
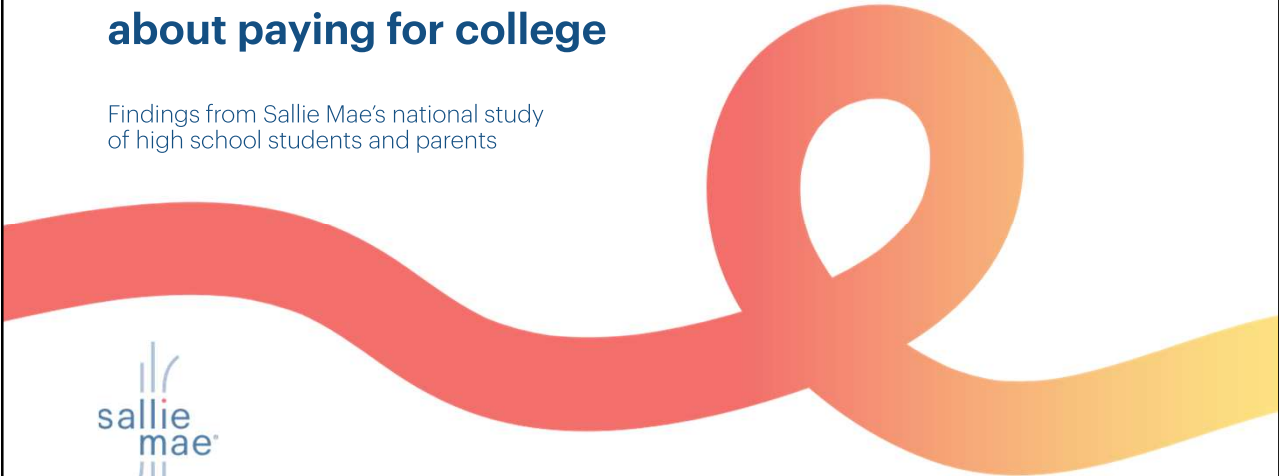


# College Confidence

## What America knows about paying for college

Findings from Sallie Mae's national study of high school students and parents

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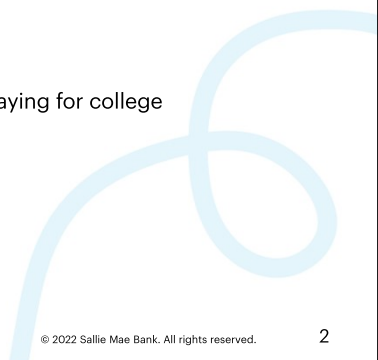
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### What we'll cover

- About this research
- How college-bound families feel about paying for college
- What families know about the FAFSA® and the financial aid process, scholarships and student loans
- Paying-for-college perceptions and misconceptions

### What's in it for you

- Establish how prepared families feel for paying for college
- Explore ways to help families plan



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## About the research

College Confidence 2021

### Study objectives

The *College Confidence* research measures...

- High school families' understanding, perceptions and misconceptions about college financing
- What college-bound students and parents know about financial aid, the FAFSA, scholarships, and student loans
- Ways to help families plan to pay for college

### Sample and method

- 585 students and 550 parents of high school juniors and seniors who are planning to attend college
- Research fielded between August 19 – September 20, 2021
- Research conducted by Ipsos online, in English
- The survey sample comprised a cross-section of key demographic variables
- Sampling weights were sourced from the American Community Survey (ACS) and the Current Population Survey (CPS)

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## How families feel about college and financing

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**Students believe that college is a path to opportunities**

**81%** believe a degree will provide better opportunities in the long run or a good job

**However, families are stressed about education financing**

**81%** agree that paying for college is stressful

SOURCE: College Confidence: What America knows about paying for college

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**Six in 10 families feel knowledgeable about paying for college, but fewer are confident**

- 74% of college-bound families say they already started thinking about how to pay

Knowledgeable about ways to pay for college		Confident about paying for college	
Very knowledgeable	11%	Very confident	12%
Somewhat knowledgeable	47%	Somewhat confident	30%
Not very knowledgeable	29%	Not very confident	35%
Not at all knowledgeable	11%	Not at all confident	22%
58%		42%	

SOURCE: College Confidence: What America knows about paying for college

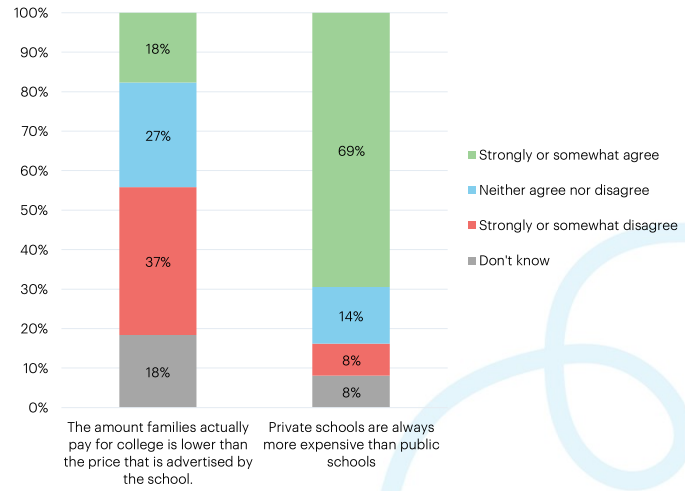
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## Families make assumptions about the cost of college

- Cost is a critical factor as families decide which schools to consider

Perceptions of college cost

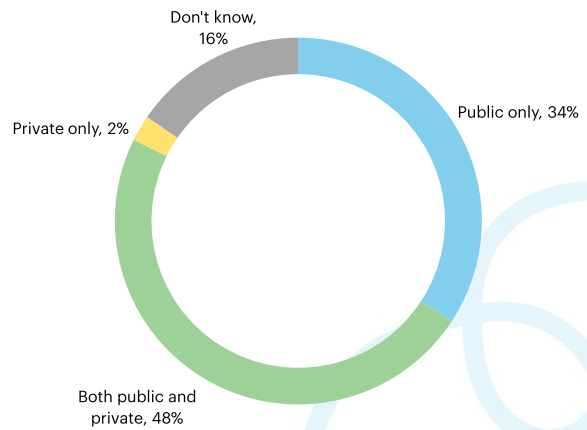


SOURCE: College Confidence: What America knows about paying for college

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## Perception of cost impacts which colleges families will consider

School types under consideration



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# Understanding the funding sources

**FAFSA®**  
Financial aid  
Scholarships  
Loans

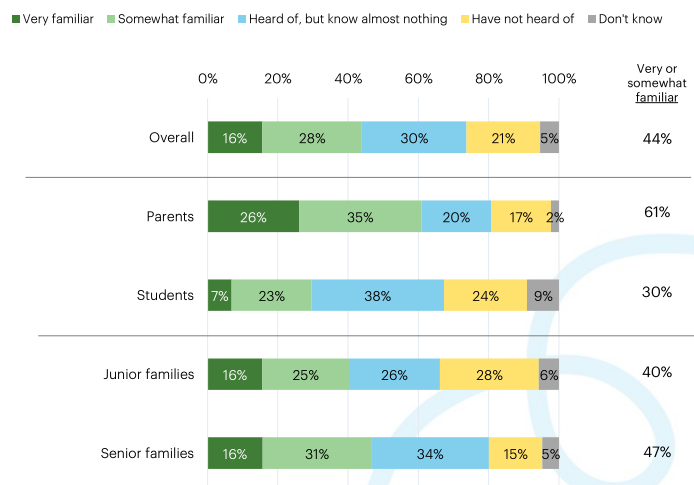
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FAFSA®

## Most have heard of the FAFSA, but few are very familiar

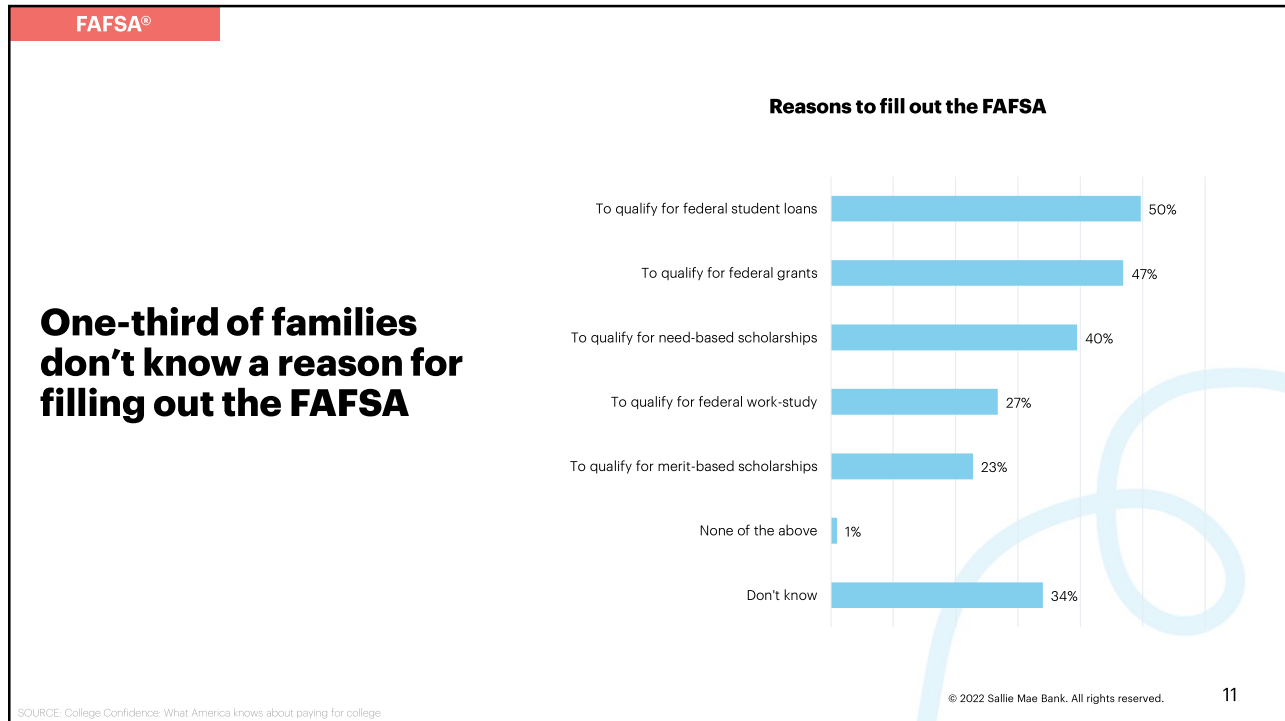
- Parents are more familiar with the FAFSA than students are based on their past experience with the application

**Familiarity with the FAFSA**

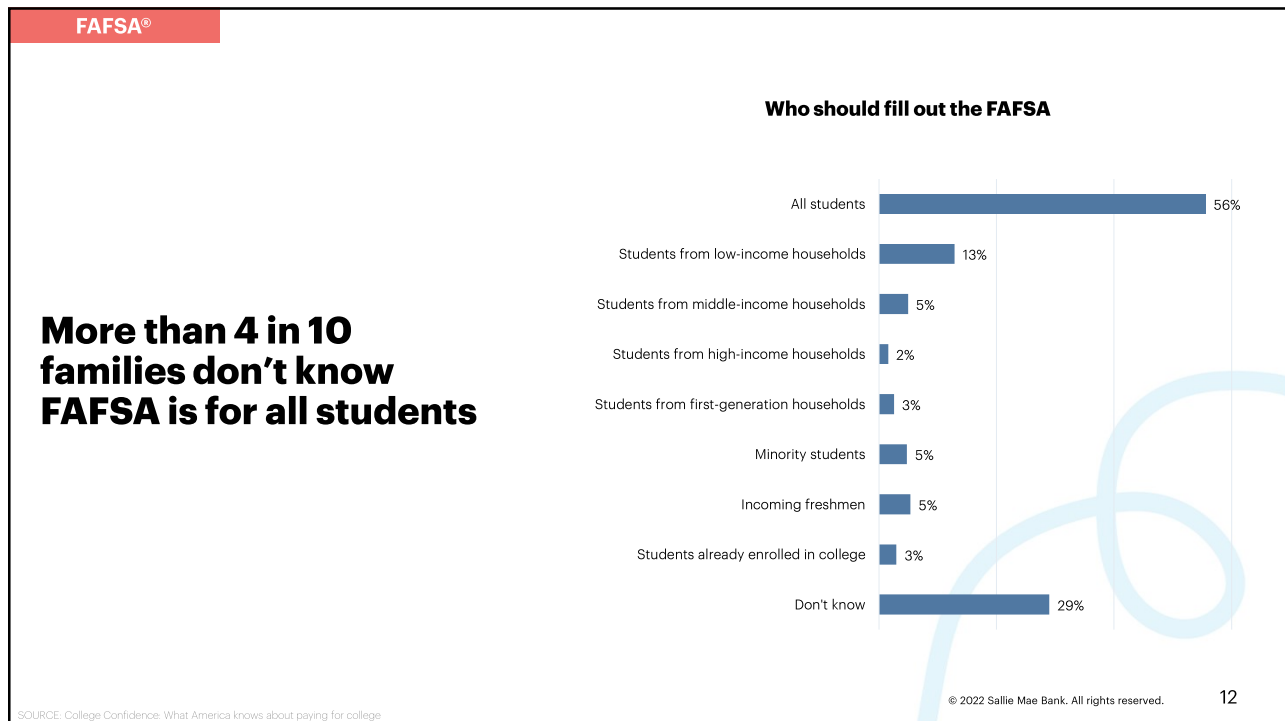


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FAFSA®

### Only 6 in 10 families are planning to complete the FAFSA

- 50% of families planning to submit the FAFSA feel prepared

62%

are definitely or probably planning to fill out the FAFSA

29%

Believe that submitting the FAFSA is a waste of time if your family makes too much money

SOURCE: College Confidence: What America knows about paying for college

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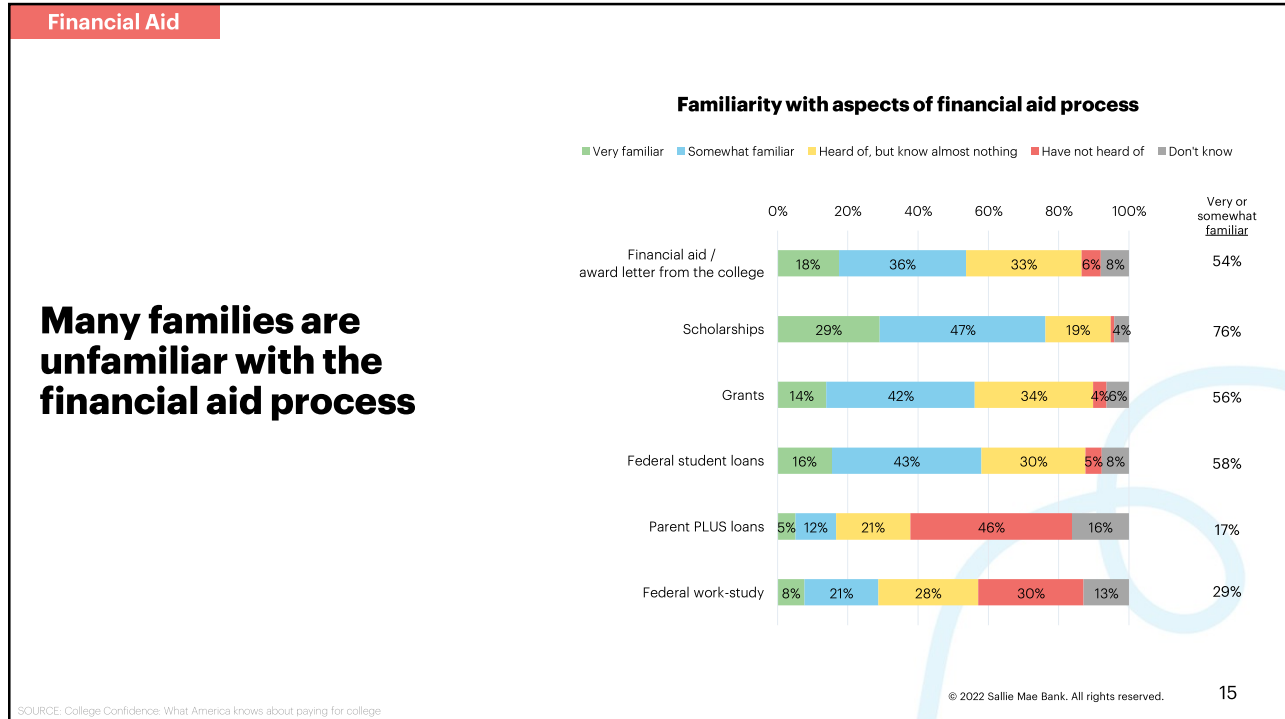
## Understanding the funding sources

FAFSA®  
**Financial aid**  
 Scholarships  
 Loans

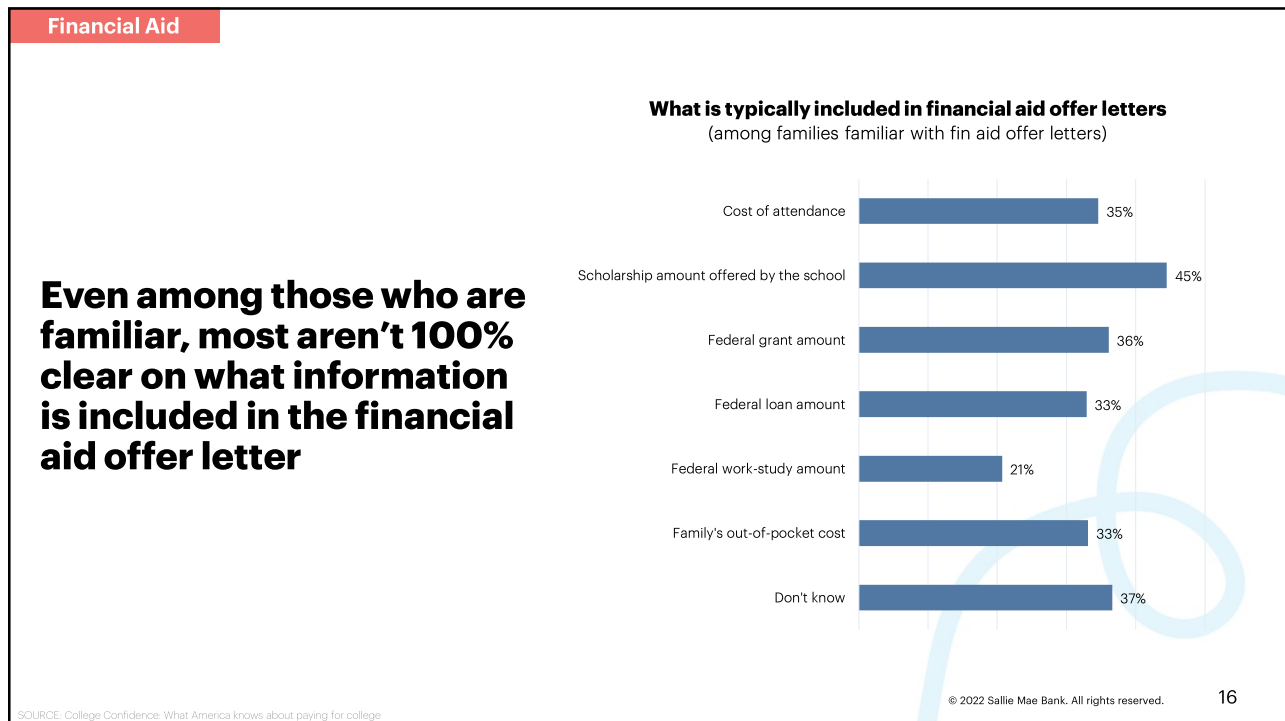
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# Understanding the funding sources

FAFSA®  
Financial aid  
**Scholarships**  
Loans

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## Scholarships

**Misconceptions about scholarships may stand in the way of making college more affordable**

**77%**

say earning a scholarship would make college more affordable

**83%**

have started or are planning to research scholarships

**45%**

believe scholarships are only for exceptional students

SOURCE: College Confidence: What America knows about paying for college

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# Understanding the funding sources

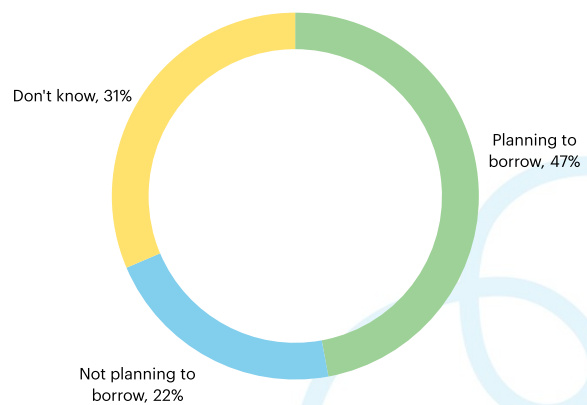
**FAFSA®**  
**Financial aid**  
**Scholarships**  
**Loans**

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## Education loans

**Half of families anticipate the need to borrow to cover college costs**

### Anticipate need for borrowed funds



SOURCE: College Confidence: What America knows about paying for college

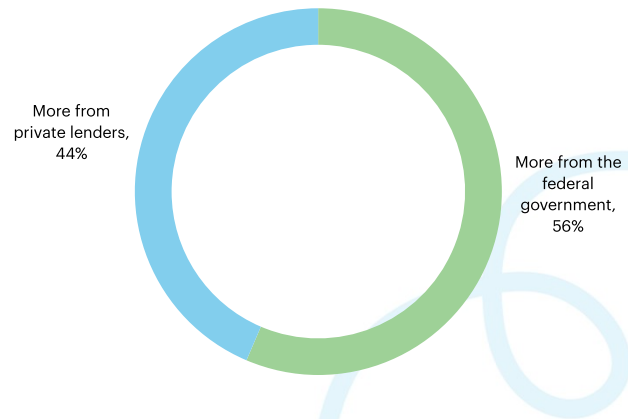
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## Education loans

## Many families don't have a deep understanding of student loan debt

- In reality, federal loans account for 92% of the outstanding \$1.7 trillion of student loan debt

### Are there more student loans from private lenders or the federal government?



SOURCES: College Confidence: What America knows about paying for college; Federal Student Aid / Department of Education; MeasureOne Private Student Loan Report

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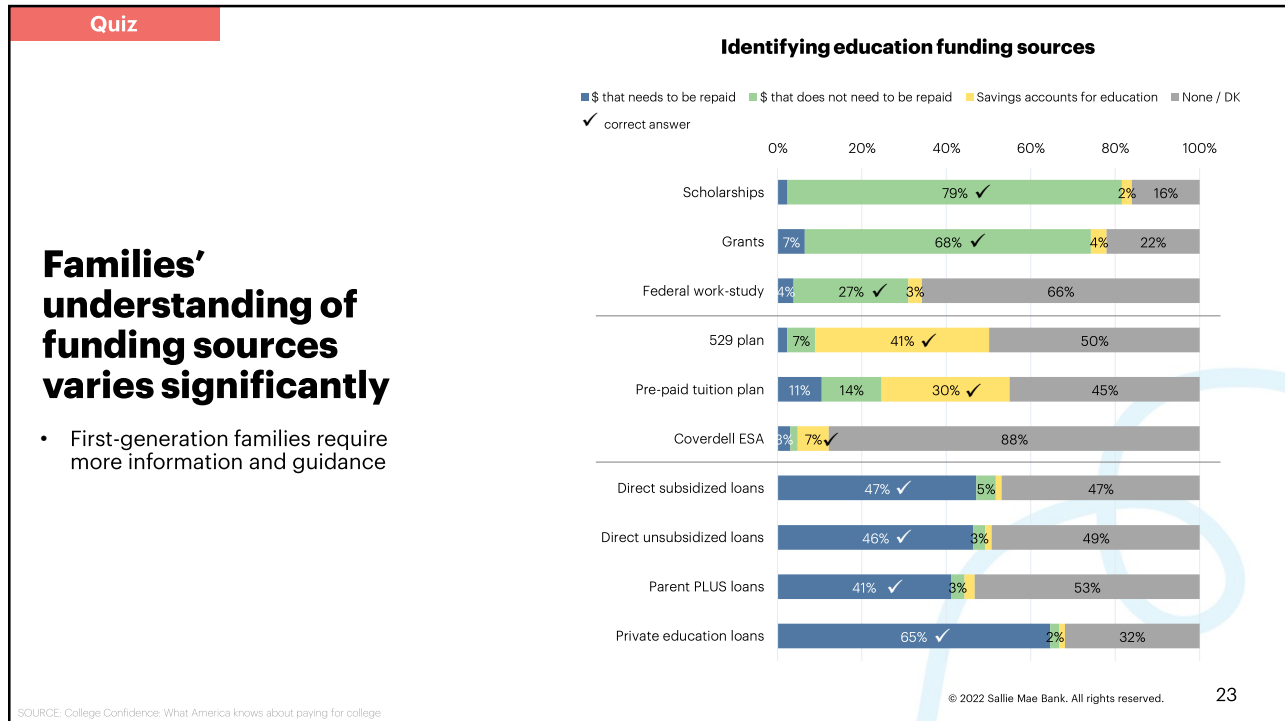
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## Identifying education funding sources and how they work

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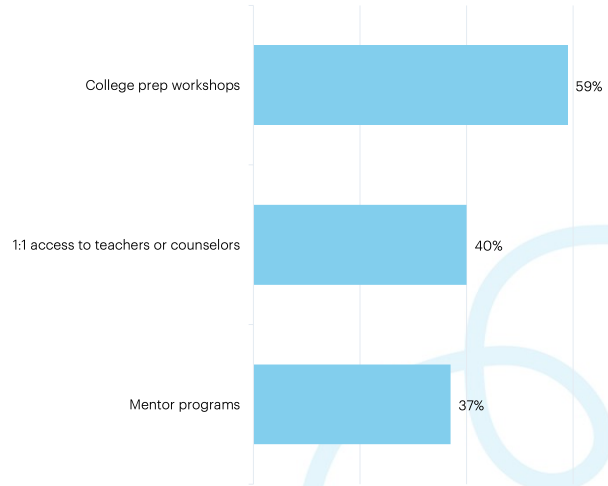
# So what do we do?

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### College prep workshops can be helpful as families plan for college

#### Tools to help transition from high school to college



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### Access to planning tools and cost information sooner can help make college more affordable

What would help make college more affordable?

43%

access to tools for researching colleges, majors, and financial aid

46%

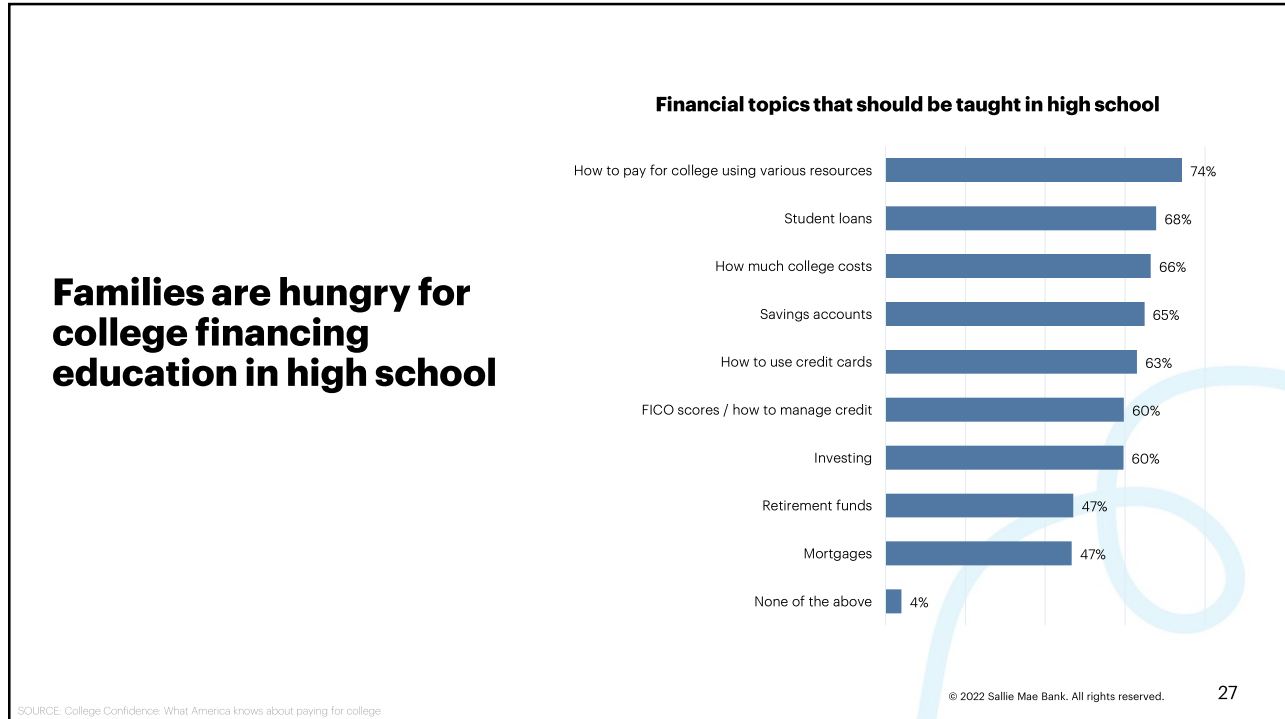
finding out sooner how much they'll have to pay

SOURCE: College Confidence: What America knows about paying for college

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## In conclusion

College Confidence: What America knows about paying for college

For college-bound families, education is an investment, but many are confused and stressed about college financing.

College financing topics should be introduced in high school, earlier than senior year, to arm families with tools, knowledge and confidence to meet the cost of education.

Families are searching for reliable, trustworthy, comprehensive, and easy-to-understand resources to help them plan and pay for college.

Review full report at <https://www.salliemae.com/collegeconfidence>

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# Thank you!

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### *Borrow responsibly*

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

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