



FUTURETRUST® UNCOVERS THE HOPES & DREAMS OF AMERICAN PARENTS

When it Comes to College Savings, Dreams are at Odds with Reality

When Futuretrust commissioned a recent nationwide survey conducted by Harris Interactive® to learn about the “Hopes & Dreams” of the average American family, something important was underscored: **a fervent hope for most American parents¹ is that their children will leave college with a degree in hand and without oppressive debt.** But sadly for many, it seems just that – a dream, not a reality. The survey data offers many enlightening statistics that illustrate how, when it comes to college savings, parents’ hopes are not always reconcilable with their actions, or even with reality.

Consider this:

Dreams

81% of parents say that paying for their child’s college education is important to them.*

70% of parents say that if they won \$1 million in the lottery, saving for college would be one of the top three ways they would spend their winnings.*

63% of parents expect their children’s tuition to be at least partly funded by scholarships and grants.*

50% of parents expect loans to help them pay for their child’s college education.*

73% of parents say they are aware that they can begin saving for college before their child is born.*

90% of parents say they did not or would not ask their child’s grandparents to help pay for college.*

Reality

Only **9%** say they have actually saved as much for college as they had planned.*

Only **37%** of families were able to send their children to college during the 2003-2004 year without any financial aid. (Source-collegesavings.com)

The proportion of undergraduate funding in the form of grants has declined *every* year since 2001. (Source- CollegeBoard Trends in Higher Education survey 2006)

For undergraduates, the average Stafford loan **declined** in inflation-adjusted dollars between 1995 and 2006, while loans from private lenders, which include no subsidies, have **grown** at an average annual rate of 27% between 2000 and 2006. (Source - CollegeBoard Trends in Higher Education survey 2006)

Anecdotal evidence shows that the average family does not begin saving for college in earnest until their child is eight to ten years old.

In a 1999 survey commissioned by Fidelity Investments, nearly **two-thirds** of grandparents indicated a willingness to contribute to their grandchildren's college savings accounts.

***Source: the 2007 Futuretrust “Hopes & Dreams” Survey**

The “Hopes & Dreams” survey was conducted online for Futuretrust by Harris Interactive between July 20 and 24, 2007 among 2,757 U.S. adults, of whom 989 are parents or expectant parents of children likely to attend college. Sampling error is +/- 3 percentage points. To learn more, log onto www.futuretrust.com

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¹ For the purposes of this study “parents” have been defined as adults ages 18+ who are parents or expectant parents of children who are likely to attend college in the future.