



## FUTURETRUST® UNCOVERS THE HOPES & DREAMS OF AMERICAN PARENTS

As a company that has nurtured a meaningful dialogue with young and expectant parents for over two decades through its parent company, Mothers Work Inc., the world's largest designer and retailer of maternity apparel, Futuretrust® is dedicated to educating young families about college savings. With college costs having risen as much as almost 7% last year alone\*\*, and student debt piling up at a record pace, Futuretrust offers parents much needed help in saving for their child's college education through its MasterCard®-linked program, which automatically deposits rebates into their tax-free 529 college savings plans.

As a result of the first nationwide Futuretrust "Hopes and Dreams" survey conducted by Harris Interactive®, Futuretrust is working to uncover the truth about how the average American family believes they will pay for their child's college education.

"We found that parents have many misconceptions about what the financial landscape will look like when it comes time to pay for their child's college education," says Rebecca Matthias, President and Founder of Futuretrust. "The fact that so many parents are unaware of how important it is to save early was not a huge surprise to us. Tuition costs and loan interest rates have increased faster than most people realize. Still, there are so many parents who are concerned about paying for college and want to save, yet simply do not."

It is clear that most American parents<sup>1</sup> hope to send their children to college and see them graduate without an overwhelming amount of debt. Sadly, for many parents, it seems their hope is just that - a dream, not a reality.

### *Consider this\*:*

- **81%** of parents say that paying for their child's college education is important to them. Yet, only **32%** say that it is certain or very likely that they will save enough to pay for it within the next 10 years.
- **83%** of parents are at least a little worried about financing their child's college education. They should be worried -- only **9%** of all parents say they have saved as much for college as they had planned.
- **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.

According to Rebecca Matthias, **one of the most dangerous misconceptions suggested by the survey** is parents' beliefs that scholarships, grants and loans are going to be easily attainable, lulling them into a false sense of financial security. **63%** of parents expect their children's tuition to be at least partly funded by scholarships and grants. **50%** expect loans to help them pay. Only **11%** expect to pay with their own savings.

"Grants and loans are just not going to be there for our kids to the extent that they were there for generations past," says Matthias. "What parents don't pay for in savings, their children will most likely pay for in debt." For the 50% who expect to use loans to pay their children's tuition, they need to understand that student loans today are more burdensome than they once were. The average graduate today leaves college with a debt load of **\$19,300\*\***. For graduates of private, for-profit universities, the median debt load is even greater at **\$24,600\*\***.

*\*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](http://www.futuretrust.com)*

*\*\*Source: 2006 CollegeBoard Trends in Higher Education Series.*

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<sup>1</sup> 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.

**About Futuretrust®**

Futuretrust® is a MasterCard®-linked college savings program that enables families and friends to get a 'jump' on saving for college. Futuretrust has no membership fee. Rebates are automatically contributed to a tax-advantaged 529 college savings plan of the member's choice. Members earn a minimum of 1% every time they make a purchase with the Futuretrust MasterCard, accepted at millions of locations. Members also earn additional college savings when they use the Futuretrust MasterCard at thousands of partners in the Futuretrust Preferred Merchant Network consisting of major retail chains, catalogs, restaurants and on-line merchants. Members can also earn college savings rebates when they buy, sell, finance, or refinance a home, as well as use moving services and engage in home warranty transactions. Applications are available at Motherhood® Maternity, Mimi Maternity®, A Pea in the Pod® and Destination Maternity® locations, online at [www.futuretrust.com](http://www.futuretrust.com) or by calling 1.888.trust68.

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