

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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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

Visit www.SallieMae.com/CollegeConfidence

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)

How families feel about college and financing

Students believe that college is a path to opportunities

However, families are stressed about education financing

81%

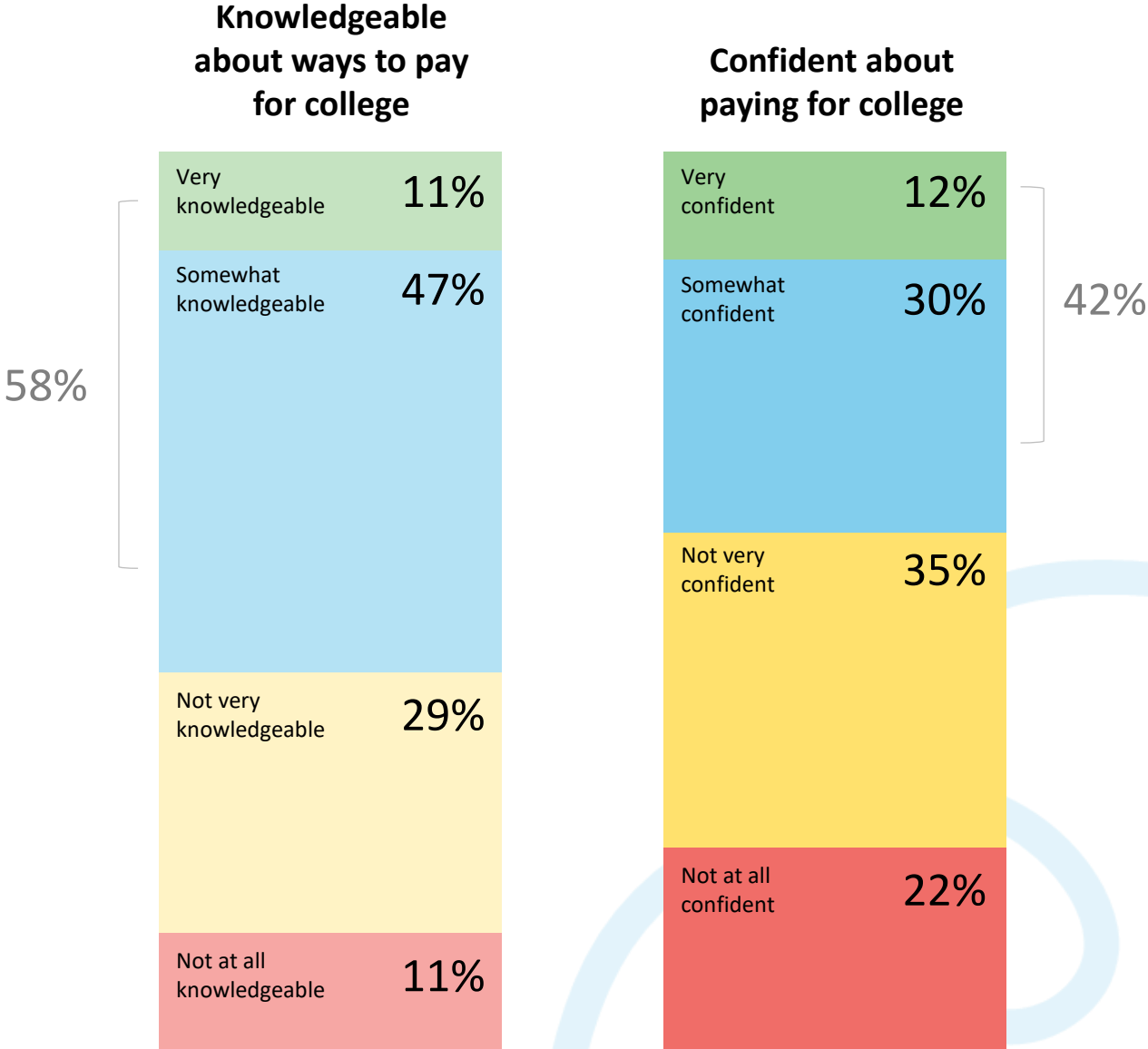
believe a degree will provide better opportunities in the long run or a good job

81%

agree that paying for college is stressful

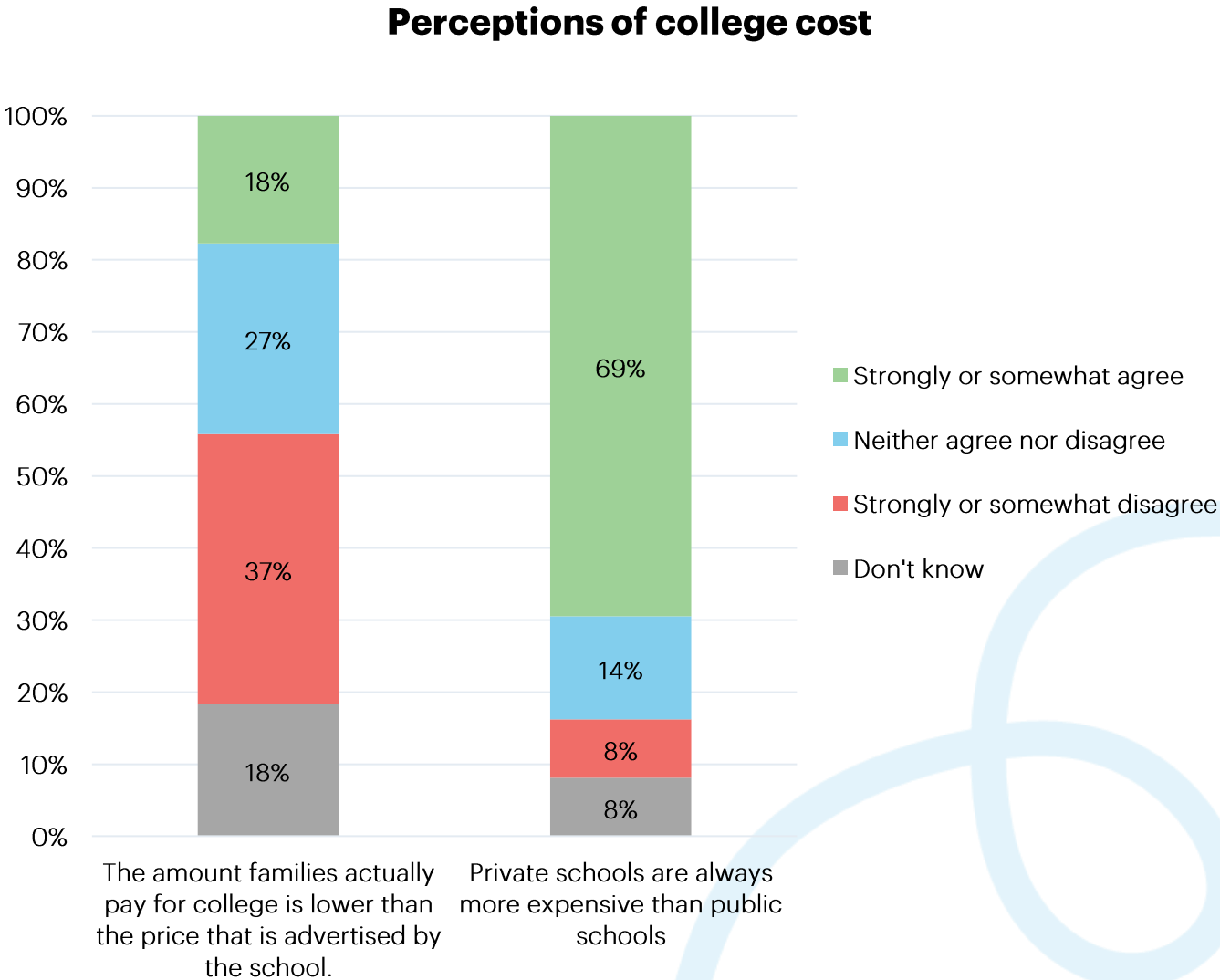
Six in 10 families feel knowledgeable about paying for college, but fewer are confident

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



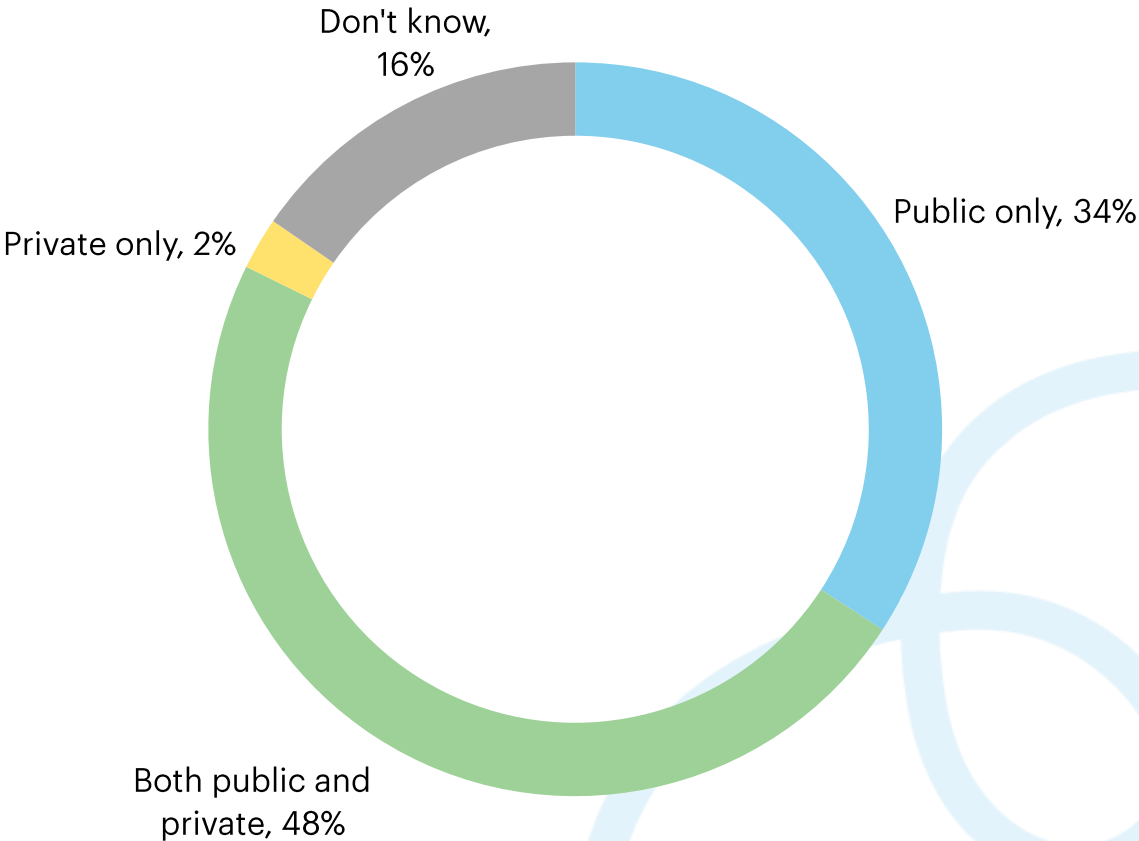
Families make assumptions about the cost of college

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



Perception of cost impacts which colleges families will consider

School types under consideration



Understanding the funding sources

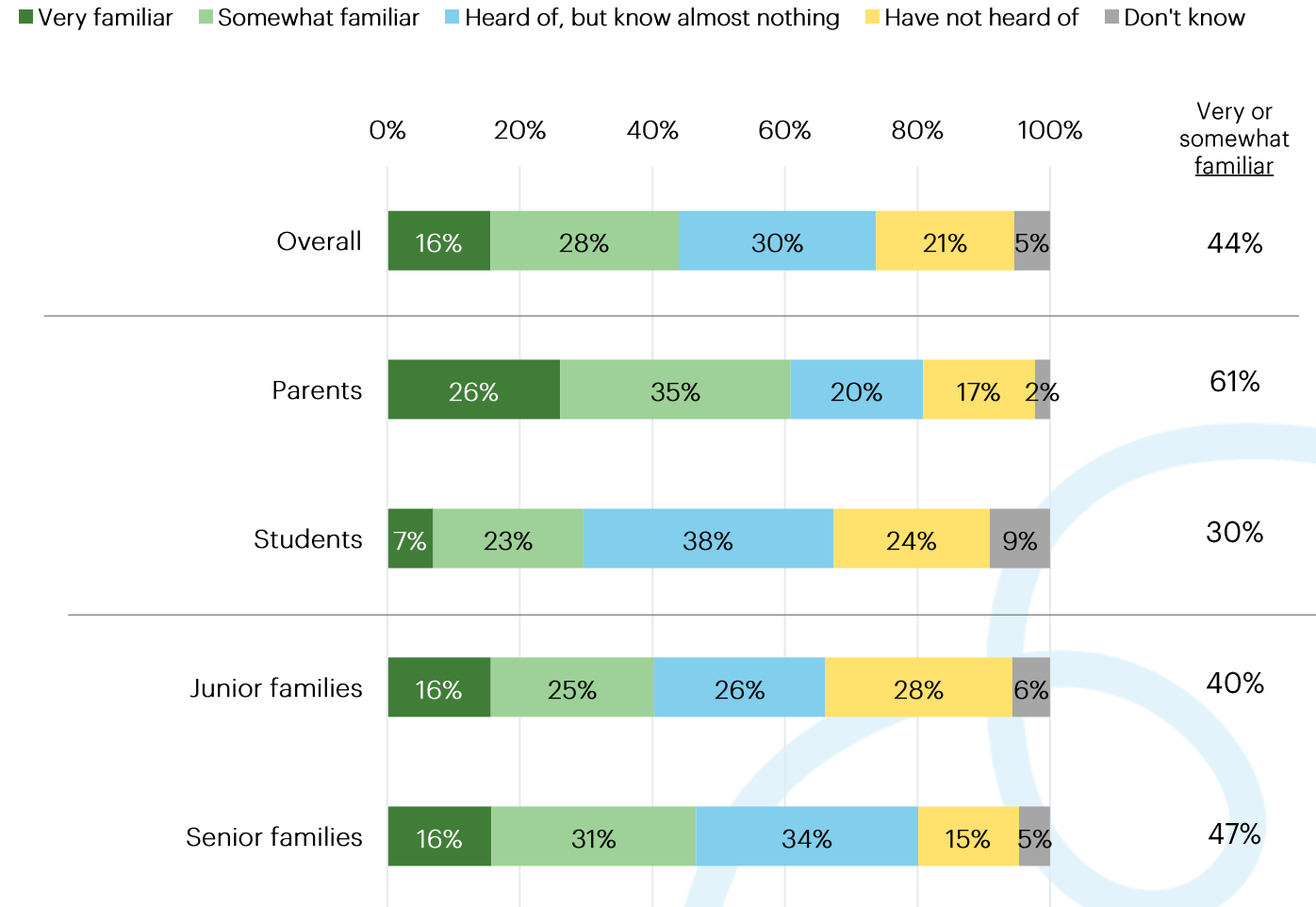
FAFSA®

Financial aid
Scholarships
Loans

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

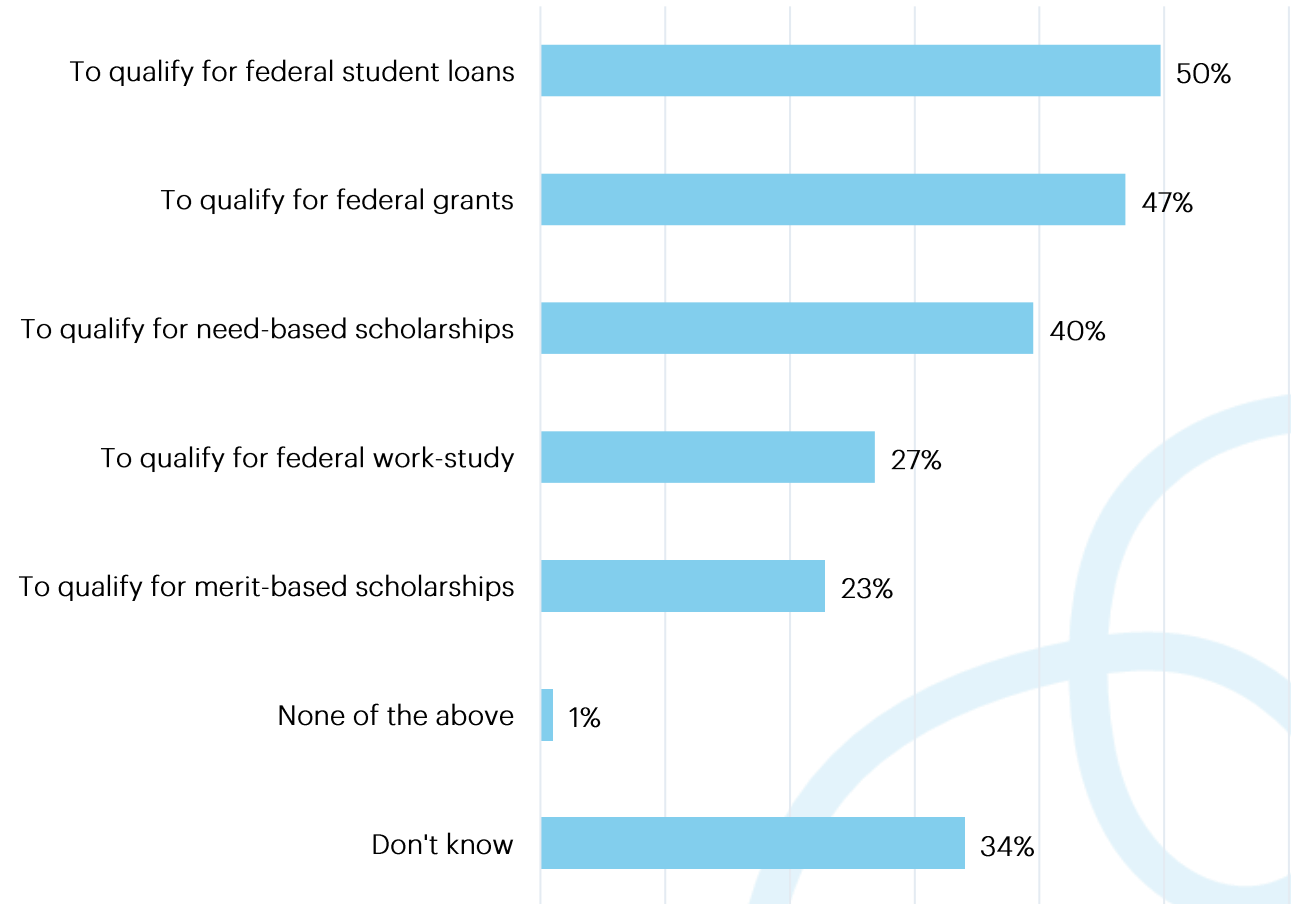
- Parents are more familiar with the FAFSA than students are based on their past experience with the application

Familiarity with the FAFSA



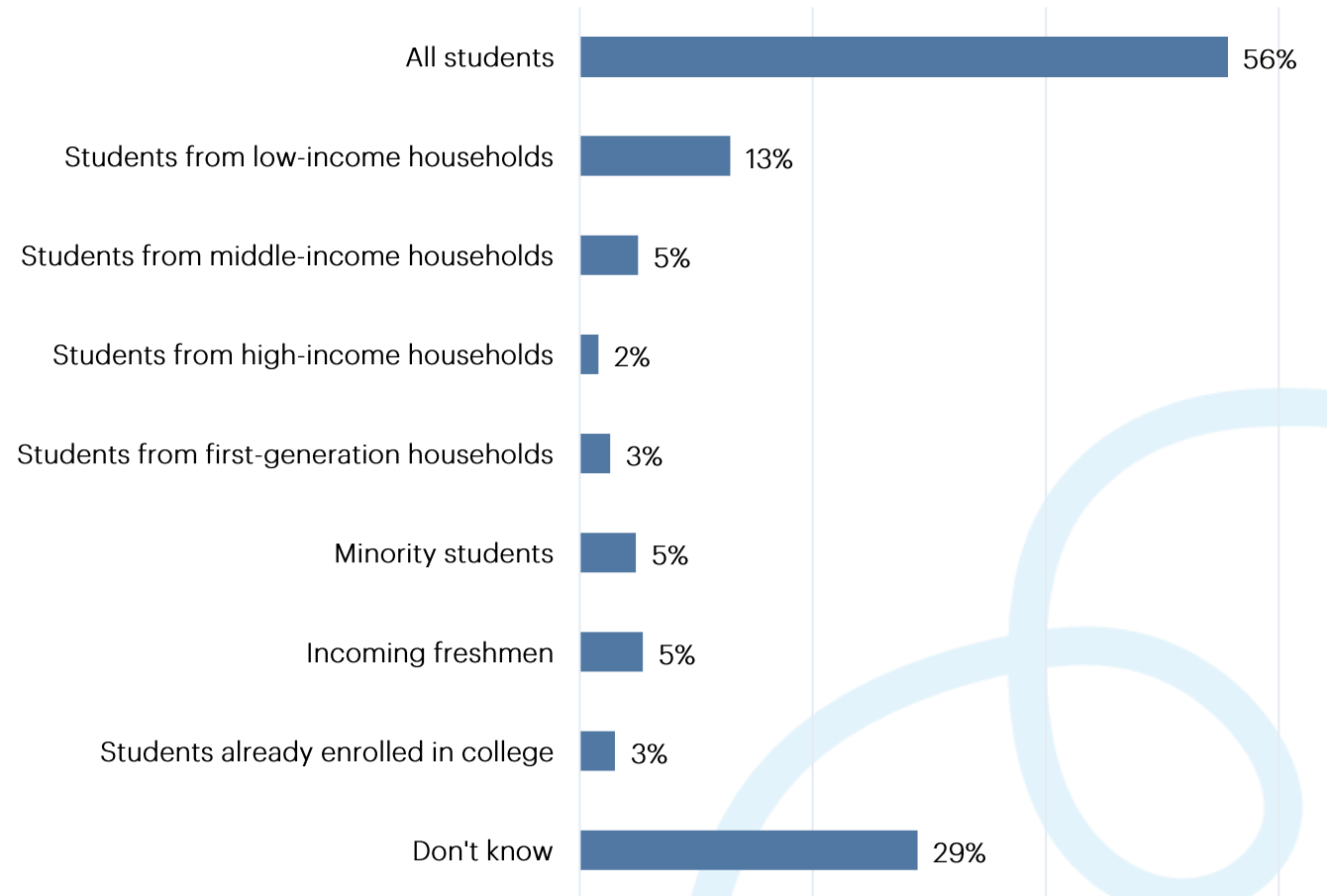
One-third of families don't know a reason for filling out the FAFSA

Reasons to fill out the FAFSA



More than 4 in 10 families don't know FAFSA is for all students

Who should fill out the 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

Understanding the funding sources

FAFSA®

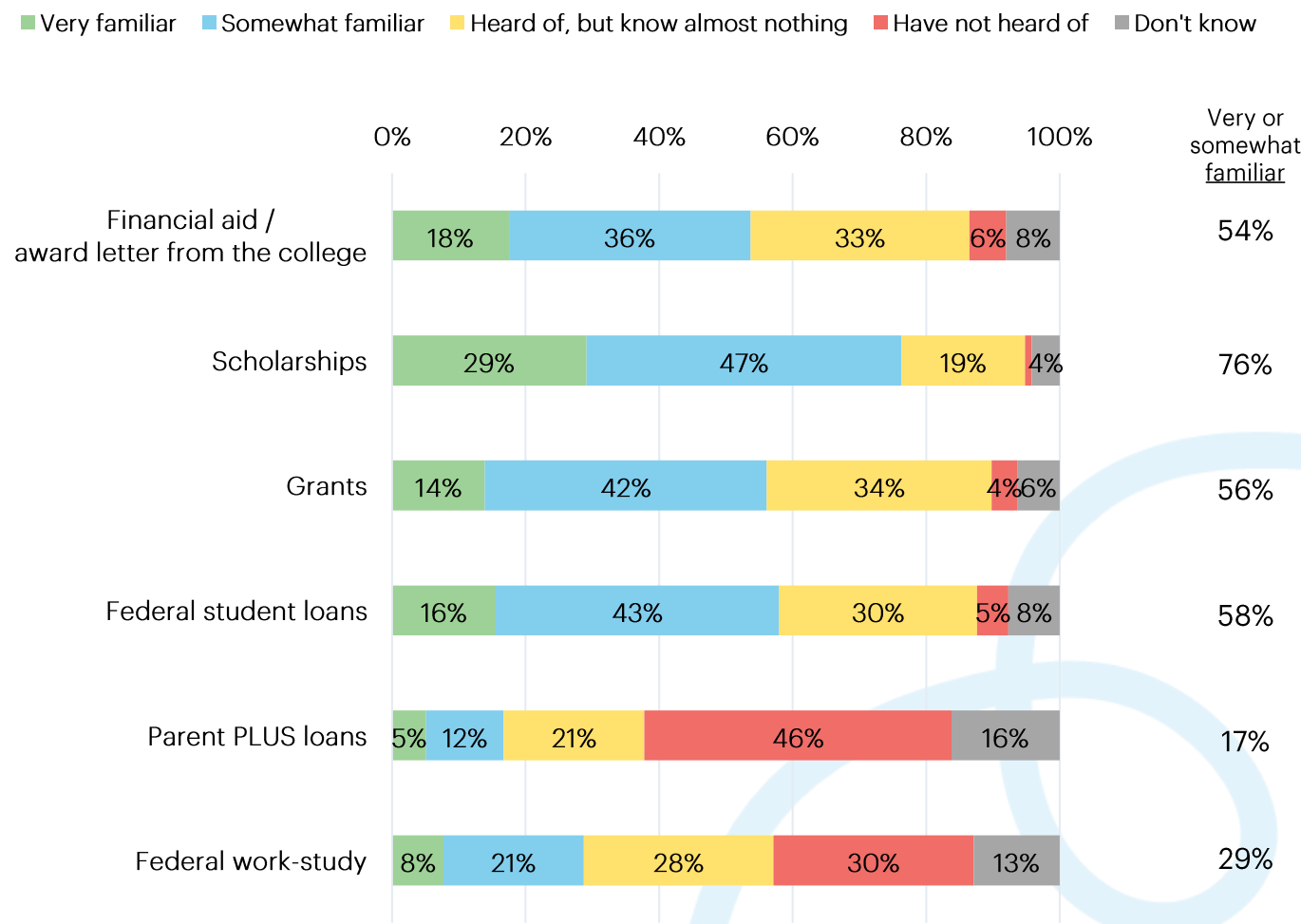
Financial aid

Scholarships

Loans

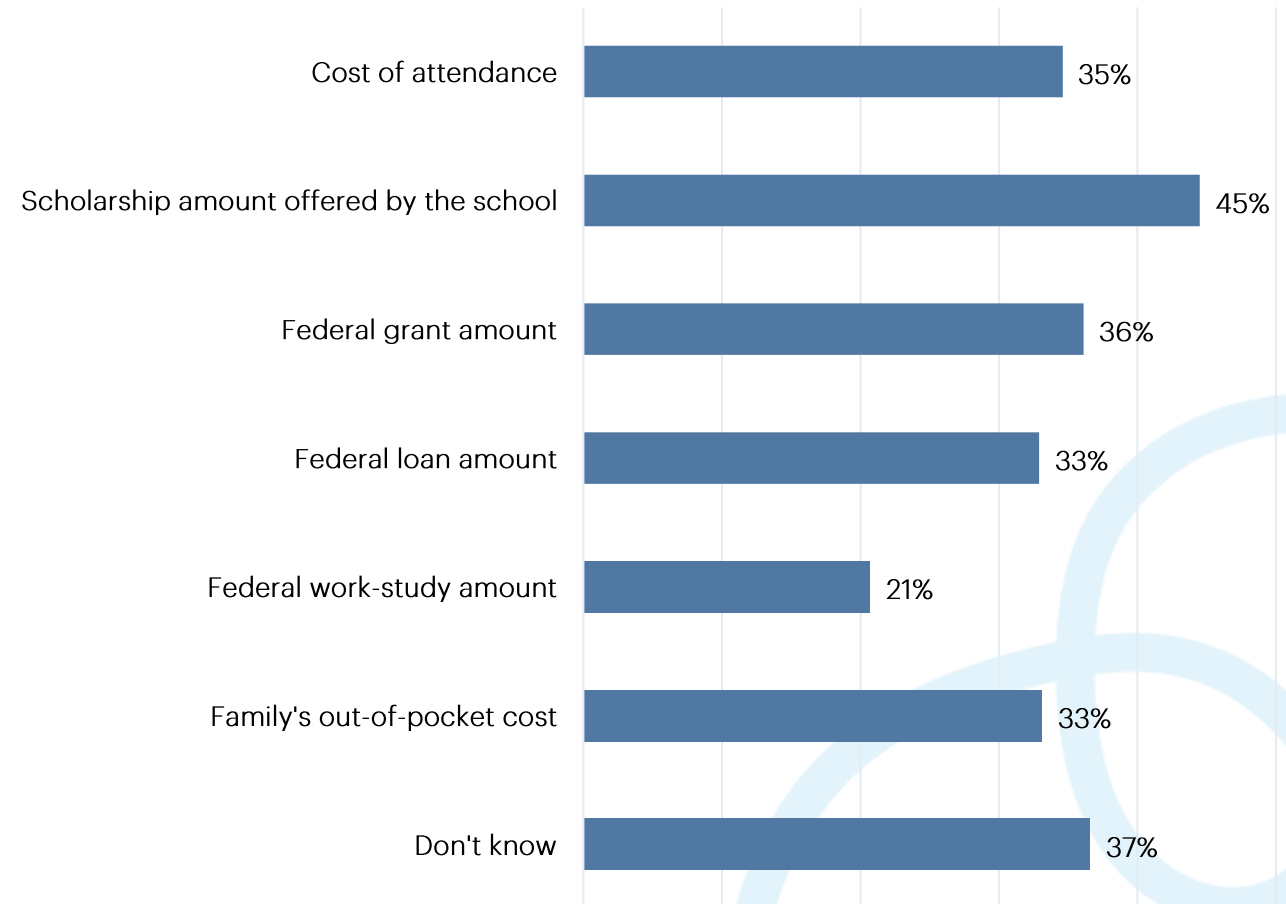
Many families are unfamiliar with the financial aid process

Familiarity with aspects of financial aid process



Even among those who are familiar, most aren't 100% clear on what information is included in the financial aid award/offer letter

What is typically included in financial aid offer letters
(among families familiar with fin aid offer letters)



Understanding the funding sources

FAFSA®

Financial aid

Scholarships

Loans

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

Understanding the funding sources

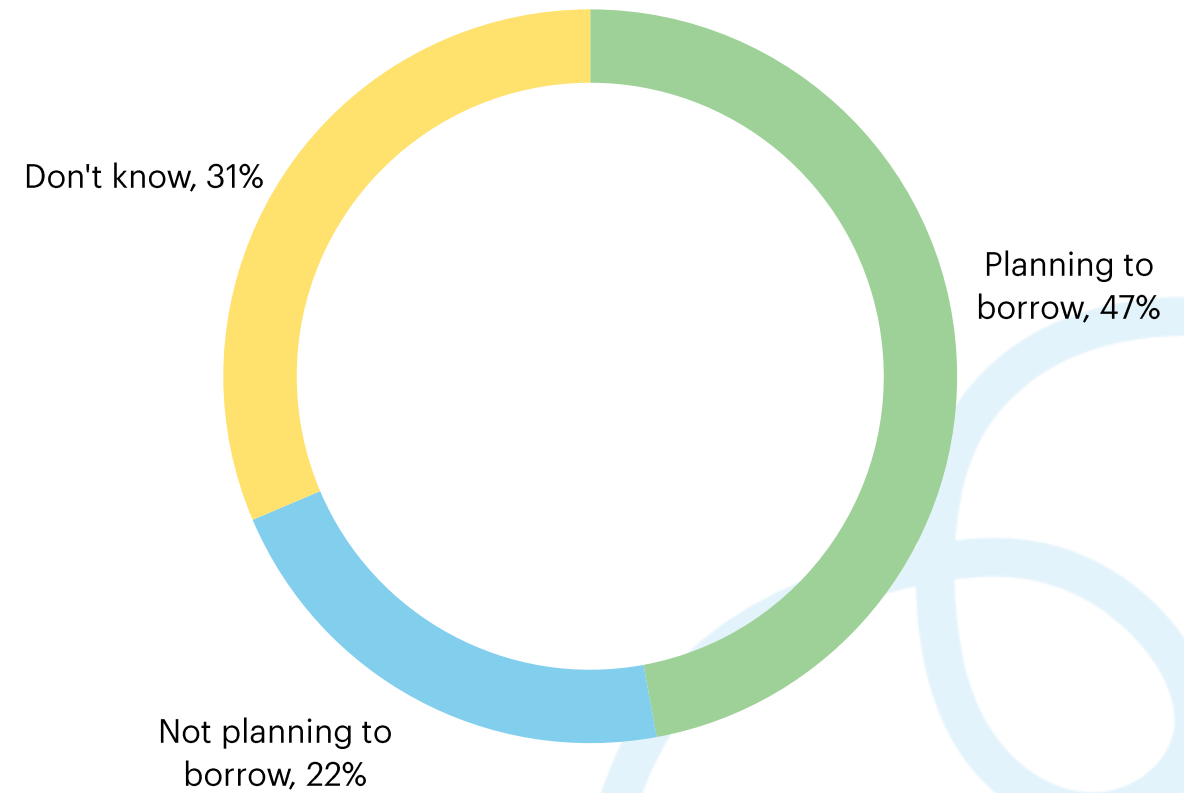
FAFSA®

Financial aid
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Loans

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

Anticipate need for borrowed funds



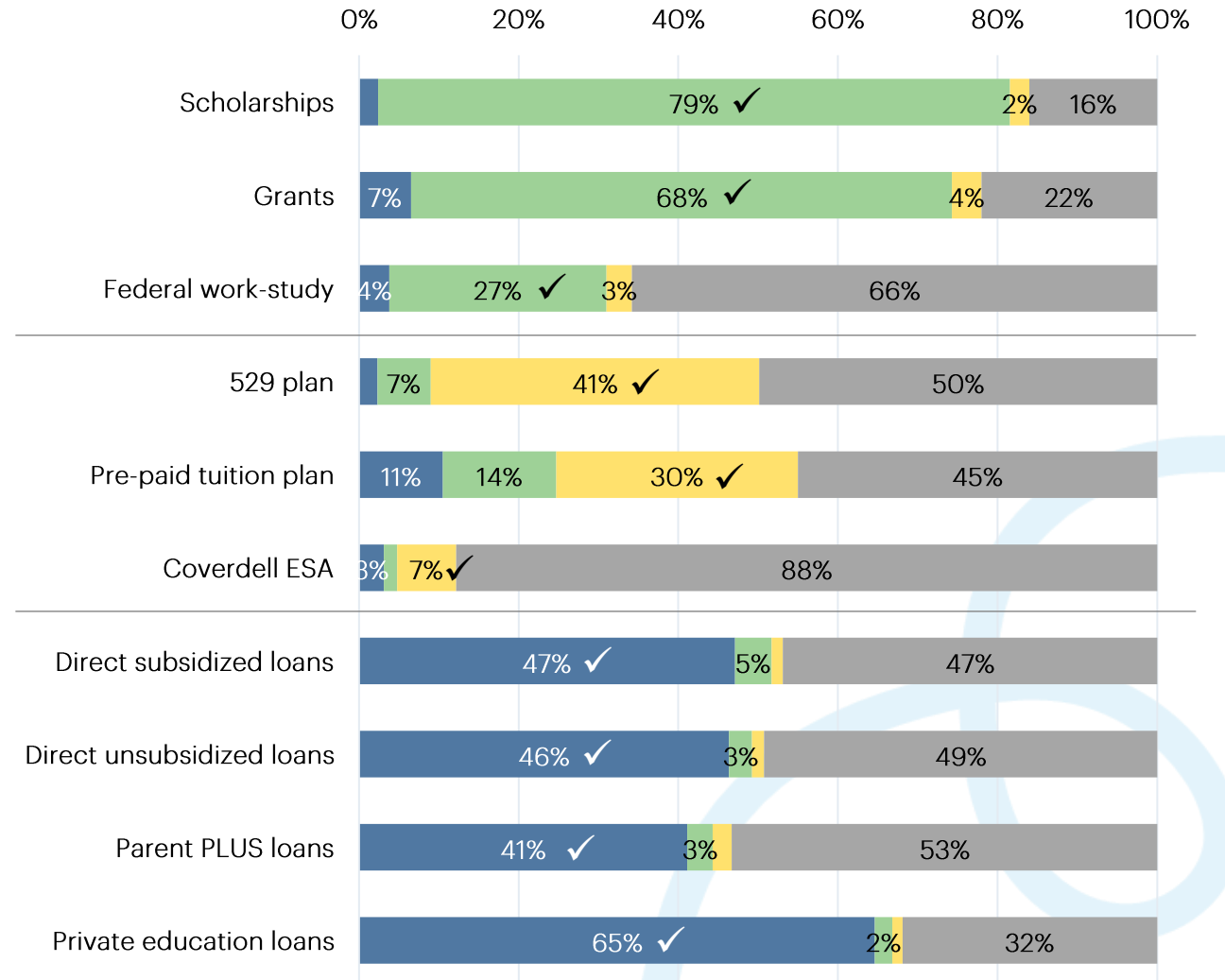
Identifying education funding sources and how they work

Families' understanding of funding sources varies significantly

- First-generation families require more information and guidance

Identifying education funding sources

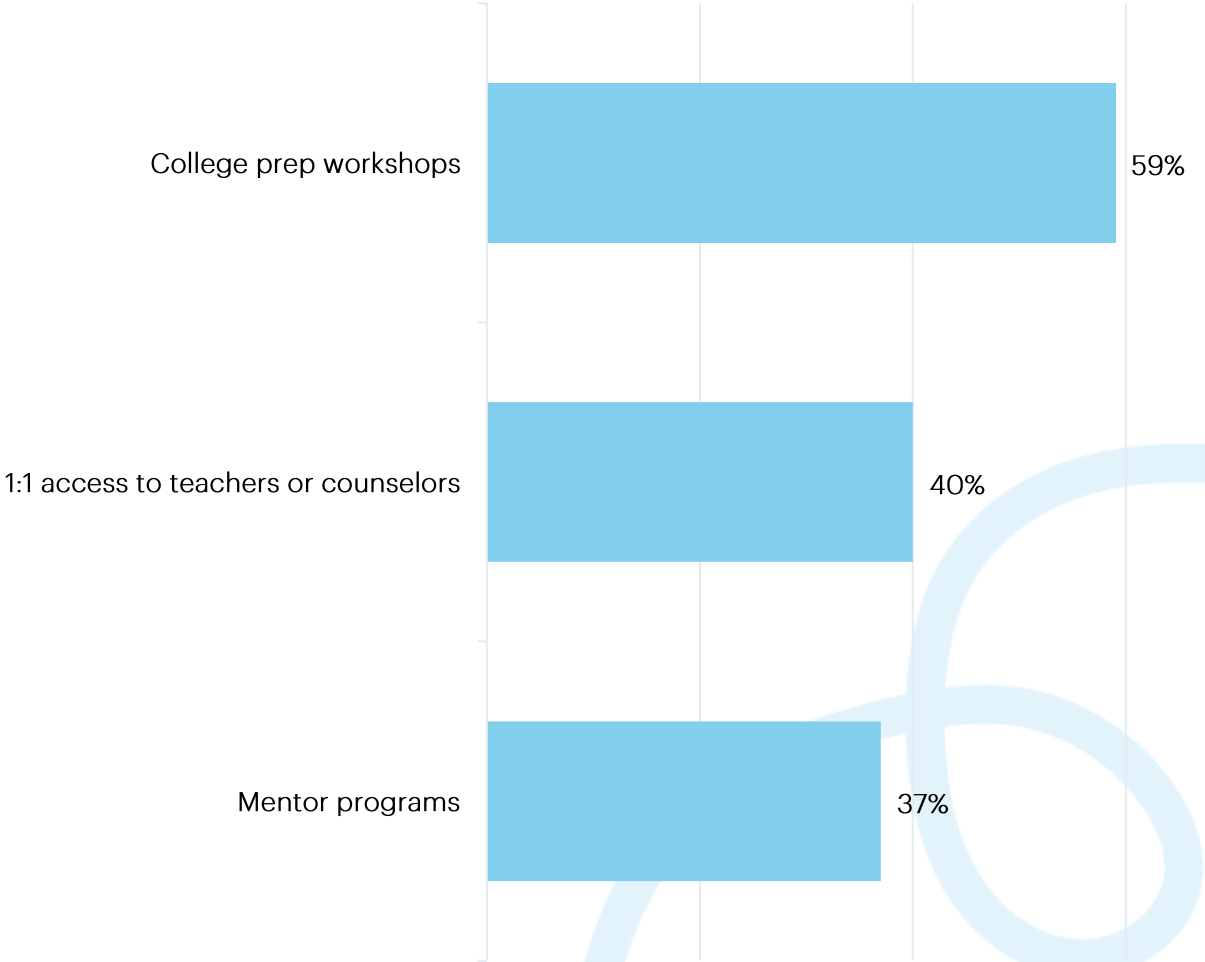
■ \$ that needs to be repaid ■ \$ that does not need to be repaid ■ Savings accounts for education ■ None / DK
 ✓ correct answer



So what do we do?

College prep workshops can be helpful as families plan for college

Tools to help transition from high school to college



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

What would help make college more affordable?

43%

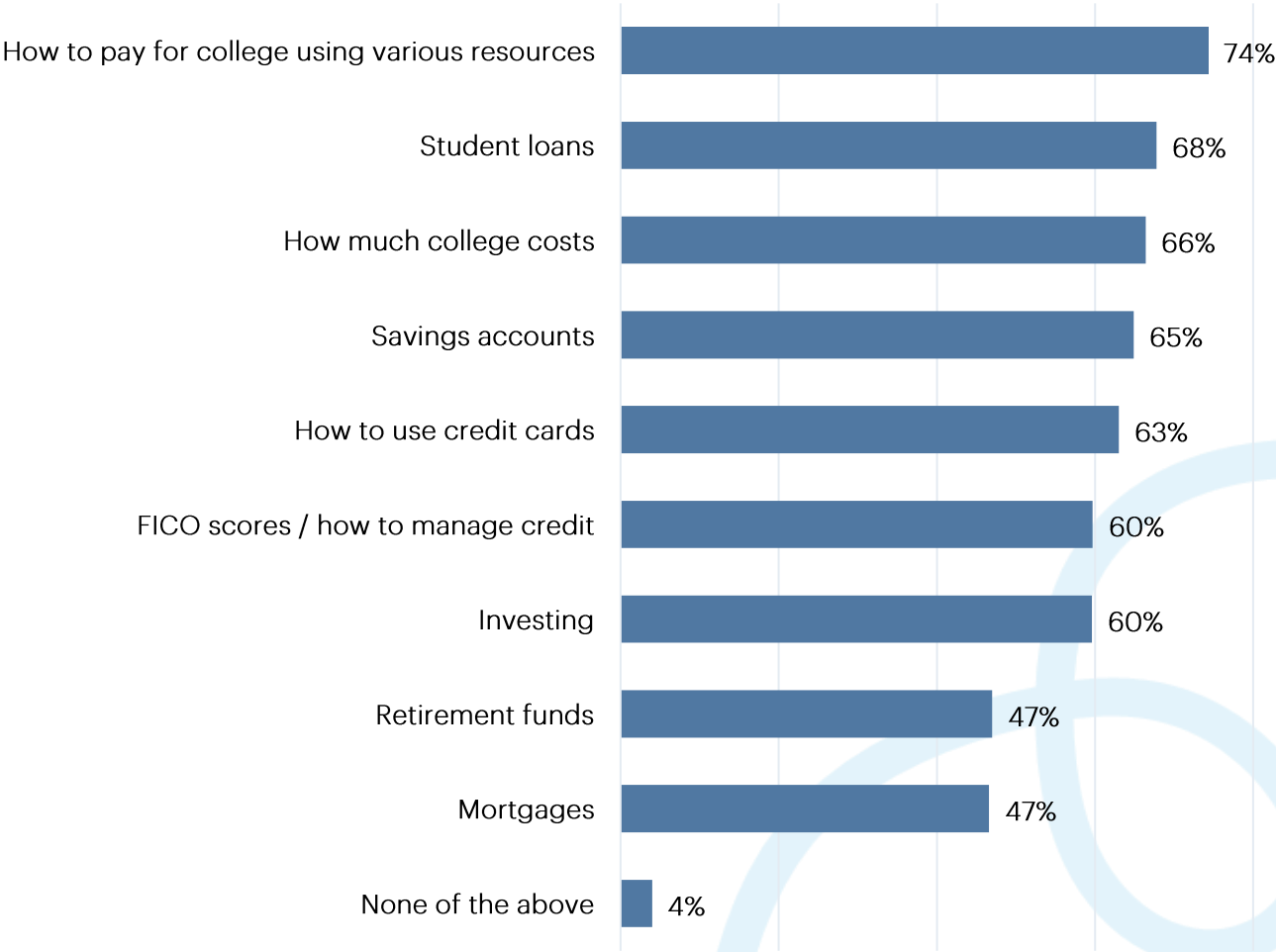
access to tools for researching colleges, majors, and financial aid

46%

finding out sooner how much they'll have to pay

Families are hungry for college financing education in high school

Financial topics that should be taught in high school



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/about/leading-research/>

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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