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More Oppose than Favor Legislation That Would Make the Federal Government the Sole Provider of Federal College Loans



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Nine in Ten Parents Say Families Should Be Able to Choose Among a Variety of Lenders to Finance Their Children's College Education

More Oppose than Favor Legislation That Would Make the Federal Government the Sole Provider of Federal College Loans

New York, NY – Nine in ten parents with a child under the age of 25 (92%) agree – including 70% who *strongly* agree – that families should be able to choose from among a variety of lenders to finance their children's college education, according to a new study conducted by Ipsos Public Affairs on behalf of the Financial Services Roundtable.

While a majority (54%) believe that the Federal government should be more involved in regulating student lending, just 35% feel that the government should be the sole provider of federal college loans. Rather, 85% agree that private sector lenders should be allowed to offer federal students loans that are competitive with loans offered directly from the Federal government.

When informed that “currently, students can obtain federal student loans either directly from the federal government or from private-sector student lenders” and asked about “a proposal currently under consideration in Congress [that] would change this system, so that only the federal government would offer federal college loans to students,” a majority of parents (52%) oppose the legislation while 40% favor it.

These are some of the findings of an Ipsos poll conducted January 21 – 31, 2010. A nationally representative sample of 764 randomly-selected U.S. adults with a child under the age of 25 was interviewed by telephone via Ipsos' U.S. Telephone Express omnibus. With a sample of this size, results are considered accurate within ± 3.6 percentage points or 19 times out of 20, of what they would have been had the entire U.S. population of parents with a child under 25 been polled. These data were weighted to ensure the sample's regional and age/gender composition reflects that of the actual U.S. population according to data from the U.S. Census Bureau.

Rising College Costs

A third of parents with a child under the age of 25 (33%) say that they have a child who has attended or is currently attending college, so many already have first-hand experience dealing with financing for college. Among parents who do not yet have a child in college, 91% say that it is likely that their child will go on to college, meaning that the issue of college financing is on the horizon.



Parents today see a college education as a worthwhile investment, as 84% agree that it is even more valuable in light of the economic crisis. However, even though a majority of parents (62%) feel that the government is taking an active role in helping to make college more accessible, 83% worry that the cost of college tuition is preventing many young people from having access to a college education.

- Despite these concerns about rising costs, six in ten parents (58%) are confident that that they will be able to finance their children's college education. Over a third (37%), however, doubt their ability to finance their children's college education.

Parents who most tend to lack confidence in their ability to secure financing include moms (43%), those without a college degree (45%), those with a household income of less than \$50,000 (52%), and particularly those who say it is only "somewhat likely" their children will go to college (66%), suggesting that financing insecurity can be a barrier to obtaining a college education.

The Role of Government in Student Lending

Six in ten (62%) parents feel that the government is taking an active role to help make college more accessible, yet over half (54%) feel that the government should be doing more to regulate student lending. At the same time, only one third of parents (35%) agree that the government should be solely in charge of student lending while 63% disagree.

Six in ten parents surveyed (60%) think that private lenders would offer them better customer service than the government would. Likewise, parents are more likely to say that private lenders are better equipped than is the federal government to assist students and their families with loan applications, default prevention, and financial literacy (49% vs. 38%).

As such, a majority of parents (52%) oppose – including a third of parents (32%) who *strongly* oppose – the legislation in Congress that would change the current student lending system so that only the federal government would offer federal college loans.

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