

**Commitment to College Strong as Ever as Families Make
Deliberate Decisions to Meet Cost, Says New Research from
Sallie Mae and Ipsos**

*Families Reach into Pockets to Cover More than 40 Percent of College
Costs; Borrowing at Lowest Level in Five Years*

*Study Shows 30 Percent of Students Are the First in Their Family to
Attend College, Explores Motivations and Values of Families Paying for
College*

Public Release Date: Thursday, July 31, 2014, 10:30 AM EDT



Ipsos Public Affairs is a non-partisan, objective, survey-based research practice made up of seasoned professionals. We conduct strategic research initiatives for a diverse number of American and international organizations, based not only on public opinion research, but elite stakeholder, corporate, and media opinion research. Ipsos has media partnerships with the most prestigious news organizations around the world. In the U.S., UK and internationally, Ipsos Public Affairs is the media polling supplier to Reuters News, the world's leading source of intelligent information for businesses and professionals. Ipsos Public Affairs is a member of the Ipsos Group, a leading global survey-based market research company. We provide boutique-style customer service and work closely with our clients, while also undertaking global research.

To learn more visit: www.ipsos-na.com

For copies of other news releases, please visit:
<http://www.ipsos-na.com/news-polls/>.

© Ipsos

Washington • New York • Boston • Los Angeles • Austin • Chicago • St. Louis
Cincinnati • Minneapolis • Seattle • San Francisco • Vancouver • Calgary
Winnipeg • Toronto • Guelph • Ottawa • Montreal • St. John



Commitment to College Strong as Ever as Families Make Deliberate Decisions to Meet Cost, Says New Research from Sallie Mae and Ipsos

Families Reach into Pockets to Cover More than 40 Percent of College Costs; Borrowing at Lowest Level in Five Years

Study Shows 30 Percent of Students Are the First in Their Family to Attend College, Explores Motivations and Values of Families Paying for College

Washington, D.C., Newark, DE. — Ninety-eight percent of families agree that college is a worthwhile investment, but the way they covered the bill last year changed, according to “How America Pays for College 2014,” a new national study from Sallie Mae and Ipsos. The annual study, now in its seventh year, found that while the average amount spent on college was consistent with prior years, families spent more out of pocket (42 percent of college costs) while overall borrowing (22 percent of college costs) was at the lowest level in five years. Low-income students, in particular, reduced their reliance on borrowed funds when paying for college last year.

Families used grants and scholarships to cover 31 percent of college costs, and contributions from relatives and friends paid another 4 percent.

“American families truly believe in the value of higher education” says Cliff Young, President of Ipsos Public Affairs. “One size, though, does not fit all. Indeed, families are very creative and diverse in their solutions to paying for



college. Our persona analysis really shows the wide range of family-specific choices.”

Virtually all families adopted at least one measure to make college more affordable. This year, families reported the highest enrollment in two-year public colleges since the survey began (34 percent, up from 30 percent last year). In addition, students opted to attend in-state institutions (69 percent), cut back on entertainment (66 percent), or live closer to home (61 percent) or at home (54 percent), among other cost-saving measures, to help reduce the cost of college.

Thirty percent of students were the first in their family to attend college. These students were more likely to apply cost-saving measures (76 percent chose a school close to home and 72 percent lived at home), spent less on college overall and received less financial support from their parents.

“How America Pays for College 2014” found that fewer than half of respondents – 38 percent – created a plan for paying for all years of college before the student enrolled. In addition, only 40 percent indicated their family had a contingency plan to pay for college in case of unexpected events. Approximately one-third of families reported encountering unexpected expenses last year.

“Families are committed to college and are making deliberate decisions to reduce how much they pay for it,” said Raymond Quinlan, chairman and chief executive officer, Sallie Mae. “The majority of families approach paying for college as a shared responsibility, and with reliance on so many sources of funds, we see that it is. Planning for this critical investment brings greater peace of mind and more



choice. That's why Sallie Mae is committed to providing families with free tools and information to help them plan for college."

This year's study also sought to understand more deeply the motivations, values and attitudes of families paying for college. "How America Pays for College 2014" identified four main personas with distinct orientations towards higher education: "American Dreamers," "Determined," "Reluctant Borrowers" and "Procrastinators."

Of the four personas, American Dreamers represented 28 percent of respondents, many of whom were the first in their family to attend college. American Dreamers were driven by the aspirational values associated with a college education and relied heavily on financial aid to make it a reality. Determineds represented another 28 percent of respondents and were most prepared to meet college costs (80 percent had created a plan to pay for college, 85 percent had a contingency plan to pay). Reluctant Borrowers represented 18 percent of respondents and were disinclined to borrow or stretch financially, yet were more likely (73 percent) than others (38 percent) to have a plan to pay for college. Procrastinators represented 26 percent of respondents and were the least prepared financially and the most likely to have considered not attending college due to the cost.

The 2014 nationally representative study, "How America Pays for College," is the seventh in the series. Ipsos interviewed 1,601 individuals: 801 parents of 18-24 undergraduate college students, and 801 undergraduates by telephone in the spring of



2014. The margin of error on percentages using the whole sample is +/-2.5 percentage points with a confidence level of 95 percent. The full study and a related infographic are available at www.SallieMae.com/HowAmericaPays.

-30-

For more information on this news release, please contact:

Michael Gross
Vice President
Ipsos Public Affairs
202.420.2012
michael.gross@ipsos.com

News releases are available at: <http://www.ipsos-na.com/news-polls/>