This summary presents information from Fidelity Investments® College Savings: Lessons Learned study. The study is designed to measure college savings behaviors, attitudes, and expectations among current college students, parents of current college students, recent graduates, and parents of recent graduates—before, during, and after their undergraduate college experience.

Key Findings

Nearly half of current students and recent grads say they feel stressed about the amount of student loan debt they owe.

Encouragingly, current students appear to have a more realistic view of what to expect entering freshman year.

What can be done to ease the stress level and student debt burden for future college-bound students? The survey offers two major insights: save more to help lower debt levels and talk and plan more as a family to combat the sticker shock of college.

Insight No. 1

FOR AMERICAN COLLEGE STUDENTS AND RECENT GRADS, THE BURDEN OF STUDENT LOAN DEBT LOOMS LARGE

When asked how they feel about having student loan debt, nearly half the students who had or anticipate having debt when they graduate feel stressed, afraid they’ll never pay it off (46% current students and 47% recent grads).
$40,000

those with student loans estimate having this much debt upon graduating college

**DESPITE THIS, MOST RESPONDENTS STAY TRUE TO THEIR SCHOOL**

**85% students**

When asked if they made the right selection on the school to attend, the **overwhelming majority of students** and parents said yes

**27%**

of Americans’ main reason for choosing their school was because they / their child liked the location whether it be the setting or geographical location

**34%**

of respondents who went to four-year schools considered other options such as two-year schools, online colleges, community colleges, or trade / vocational schools

**92% parents**

**26%**

said they chose their / their child’s school because it was the best school for for their / their child’s intended major

**66%**

limited their choices to four-year schools only

**77%**

said their / their kids’ college education was important in helping them get a job in their field of study

**34%**

of recent grads aren’t working in that field of study now

Although most respondents say they made the right selection, **they may have made different choices if they had it to do over.**

**30%**

said while they don’t regret going to college, they would have made different choices now that they know the actual impact of the amount of money spent

**23%**

said the value of the education is worth more than the amount of money spent

**19%**

said the value of their education was NOT worth the amount of money spent
TODAY’S COLLEGE STUDENTS ARE A BIT MORE FINANCIALLY SAVVY THAN THOSE WHO GRADUATED BEFORE THEM

When digging deeper, the study uncovered some differences between current college students and recent graduates (within the past ten years).

CURRENT STUDENTS

- appear to be a bit more optimistic and have a bit more realistic view of what to expect entering freshman year
- have considered the total cost of college before matriculating: 83%
- indicate that cost was a huge factor in deciding where to attend and limited their choice to what was most affordable: 39%
- would have selected a less expensive school if they knew then what they know now: 14%

RECENT GRADUATES

- in contrast, seem slightly more cynical about their college choices, perhaps because they are now starting to pay off their student loans.
- have considered the total cost of college before matriculating: 69%
- indicate that cost was a huge factor in deciding where to attend and limited their choice to what was most affordable: 32%
- would have selected a less expensive school if they knew then what they know now: 21%

In addition, for recent graduates:

- 40% said while they don’t regret going to college, they would have made different choices
- 14% feel the value of their education was worth more than the money they spent
TO RELIEVE SOME OF THE STRESS AROUND STUDENT LOAN DEBT, EDUCATE YOURSELF BEFORE GETTING YOUR EDUCATION, BY SAVING EARLIER AND PLANNING TOGETHER AS A FAMILY

Respondents were asked to reflect on what they would do differently if they knew then what they know now when it comes to school selection. The No. 1 answer: Start saving earlier.

Insight No. 3

42% said  
“I would have started saving earlier.”

34% said  
“I would not do anything differently.”

22% said  
“I would have researched more options.”

13% said  
“I would have selected a less expensive school.”

ONE SAVING SOLUTION: MORE PEOPLE COULD BENEFIT FROM TAKING ADVANTAGE OF COLLEGE SAVINGS PRODUCTS

529 plans

23% of respondents own a 529 plan

17% owned by kids

28% owned by parents

Any sort of college savings product

34% of respondents have opened any type of college savings product

29% owned by kids

38% owned by parents

College rewards credit card

11% of respondents have taken advantage of a college rewards credit card
What Prevents People from Saving More

...AND HOW CAN YOU CLOSE THE GAP?

TOP WAYS THOSE WITH DEBT OR ANTICIPATED DEBT CLOSED THE GAP ON THEIR COLLEGE SAVINGS:

41%  
CUT BACK ON OTHER EXPENSES

38%  
GOT A JOB OR SECOND JOB

29%  
LIVED AT HOME AND COMMUTED

LESS-FREQUENTLY CHOSEN AVENUES INCLUDE:

17%  
TAKING ONLINE COURSES FOR CREDIT

13%  
GRADUATING IN FEWER SEMESTERS BY TAKING EXTRA CLASSES

Most families faced at least one obstacle to saving for college (only 19% say they didn’t face any obstacles), though the reasons why they experienced a setback vary. The most cited reasons were as follows:

29%  
Family didn’t make enough money

27%  
Didn’t start saving early enough

26%  
The cost of college was higher than expected

25%  
Expected more from scholarships and/or grants

24%  
Didn’t save enough (regardless of how early they started)
Another critical component to college planning is communicating as a family. Yet, only 1 in 4 respondents stress the importance of getting involved in college financing discussions with parents and family early, well before the time to decide on a school. This number is surprisingly low, given the impact these conversations can have. Respondents are also uncomfortable extending that conversation outside the nuclear family:

- 70% said they’d be very uncomfortable asking friends.
- 64% said they’d be uncomfortable asking grandparents to gift toward or help pay for their college savings.
- 48% said they’d be very uncomfortable asking other family members.
- 42% said they’d be very uncomfortable asking grandparents to gift toward or help pay for their college savings.

Fidelity research has consistently shown friends and family are more than willing to consider college gifting in lieu of more traditional presents—they only need to be asked.

Finally, help may be there for the asking even after graduation.

- 62% of students don’t expect their parents to help pay off their student loans.
- 73% of parents say they plan on helping or did help when their child graduated.
Of note: Those who were more prepared and said they understood the cost of college before enrolling tend to be significantly less stressed about having student loan debt than their peers that didn’t understand the cost of college.

42% of respondents who understood the cost of college before enrolling feel stressed vs. 60% of respondents who did not understand the cost of college before enrolling feel stressed.

The Impact of Advice
Respondents who have a one-on-one relationship with a financial professional had a far greater understanding of the total cost of college before they / their children started college.

90% of those with a one-on-one relationship had a good understanding vs. 74% of those who did not have a one-on-one relationship said they have a good understanding.

In addition, far fewer students with financial professionals cite being “stressed” as the main sentiment to describe how they feel about carrying this student loan debt (only 39% with advisors feel stressed versus 49% without advisors).

62% of respondents with advisors opened at least one type of college savings product prior to starting college vs. 23% of respondents without advisors opened at least one type of college savings product prior to starting college.

46% of respondents with advisors opened a 529 vs. 13% of respondents without advisors opened a 529.
Perhaps understandably, respondents who had an advisor are more apt to adopt a variety of strategies to help fund college. When asked if they would consider a list of strategies, advisor users report having already utilized all the following strategies at higher rates than their non-advisor using peers:

<table>
<thead>
<tr>
<th>Strategy</th>
<th>ADVISORS</th>
<th>NON-ADVISORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Tuition Programs</td>
<td>25%</td>
<td>9%</td>
</tr>
<tr>
<td>Work in Higher Ed</td>
<td>24%</td>
<td>8%</td>
</tr>
<tr>
<td>Use College Rewards Credit Cards</td>
<td>23%</td>
<td>6%</td>
</tr>
<tr>
<td>529 Gifting</td>
<td>22%</td>
<td>5%</td>
</tr>
<tr>
<td>Became an influencer</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>17%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Gender Differences Among Students

“I would have started saving earlier.”

is the No. 1 answer both men and women say they would have done differently if they knew then what they know now when it comes to school selection. And yet, it is more top of mind for women.

Women also tend to feel more stressed about student loan debt.

55% of women who have or anticipated having debt say they felt stressed vs. 38% of men who have or anticipated having debt say they felt stressed.

48% female

39% male
Men tend to have opened up a dedicated savings plan earlier and appear more willing to ask family members for help.

### Demographics

**AVERAGE AGE: 39 YEARS OLD**

#### RESPONDENT TYPE

- **MALE RESPONDENTS**
  - 23% opened a 529 plan prior to starting college
  - 37% opened any type of college savings plan in advance
  - 49% asked grandparents, other family members or friends to help gift toward or help pay for their college savings
  - 59% feel uncomfortable asking grandparents to gift toward or pay for their college
  - 36% feel very uncomfortable asking their grandparents to gift toward or pay for their college

- **FEMALE RESPONDENTS**
  - 12% opened a 529 plan prior to starting college
  - 22% opened any type of college savings plan in advance
  - 41% asked grandparents, other family members or friends to help gift toward or help pay for their college savings
  - 69% feel uncomfortable asking grandparents to gift toward or pay for their college
  - 44% feel very uncomfortable asking their grandparents to gift toward or pay for their college

#### COLLEGE TYPE

- **ONLINE**
  - 44%

- **4-YEAR PUBLIC**
  - 23%

- **COMMUNITY / 2-YEAR**
  - 10%

- **4-YEAR PRIVATE**
  - 19%

On the other hand when it was time to choose a school, women were a bit more cost-conscious.

#### WOMEN

- 78% said cost was a deciding factor
- 39% said cost was a huge deciding factor

#### MEN

- 70% said cost was a deciding factor
- 32% said cost was a huge deciding factor

On the other hand when it was time to choose a school, women were a bit more cost-conscious.
About the Study

This study presents the findings of an online survey, consisting of 4,002 respondents ages 17 or older who are a recent graduate (n=1,001), current undergraduate (n=1,000), parent of a recent graduate (n=1,000), or parent of an undergrad (n=1,001). Fielding for this survey was completed between July 3, 2019 and July 17, 2019 by Engine Insights, which is not affiliated with Fidelity Investments. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study. The margin of error is +/- 1.6% at the 95% confidence level (+/- 3.1% for each individual respondent group).