

How America Pays for College

Sallie Mae's national study of
college students and parents



2018



Conducted by
Ipsos Public
Affairs

About Sallie Mae®

Sallie Mae is the nation's saving, planning, and paying for college company.

Let's Make College HappenSM is more than a tagline: It reflects our commitment to students and families nationwide. We're proud to offer products and services that promote responsible personal finance and help students and families make college happen, including

- A range of FDIC-insured savings products, including SmartyPig® and other savings accounts, money market accounts, and certificates of deposit.*
- A variety of free online tips, tools, and resources that help families plan for college, including Scholarship Search, which offers free access to 5 million scholarships worth up to \$24 billion, and the College Planning CalculatorSM.
- Competitive and responsible private student loans for undergraduate and graduate students, as well as the Sallie Mae® Parent Loan.
- Free online budgeting tools and information about how to manage student loan payments and other types of credit, such as *Understanding Credit*, a handbook published by Sallie Mae and FICO®.

When it comes to paying for college, we recommend following a 1-2-3 approach:

- 1. Start with money you won't have to pay back.** Supplement your college savings and income by maximizing college scholarships, grants, and work-study.
- 2. Explore federal student loans.** Apply by completing the Free Application for Federal Student Aid (FAFSA).
- 3. Consider a responsible private student loan.** Fill the gap between your available resources and the cost of college.

For more information on how Sallie Mae helps make college happen, visit [SallieMae.com](https://www.SallieMae.com). Join the conversation on social media with [#HowAmericaPays](https://twitter.com/HowAmericaPays).

Sallie Mae
300 Continental Drive
Newark DE 19713

About Ipsos

Ipsos is a global independent market research company ranking third worldwide among research firms.

At Ipsos, we are passionately curious about people, markets, brands, and society.

We make our changing world easier and faster to navigate, and we inspire clients to make smarter decisions. We deliver research with security, speed, simplicity, and substance. We believe it's time to change the game—it's time for Game Changers!

Our commitment to driving the industry with innovative, best-in-class research techniques that are meaningful in today's connected society is our primary goal.

Focusing on six research specializations, our broad range of industry experts offer intimate understanding of brands, consumers, and markets. Whether testing advertising and media, bringing concepts to market, measuring customer loyalty, or surveying public opinion, Ipsos is committed to working with clients to identify the right solutions to their specific challenges.

It is this belief that enables us to ask and probe, to subject our hypotheses to rigorous analyses, and, finally, to deliver reliable data and the most effective recommendations in the shortest time possible.

Ipsos is committed to building an organization dedicated to a single endeavor: providing our clients with the best service, using qualitative or quantitative methods, at local, regional, and international levels.

Ipsos Public Affairs
2020 K Street NW, Suite 410
Washington DC 20006

Access a related infographic and other information about this study at [SallieMae.com/HowAmericaPaysforCollege](https://www.SallieMae.com/HowAmericaPaysforCollege)

* Deposit products are offered by Sallie Mae Bank, member FDIC.

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About this study

Since 2008, Sallie Mae has surveyed American families with an undergraduate student about their attitudes toward college and how they paid for it. For the past ten years, the *How America Pays for College* research has provided insight regarding families' belief in the value of a college education, how they are making college more affordable, and the relationship between education-related choices and cost considerations.

As the project evolves, revisions and new components have become part of each year's execution. In 2018, we made two significant changes, both of which affect how people respond.

- After ten years of conducting participant interviews by telephone, we switched modes—all interviews in 2018 took place online. This change allowed us better access to college students.
- Secondly, we split the original survey into two parts, reducing the amount of time each respondent spends with the survey. The first part published in August of this year, *How America Values College 2018*, is dedicated to attitudinal questions, eliciting parent and student perceptions about values and choices associated with enrolling in college. This second part of the 2018 study, *How America Pays for College 2018*, is focused exclusively on the resources families use to pay for college and any linked decisions such as filing for financial aid or plans for loan repayment.

Sallie Mae has again partnered with Ipsos, a global independent market research company, to conduct this study. *How America Pays for College 2018* reflects the results of online interviews Ipsos conducted with:

- 799 parents of children ages 18 – 24 enrolled as undergraduate students, and
- 790 undergraduate students ages 18 – 24.

The interviews were conducted in English and Spanish between July 11 and July 30, 2018. The survey sample, which changes from year to year, comprised a cross-section of key demographic variables.

This report includes a full set of response tables associated with each itemized question. Percentage amounts reported may not sum to 100 percent due to rounding.

Low-income households are defined as those with annual income of less than \$35,000; middle-income as those with annual income from \$35,000 to less than \$100,000; and high-income as those with annual income of \$100,000 or more. Geographic regions discussed mirror those used by the U.S. Census Bureau.

For details on methodology, including sampling, weighting, and credibility intervals, see the technical notes section at the end of this report.

Summary of findings

How America Pays for College 2018 explores how families of undergraduates paid for college in 2017-18—the resources they used, the amounts paid from each source, and the choices they made regarding how to pay for college.

Paying-for-college decisions

The study shows that families draw on funding resources to varying degrees, building a custom paying-for-college budget that meets their needs and expectations. No single resource is used by all families; in fact, the most prevalent funding sources—parent income, scholarships, and grants—are each used by about 3 in 5 families

Parents take the lead in paying-for-college decisions more often than students, but not always. Thirty-nine percent of families say the parents made the decisions about how to pay for college while 24 percent say the student made the decisions. Parents and students shared decision-making in 30 percent of families.

Among those who were involved in the decision-making process, 8 in 10 feel confident they made the right financial decisions, with slightly more parents feeling confident (84%) than students (78%).

Paying for college resources

Families spent an average of \$26,458 on an undergraduate education in 2017-18.

Income and savings from parents and the student pay nearly half of college costs (47%) with nearly three-quarters of those funds paid by the parents. Thirty-four percent of costs were paid from parents' income and savings, and another 13 percent of college costs from the student's income and savings. It's important to note that parent income plays an outsized role, paying more than half of out-of-pocket funding, while about two-fifths come from a variety of savings sources. As a consequence, families who haven't saved and who have limited income at the time college comes around may be at a disadvantage.

External contributions in the form of scholarships and grants paid 28 percent of costs. Scholarship contributions—which paid 17 percent of college costs—are fifty percent higher than grant

The student's role in paying-for-college decisions differs by the school type they're attending

Students who attend community college were more likely to make the paying-for-college decisions themselves compared to students enrolled in other school types.

Parents with students enrolled in four-year public colleges are more likely to decide without the student's input than parents whose children are enrolled in other school types.

Students who attend private colleges are more likely than those attending public colleges to share decision-making with their parents.

contributions, which paid 11 percent of costs. Extended family and friends paid an additional 2 percent of costs.

In addition to income and savings contributions, both parents and students cover part of college costs with borrowed money. Parents contribute about 10 percent of costs from funds they borrow while students pay 14 percent from borrowing, primarily student loans.

Role of scholarships

Scholarships, used by 57 percent of families last year to pay some portion of the college bill, are the single most-used resource to pay for an undergraduate's education expenses. The average total award among those who used one or more scholarships was \$7,760. In total, scholarship funds paid for 17 percent of college costs in 2017-18. Without scholarships, many students would not be able to afford college.

Colleges award three times the amount of scholarship money, on average, than other sources combined. Families report

receiving the following average amount of money from each of these scholarship source types

- Awarded by the college: \$6,255
- Awarded by the state/local government: \$1,155
- Awarded by a community or nonprofit organization, or a company (e.g., a business, employers, charity, club, etc.): \$1,116

The average scholarship totals at four-year private colleges (\$13,591) are more than twice the amount reported by students who attend four-year public schools (\$5,932).

In all, two-thirds of families applied for scholarships. About 15 percent of those who applied, however, do not report using any amount to pay for school. One-third of families say they did not apply for any scholarships in 2017-18.

Planning to borrow and repay loans

In 2017-18, more than half of families (53%) borrowed to help pay for their undergraduate's education, with students much more likely to borrow than parents. In 32 percent of families, only the student borrowed; in 14 percent, only the parent borrowed; and in 7 percent of families, both the student and parent borrowed.

Two-thirds of families who borrowed (65%) say borrowing was part of their paying-for-college plan and they had always planned to borrow. High-income families are slightly more likely to say they always planned to borrow (72%) than mid-income (64%) or low-income families (62%).

When it comes to planning to repay loans, however, four in 10 families (39%) say they haven't researched any repayment topics. About one-quarter or fewer families have researched each of the following student loan payment topics:

- Recommended debt-to-income ratio for the total student loan amount (27%)
- Income-based repayment plans (25%)
- Loan consolidation (20%)
- Federal loan forgiveness programs (19%)
- Loan refinancing (18%)

Families who borrowed are more likely to defer student loan payments while the student is in school (53%) than to make payments. When payments are being made, the student is nearly twice as likely as the parent to be the one making those payments.

While fewer than half of families are making student loan payments while in school, the majority of students express a desire to pay off loans quickly and to save on loan costs. When students were asked whether they would prefer to stretch out payments to make the monthly payment more affordable or pay loans quickly to save on total costs, the majority (57%) said they would prefer to make larger payments over a shorter period of time (which typically costs less in total). Making payments while in school, however, could reduce loan costs; this inconsistency in current action and future goals could be reflective of a disconnect between desire to save money and lack of clarity about how loans work.

While borrowing is owned or shared by the parent in some families, many of those families expect the student to repay parent-borrowed loans. Only one-third of families (31%) expect that the parent who borrowed to pay for college will take sole responsibility for repaying that money; nearly six in 10 families (58%) expect that the student will share responsibility, and one in 10 (11%) expect the student to take full responsibility for repaying parent loans.

The converse doesn't hold for loans borrowed by the student. Families in which the student borrowed expect the student to be primarily responsible for repayment. Nearly two-thirds of families (63%) expect the student will be solely responsible for repaying his/her student loans. In one-third of families, the parents will help with student loan payments (35%), and parents expect to take full responsibility for repaying student loans in 2 percent of families. Regardless of who did the borrowing, most families expect that the student will have an active role in paying back the loans.

FAFSA

Most families are familiar enough with the financial aid process that they filed the Free Application for Federal Student Aid (FAFSA). Three-quarters of families (75%) completed the application in 2017-18. Differences in filing rates, however, surface among some groups.

- Families who borrow to pay for college are more likely to file the FAFSA than non-borrowers (89% vs 60%).
- Middle-income families (82%) are more likely to file than either low-income (74%) or high-income families (66%).
- Hispanic families (69%) are slightly less likely to file than white (76%) or black families (75%).
- Families living in the Midwest region (81%) are slightly more likely to file compared with those in the Northeast (77%), West (75%), and South (73%).

Families are gradually adopting the practice of applying early for financial aid. Among families with returning students in 2018-19, 62 percent had filed the FAFSA. Another 9 percent said they started one but hadn't finished or submitted it. Of those who had filed, about one-third submitted their application in the new, early time frame, October – December 2017, while the other two-thirds filed January 2018 or later. Reasons families submitted the FAFSA early include

- Believed that early filing would increase their chances of getting financial aid, “first come, first served” (27%)
- Wanted to “get it done” (24%)
- Wanted to know how much aid they would be eligible to receive so they could budget other paying-for-college resources accordingly (11%)
- Prompted by a renewal FAFSA reminder in October (6%)
- The school advised them to complete the FAFSA early for school scholarship eligibility and early registration (6%)

Conclusion

How America Pays for College 2018 demonstrates that families take individual approaches when paying for college, relying on various funding sources to different degrees.

Both parents and students are invested in the decisions about how to pay for college and in contributing their money—earned, saved or borrowed—to the undergraduate's education. In addition, families depend on scholarships and grants to cover a sizable portion of college costs. Without this aid, many students might not be able to attend college.

While most families are aware of the financial aid process via the FAFSA, *How America Pays for College 2018* reveals gaps in planning to pay for college. Notably, the low proportion of parent savings relative to income used, the lack of research regarding loan repayment at the time students borrow, and the slow adoption of early FAFSA filing, which is designed to help families prepare earlier.

Families who value college as an investment in their student manage to make it happen, but additional tools, information, and other resources, particularly around planning to pay for college, would undoubtedly be welcome by many of them.

Reasons families don't complete the FAFSA

Among the families who did not file FAFSA in 2017-18, reasons for not filing include

- Believe they won't qualify (48%)
- Didn't know about it (15%)
- Missed the deadline (13%)
- Problem applying / too complicated (8%)
- Not enough time (6%)
- Missing required information (5%)
- Don't know (3%)
- Some other reason (11%)

Composite view of funding sources

Families rely on a variety of sources to pay for college. These sources are divided into contributing parties and categories of funding.

Contributing parties to paying for college include

- Parents
- Students
- External parties (government, colleges and universities, community and corporate funders, individuals outside the nuclear family)

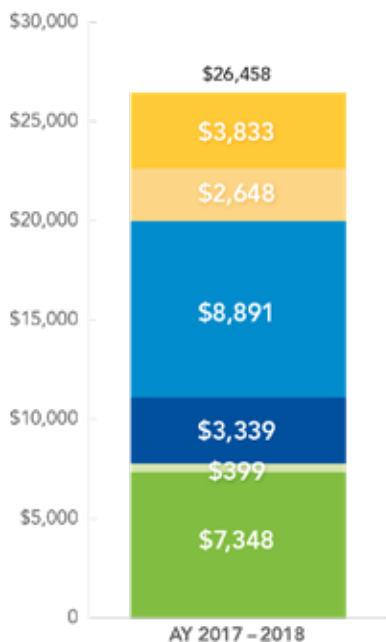
Categories of funds used to pay for college are generally classified as

- Family income and savings
- Scholarships and grants (also referred to as "gift aid")
- Money borrowed by the family (loans)

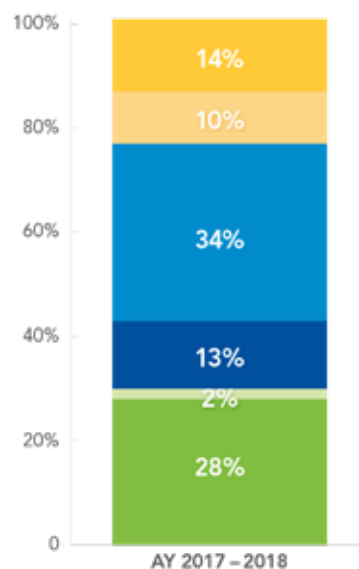
How America Pays for College 2018 finds that parents contributed the most money (44%) toward a typical undergraduate education in academic year 2017-18, followed by external parties (30%), then students (27%).

Approximately three-quarters of parent contributions came from their income and savings, and one-quarter came from money they borrowed.

How the typical family pays for college, average amount



How the typical family pays for college, funding source share



- Student borrowing
- Parent borrowing
- Parent income and savings
- Student income and savings
- Relatives & friends
- Grants & scholarships

Parents paid 34 percent of college costs with their income and savings. More than half of this parent funding was paid through current income, while about two-fifths came from a variety of savings sources. One-fifth (19%) of total costs—an average amount of \$5,109—was paid from parent income, and one-sixth (14%)—an average amount of \$3,782—was paid from savings, specifically from college savings plans such as 529 plans (5%), retirement savings (1%), and other savings and investments (8%).

Parents paid another 10 percent of the total cost—averaging \$2,648—with borrowed money. Parent PLUS Loans, which cover 4 percent of costs, are the loans parents most commonly used to pay for college. Other loan types parents used are private education loans (2%), home equity loans or lines of credit (1%), retirement account loans (1%), credit cards (1%), and some other type of loan (1%).

Student contributions are split more evenly between income and savings and borrowed money than parents' contributions.

Student income and savings contributions average \$3,339 and pay 13 percent of college costs. Unlike parents, students' savings pay a greater share (8%) than income pays (5%). Students' college savings pay 5 percent of costs and their other savings and investments pay another 3 percent. Student income pays 4 percent of costs with work-study earnings paying an additional 1 percent.

Student borrowing averaged \$3,833 and paid 14 percent of college costs. More than half of the borrowed funding (8%) came through federal student loans. Other borrowed sources each paid a smaller portion of costs: private education loans (4%), credit cards (1%), and other types of loans (2%).

External parties contributed an average \$7,747, nearly one-third of the total funds used to pay for college. Scholarships from all sources—colleges, state and local governments, community organizations, corporations, individual donors—paid 17 percent of costs. Grants paid 11 percent of costs. Contributions from extended family, such as grandparents, or other relatives or friends paid 2 percent of costs.

Impact of family income on paying for college sources

Both low-income and high-income families paid more for college in 2017-18 (\$28,437 and \$26,135, respectively) than middle-income families (\$25,402). With that higher price tag, both low-income and high-income families rely more on parent contributions and less on the student's contributions than middle-income families.

In low-income families, parents pay nearly half (49%) of college costs, about four-fifths from income and savings, and one-fifth from borrowing. Forty percent of college costs (\$11,397) are paid from parent income and savings; noticeably, low-income parents do not contribute any money from retirement savings. Nine percent of costs (\$2,516) is paid with parent loans.

Similarly, parents pay half of college costs (52%) in high-income families. Parent income and savings pay 42 percent (\$10,970). Notably, contributions from college savings plans such as 529s pay for 12 percent of costs, much higher than the proportion paid from 529s in low- and middle-income families (2% and 3%, respectively). Parent borrowing (\$2,499) paid another 10 percent.

By contrast, parent contributions in middle-income families paid 36 percent of total college costs with about two-thirds from income and savings and one-third from borrowing. The average amount borrowed and the proportion of costs paid from borrowing was similar to both low- and high-income families, but contributions from income and savings—particularly income—were markedly lower. Parent income and savings (\$6,179) paid 24 percent of costs, 16 percent from income compared with parent income contributions of 22 percent in high-income families and 23 percent in low-income families. Borrowed money (\$2,907) paid 11 percent.

Students in middle-income families, conversely, pay a greater share of college costs—about one-third of costs (32%) compared to less than one-quarter of costs paid by low- and high-income students (23% for both groups).

Middle-income students pay 15 percent from their income and savings, slightly higher than low- (11%) and high-income students (10%). Borrowing by middle-income students pays for 17 percent of costs, again slightly higher than low- and high-income students' borrowed contributions (both 13%). At the individual source level, federal student loans pay a higher portion of costs for middle-income students (10%, vs 7% for low- and high-income students). Private student loans pay 4 percent of costs, higher than the share paid by low-income students (2%) but lower than the share paid by high-income students (6%).

External contributions pay a higher portion of middle-income students' costs (32%) than they pay for low- (28%) and high-income (25%) students. Grants cover 13 percent of costs of both middle- and low-income students while covering less (5%) for high-income students. Scholarships, on the other hand, cover 18 percent of costs for both middle- and high-income students while contributing less (14%) to low-income students' costs. Friends and family cover similar proportions for middle- (1%), low- (1%) and high-income students (2%).

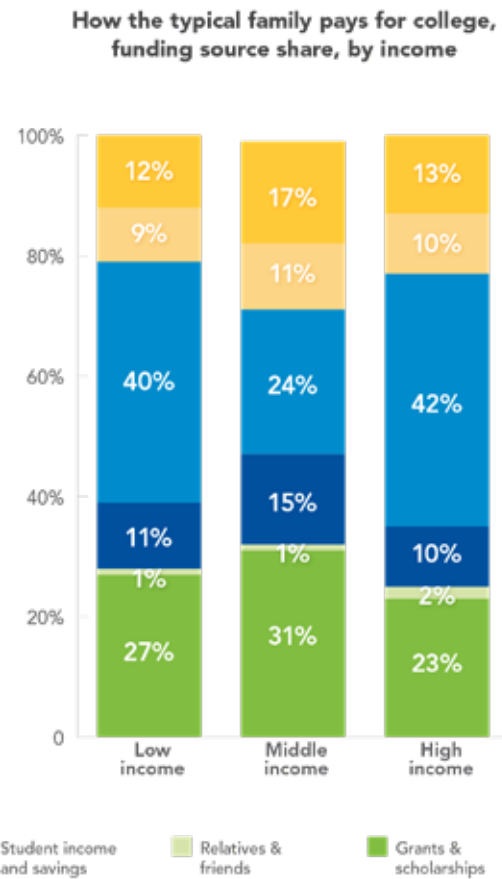
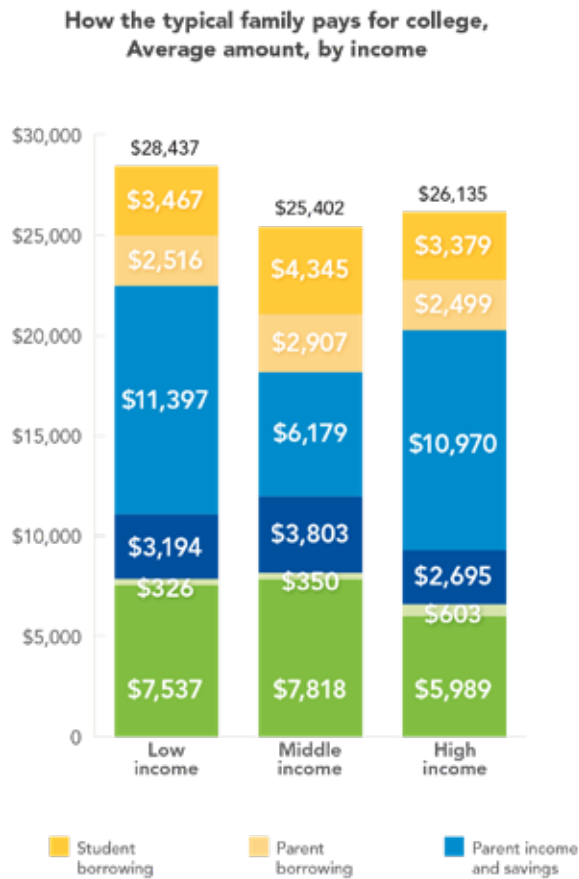


Table 1a Composite of College Funding Sources, Average Value Contributed from Each Source, by Income Level

		Total	Income			
			<\$35k	\$35k – <\$100k	\$100k+	
Borrowed	Parents	Federal Parent PLUS Loans	\$1,112	\$748	\$1,228	\$1,342
		Private education loans	\$631	\$640	\$767	\$429
		Home equity loans or line of credit	\$153	\$286	\$88	\$144
		Credit cards	\$215	\$243	\$263	\$113
		Retirement account loans (including 401k, Roth IRA, or other IRA)	\$142	\$274	\$82	\$128
		Other loans	\$394	\$325	\$479	\$343
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	\$2,216	\$2,096	\$2,637	\$1,716
		Private education loans	\$1,021	\$674	\$1,003	\$1,472
		Student credit cards	\$143	\$161	\$199	\$32
		Student other loans	\$453	\$536	\$506	\$159
Non-Borrowed	Parents	Parent current income	\$5,109	\$6,606	\$4,057	\$5,661
		College savings funds, such as a 529 plan	\$1,314	\$627	\$679	\$3,133
		Other parent savings or investments	\$2,248	\$4,050	\$1,141	\$1,984
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$220	\$114	\$302	\$192
	Student	Student current income	\$1,120	\$1,471	\$1,183	\$687
		Student savings	\$1,234	\$1,196	\$1,450	\$931
		Federal work-study	\$272	\$280	\$320	\$200
		Other student savings or investments	\$713	\$247	\$849	\$877
	Other	Scholarships (received from the school or outside organizations or businesses)	\$4,393	\$3,849	\$4,506	\$4,598
		Grants (Federal, state, or school based)	\$2,955	\$3,689	\$3,312	\$1,391
	Relatives or friends (money that doesn't have to be repaid)	\$399	\$326	\$350	\$603	
Total Paid		\$26,458	\$28,437	\$25,401	\$26,135	

Table 2a Composite of College Funding Sources, Average Percent of Total Cost of Attendance Met by Each Source, by Income Level

		Total	Income			
			<\$35k	\$35k – <\$100k	\$100k+	
Borrowed	Parents	Federal Parent PLUS Loans	4%	3%	5%	5%
		Private education loans	2%	2%	3%	2%
		Home equity loans or line of credit	1%	1%	0%	1%
		Credit cards	1%	1%	1%	0%
		Retirement account loans (including 401k, Roth IRA, or other IRA)	1%	1%	0%	0%
		Other loans	1%	1%	2%	1%
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	8%	7%	10%	7%
		Private education loans	4%	2%	4%	6%
		Student credit cards	1%	1%	1%	0%
		Student other loans	2%	2%	2%	1%
Non-Borrowed	Parents	Parent current income	19%	23%	16%	22%
		College savings funds, such as a 529 plan	5%	2%	3%	12%
		Other parent savings or investments	8%	14%	4%	8%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	0%	1%	1%
	Student	Student current income	4%	5%	5%	3%
		Student savings	5%	4%	6%	4%
		Federal work-study	1%	1%	1%	1%
		Other student savings or investments	3%	1%	3%	3%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	14%	18%	18%
		Grants (Federal, state, or school based)	11%	13%	13%	5%
	Relatives or friends (money that doesn't have to be repaid)	2%	1%	1%	2%	

Table 1b Composite of College Funding Sources, Average Value Contributed from Each Source, by Race/Ethnicity

		Race/ethnicity				
		Total	White	Black	Hispanic	
Borrowed	Parents	Federal Parent PLUS Loans	\$1,112	\$1,125	\$1,426	\$977
		Private education loans	\$631	\$509	\$617	\$887
		Home equity loans or line of credit	\$153	\$155	\$195	\$37
		Credit cards	\$215	\$185	\$289	\$229
		Retirement account loans (including 401k, Roth IRA, or other IRA)	\$142	\$82	\$425	\$137
		Other loans	\$394	\$330	\$438	\$257
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	\$2,216	\$2,344	\$2,253	\$1,530
		Private education loans	\$1,021	\$1,167	\$745	\$1,239
Student credit cards		\$143	\$141	\$212	\$158	
Student other loans		\$453	\$491	\$327	\$383	
Non-Borrowed	Parents	Parent current income	\$5,109	\$4,728	\$6,637	\$7,113
		College savings funds, such as a 529 plan	\$1,314	\$1,445	\$762	\$601
		Other parent savings or investments	\$2,248	\$2,604	\$1,413	\$5,113
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$220	\$200	\$277	\$225
	Student	Student current income	\$1,120	\$1,022	\$1,180	\$1,417
		Student savings	\$1,234	\$1,170	\$1,184	\$1,385
		Federal work-study	\$272	\$225	\$503	\$295
		Other student savings or investments	\$713	\$619	\$687	\$791
	Other	Scholarships (received from the school or outside organizations or businesses)	\$4,393	\$4,216	\$4,252	\$2,998
		Grants (Federal, state, or school based)	\$2,955	\$2,728	\$3,170	\$2,737
	Relatives or friends (money that doesn't have to be repaid)	\$399	\$285	\$560	\$408	
Total Paid		\$26,458	\$25,771	\$27,552	\$28,917	

Table 2b Composite of College Funding Sources, Average Percent of Total Cost of Attendance Met by Each Source, by Race/Ethnicity

		Race/ethnicity				
		Total	White	Black	Hispanic	
Borrowed	Parents	Federal Parent PLUS Loans	4%	4%	5%	3%
		Private education loans	2%	2%	2%	3%
		Home equity loans or line of credit	1%	1%	1%	0%
		Credit cards	1%	1%	1%	1%
		Retirement account loans (including 401k, Roth IRA, or other IRA)	1%	0%	2%	0%
		Other loans	1%	1%	2%	1%
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	8%	9%	8%	5%
		Private education loans	4%	5%	3%	4%
Student credit cards		1%	1%	1%	1%	
Student other loans		2%	2%	1%	1%	
Non-Borrowed	Parents	Parent current income	19%	18%	24%	25%
		College savings funds, such as a 529 plan	5%	6%	3%	2%
		Other parent savings or investments	8%	10%	5%	18%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	1%	1%	1%
	Student	Student current income	4%	4%	4%	5%
		Student savings	5%	5%	4%	5%
		Federal work-study	1%	1%	2%	1%
		Other student savings or investments	3%	2%	2%	3%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	16%	15%	10%
		Grants (Federal, state, or school based)	11%	11%	12%	9%
	Relatives or friends (money that doesn't have to be repaid)	2%	1%	2%	1%	

Table 1c Composite of College Funding Sources, Average Value Contributed from Each Source, by School Type

		Total	School type			
			2-Year Public	4-Year Public	4-Year Private	
Borrowed	Parents	Federal Parent PLUS Loans	\$1,112	\$264	\$1,092	\$1,864
		Private education loans	\$631	\$356	\$363	\$1,062
		Home equity loans or line of credit	\$153	\$42	\$166	\$84
		Credit cards	\$215	\$185	\$174	\$322
		Retirement account loans (including 401k, Roth IRA, or other IRA)	\$142	\$27	\$152	\$246
		Other loans	\$394	\$123	\$558	\$358
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	\$2,216	\$724	\$2,631	\$3,004
		Private education loans	\$1,021	\$210	\$739	\$2,354
		Student credit cards	\$143	\$91	\$121	\$199
		Student other loans	\$453	\$211	\$395	\$697
Non-Borrowed	Parents	Parent current income	\$5,109	\$2,818	\$5,898	\$5,995
		College savings funds, such as a 529 plan	\$1,314	\$148	\$1,045	\$3,068
		Other parent savings or investments	\$2,248	\$198	\$3,178	\$2,390
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$220	\$429	\$173	\$318
	Student	Student current income	\$1,120	\$532	\$1,056	\$1,246
		Student savings	\$1,234	\$638	\$1,090	\$1,881
		Federal work-study	\$272	\$196	\$207	\$498
		Other student savings or investments	\$713	\$424	\$638	\$932
	Other	Scholarships (received from the school or outside organizations or businesses)	\$4,393	\$783	\$3,248	\$10,143
		Grants (Federal, state, or school based)	\$2,955	\$2,006	\$2,883	\$4,200
	Relatives or friends (money that doesn't have to be repaid)	\$399	\$134	\$427	\$512	
Total Paid		\$26,458	\$10,537	\$26,235	\$41,372	

Table 2c Composite of College Funding Sources, Average Percent of Total Cost of Attendance Met by Each Source, by School Type

		Total	School type			
			2-Year Public	4-Year Public	4-Year Private	
Borrowed	Parents	Federal Parent PLUS Loans	4%	3%	4%	5%
		Private education loans	2%	3%	1%	3%
		Home equity loans or line of credit	1%	0%	1%	0%
		Credit cards	1%	2%	1%	1%
		Retirement account loans (including 401k, Roth IRA, or other IRA)	1%	0%	1%	1%
		Other loans	1%	1%	2%	1%
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	8%	7%	10%	7%
		Private education loans	4%	2%	3%	6%
		Student credit cards	1%	1%	0%	0%
		Student other loans	2%	2%	2%	2%
Non-Borrowed	Parents	Parent current income	19%	27%	22%	14%
		College savings funds, such as a 529 plan	5%	1%	4%	7%
		Other parent savings or investments	8%	2%	12%	6%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	4%	1%	1%
	Student	Student current income	4%	5%	4%	3%
		Student savings	5%	6%	4%	5%
		Federal work-study	1%	2%	1%	1%
		Other student savings or investments	3%	4%	2%	2%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	7%	12%	25%
		Grants (Federal, state, or school based)	11%	19%	11%	10%
	Relatives or friends (money that doesn't have to be repaid)	2%	1%	2%	1%	

Table 1d Composite of College Funding Sources, Average Value Contributed from Each Source, by Family Borrowing Status

		Family borrowing status			
		Total	Borrowed	Did Not Borrow	
Borrowed	Parents	Federal Parent PLUS Loans	\$1,112	\$2,091	n/a
		Private education loans	\$631	\$1,186	n/a
		Home equity loans or line of credit	\$153	\$288	n/a
		Credit cards	\$215	\$404	n/a
		Retirement account loans (including 401k, Roth IRA, or other IRA)	\$142	\$267	n/a
		Other loans	\$394	\$740	n/a
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	\$2,216	\$4,165	n/a
		Private education loans	\$1,021	\$1,918	n/a
		Student credit cards	\$143	\$268	n/a
		Student other loans	\$453	\$852	n/a
Non-Borrowed	Parents	Parent current income	\$5,109	\$3,532	\$6,901
		College savings funds, such as a 529 plan	\$1,314	\$710	\$2,001
		Other parent savings or investments	\$2,248	\$745	\$3,957
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	\$220	\$305	\$123
	Student	Student current income	\$1,120	\$1,078	\$1,167
		Student savings	\$1,234	\$1,107	\$1,379
		Federal work-study	\$272	\$343	\$192
		Other student savings or investments	\$713	\$531	\$920
	Other	Scholarships (received from the school or outside organizations or businesses)	\$4,393	\$4,723	\$4,018
		Grants (Federal, state, or school based)	\$2,955	\$3,313	\$2,548
	Relatives or friends (money that doesn't have to be repaid)	\$399	\$414	\$383	
Total Paid		\$26,458	\$28,980	\$23,590	

Table 2d Composite of College Funding Sources, Average Percent of Total Cost of Attendance Met by Each Source, by Family Borrowing Status

		Family borrowing status			
		Total	Borrowed	Did Not Borrow	
Borrowed	Parents	Federal Parent PLUS Loans	4%	7%	n/a
		Private education loans	2%	4%	n/a
		Home equity loans or line of credit	1%	1%	n/a
		Credit cards	1%	1%	n/a
		Retirement account loans (including 401k, Roth IRA, or other IRA)	1%	1%	n/a
		Other loans	1%	3%	n/a
	Student	Federal student loans, such as Direct, Stafford, or Perkins loans	8%	14%	n/a
		Private education loans	4%	7%	n/a
		Student credit cards	1%	1%	n/a
		Student other loans	2%	3%	n/a
Non-Borrowed	Parents	Parent current income	19%	12%	29%
		College savings funds, such as a 529 plan	5%	2%	8%
		Other parent savings or investments	8%	3%	17%
		Retirement savings withdrawal (including 401k, Roth IRA, or other IRA)	1%	1%	1%
	Student	Student current income	4%	4%	5%
		Student savings	5%	4%	6%
		Federal work-study	1%	1%	1%
		Other student savings or investments	3%	2%	4%
	Other	Scholarships (received from the school or outside organizations or businesses)	17%	16%	17%
		Grants (Federal, state, or school based)	11%	11%	11%
	Relatives or friends (money that doesn't have to be repaid)	2%	1%	2%	

The importance of funding sources to individual families

While the composite view of paying for college presents averages from all funding sources used, individual families do not typically use all of the sources listed, and, when they do use a source, do not use them in equal proportions. To round out the view of the importance of various funding sources, *How America Pays for College* also looks at the frequency with which sources are used and the average amount participating families report using.

The most often used individual sources for paying for college are scholarships (57%), parent income (56%), and grants (56%), each used by about three in five families. While parent income use is slightly lower than scholarships, the average amount is higher than any other single source, \$9,101. Average amounts from scholarships (\$7,760) and grants (\$5,292) are also sizeable. The proportion of families using these three sources, and the average amounts used from each, indicate the significant role these sources play in paying for college.

Rolling up to category level, 77 percent of families use gift aid (combined scholarships and grants), while 66 percent use parent personal contributions (combined parent income and savings). Parent savings sources include college savings plans such as 529s (18% use, with an average amount of \$7,330); other savings or investments (28% use, with an average amount of \$8,113); and retirement savings withdrawal (8% use, with an average amount of \$2,860).

More than 4 in 10 families (43%) utilize student savings to pay for college and nearly 4 in 10 (37%) use student income. While the average amounts are lower than some other sources (\$2,888 and \$3,028, respectively), the frequency supports the notion that students are investing financially in their own education. This notion is further supported by the next most-used source, federal student loans, borrowed by 31 percent of students in 2017-18 at an average amount of \$7,137.

Overall, 61 percent of families use student income and savings to pay for college, and 39 percent use student borrowing. Other student earnings sources are work-study (16%, with an average amount of \$1,693), and other savings or investments (19% use, with an average amount of \$3,767); and other borrowing sources include private student loans (13% use, with an average amount of \$7,819), credit cards (9% use, with an average amount of \$1,564), and other loans (10% use, with an average amount of \$4,775).

Parents borrowed in 22 percent of families. The most used parent-borrowing vehicle, borrowed by 13 percent of families, is the Federal PLUS Loan with an average amount of \$8,350. Nine percent of families use private parent education loans with an average amount of \$7,216. Fewer families use other loan types, and the amounts used from those sources are significantly lower than the amounts borrowed through education loan programs: 8 percent of families use a credit card (\$2,636) and 8 percent use some other loan type (\$4,936); 4 percent use a home equity loan (\$3,635) and 4 percent a retirement account loan (\$4,045).

Twelve percent of families receive an average amount of \$3,318 from extended family or friends.

Table 3 The Role of Various Funding Sources to Pay for College, Frequency of Sources and Average Amounts Used

	Percent of families using each source	Average amount among users
Non-Borrowed Sources		
Parent income and savings	66%	
Parent current income	56%	\$9,101
College savings plan (529)	18%	\$7,330
Retirement savings withdrawal	8%	\$2,860
Other parent savings or investments	28%	\$8,113
Student income and savings	61%	
Student current income	37%	\$3,028
Student savings	43%	\$2,888
Federal work-Study	16%	\$1,693
Other student savings or investments	19%	\$3,767
Grants and scholarships	77%	
Scholarships	57%	\$7,760
Grants	56%	\$5,292
Relatives or friends	12%	\$3,318
Borrowed Sources		
Parent borrowing	22%	
Federal Parent PLUS Loans	13%	\$8,350
Private education loan	9%	\$7,216
Home equity loan or HELOC	4%	\$3,635
Parent credit cards	8%	\$2,636
Retirement account loan	4%	\$4,045
Parent other loans	8%	\$4,936
Student borrowing	39%	
Federal student loans	31%	\$7,137
Private education loan	13%	\$7,819
Student credit cards	9%	\$1,564
Student other loans	10%	\$4,775

Data tables

Q. Of the total [named dollar amount] cost of attendance, how much money did you (student)/your child use to pay for college this year from each of the following sources? Your best estimate is fine.

a. Grants (Federal, state, or school based)

b. Scholarships (received from the school, outside organizations, businesses, or state programs)

Table 4 Grant Use and Average Amounts

	N	% of total families	Average amount*
Total	1581	56%	\$5,292
Income			
<\$35k	413	66%	\$5,616
\$35-\$100k	735	63%	\$5,289
\$100k+	397	34%	\$4,060
Race/ethnicity			
White	1164	53%	\$5,179
Black	258	72%	\$4,407
Hispanic	332	53%	\$5,172
Family college experience			
First in family	314	60%	\$6,358
Second generation	1253	54%	\$5,046
Borrowing status			
Borrowed	842	66%	\$5,058
Did not borrow	739	45%	\$5,682
School type			
4-year public/state college/university	755	52%	\$5,529
4-year private college/university	396	56%	\$7,453
2-year public/community college	359	61%	\$3,284
Region			
Northeast	289	55%	\$6,544
Midwest	277	49%	\$4,735
South	585	58%	\$5,011
West	430	58%	\$5,176

Base: Parents and students
* Among those who used each source

Table 5 Scholarship Use and Average Amounts

	N	% of total families	Average amount*
Total	1581	57%	\$7,760
Income			
<\$35k	413	51%	\$7,567
\$35-\$100k	735	60%	\$7,557
\$100k+	397	56%	\$8,165
Race/ethnicity			
White	1164	55%	\$7,605
Black	258	63%	\$6,728
Hispanic	332	49%	\$6,168
Family college experience			
First in family	314	43%	\$6,953
Second generation	1253	60%	\$7,973
Borrowing status			
Borrowed	842	62%	\$7,628
Did not borrow	739	50%	\$7,943
School type			
4-year public/state college/university	755	55%	\$5,932
4-year private college/university	396	75%	\$13,591
2-year public/community college	359	43%	\$1,815
Region			
Northeast	289	65%	\$9,314
Midwest	277	57%	\$6,783
South	585	56%	\$7,472
West	430	52%	\$7,575

Base: Parents and students
* Among those who used each source

Q. You told us you/your child received [\$ amount] in scholarships to pay for college this year. How much of this amount was:

- a. awarded by the state/government
b. awarded by the college

- c. awarded by a community or nonprofit organization or company (e.g. business, charity, employer, local club or organization, etc.)

Table 6 Scholarship Sources

	N	From state		From college		From community	
		% of families	Avg amount	% of families	Avg amount	% of families	Avg amount
Total	785	37%	\$1,155	79%	\$6,255	43%	\$1,116
Income							
<\$35k	171	39%	\$1,154	72%	\$4,610	45%	\$883
\$35-\$100k	390	46%	\$1,325	81%	\$6,667	50%	\$1,307
\$100k+	204	19%	\$762	82%	\$6,808	34%	\$1,071
Race/ethnicity							
White	570	34%	\$1,011	80%	\$5,875	42%	\$974
Black	139	46%	\$1,760	74%	\$3,857	50%	\$957
Hispanic	132	58%	\$1,159	70%	\$6,362	60%	\$2,193
Family college experience							
First in family	118	58%	\$1,463	82%	\$4,202	61%	\$1,588
Second generation	668	33%	\$1,111	79%	\$6,680	40%	\$1,041
Borrowing status							
Borrowed	449	39%	\$754	85%	\$5,931	47%	\$1,177
Did not borrow	337	35%	\$1,719	73%	\$6,710	38%	\$1,030
School type							
4-year public/state college/university	357	36%	\$1,072	77%	\$3,518	40%	\$982
4-year private college/university	266	24%	\$1,616	90%	\$13,244	30%	\$973
2-year public/community college	133	56%	\$550	65%	\$1,175	72%	\$990
Region							
Northeast	186	24%	\$1,842	74%	\$7,221	38%	\$832
Midwest	158	25%	\$746	62%	\$5,418	34%	\$660
South	331	37%	\$1,074	69%	\$6,443	39%	\$1,419
West	224	39%	\$993	72%	\$5,764	40%	\$1,223

Base: Parents and students who reported using scholarships

Q. Did you or your parents apply for any scholarships this year?

Table 7 Application Rates among Those Not Using Scholarships

	N	Yes	No	Don't know
Total	700	23%	68%	9%
Income				
<\$35k	204	26%	71%	3%
\$35-\$100k	304	24%	64%	13%
\$100k+	176	19%	71%	10%
Race/ethnicity				
White	529	23%	68%	9%
Black	98	28%	66%	6%
Hispanic	176	21%	72%	7%
Family college experience				
First in family	183	19%	70%	11%
Second generation	509	25%	67%	8%
Borrowing status				
Borrowed	317	32%	55%	13%
Did not borrow	383	16%	78%	6%
School type				
4-year public/state college/university	342	28%	64%	8%
4-year private college/university	104	34%	53%	14%
2-year public/community college	212	9%	82%	9%
Region				
Northeast	107	21%	74%	5%
Midwest	123	23%	61%	17%
South	259	28%	63%	9%
West	211	19%	75%	7%

Base: Parents and students who did not report using scholarships

Q. Of the total [named dollar amount] cost of attendance, how much of your/your child's college funding came from relatives or friends (money that does not have to be repaid)? Your best estimate is fine.

Table 8 Use of Funds from Relatives & Friends

	N	% of total families
Total	1581	12%
Income		
<\$35k	413	10%
\$35-\$100k	735	15%
\$100k+	397	10%
Race/ethnicity		
White	1164	11%
Black	258	16%
Hispanic	332	17%
Family college experience		
First in family	314	13%
Second generation	1253	12%
Borrowing status		
Borrowed	842	16%
Did not borrow	739	7%
School type		
4-year public/state college/university	755	10%
4-year private college/university	396	12%
2-year public/community college	359	12%
Region		
Northeast	289	6%
Midwest	277	11%
South	585	15%
West	430	13%

Base: Parents and students

Q. Of the total [named dollar amount] cost of attendance, how much money did you (student)/your child use to pay for college this year from each of the following sources? Your best estimate is fine.

- a. Federal work-study
- b. Your/your child's savings
- c. Your/your child's current income
- d. Other student savings or investments

Table 9 Use of Student Income & Savings

	N	% of total families
Total	727	51%
Income		
<\$35k	413	67%
\$35-\$100k	735	64%
\$100k+	397	49%
Race/ethnicity		
White	1164	60%
Black	258	64%
Hispanic	332	68%
Family college experience		
First in family	314	63%
Second generation	1253	60%
Borrowing status		
Borrowed	842	64%
Did not borrow	739	57%
School type		
4-year public/state college/university	755	57%
4-year private college/university	396	63%
2-year public/community college	359	62%
Region		
Northeast	289	60%
Midwest	277	60%
South	585	57%
West	430	66%

Base: Parents and students

Q. Of the total [named dollar amount] cost of attendance, how much money did you (parent)/your parents use to pay for college this year from each of the following sources? Your best estimate is fine.

- a. Parent current income
- b. College savings fund, such as a 529 plan
- c. Retirement Savings withdrawal (including 401k, Roth IRA, or other IRA)
- d. Other parent savings or investments

Table 10 Use of Parent Income & Savings

	N	% of total families
Total	778	55%
Income		
<\$35k	413	58%
\$35-\$100k	735	63%
\$100k+	397	81%
Race/ethnicity		
White	1164	66%
Black	258	66%
Hispanic	332	69%
Family college experience		
First in family	314	66%
Second generation	1253	66%
Borrowing status		
Borrowed	842	61%
Did not borrow	739	72%
School type		
4-year public/state college/university	755	69%
4-year private college/university	396	66%
2-year public/community college	359	59%
Region		
Northeast	289	72%
Midwest	277	59%
South	585	66%
West	430	67%

Base: Parents and students

Q. You said you/your student received work-study. Was the work-study job aligned with or related to your/the student's course of study?

Table 11 Work-Study Related to Major

	N	Yes	No	Not sure
Total	253	48%	44%	9%
Income				
<\$35k	77	40%	44%	16%
\$35-\$100k	129	57%	36%	7%
\$100k+	46	34%	64%	2%
Race/ethnicity				
White	158	49%	46%	6%
Black	70	40%	42%	18%
Hispanic	66	51%	35%	14%
Family college experience				
First in family	42	66%	24%	10%
Second generation	209	44%	48%	8%
Borrowing status				
Borrowed	182	50%	40%	10%
Did not borrow	71	41%	53%	7%
School type				
4-year public/state college/university	98	52%	37%	11%
4-year private college/university	96	38%	57%	5%
2-year public/community college	42	53%	40%	8%
Region				
Northeast	62	43%	53%	4%
Midwest	47	48%	31%	21%
South	71	42%	48%	10%
West	73	56%	39%	5%

Base: Parents and students who reported using Federal work-study

Q. Were any types of loans, or other types of credit or borrowed money used to pay for college this year? Some examples may include student loans, home equity, or credit cards. Please select all that apply.

- a. I borrowed to pay for college.
 b. My parent borrowed to pay for college.
 c. My child borrowed to pay for college.
 d. Someone else borrowed.
 e. Did not borrow money to pay for college this year.

Table 12 Who Contributed Borrowed Funds

	Family borrowed*		Who borrowed**			
	N	Yes %	N	Student only %†	Parent only %†	Both %†
Total	1581	53%	842	59%	27%	14%
Income						
<\$35k	413	52%	216	61%	27%	13%
\$35-\$100k	735	60%	444	58%	27%	15%
\$100k+	397	44%	175	60%	26%	14%
Race/ethnicity						
White	1164	54%	628	62%	24%	14%
Black	258	61%	157	54%	28%	18%
Hispanic	332	50%	165	52%	36%	12%
Family college experience						
First in family	314	48%	151	61%	32%	7%
Second generation	1253	55%	684	60%	25%	15%
School type						
4-year public/state college/university	755	53%	402	64%	23%	13%
4-year private college/university	396	65%	260	53%	25%	22%
2-year public/community college	359	36%	133	65%	32%	4%
Region						
Northeast	289	62%	178	57%	31%	12%
Midwest	277	58%	162	65%	17%	18%
South	585	51%	301	60%	26%	14%
West	430	47%	201	57%	31%	12%

* Base: Parents and students

** Base: Parents and students in families that borrowed

† Categories are mutually exclusive. These percentages are among families that borrow.

Q. Of the total [named dollar amount] cost of attendance, how much money did you (parent)/ your parents use to pay for college this year from each of the following borrowed sources? Your best estimate is fine.

- a. Federal Parent PLUS Loans
- b. Private education loans in your/your parent’s name, not including loans where you/your parent are only a cosigner
- c. Home equity loans or lines of credit
- d. Credit cards in your/your parent’s name
- e. Retirement account loans (including 401k, Roth IRA, or other IRA)
- f. Other loans in your/your parent’s name

Table 13 Use of Parent Borrowed Funds

	N	% of total families
Total	1581	22%
Income		
<\$35k	413	21%
\$35-\$100k	735	25%
\$100k+	397	17%
Race/ethnicity		
White	1164	21%
Black	258	28%
Hispanic	332	24%
Family college experience		
First in family	314	19%
Second generation	1253	22%
School type		
4-year public/state college/ university	755	19%
4-year private college/university	396	30%
2-year public/community college	359	13%
Region		
Northeast	289	26%
Midwest	277	21%
South	585	21%
West	430	20%

Base: Parents and students
*Small sample size

Q. Of the total [named dollar amount] cost of attendance, how much money did you (student)/ your child use to pay for college this year from each of the following borrowed sources? Your best estimate is fine.

- a. Federal student loans, such as Stafford or Perkins loans, or the Direct Loan Program
- b. Private education loans in your/your child’s name, including loans where your parent/you or anyone else is a cosigner
- c. Credit cards in your/your child’s name
- d. Other loans in your/your child’s name

Table 14 Use of Student Borrowed Funds

	N	% of total families
Total	1581	39%
Income		
<\$35k	413	38%
\$35-\$100k	735	44%
\$100k+	397	33%
Race/ethnicity		
White	1164	41%
Black	258	44%
Hispanic	332	32%
Family college experience		
First in family	314	33%
Second generation	1253	41%
School type		
4-year public/state college/ university	755	41%
4-year private college/university	396	49%
2-year public/community college	359	25%
Region		
Northeast	289	43%
Midwest	277	48%
South	585	38%
West	430	32%

Base: Parents and students

Q. Is anyone making regular monthly payments on your student loans while you are enrolled in school?

a. Yes, the student is making payments

b. Yes, the parent is making payments

c. Yes, someone other than the student or parent

d. No, no one is making regular monthly payments

Table 15 Student Loan Payments while in School

	N	Student	Parent	Someone else	No
Total	565	32%	19%	2%	53%
Parents	239	24%	17%	1%	62%
Students	326	38%	21%	3%	46%
Income					
<\$35k	150	35%	17%	0%	53%
\$35k - <\$100k	288	36%	19%	4%	49%
\$100k+	123	20%	25%	0%	61%
Race/ethnicity					
White	433	30%	18%	2%	56%
Black	106	43%	21%	3%	40%
Hispanic	99	31%	29%	5%	43%
Family college experience					
First in family	89	33%	14%	2%	62%
Second generation	475	32%	21%	2%	51%
School type					
4-year public/state college/university	285	29%	17%	1%	57%
4-year private college/university	181	30%	25%	5%	50%
2-year public/community college	73	43%	11%	80%	47%
Region					
Northeast	113	28%	17%	1%	58%
Midwest	121	27%	19%	3%	56%
South	210	32%	20%	2%	54%
West	121	41%	21%	4%	41%

Base: Parents and students who report the student used federal or private student loans

Q. Which, if any, of the following student loan repayment topics have you and/or your child researched? Please select all that apply.

- a. Recommended debt-to-income ratio for the total student loan amount
- b. Loan consolidation
- c. Loan refinancing
- d. Income-based repayment plans
- e. Federal loan forgiveness programs
- f. Other
- g. None of these

Table 16 Student Loan Repayment Discussions

	N	Debt-to-income ratio	Consolidation	Refinance	Income-based payment	Loan forgiveness	Other	None
Total	565	27%	20%	18%	25%	19%	0%	39%
Parents	239	19%	16%	14%	27%	17%	0%	46%
Students	326	32%	23%	21%	23%	21%	0%	33%
Income								
<\$35k	150	25%	24%	18%	24%	17%	0%	40%
\$35k - <\$100k	288	29%	20%	19%	27%	22%	0%	32%
\$100k+	123	23%	13%	19%	20%	16%	2%	53%
Race/ethnicity								
White	433	25%	20%	19%	25%	17%	1%	42%
Black	106	36%	20%	18%	31%	29%	0%	24%
Hispanic	99	21%	35%	19%	23%	20%	0%	26%
Family college experience								
First in family	89	22%	18%	14%	13%	12%	0%	40%
Second generation	475	28%	20%	19%	27%	21%	0%	38%
School type								
4-year public/state college/university	285	26%	18%	16%	22%	19%	1%	44%
4-year private college/university	181	26%	21%	23%	30%	25%	0%	36%
2-year public/community college	73	34%	17%	15%	26%	13%	1%	23%
Region								
Northeast	113	22%	21%	18%	17%	15%	1%	45%
Midwest	121	22%	13%	12%	17%	12%	0%	57%
South	210	30%	23%	22%	23%	21%	0%	33%
West	121	30%	19%	20%	42%	27%	0%	23%

Base: Parents and students who report the student used federal or private student loans

Q. If you had a choice, which of the following plans would you prefer when you begin making principal and interest payments on your student loans?

- a. Make smaller payments over a longer period of time (which typically costs more in total)
- b. Make larger payments over a shorter period of time (which typically costs less in total)
- c. Not sure

Table 17 Payment Amount Preference

N	326
Smaller payments	36%
Larger payments	57%
Not sure	7%

Base: Students who report using federal or private student loans

Q. Was borrowing always part of your paying-for-college plan?

- a. Yes, we always planned to borrow
- b. No, we did not plan to borrow
- c. Not sure

Table 18 Planned to Borrow

	N	Yes	No	Not sure
Total	876	65%	28%	7%
Parents	332	63%	29%	8%
Students	544	66%	28%	6%
Income				
<\$35k	231	62%	28%	10%
\$35k - <\$100k	452	64%	30%	6%
\$100k+	186	72%	24%	4%
Race/ethnicity				
White	643	69%	25%	6%
Black	161	53%	36%	11%
Hispanic	169	64%	29%	7%
Family college experience				
First in family	152	61%	35%	5%
Second generation	716	67%	27%	6%
School type				
4-year public/state college/university	413	68%	26%	6%
4-year private college/university	270	65%	28%	8%
2-year private college*	48	69%	23%	8%
2-year public/community college	139	57%	38%	5%
Region				
Northeast	178	79%	16%	5%
Midwest	167	75%	16%	9%
South	328	58%	36%	7%
West	203	57%	37%	6%

Base: Parents and students in families who reported using any type of borrowed money

*Small sample size

Q. Who will be responsible for repaying this borrowed money (borrowed by the parent) or for making payments now or in the future?

- a. Parent(s) are solely responsible
- b. Parent(s) and student will share responsibility
- c. Student is solely responsible
- d. Parents will make payments until the student is financially stable
- e. Other

Table 19 Responsibility for Repaying Parent Education Loans

	Total	Parent	Student
N	268	122	146
Parent(s) are solely responsible	31%	51%	14%
Parent(s) and student will share responsibility	53%	40%	64%
Student is solely responsible	11%	6%	15%
Parents will make payments until the student is financially stable	6%	4%	8%
Other	0%	0%	0%

Base: Parents and students in families where the parent(s) borrowed from any source

Q. Who will be responsible for repaying this borrowed money (borrowed by the student) or for making payments now or in the future?

- a. Student is solely responsible
- b. Parent(s) and students will share responsibility
- c. Parent(s) are solely responsible
- d. Parents will make payments until the student is financially stable
- e. Other

Table 20 Responsibility for Repaying Student Loans

	Total	Parent	Student
N	565	239	326
Student is solely responsible	63%	50%	72%
Parent(s) and students will share responsibility	31%	43%	23%
Parent(s) are solely responsible	2%	4%	1%
Parents will make payments until the student is financially stable	4%	3%	5%
Other	0%	0%	0%

Base: Parents and students in families where the student borrowed from any source

Q. Can you tell me the name of the school your child/you attended in the 2016-2017 school year? And which campus is that? (Match to school type.)

Table 21 Enrollment by Type of School

	N	4-year public	4-year private	2-year public	2-year private
Total	1589	48%	25%	23%	4%
Income					
<\$35k	411	50%	18%	25%	8%
\$35k - <\$100k	738	42%	26%	28%	4%
>\$100k+	403	55%	30%	14%	2%
Race/ethnicity					
White	1169	47%	26%	23%	4%
Black	261	48%	22%	25%	5%
Hispanic	334	43%	21%	28%	8%
Family college experience					
First in family	316	50%	12%	32%	6%
Second generation	1258	47%	29%	20%	4%
Borrowing status					
Borrowed	836	48%	31%	16%	6%
Did not borrow	753	48%	19%	31%	2%
Region					
Northeast	288	41%	38%	18%	3%
Midwest	279	54%	22%	24%	1%
South	588	53%	22%	19%	6%
West	434	42%	24%	31%	3%

Base: Parents and students

Q. What type of degree or level of undergraduate education are you/your child currently working toward?**Table 22 Current Degree Type Expected to Earn**

	N	BA degree	AA degree	Voc/tech certificate	No degree/ not sure
Total	1599	70%	24%	6%	0%
Income					
<\$35k	415	59%	33%	8%	0%
\$35k - <\$100k	741	68%	24%	8%	0%
\$100k+	404	85%	14%	2%	0%
Race/ethnicity					
White	1176	70%	22%	8%	0%
Black	263	61%	36%	4%	0%
Hispanic	336	62%	32%	7%	0%
Family college experience					
First-in-family	318	58%	33%	9%	0%
Second generation	1266	74%	21%	6%	0%
School type					
4-year public/state college/university	759	85%	12%	3%	0%
4-year private college/university	401	82%	13%	5%	0%
2-year private college*	64	28%	38%	34%	0%
2-year public/community college	366	33%	57%	10%	0%
Region					
Northeast	293	71%	23%	6%	0%
Midwest	281	75%	19%	6%	0%
South	590	68%	25%	7%	0%
West	435	68%	25%	7%	0%
Enrollment status					
Full time	1443	73%	22%	5%	0%
Part time	156	44%	39%	18%	0%

Base: Parents and students

*Small sample size

Q. How involved were you in deciding how to pay for college last year?

a. Parent/student was the primary decision maker

b. Parent and student shared decision-making responsibility

c. Parent/student was involved in discussions but did not make any decisions

Table 23 Involvement in Paying for College Decisions

	N	Parent primary decision maker	Student primary decision maker	Parent and student shared	Discussed with student but parent decided	Discussed with parent but student decided
Total	1599	39%	24%	30%	5%	2%
Parents	800	73%	3%	20%	0%	4%
Students	800	5%	45%	40%	11%	0%
Income						
<\$35k	415	23%	35%	36%	5%	1%
\$35-\$100k	741	37%	26%	30%	5%	2%
\$100k+	404	56%	11%	23%	7%	2%
Race/ethnicity						
White	1176	40%	23%	30%	5%	2%
Black	263	35%	30%	30%	5%	1%
Hispanic	336	45%	25%	25%	2%	2%
Family college experience						
First-in-family	318	46%	23%	25%	3%	2%
Second generation	1266	38%	24%	31%	6%	2%
School type						
4-year public/state college/university	759	45%	24%	24%	5%	2%
4-year private college/university	401	30%	21%	38%	10%	1%
2-year public/community college	366	37%	27%	31%	3%	3%
Region						
Northeast	293	41%	19%	32%	7%	2%
Midwest	281	32%	28%	33%	5%	2%
South	590	38%	26%	28%	6%	2%
West	435	43%	22%	27%	5%	2%

Base: Parents and students

Q. How confident are you that you have made the right financial decisions regarding paying for the education at the college in which you were/the student was enrolled?

- a. Not at all confident
 b. Somewhat unconfident
 c. Neither confident nor unconfident
 d. Somewhat confident
 e. Completely confident

Table 24 Confidence in Paying for College Choices

	N	Not at all confident	Somewhat unconfident	Neither	Somewhat confident	Completely confident
Total	1417	3%	7%	9%	37%	45%
Parents	745	3%	6%	7%	32%	52%
Students	673	2%	8%	11%	42%	37%
Income						
<\$35k	354	2%	10%	11%	35%	42%
\$35-\$100k	675	3%	6%	9%	40%	43%
\$100k+	354	2%	8%	6%	33%	51%
Race/ethnicity						
White	1034	2%	7%	8%	37%	46%
Black	241	3%	9%	8%	34%	47%
Hispanic	284	3%	7%	11%	37%	42%
Family college experience						
First-in-family	267	3%	7%	12%	28%	50%
Second generation	1137	3%	7%	8%	39%	44%
School type						
4-year public/state college/university	666	3%	9%	9%	37%	43%
4-year private college/university	351	2%	7%	9%	42%	40%
2-year private college*	63	1%	10%	7%	47%	35%
2-year public/community college	333	4%	4%	7%	29%	56%
Region						
Northeast	261	5%	4%	8%	38%	45%
Midwest	255	3%	14%	6%	37%	40%
South	538	2%	7%	10%	36%	46%
West	364	2%	5%	10%	37%	46%

Base: Parents and students who reported they were involved in the decision about how to pay for college

* Small sample size

Q. For the 2017-2018 academic year did you complete the FAFSA?

- a. Yes
 b. No, I started one but did not submit it
 c. No, I have not started nor submitted one
 d. Don't know

Table 25 Completed FAFSA 2017-18

	N	Yes	No, started but didn't finish	No, never started	Don't know
Total	1599	75%	6%	17%	1%
Parents	800	77%	5%	17%	2%
Students	800	74%	7%	18%	1%
Income					
<\$35k	415	74%	8%	16%	1%
\$35k - <\$100k	741	82%	6%	11%	1%
\$100k+	404	66%	3%	29%	1%
Race/ethnicity					
White	1176	76%	5%	18%	2%
Black	263	75%	11%	12%	2%
Hispanic	336	69%	8%	22%	1%
Family college experience					
First in family	318	74%	6%	18%	2%
Second generation	1266	76%	6%	17%	1%
School type					
4-year public/state college/university	759	75%	5%	18%	1%
4-year private college/university	401	76%	5%	19%	1%
2-year private college*	64	68%	27%	5%	0%
2-year public/community college	366	78%	4%	16%	3%
Region					
Northeast	293	77%	6%	16%	1%
Midwest	281	81%	5%	12%	2%
South	590	73%	7%	18%	2%
West	435	75%	5%	20%	1%

Base: Parents and students

*Small sample size

Q. Why didn't you submit the FAFSA?**Table 26 Reasons for Not Submitting FAFSA**

N	404
Don't qualify	48%
Didn't know about it	15%
Missing information for application	5%
Missed deadline	13%
Had problem with application/too complicated	8%
Didn't have time	6%
Don't know	3%
Other	11%

Base: Parents and students who did not submit a FAFSA

Q. Have you completed the FAFSA for the upcoming 2018-2019 academic year?

- a. Yes
 b. No, I started one but did not submit it
 c. No, I have not started nor submitted one
 d. No, the student won't be in college in 2018-19

Table 27 Completed FAFSA 2018-19

	N	Yes	No, started but didn't finish	No, never started	No, student won't be in college
Total	1599	57%	9%	26%	7%
Parents	800	58%	7%	27%	8%
Students	800	57%	12%	26%	6%
Income					
<\$35k	415	56%	9%	29%	6%
\$35k - <\$100k	741	63%	11%	19%	7%
\$100k+	404	49%	7%	37%	8%
Race/ethnicity					
White	1176	59%	8%	27%	7%
Black	262	60%	11%	23%	6%
Hispanic	336	52%	14%	28%	5%
Family college experience					
First in family	318	61%	8%	26%	5%
Second generation	1266	56%	10%	26%	8%
School type					
4-year public/state college/university	759	58%	8%	27%	8%
4-year private college/university	401	60%	6%	26%	7%
2-year private college*	64	52%	17%	25%	6%
2-year public/community college	366	56%	14%	25%	5%
Region					
Northeast	293	61%	6%	25%	8%
Midwest	281	56%	9%	25%	10%
South	435	56%	9%	29%	6%
West	415	57%	12%	26%	6%

Base: Parents and students

*Small sample size

Q. When did you submit the 2018-19 FAFSA?

Table 28 Timing of FAFSA Filing

	N	Oct – Dec 2017	2018
Total	918	31%	69%
Parents	461	29%	71%
Students	457	33%	67%
Income			
<\$35k	233	33%	67%
\$35k - <\$100k	469	31%	69%
\$100k+	198	29%	71%
Race/ethnicity			
White	691	32%	68%
Black	158	29%	71%
Hispanic	175	40%	60%
Family college experience			
First in family	193	27%	73%
Second generation	714	33%	67%
School type			
4-year public/state college/university	438	28%	72%
4-year private college/university	241	34%	66%
2-year private college*	33	59%	41%
2-year public/community college	205	31%	69%
Region			
Northeast	180	24%	76%
Midwest	158	27%	73%
South	333	32%	68%
West	248	37%	63%

Base: Parents and students who reported submitting a FAFSA for 2018-19

*Small sample size

Q. Why did you decide to apply for financial aid early?

Table 29 Reasons for Filing FAFSA Early

N	293
Increase likelihood of getting aid/first come, first served	27%
Have it be done/ reduce stress/not forget	22%
Need financial aid	13%
Check eligibility and amount/more time to plan for alternatives	11%
Encouraged to by parent or student/renewal communication received	7%
Suggested by college for admission or registration advantage/school aid advantage	6%
The application was available	5%
Not sure	3%
In case of glitches or errors, leave time to correct	2%
Convenient to do it at that time	1%

Base: Parents and students who reported submitting a FAFSA for 2018-19 in Q4 2017

Technical notes

Target population

Ipsos conducted the *How America Pays for College* survey online between Wednesday, July 11, 2018 and Monday, July 30, 2018. Ipsos interviewed 1,589 individuals: 799 parents of 18- to 24-year-old undergraduate students, and 790 18- to 24-year-old undergraduate students.

Sample design

The sample for this study was randomly drawn from online panels and “river” sampling and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to the study, in drawing sample. This sample design was a disproportionate stratified sample of parents of college students and college students. The sample was designed to over-represent African Americans and Hispanics, with a minimum of 150 responses from each group. After a sample has been obtained, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is 2013 American Community Survey data. The sample was stratified by additional variables, such as region and student enrollment status.

Weighting

To correct for the disproportionate stratified sample, both samples were weighted using a statistical technique called raking, in which all of the population marginal profiles of interest are replicated in the sample. The sample of parents was weighted by gender, age, race/ethnicity, region, education, and by college information (region, size, and type). The sample of students was weighted by gender, age, race/ethnicity, region, and by college information (region, size, and type). All of the demographic profiles used for both parents and students in the weights were sourced from the Current Population Survey (CPS). The National Center for Educational Statistics provided additional data for the college information weights.

Bayesian credibility intervals

The calculation of credibility intervals assumes that Y has a binomial distribution conditioned on the parameter θ , i.e., $Y|\theta \sim \text{Bin}(n, \theta)$, where n is the size of our sample. In this setting, Y counts the number of “yes,” or “1,” observed in the sample, so that the sample mean (\bar{y}) is a natural estimate of the true population proportion θ . This model is often called the likelihood function, and it is a standard concept in both the Bayesian and the Classical framework. The Bayesian 1 statistics combines both the prior distribution and the likelihood function to create a posterior distribution. The posterior distribution represents our opinion about which are the plausible values for θ adjusted after observing the sample data. In reality, the posterior distribution is one’s knowledge base updated using the latest survey information. For the prior and likelihood functions specified here, the posterior distribution is also a beta distribution ($\pi(\theta/y) \sim \beta(y+a, n-y+b)$), but with updated hyper-parameters.

Our credibility interval for θ is based on this posterior distribution. As mentioned above, these intervals represent our belief about which are the most plausible values for θ given our updated knowledge base. There are different ways to calculate these intervals based on $\pi(\theta/y)$. Since we want only one measure of precision for all variables in the survey, analogous to what is done within the Classical framework, we will compute the largest possible credibility interval for any observed sample. The worst case occurs when we assume that $a=1$ and $b=1$ and $y=n/2$. Using a simple approximation of the posterior by the normal distribution, the 95% credibility interval is given by approximately 2.5.

Calculating How America Pays for College

The primary goal of the *How America Pays for College* national survey is to understand how and what the “typical American family” is paying for a college education. To enable this understanding and for these figures to be tracked over time, Ipsos has continued to calculate figures for total cost

of college, and the use and value of the variety of funding sources, in the same way as they have been calculated in previous waves.

There are two types of averages presented in this report: one relative to the entire population (the "composite scores," for example see Tables 1a–d and 2a-d, pp. 8–11) and the other that mentions amounts among users of a specific item or funding source (the "frequency amounts," for example see Table 3, pp. 13).



[SallieMae.com/HowAmericaPaysforCollege](https://www.SallieMae.com/HowAmericaPaysforCollege)