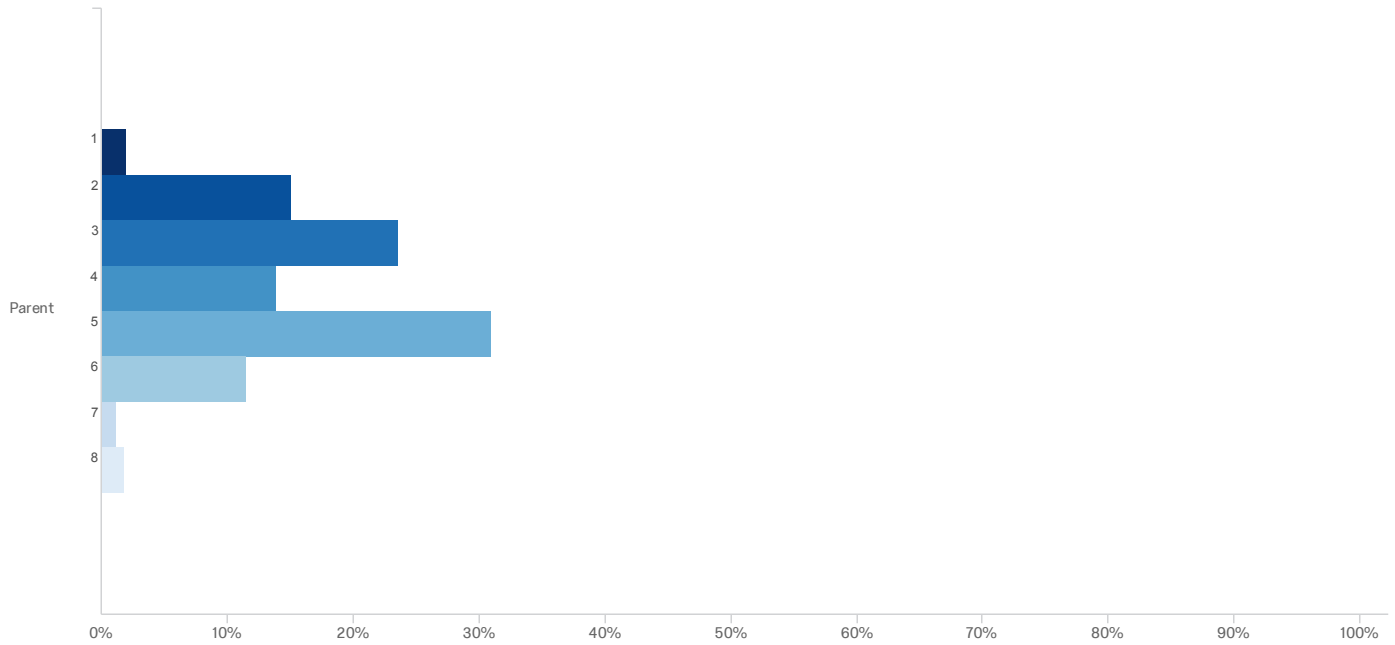
Should the cost of a college education at the same school vary depending on the major?

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



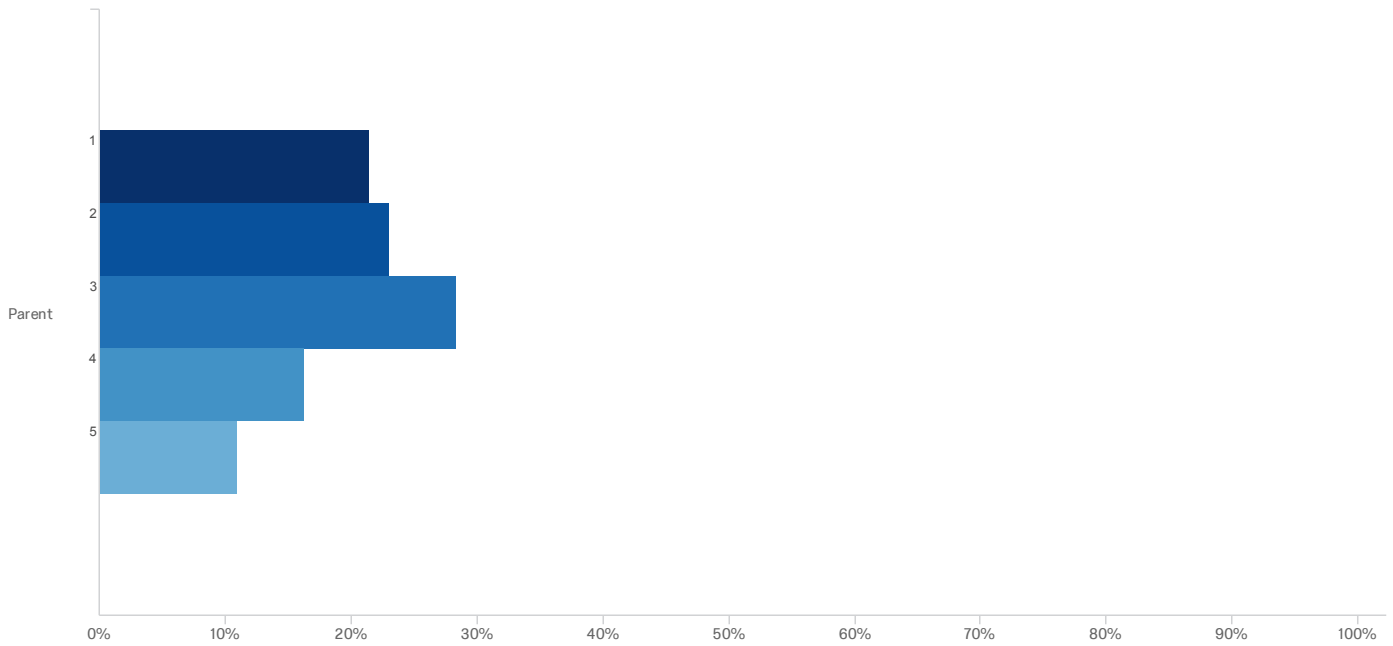
#	Field	Parent	Student
1	Definitely yes	28%	22%
2	Probably yes	37%	40%
3	Definitely no	19%	19%
4	Probably no	16%	19%
		504	511

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



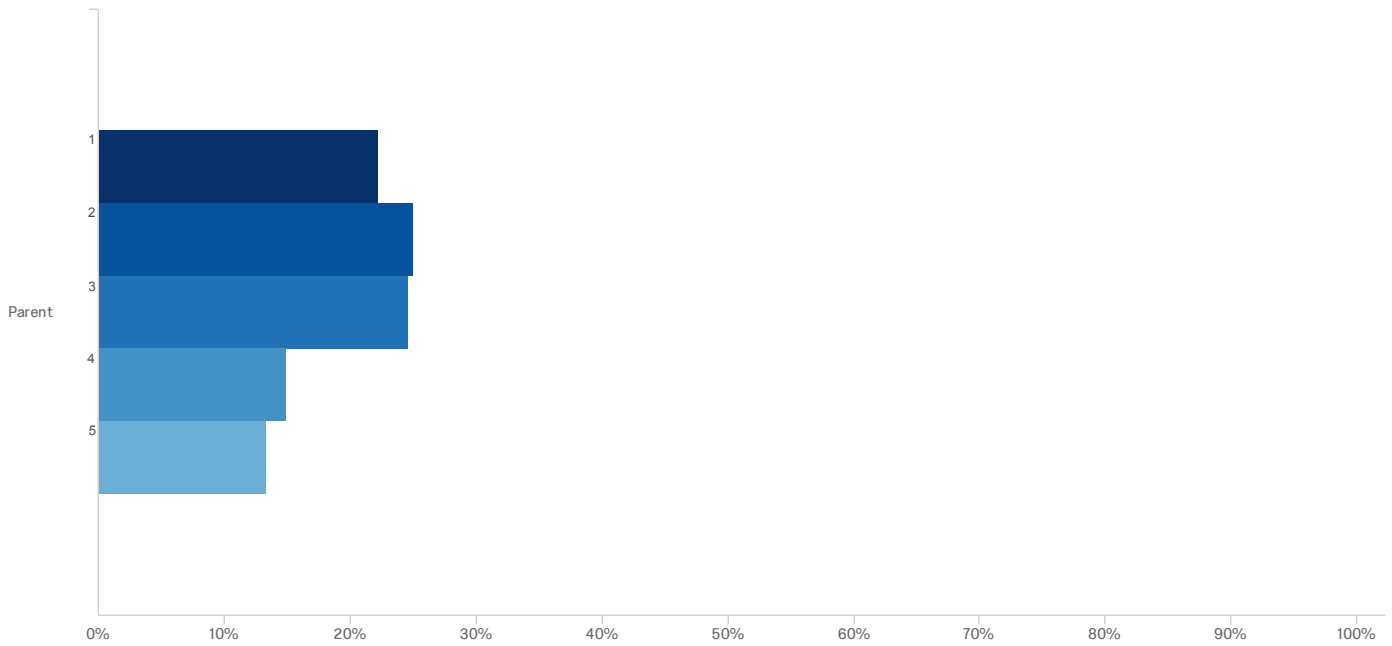
#	Field	Parent
5	Bachelor's degree in college (4-year)	31%
3	Some college but no degree	24%
2	High school graduate (high school diploma or equivalent including GED)	15%
4	Associate degree in college (2-year)	14%
6	Master's degree	12%
1	Less than high school degree	2%
8	Professional degree (JD, MD)	2%
7	Doctoral degree	1%
		504

How concerned are you about your ability to finance your child's education?



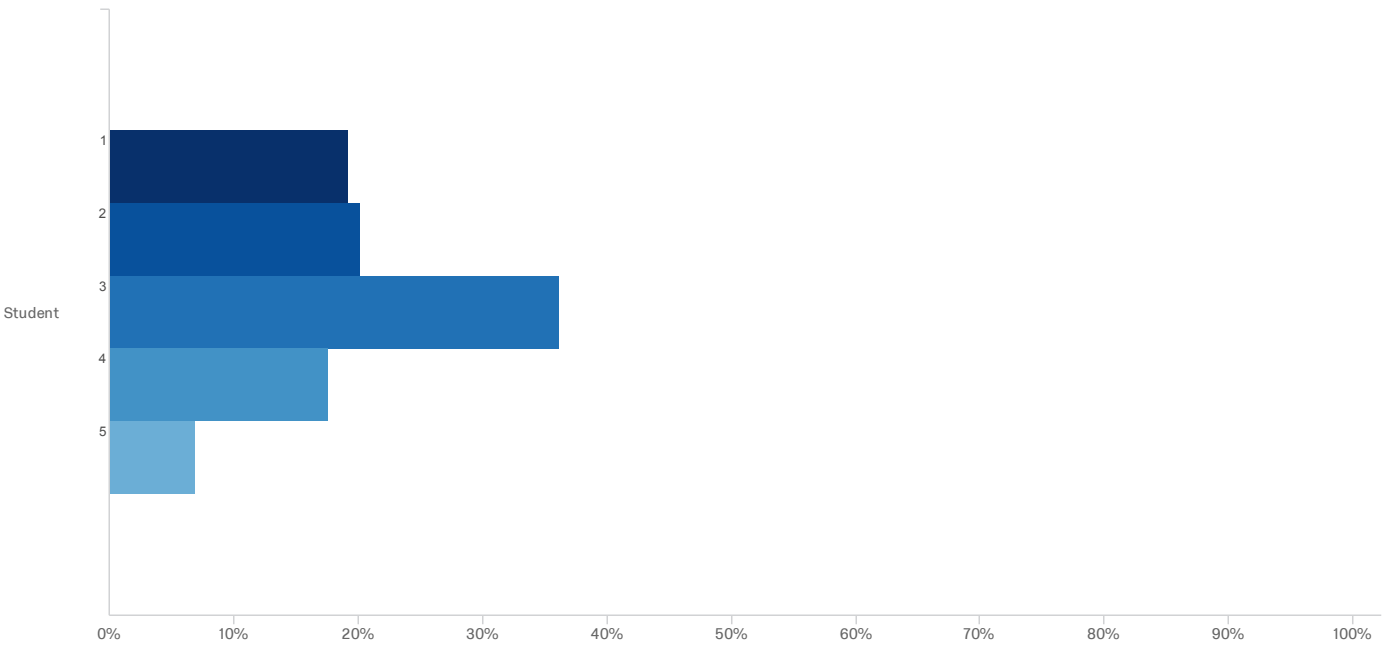
#	Field	Parent
1	Extremely concerned	21%
2	Very concerned	23%
3	Moderately concerned	28%
4	Slightly concerned	16%
5	Not concerned at all	11%
		504

Do you plan on giving your child a credit card for college?



#	Field	Parent
1	Definitely yes	22%
2	Probably yes	25%
3	Might or might not	25%
4	Probably not	15%
5	Definitely not	13%
		504

How concerned are you about your ability to pay for college?



#	Field	Student
1	Extremely concerned	19%
2	Very concerned	20%
3	Moderately concerned	36%
4	Slightly concerned	18%
5	Not concerned at all	7%
		511

End of Report