



2018 JA Teens & College Savings Survey



Presented by



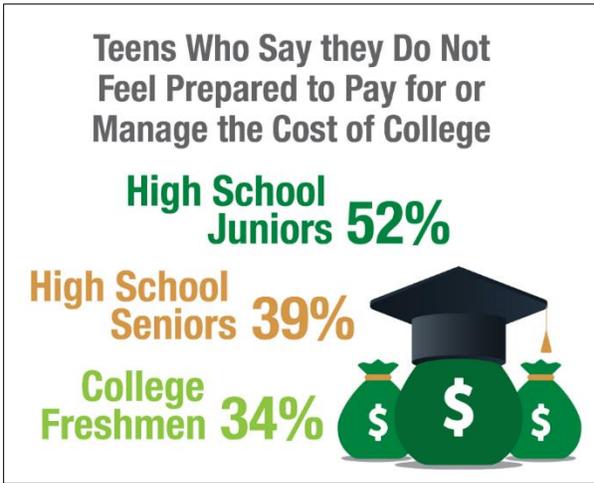
Overview:

In March of 2018, Junior Achievement USA and Citizens Bank | Citizens One surveyed 500 high school juniors, 500 high school seniors and 500 college freshmen to assess their understanding of saving and paying for college. The findings of that research are summarized here.

Feelings about Preparedness

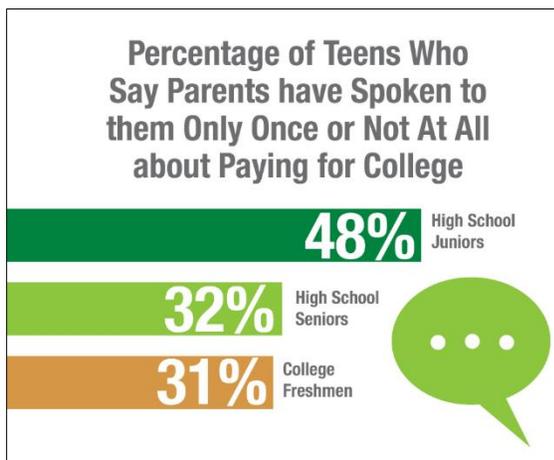
College is an exciting undertaking for many young people. Not only is it an opportunity to advance education, it's a chance for students to meet new people, explore new ways of thinking and discover just as much about themselves as the subjects they are studying.

While many teens may feel that they are prepared academically to succeed in college, knowing for sure how to pay for the experience is another matter. While it may not be surprising to hear that high school juniors or seniors feel they aren't as prepared as they should be to pay for or manage the cost of college (52% and 39%, respectively), it may be to learn that more than a third of college freshmen (34%) also feel like they aren't fully prepared to manage the costs associated with higher education.



Role of Parents

When asked who, if anyone, has contributed to their college savings, most respondents to the survey identified their parents (56% high school juniors; 56% high school seniors; 67% college freshmen). However, a considerable percentage of teens said they had spoken to their parents

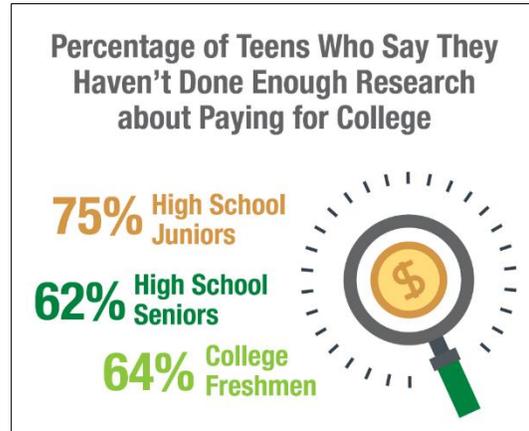


only once or not at all about paying for college (48% high school juniors; 32% high school seniors; 31% college freshmen). In total, about half of teens felt that they would use college savings to pay for school with most expecting to rely on scholarships or grants (60% high school juniors; 65% high school seniors; 58% college freshmen) and money they earned through working (56% high school juniors; 57% high school seniors; 51% college freshmen). Far fewer expected to use federal student loans (27% high school juniors; 37% high school seniors; 41% college freshmen) or student loans from private banks and lending institutions (18%

high school juniors; 22% high school seniors; 20% college freshmen), though expectations of relying on federal student loans increased as students reached college age.

Levels of Research

Beyond those teens who actively engaged with their parents regarding paying for college, teens have used multiple resources to research the subject. These include speaking with high school teachers and counselors (64% high school juniors; 65% high school seniors; 52% college freshmen), reviewing college websites and brochures (48% high school juniors; 57% high school seniors; 56% college freshmen), and speaking with family members other than parents (39% high school juniors; 46% high school seniors; 48% college freshmen). To lesser degrees, teens have spoken to friends, attended college fairs and conducted research via social media. Still, despite these efforts, a large majority of teens feel that they haven't done enough research about paying for college (75% high school juniors; 62% high school seniors; 64% college freshmen).



Perceived Cost

Despite the fact that paying for college is often the first major financial decision that teens will face and that it is a decision that may impact their financial position for years to come, more than half of high school juniors (52%) admit to not knowing the cost of college tuition. While awareness increases among high school seniors, a significant portion of them (42%) are also unaware of cost. Accuracy among teens in stating tuition also varied. The College Board reports that the average annual cost of in-state tuition for a public four-year university is \$9,412 (not factoring in room and board), yet surprisingly few college freshmen surveyed (8%) accurately responded in that range.

Amounts Saved

Even though half of teens expect to use savings to help pay for college, the amount that many say they have set aside is not enough to be the exclusive means for covering the expense. Most



teens have less than \$5,000 saved for college (61% high school juniors; 59% high school seniors; 55% college freshmen), with a significant portion having only \$1,000 or less set aside (39% high school juniors; 30% high school seniors; 29% college freshmen). This, despite the fact most teens have a solid understanding that college will cost considerably more than what they have saved.

Perceived Value of College

Even though teens have concerns about managing the costs and paying for college, the overwhelming majority believe that a college degree is worth the cost (79% high school juniors; 81% high school seniors; 83% college freshmen).

Methodological Notes

The Junior Achievement / Citizens Bank | Citizens One College Savings Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 500 U.S. high school juniors, 500 U.S. high school seniors and 500 U.S. college freshmen, between March 22 and March 30, 2018, using an email invitation and an online survey. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.4 percentage points for each audience, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the samples.