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Teens & Parents Express Limited Concern About College Debt, National Surveys Show

*Private College 529 Plan Compares Teen vs. Parent Attitudes
on Planning and Saving for College Tuition Costs*

St. Louis (May 27, 2015) – Fewer than one in four teens say “taking on too much debt” is their top worry about paying for college, according to the findings released today from the third annual “Teen College Savings Barometer,” released by [Private College 529 PlanSM](#), a prepaid tuition plan sponsored by more than 275 leading private colleges and universities.

Among parents of 13 to 17 year olds, just 13 percent feared their children would borrow too much and only six percent worried they, the parents, would take on too much debt, according to the first “Parents College Savings Barometer,” also sponsored by Private College 529 Plan. The survey results were released in conjunction with National 529 Savings Day, May 29.

Student debt is currently more than \$1 trillion, outstripping credit card debt in the United States. While the surveys of 1,002 13-17 year olds and 1,000 parents of children in that age range showed 70 percent of parents and 59 percent of teens expect to need loans to pay for college, both registered greater concerns than debt:

Issue	Teens	Parents
Won't receive enough grants/scholarships	37%	29%
Can't afford top choice	33%	23%
Student taking on too much debt	22%	13%
Parent taking on too much debt	N/A	6%
Family not saving enough	7%	28%

“Given the amount of discussion about growing debt to pay for college, it was shocking that both teens and parents ranked debt so low on their list of concerns,” said Nancy Farmer, president of Private College 529 Plan.

How Are Families Saving For College Tuition?

Given that the amount of money they are saving for college is less today than in 2014 -- we wanted to share our findings related to the college saving efforts reported by our parent survey respondents.

The parent survey found that nearly nine in 10 families are saving for their children's college education, contrasting sharply with the recent [Sallie Mae's "How America Saves for College 2015"](#) study, which found that fewer than half of families are saving for college. Private College 529 found that that close to 75 percent of the parents knew what a 529 Plan is; yet only about a third are using tax-advantaged 529 plans among the parents saving for college.

Unsurprisingly, teens are still reporting the same low level of familiarity with 529 plans in 2015 (14 percent) – comparable to the levels in 2013 and 2014.

“With the cost of college tuition continually increasing, families can best help themselves by creating a college savings strategy as early as possible. Private College 529 Plan is the only pre-paid tuition plan sponsored by private colleges. It allows families to potentially save thousands of dollars by paying today’s prices for tomorrow’s education,” Farmer said.

Divergence of Views: How to Pick a School

When it comes to selecting a college, teens and parents offered differing views of how to make this significant life decision.

Teens said they were most interested in the success schools’ graduates had finding employment (36 percent), followed by cost (24 percent) and institutions’ reputations (19 percent).

Parents, on the other hand, rated cost and institutional reputation even at 30 percent, with employment success being slightly less important (26 percent).

Other Key Differences

Almost all teens (94 percent) say they expect to be personally responsible for paying some portion of their college expenses. Interestingly, only 79 percent of parents expect their children to pay some portion of costs.

Teens also have higher expectations concerning the amount they anticipate paying with an average amount of \$8,800 a year, compared with parents’ expectation that their child will contribute up \$5,100 a year.

Seven in ten teens (70 percent) say they are either very or somewhat involved in the planning process, compared to the fewer than half of parents (46 percent) who say their child is involved in the college planning and saving process.

“When students and parents aren’t both involved in planning for college, the results can be unfortunate: students borrowing more or parents raiding their retirement money to pay for college,” Farmer commented.

Private College 529 Plan provides a wealth of information to help families plan for college at TomorrowsTuitionToday.org. The Plan offers teens and their families an alternative that takes the risk of rising tuition costs out of the college savings planning equation by offering a guaranteed way to save on the future cost of a higher education. Private College 529 account owners lock in today's tuition rates at any of the more than 275 participating schools and secure the option that they may be redeemed for up to 30 years. Tuition bought on or before June 30, 2015, will be at current rates, before new college tuition rates go into effect on July 1.

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About Private College 529 PlanSM

Owned and operated by more than 275 leading private colleges and universities, Private College 529 Plan was created by authorization of the U.S. Congress for colleges and their consortia to help families save for college and increase the affordability and accessibility of higher education. Private College 529 Plan enables families to invest in their children's future by prepaying tuition at member institutions, protecting their savings from annual tuition inflation.

The educational mix of private institutions participating in Private College 529 Plan provides families with a wide range of college choices. As opposed to other state specific congressionally authorized plans, Private College 529 Plan has a national scope, with participating private colleges across the United States. It also differs in that its administrative management is by the institutions themselves as opposed to government.

Today, Private College 529 Plan is working for over 6,000 families with more than \$310 million under management. For more information, visit <https://www.privatecollege529.com/>.

Methodology

The survey was conducted online among a sample of 1,002 teenagers 13-17 years of age living in the U.S., comprising 501 boys and 501 girls. The survey was administered from March 17-24, 2015 by ORC International using their Online CARAVAN®-Youth Omnibus Service. A similar survey was conducted in March 6-12, 2013 among 1,000 teens, comprised of 500 males and 500 females, and in March 11-19, 2014 among 1,002 teens (501 males and 501 females). For questions that remained the same in this year's survey, findings from all years will be reported.

The parent's survey was conducted among a sample of 1,000 parents or guardians of a child age 13-17 who have a household income of at least \$50,000. The survey was administered by ORC International to 502 men and 498 women. Invitations to participate in the study were sent beginning on March 19, 2015 and data collection continued through March 26, 2015. ORC is an unaffiliated third party which PC529 commissioned and compensated to conduct all of the above mentioned surveys.