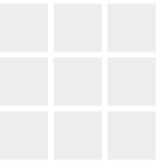




Detailed Results

# **8TH ANNUAL PARENTS, KIDS & MONEY SURVEY—COLLEGE RELATED FINDINGS**

T. Rowe Price  
August 2016



# Contents

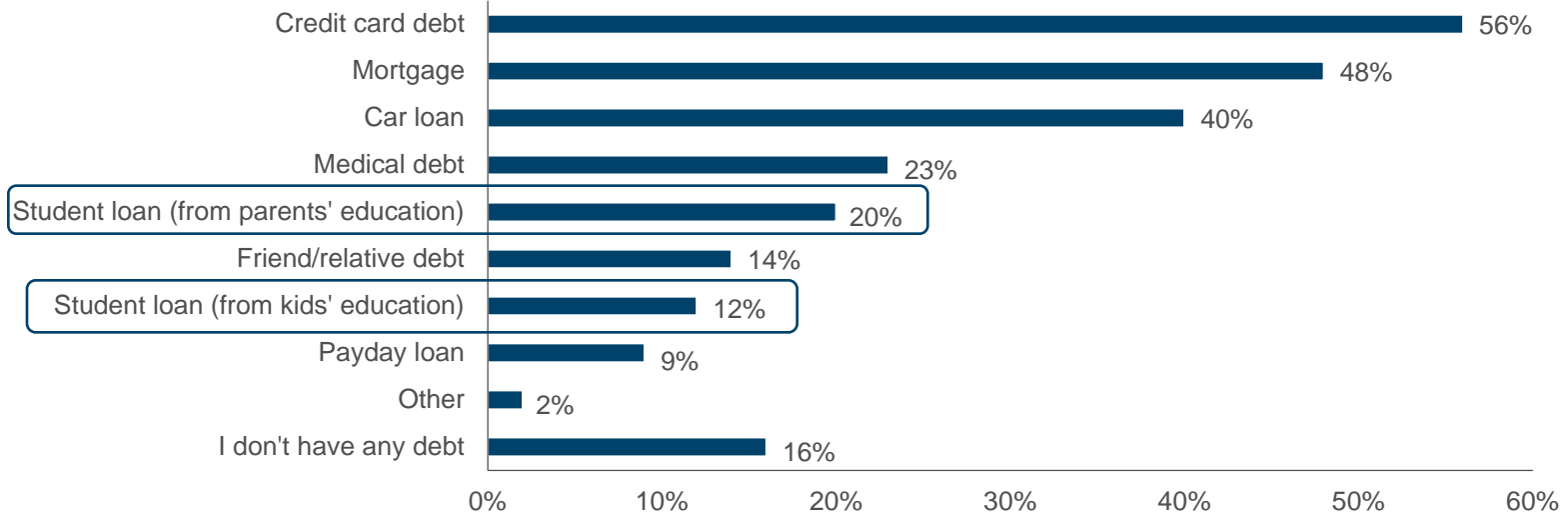
- Existing Student Loan Debt.....3
- Saving for College.....7
- Debt Threshold.....17
- Attitudes & Perceptions About Saving for College.....22
- Kids’ Responses.....27
- Respondent Profile.....32
- Objective and Methodology .....37



# EXISTING STUDENT LOAN DEBT

# Types of Debt

## Q14. WHICH OF FOLLOWING TYPES OF DEBT DO YOU HAVE? (CHECK ALL THAT APPLY)

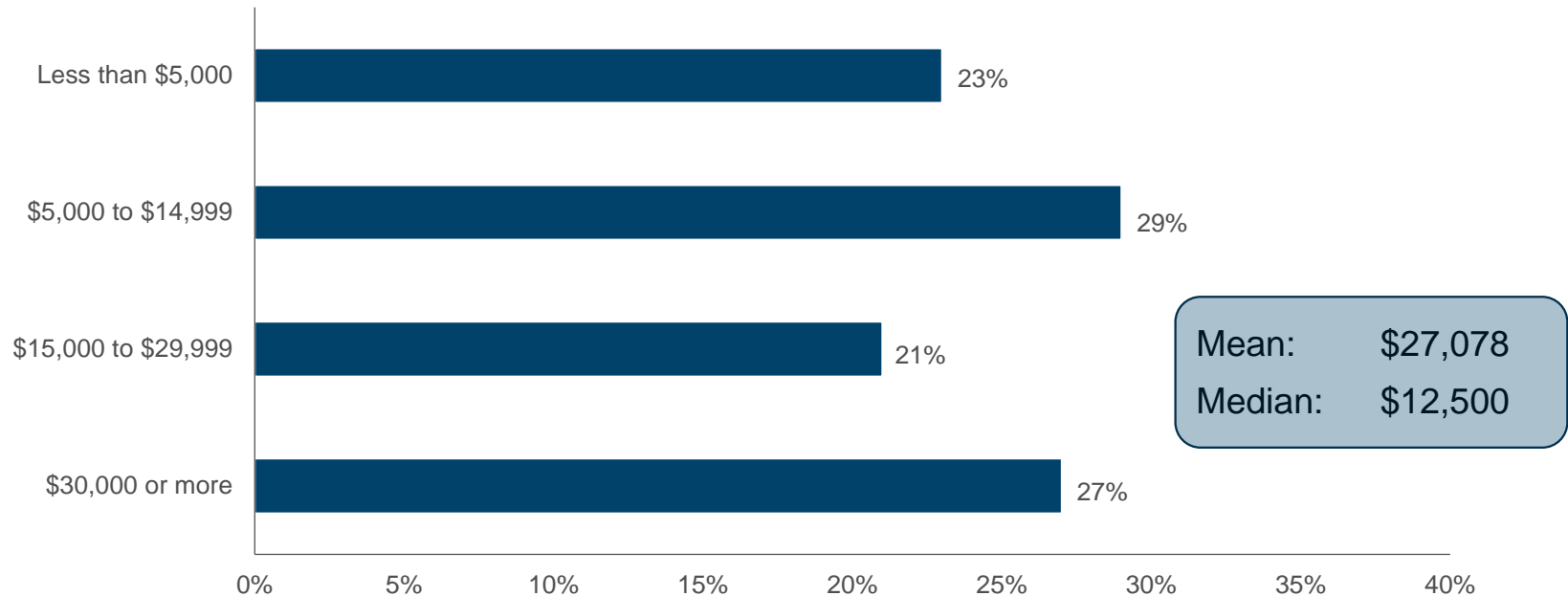


- 61% of parents have more than one type of debt, with a mean number of debt types at 2.25
- 28% of parents have *either* type of student loan debt (for parents' or kids' education), and 5% have student loan debt for *both* parents' and kids' education
- Parents with student loan debt (from parents' education) are significantly more likely to have credit card debt (67% vs. 54%) and payday loan debt (19% vs. 7%)
- Parents with student loan debt (from kid's education) are significantly more likely to have credit card debt (75% vs. 54%) and payday loan debt (38% vs. 5%)
- Parents with student loan debt (from parents' education) are significantly more likely to say they lose sleep worrying about college costs for their kids (49% vs. 40%)

T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,086 (Total Respondents)

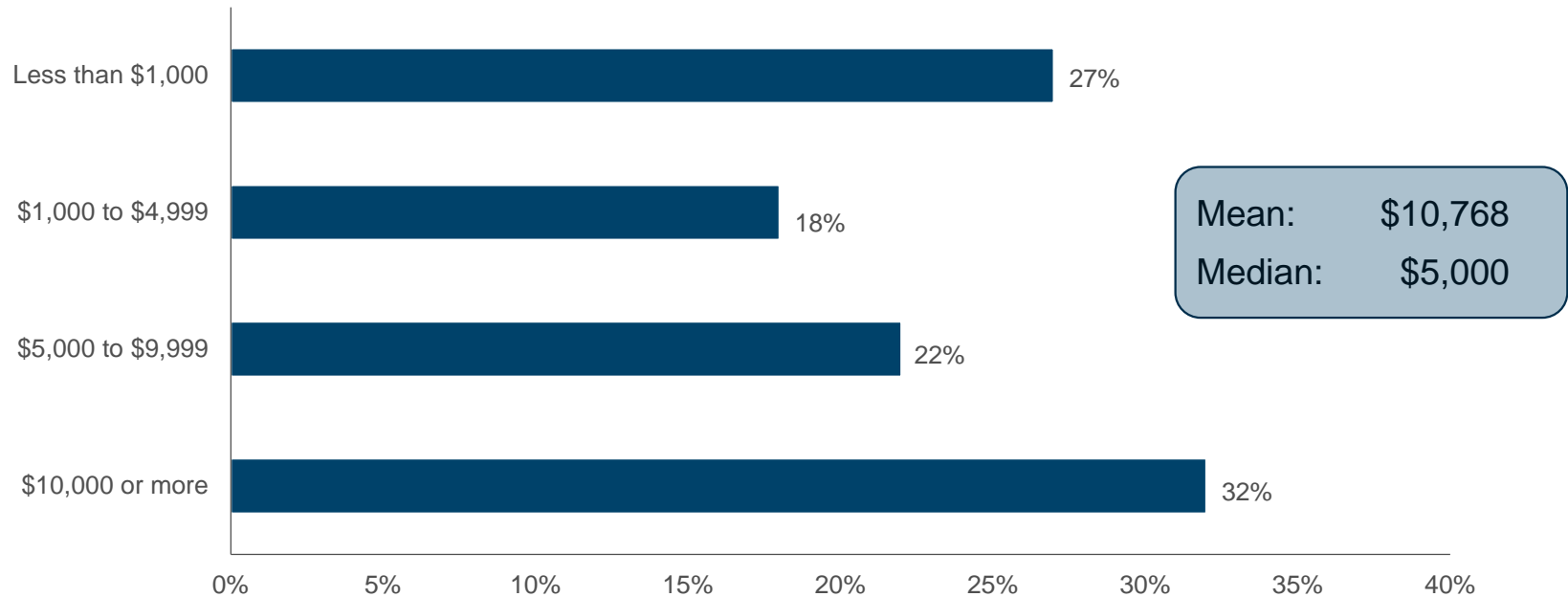
# Amount of Debt—Student Loans (Parents)

**Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR STUDENT LOANS (FOR YOU OR SPOUSE'S EDUCATION)?**



# Amount of Debt— Student Loans (Kids)

**Q15. WHAT IS THE APPROXIMATE BALANCE (I.E., THE AMOUNT YOU STILL OWE) FOR YOUR STUDENT LOANS (FOR YOUR KIDS)?**



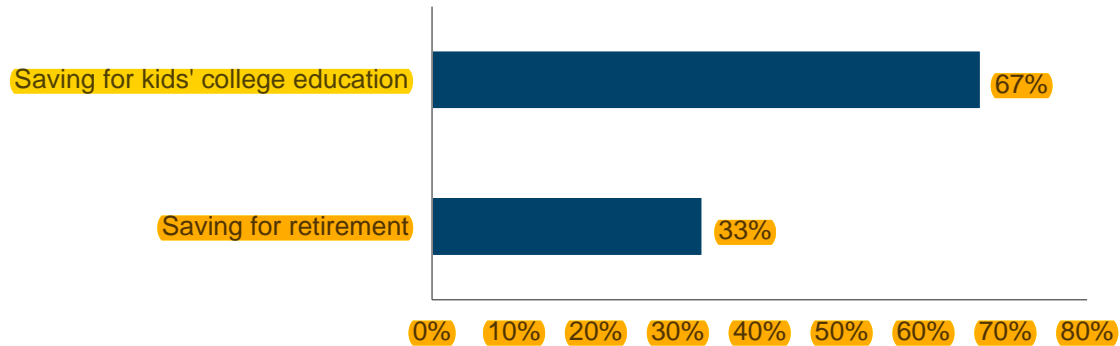
T. Rowe Price 2016 Parents, Kids & Money Survey  
N=134 (Have Student Loans for Kids' Education)



# SAVING FOR COLLEGE

# Family Saving Priority

**Q16. WHICH OF THE FOLLOWING IS THE HIGHER PRIORITY FOR YOU AND YOUR FAMILY?**



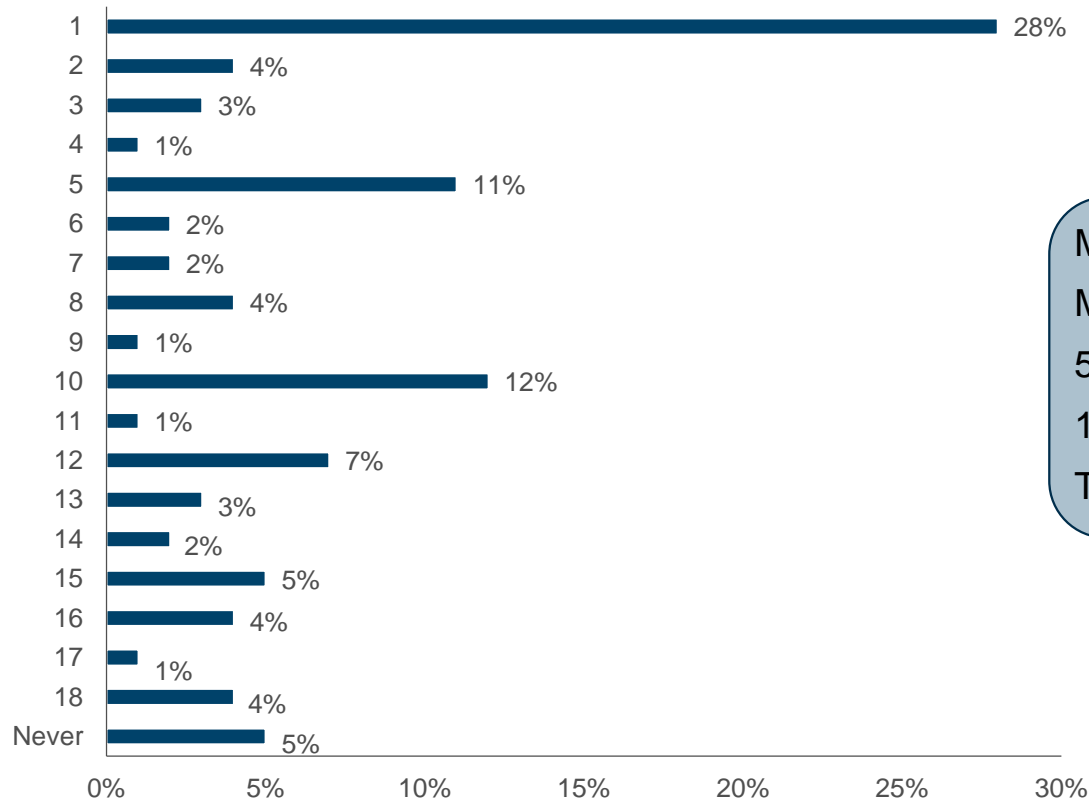
	Gender		Age		
	Men	Women	Millennial	Gen X	Boomer
Saving for kids' college education	<b><u>70%</u></b>	63%	<b><u>77%</u></b>	65%	57%
Saving for retirement	30%	<b><u>37%</u></b>	23%	<b><u>35%</u></b>	<b><u>43%</u></b>

T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,086 (Total Respondents)



# Age to Start—Saving for College

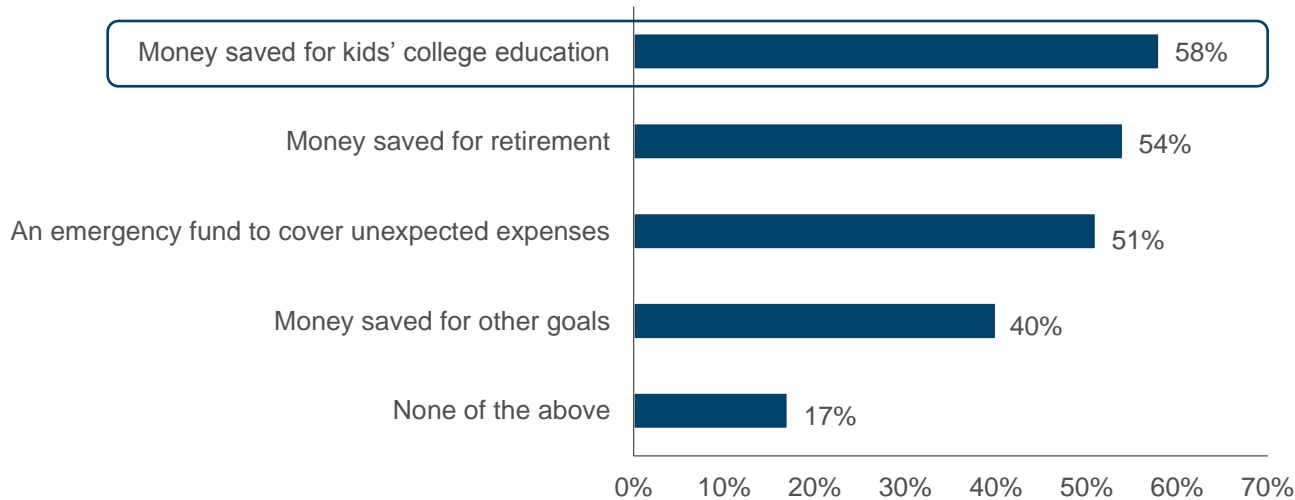
## Q57. HOW OLD DO YOU THINK KIDS SHOULD BE WHEN YOU: START SAVING FOR THEIR COLLEGE EDUCATION?



Mean: 6.73  
Median: 5  
5 or Younger: 47%  
10 or Younger: 68%  
Teenagers: 19%

# Savings Accounts

## Q20. WHICH OF FOLLOWING DO YOU HAVE? (CHECK ALL THAT APPLY)



**Total Types of Savings**

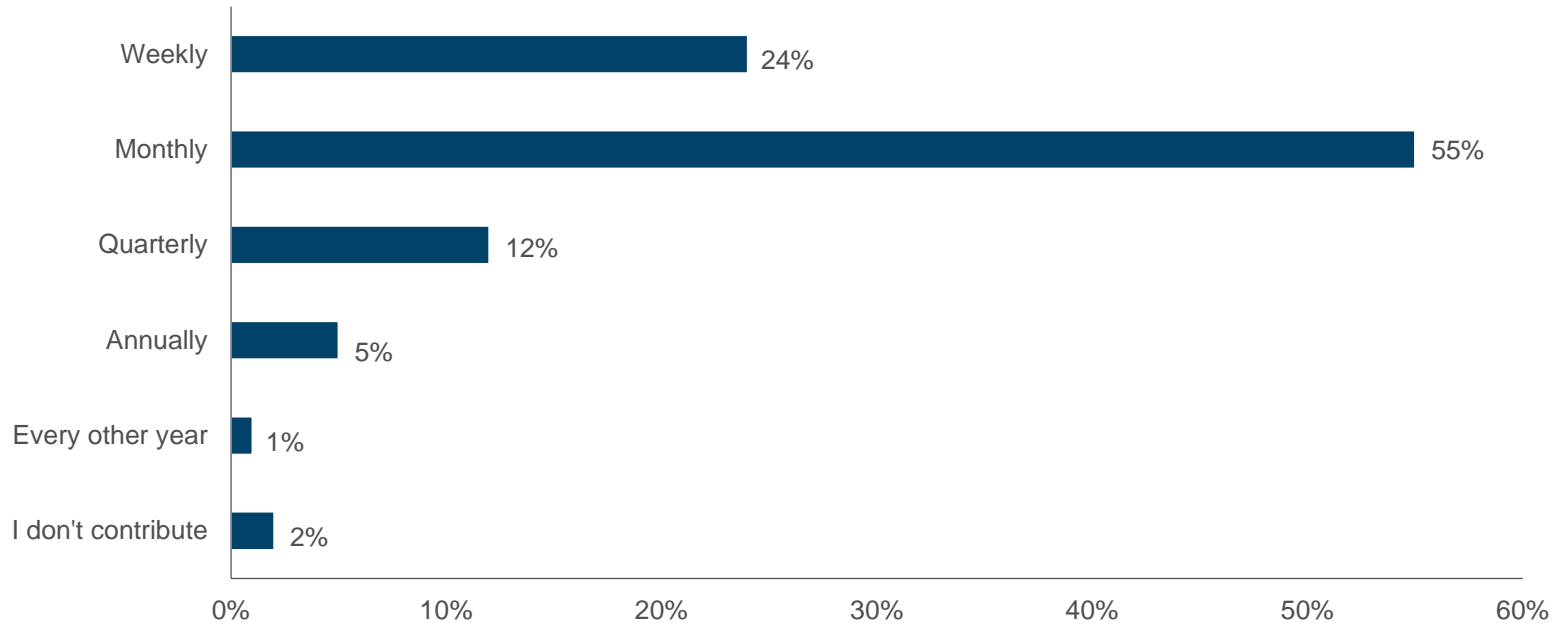
- None: 17%
- One: 20%
- Two: 25%
- Three: 19%
- Four: 19%

	Gender		Age		
	Men	Women	Millennial	Gen X	Boomer
Money saved for kids' college education	<b>69%</b>	48%	<b>70%</b>	56%	55%

T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,086 (Total Respondents)

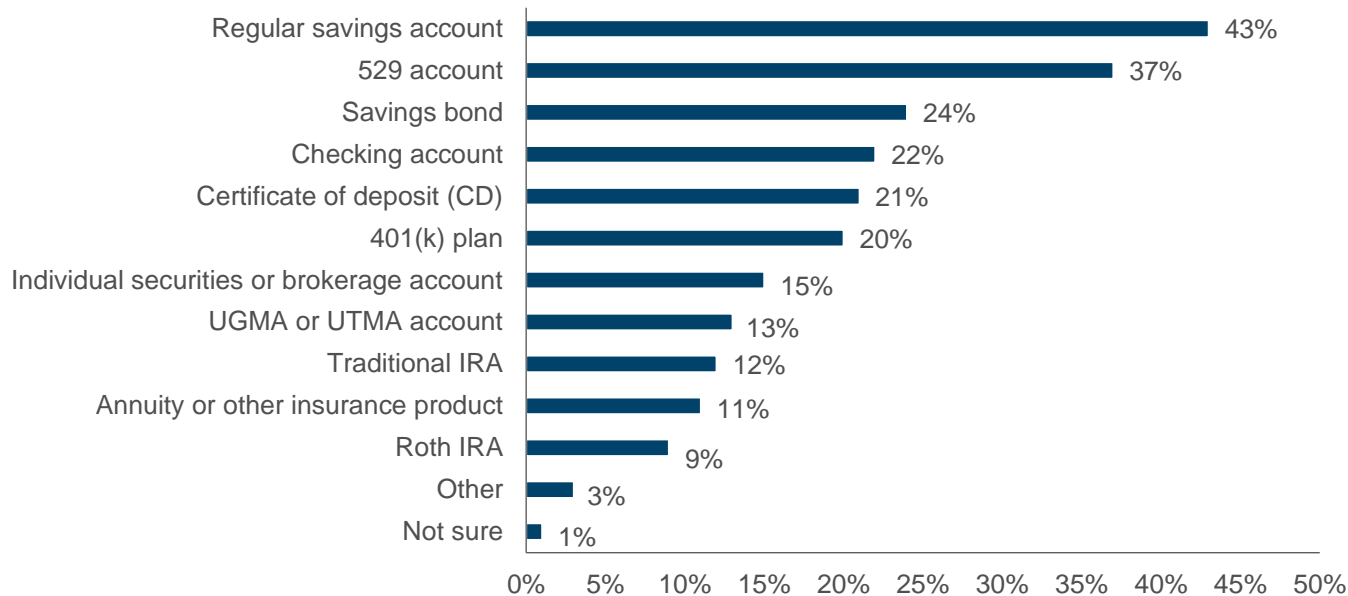
# Frequency of Contributions—College

## Q21. APPROXIMATELY HOW OFTEN DO YOU CONTRIBUTE TO YOUR KIDS' COLLEGE EDUCATION SAVINGS?



# College Savings Accounts

## Q33. WHAT TYPES OF ACCOUNTS DO YOU USE FOR COLLEGE SAVINGS? (CHECK ALL THAT APPLY)

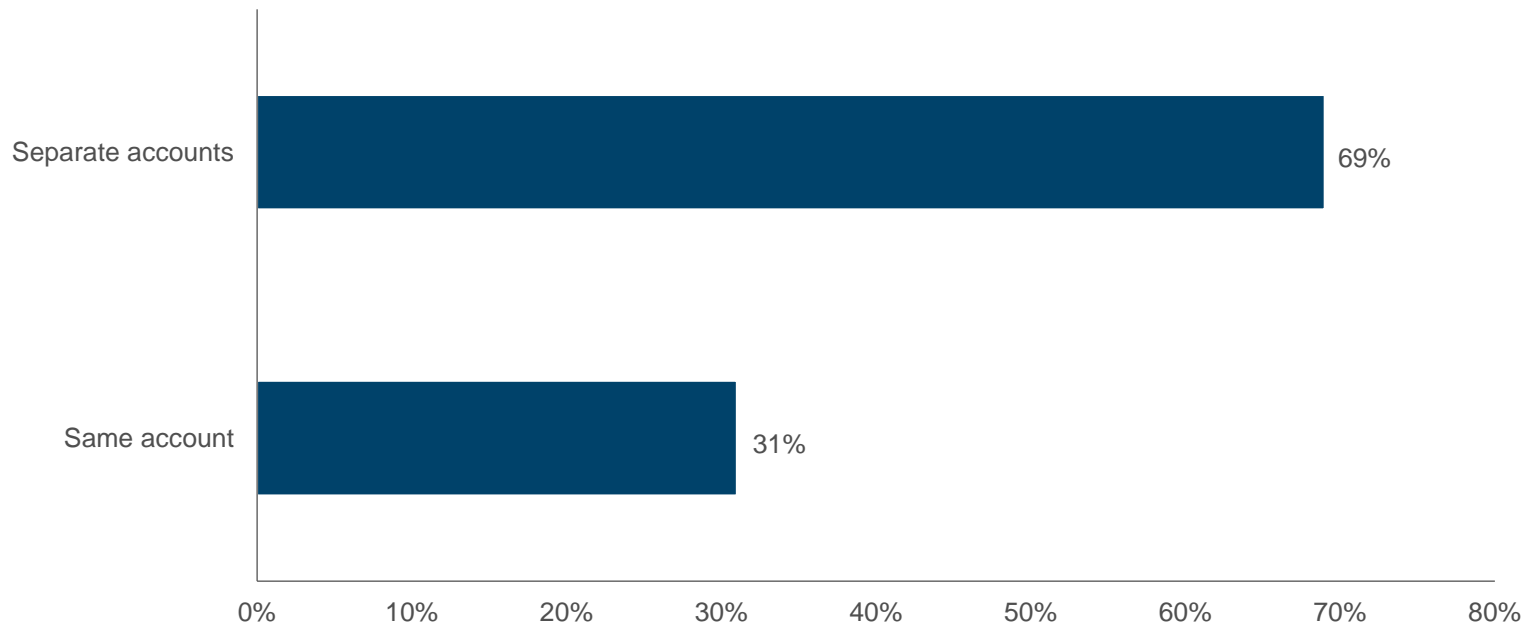


Total # of Accounts	
One:	50%
Two:	20%
Three:	11%
Four +:	19%
Mean:	2.32

- Of those parents who have college savings, 37% use a 529, while 27% use a retirement account (401(k) or IRA)
- Millennials are less likely than Gen Xers or Baby Boomers to use a 529 account for college savings (22% vs. 42% vs. 42%)

# College Savings Accounts for Each Kid

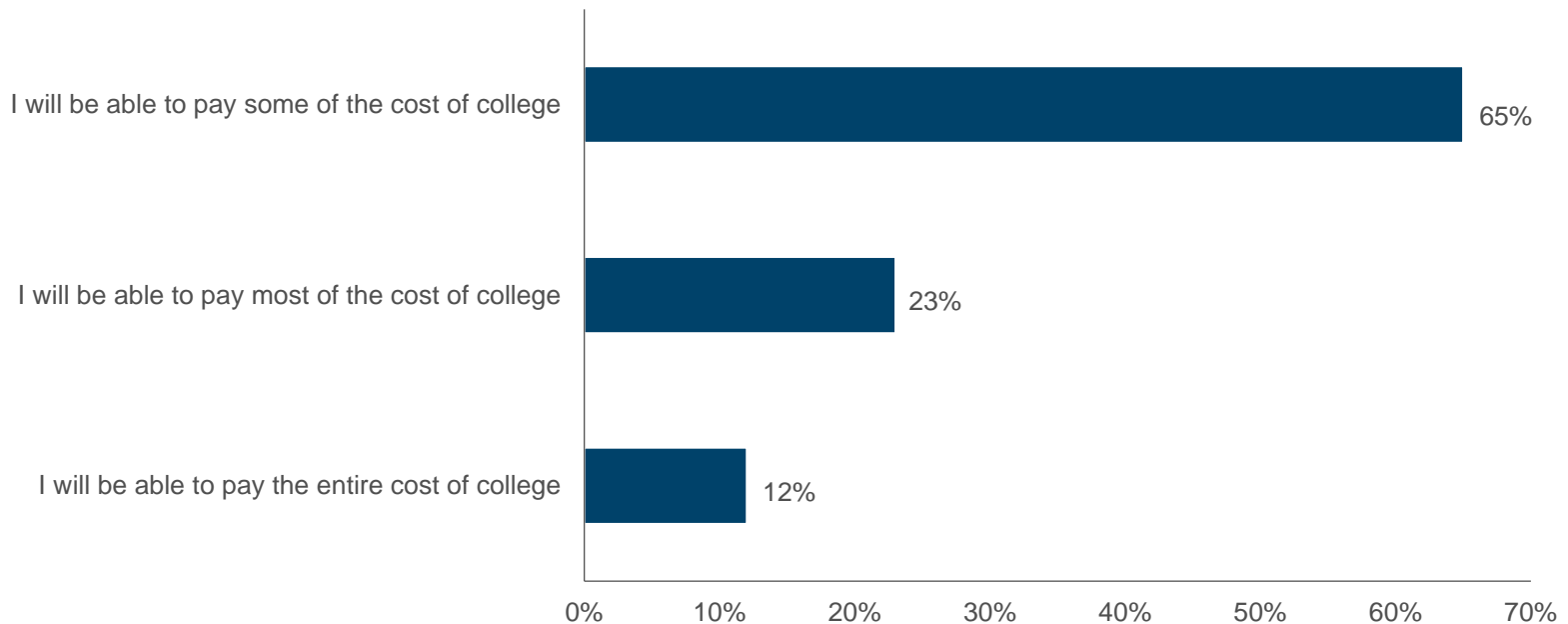
**Q34. DO YOU HAVE SEPARATE COLLEGE SAVINGS ACCOUNTS FOR EACH OF YOUR KIDS OR DO YOU USE THE SAME ACCOUNT(S) FOR ALL YOUR KIDS?**



T. Rowe Price 2016 Parents, Kids & Money Survey  
N=477 (Have College Savings and More than One Kid)

# Expectations About Paying for College

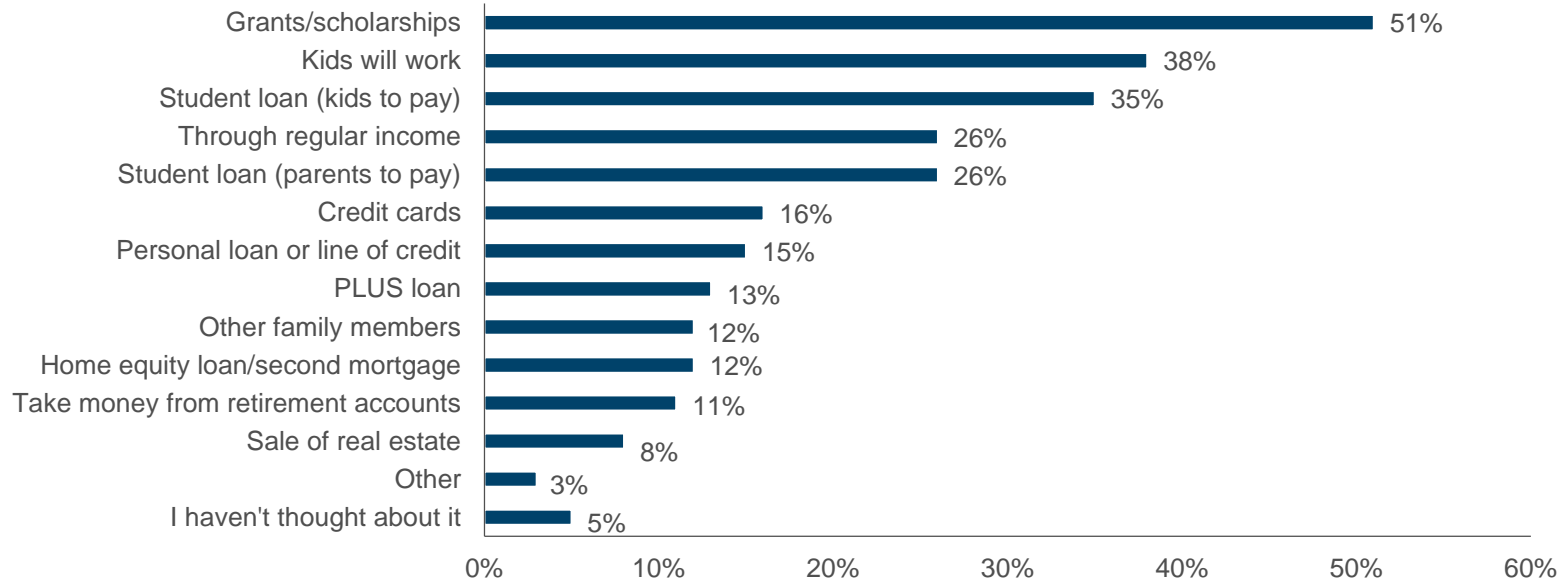
## Q35. WHICH OF THE FOLLOWING BEST DESCRIBES HOW YOU FEEL ABOUT SAVING FOR YOUR KIDS' COLLEGE EDUCATION?



T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,047 (Expect Kid(s) to Go to College)

# Covering the Cost of College

## Q36. HOW DO YOU THINK YOU WILL COVER THE REMAINING COST FOR YOUR KIDS' COLLEGE EDUCATION? (CHECK ALL THAT APPLY)



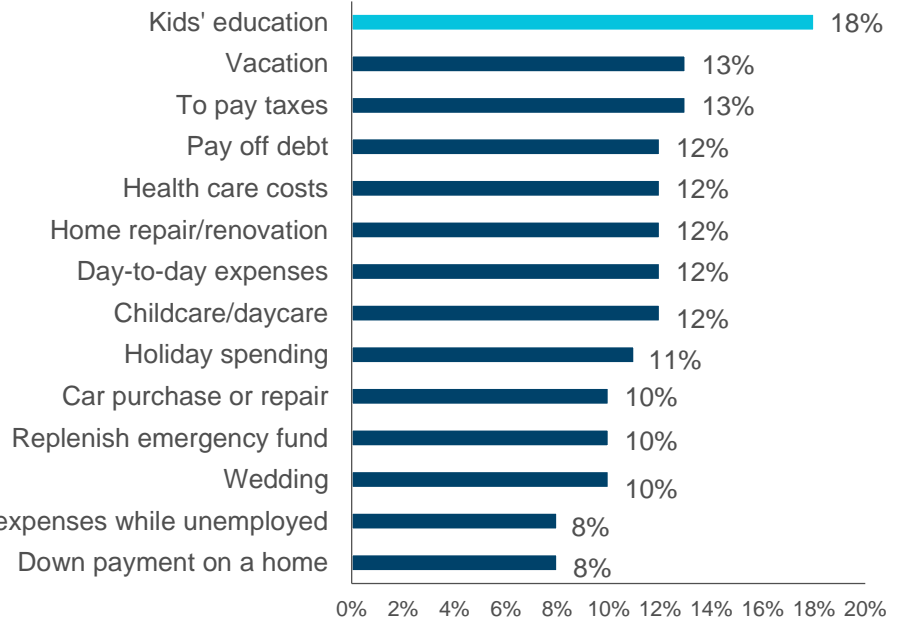
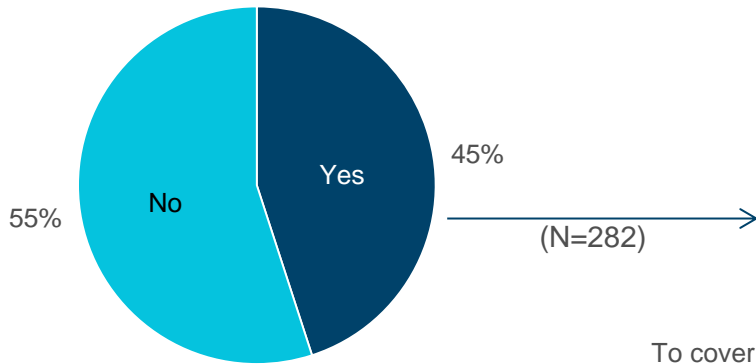
- A total of 50% of parents are relying on student loans to cover college expenses
- 70% of those who plan to cover college costs using credit cards are already carrying a credit card balance month-to-month
- 21% of parents expect kids to work or take a loan, without bearing any of the remaining cost for college themselves

T. Rowe Price 2016 Parents, Kids & Money Survey  
N=927 (Expect Kid(s) to Go to College and Will Not Be Able to Cover the Entire Cost)

# Using Money From College Savings Accounts

**Q37. WHICH OF THE FOLLOWING THINGS HAVE YOU PAID FOR WITH MONEY TAKEN FROM YOUR KIDS' COLLEGE SAVINGS IN THE PAST TWO YEARS? (CHECK ALL THAT APPLY)**

Have taken money from college savings



- 3% of parents who have taken money out of college savings, have only done so to pay for their kids' education
- Parents who have a 529 are significantly less likely to spend college savings on other things (38% vs. 49%)

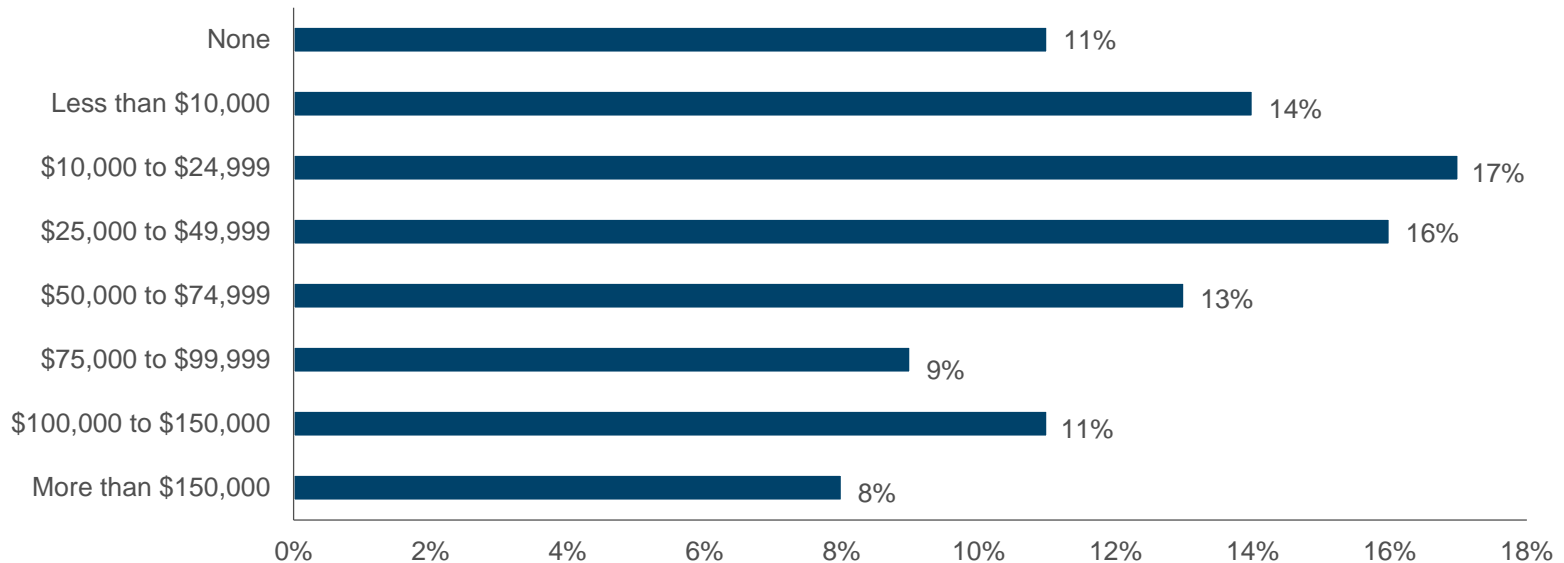




# DEBT THRESHOLD

# Paying for College—Parent Debt Threshold

## Q38. HOW MUCH DEBT ARE YOU WILLING TO TAKE ON PERSONALLY TO PROVIDE YOUR KIDS WITH A COLLEGE EDUCATION?

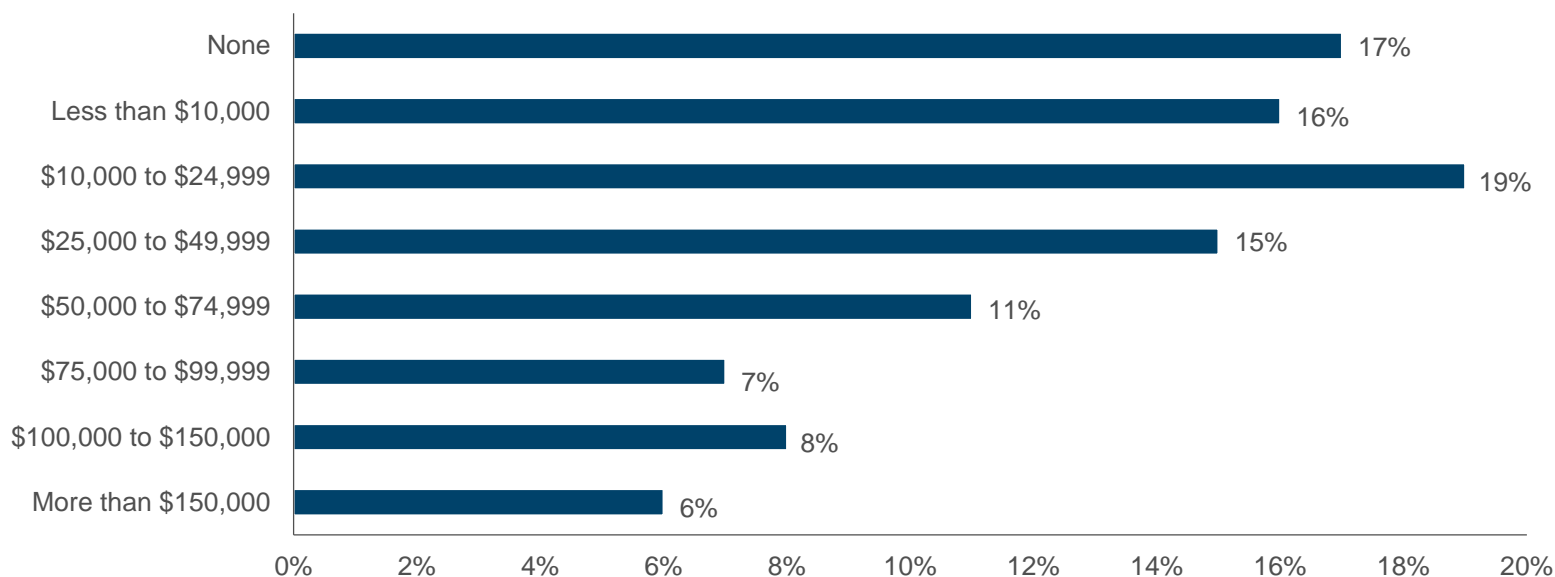


- Women are more likely than men to say never/less than \$10,000 (21% vs. 7%), and less likely to say \$50,000 to \$99,999 (15% vs. 30%) and \$100,000 or more (14% vs. 24%)
- 57% of parents are willing to take on \$25,000 or more in debt to pay for the kids' college education, with 19% willing to borrow \$100,000 or more

T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,052 (Expect Kid(s) to Go to College)

# Paying for College—Kid Debt Threshold

## Q39. HOW MUCH DEBT ARE YOU WILLING TO LET YOUR KIDS TAKE ON TO GET A COLLEGE EDUCATION?



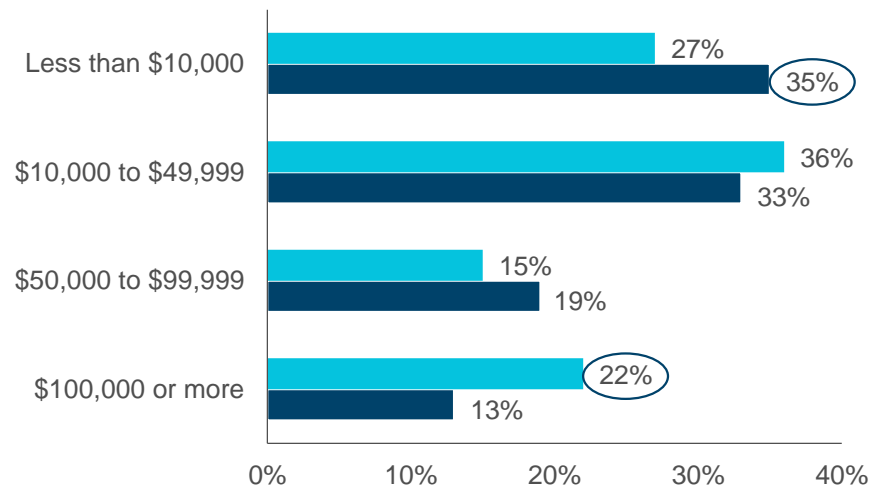
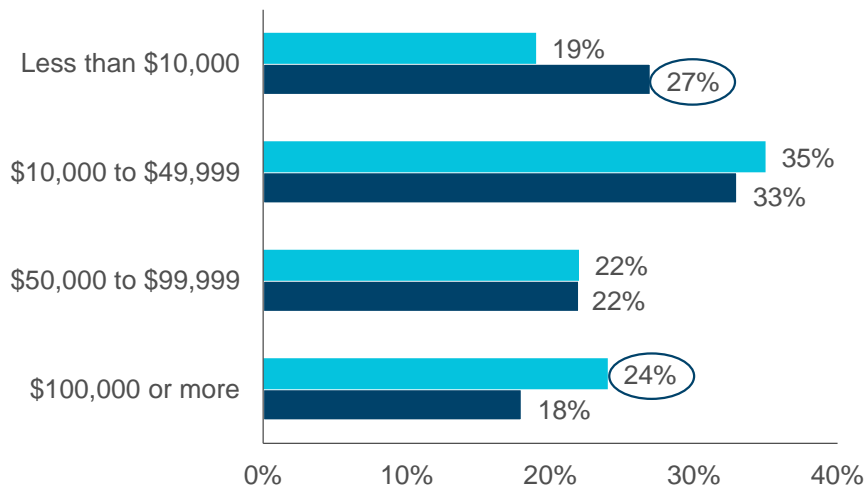
- Women are more likely than men to say never/less than \$10,000 (42% vs. 24%), and less likely to say \$50,000 to \$99,999 (12% vs. 24%) and \$100,000 or more (10% vs. 19%)
- Nearly half (47%) of parents are willing to let their kids borrow \$25,000 or more, with 14% willing to let their kids take on \$100,000 or more in student loan debt

T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,052 (Expect Kid(s) to Go to College)

# Debt Threshold by Current Student Loan Debt for Parents' Education

**Q38. HOW MUCH DEBT ARE YOU WILLING TO TAKE ON TO PROVIDE YOUR KIDS WITH A COLLEGE EDUCATION?**

**Q39. HOW MUCH DEBT ARE YOU WILLING TO LET YOUR KIDS TAKE ON TO GET A COLLEGE EDUCATION?**



Have Parental Student Loans

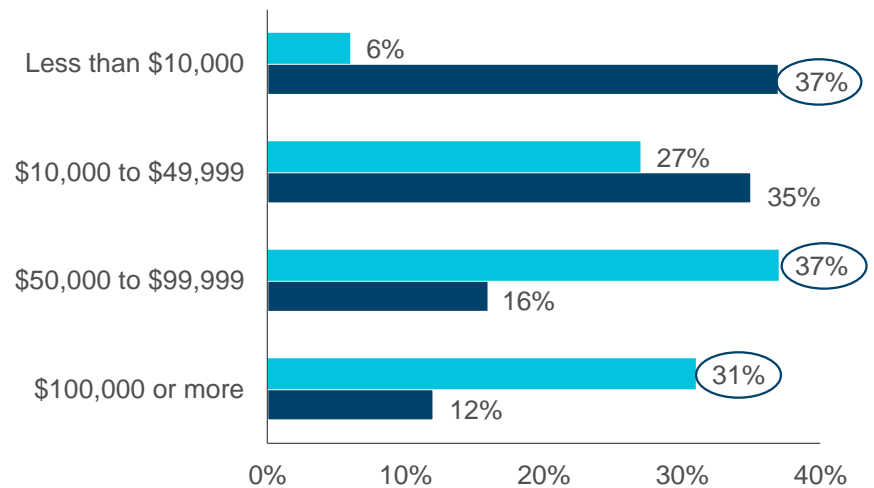
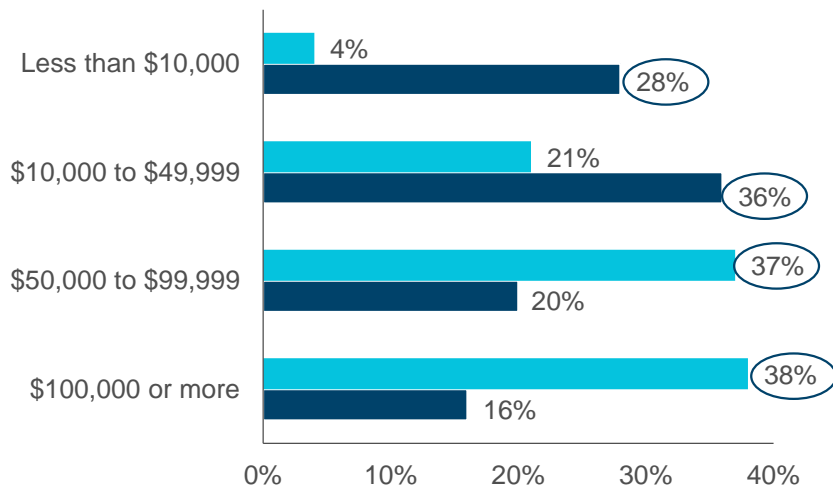
■ Yes ■ No

- Parents who currently have student loan debt (for their education or their spouse's) are willing to take on higher levels of debt to pay for their kids' college education

# Debt Threshold by Current Student Loan Debt for Kids' Education

**Q38. HOW MUCH DEBT ARE YOU WILLING TO TAKE ON TO PROVIDE YOUR KIDS WITH A COLLEGE EDUCATION?**

**Q39. HOW MUCH DEBT ARE YOU WILLING TO LET YOUR KIDS TAKE ON TO GET A COLLEGE EDUCATION?**



Have Kid Student Loans

■ Yes ■ No

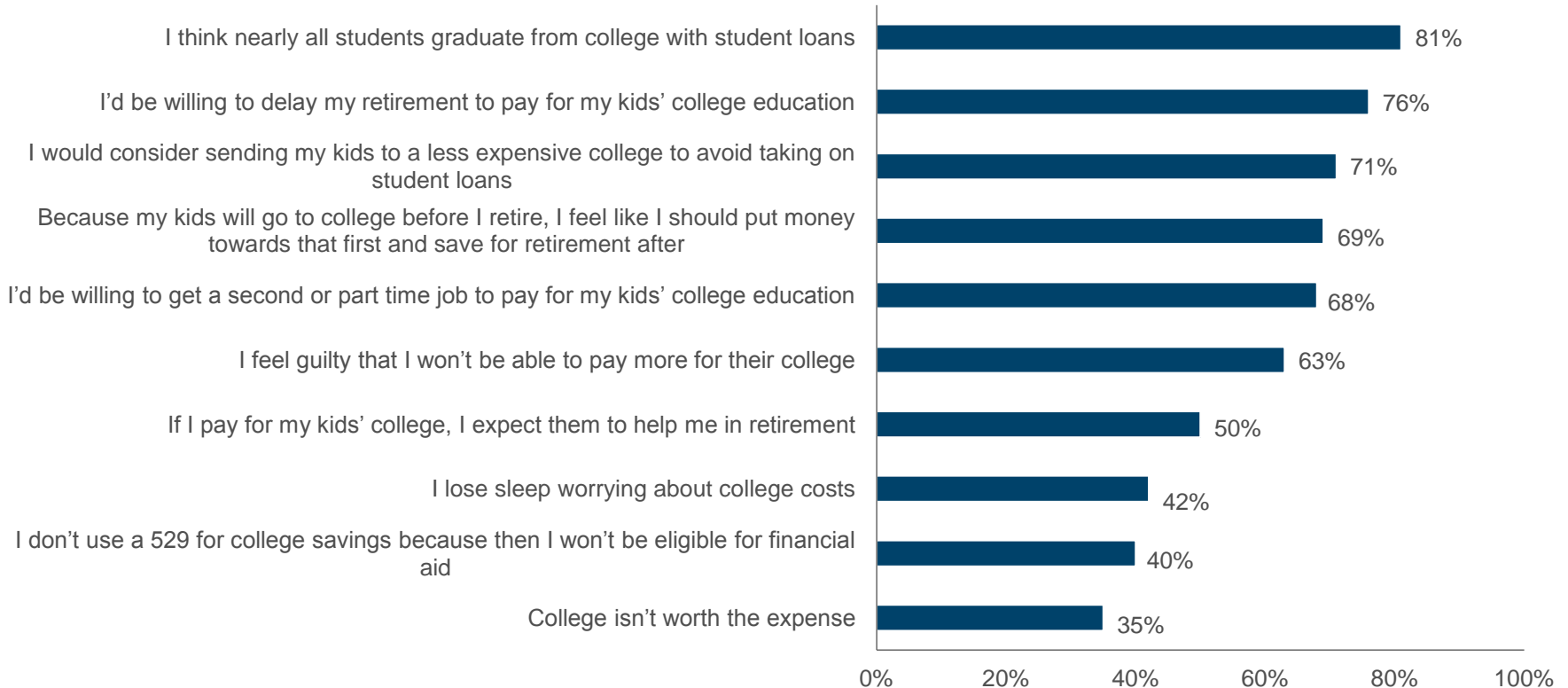
- Parents who currently have student loan debt (for their kids' education) are willing to take on higher levels of debt to pay for their kids' college education



# **ATTITUDES & PERCEPTIONS ABOUT SAVING FOR COLLEGE**

# Attitudes About College

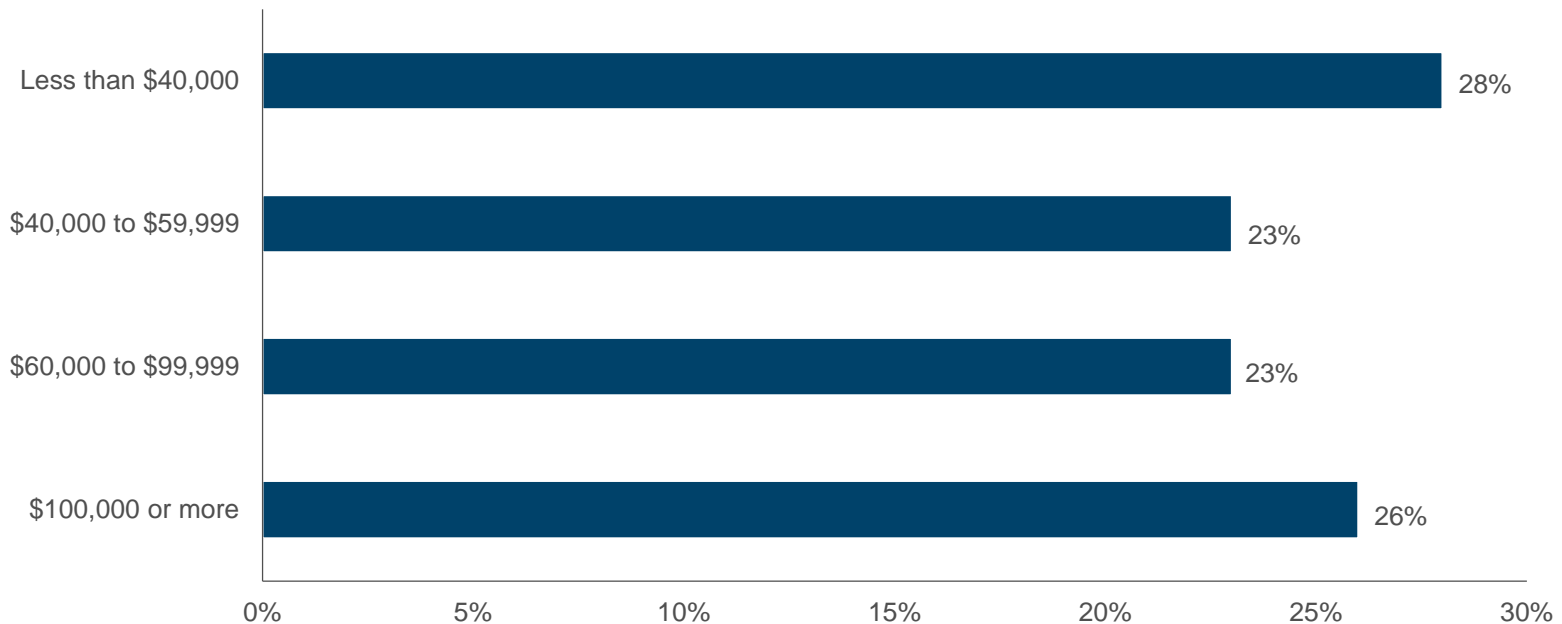
## Q41. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS? (DISPLAYING PERCENT THAT AGREE)



- 42% of parents lose sleep worrying about college costs, which is up from 28% when the same question was asked in 2014

# Perception of College Cost

## Q40. WHAT DO YOU THINK IS THE TOTAL COST FOR A FOUR-YEAR COLLEGE EDUCATION AT AN IN-STATE PUBLIC COLLEGE/UNIVERSITY?



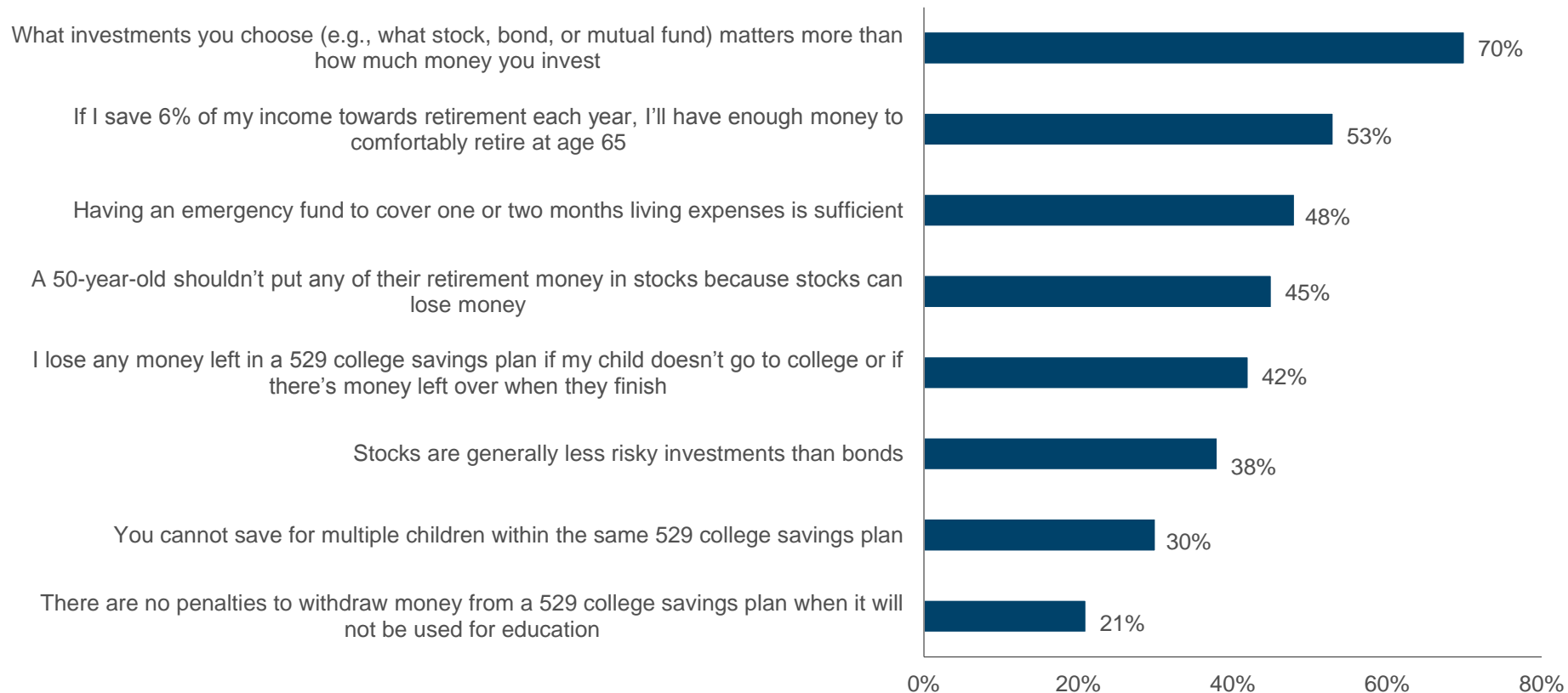
- While The College Board reports that the average cost of a four-year in-state college education is \$80,000, only 35% of parents say \$80,000 or more



# Understanding of College Saving

## Q62. PLEASE INDICATE WHETHER EACH OF THE FOLLOWING STATEMENTS IS TRUE OR FALSE

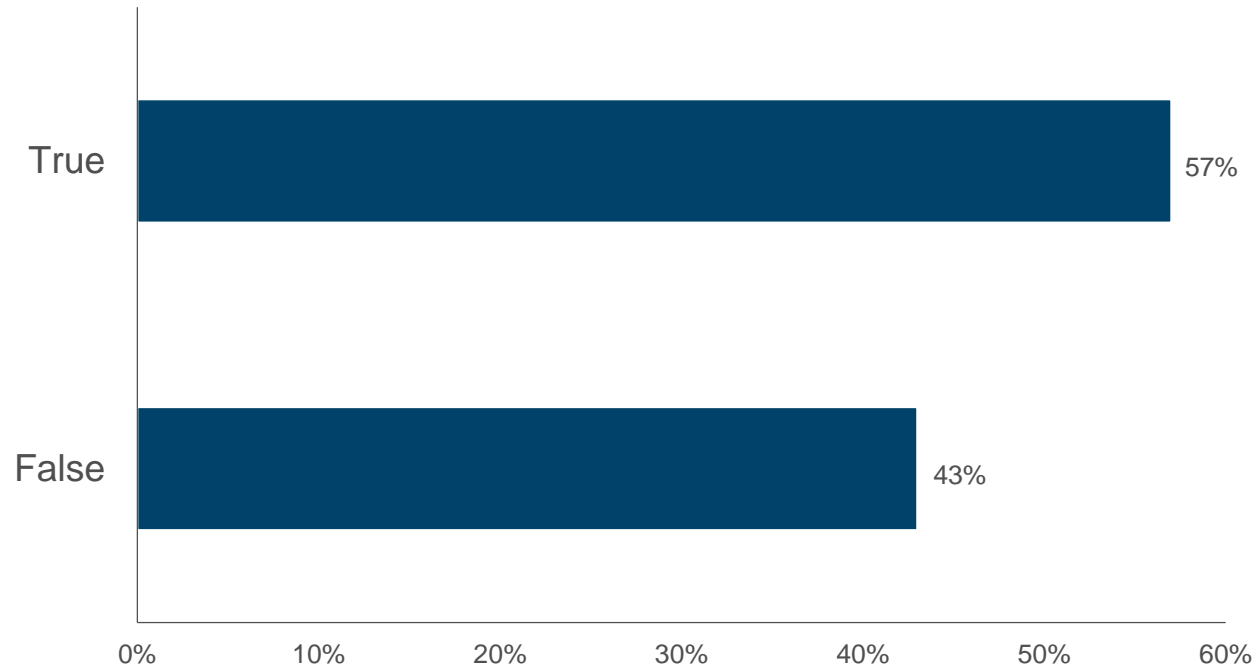
### PERCENT OF PARENTS WHO INCORRECTLY BELIEVE:



T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,086 (Total Respondents)

# Understanding of College Saving

**Q62. PLEASE INDICATE WHETHER EACH OF THE FOLLOWING STATEMENTS IS TRUE OR FALSE: CONTRIBUTING TO A 529 COLLEGE SAVINGS PLAN WILL DEFINITELY IMPACT YOUR ABILITY TO GET FINANCIAL AID FOR COLLEGE LATER**



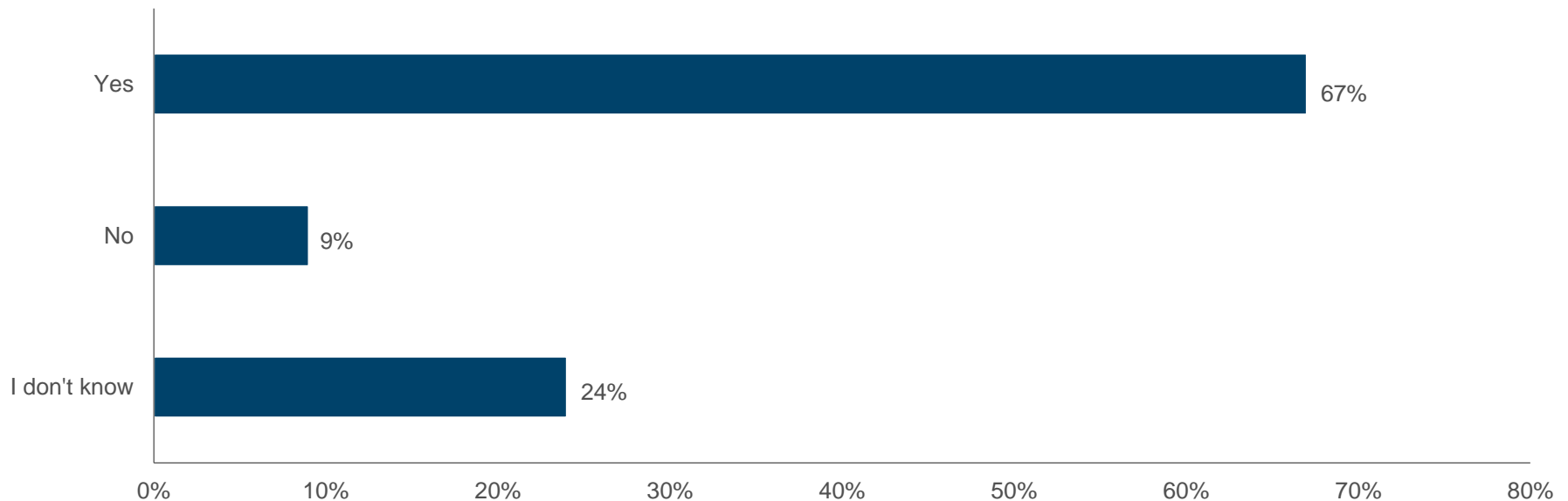
T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,086 (Total Respondents)



# KIDS' RESPONSES

# Knowledge of Parental College Savings

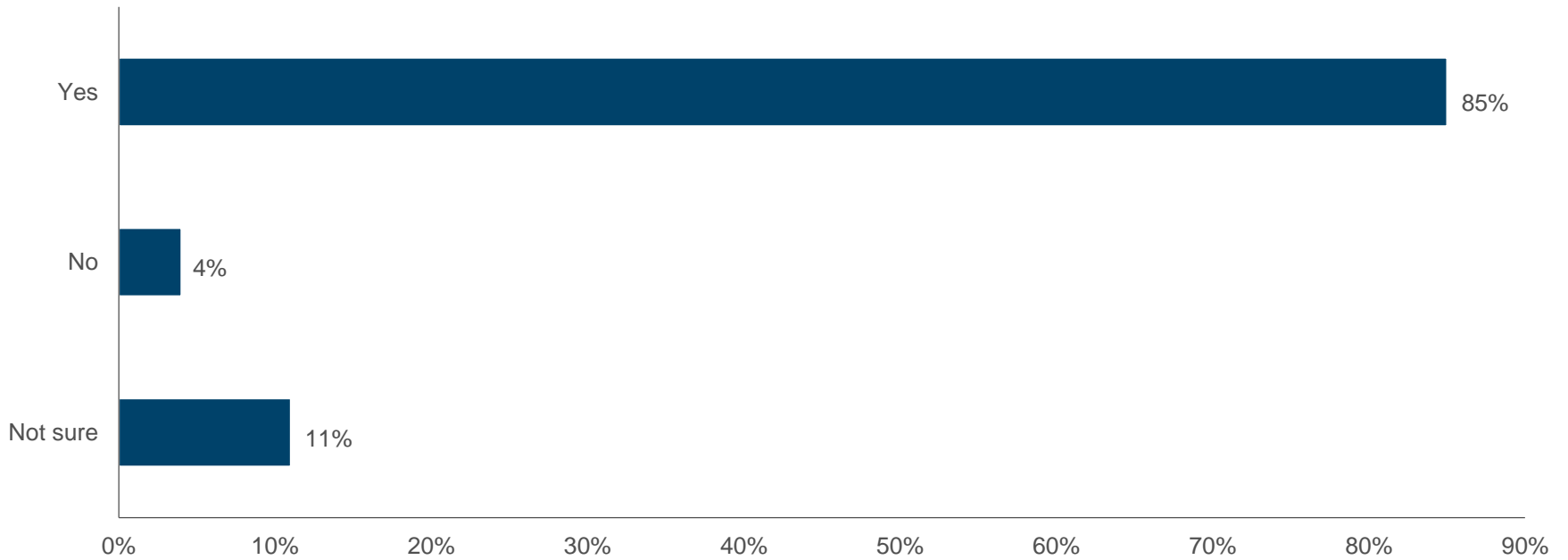
## Q83. DO YOUR PARENTS SAVE MONEY SO YOU CAN GO TO COLLEGE?



- Of the 67% of kids who think their parents are saving for college, 77% have parents who indicated they are saving, while 23% of kids have parents who indicated that they are not saving for college

# Kids' College Expectations

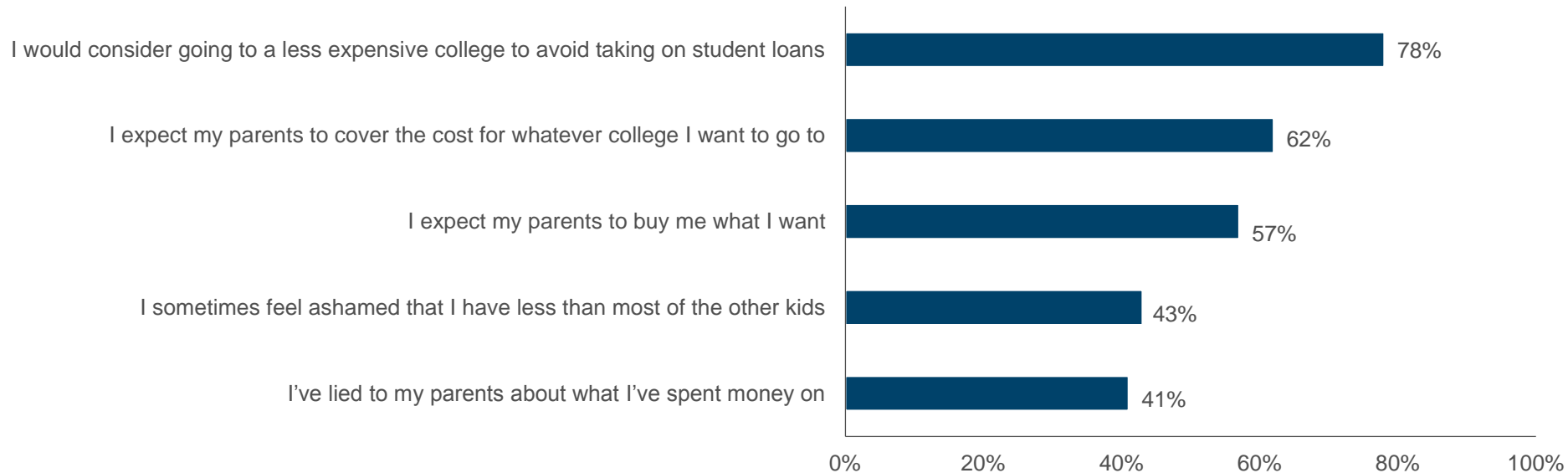
## Q84. DO YOU THINK YOU WILL GO TO COLLEGE?



T. Rowe Price 2016 Parents, Kids & Money Survey  
N=1,086 (Total Respondents)

# Kid Agree Statements

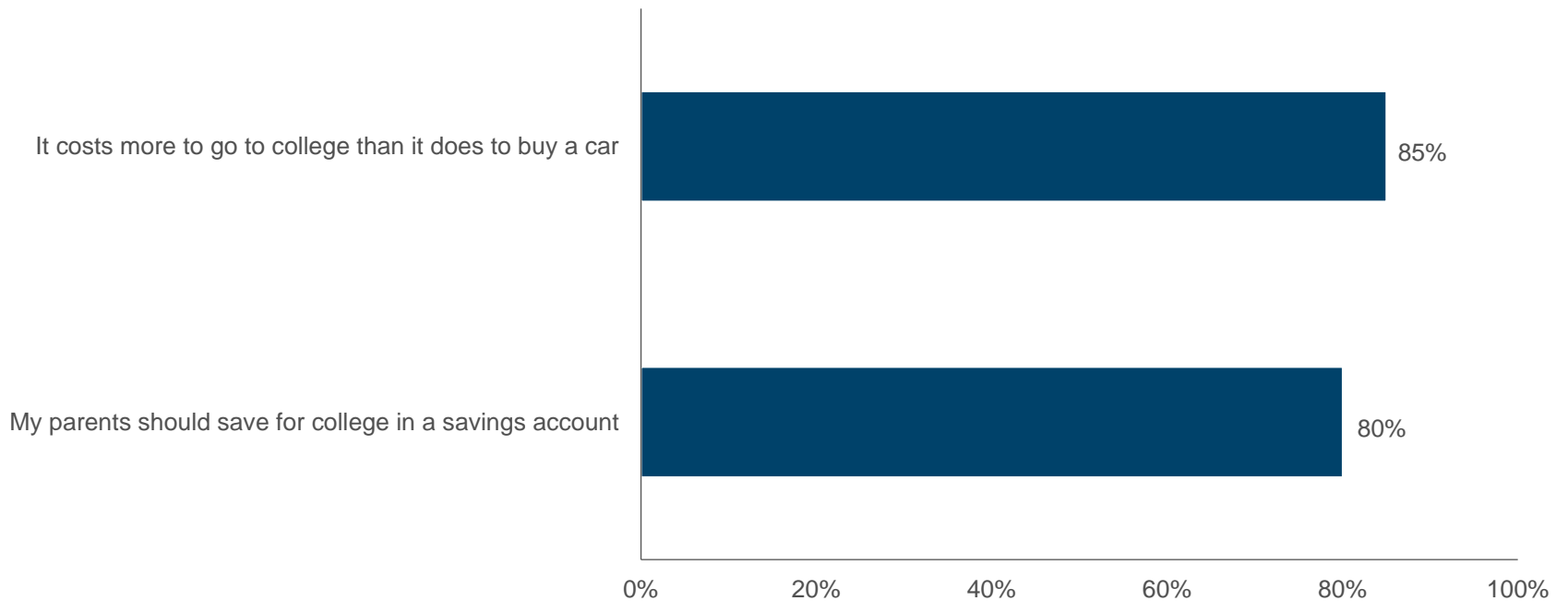
## Q89. HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS? (DISPLAYING PERCENT THAT AGREE)



- 61% of kids whose parents say they will not be able to cover the entire cost of college say that they expect their parents to cover the cost for whatever college they want to attend

# Knowledge-Based Kids Questions

**Q95. PLEASE INDICATE WHETHER EACH OF THE FOLLOWING STATEMENTS IS TRUE OR FALSE.  
(DISPLAYING PERCENT SAYING TRUE)**



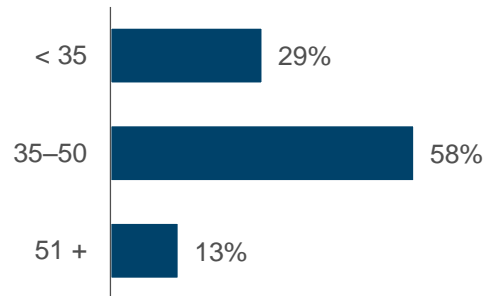


# RESPONDENT PROFILE

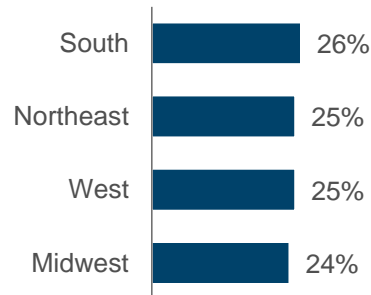


# Respondent Profile

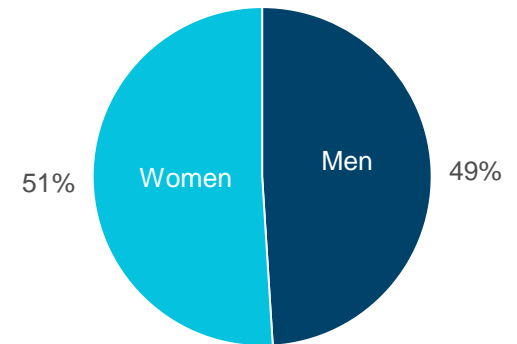
## Q1. AGE



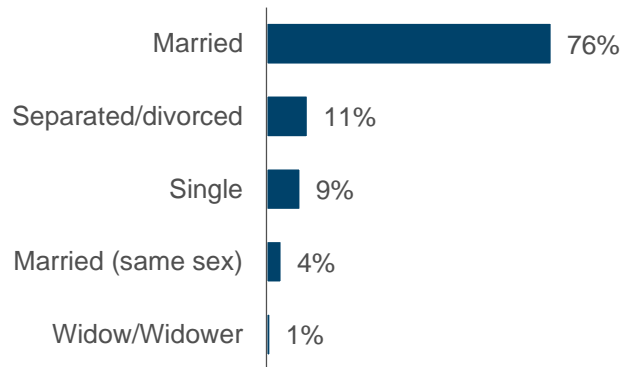
## Q2. REGION



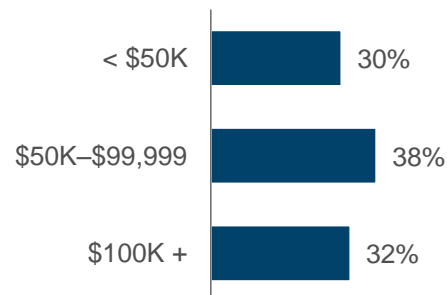
## Q3. GENDER



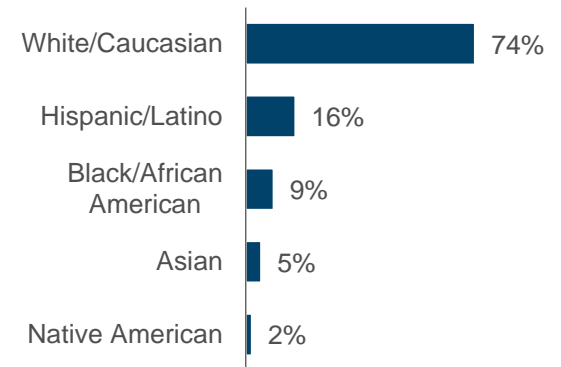
## Q4. MARITAL STATUS



## Q5. HHI

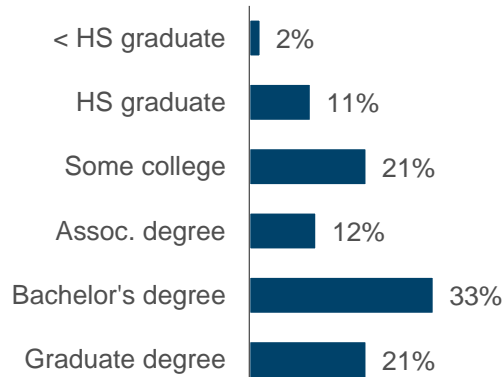


## Q6. RACE/ETHNICITY

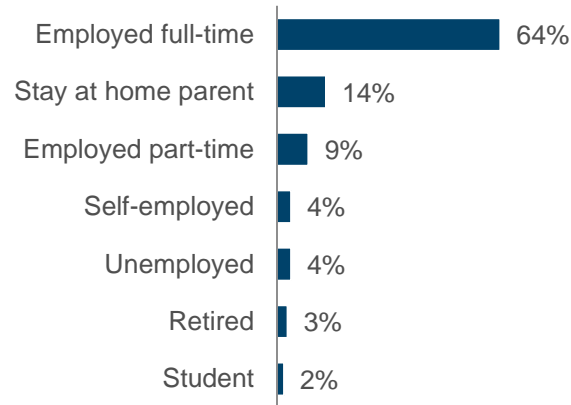


# Respondent Profile

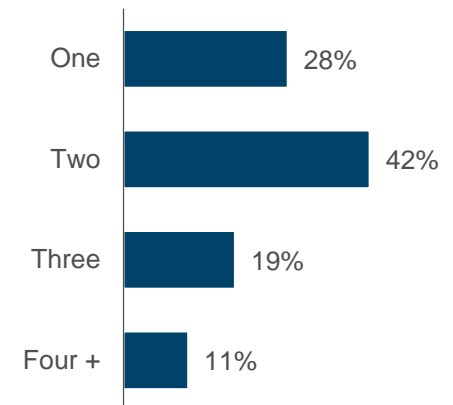
## Q7. EDUCATION LEVEL



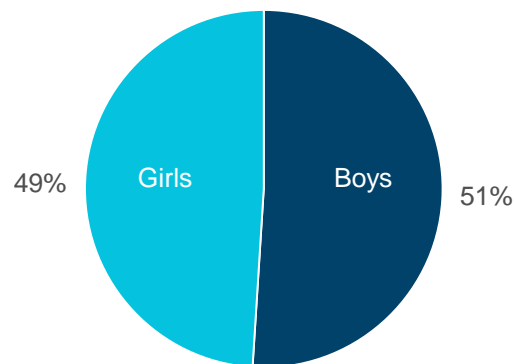
## Q8. EMPLOYMENT STATUS



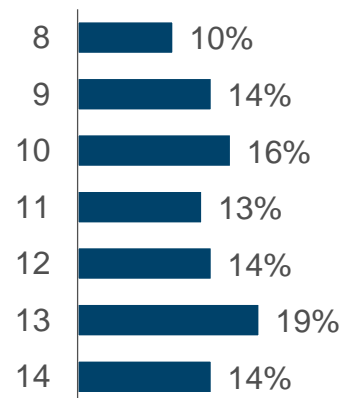
## Q9. # KIDS IN HH



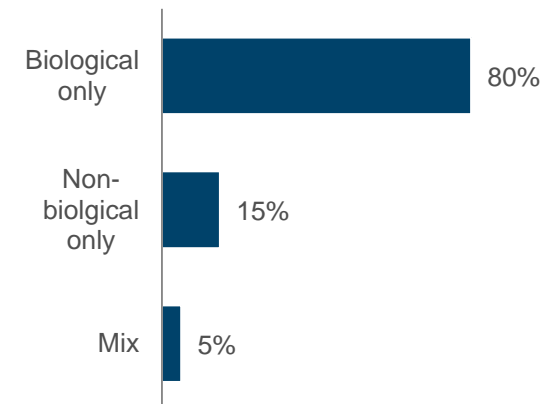
## Q11. KID GENDER



## Q12. KID AGE



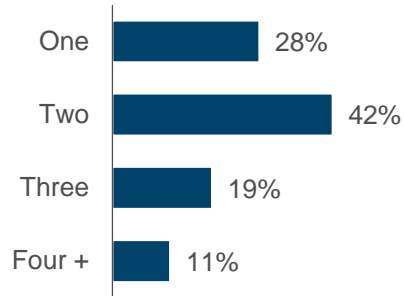
## TYPE OF KIDS



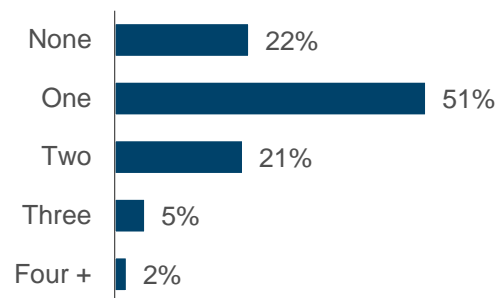
T. Rowe Price 2016 Parents, Kids & Money Survey  
 N=1,086 (Parents: Total respondents); N=881 (Kids: Total respondents)

# Respondent Profile

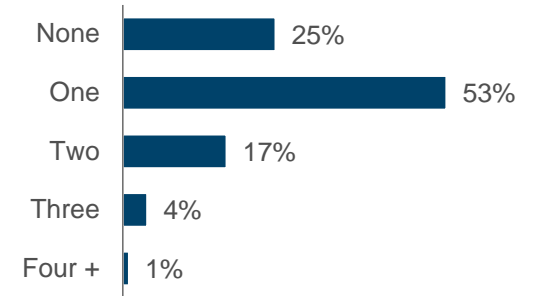
## # KIDS IN HOUSEHOLD



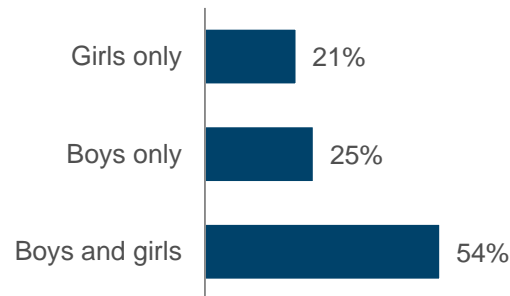
## # BOYS IN HOUSEHOLD



## # GIRLS IN HOUSEHOLD

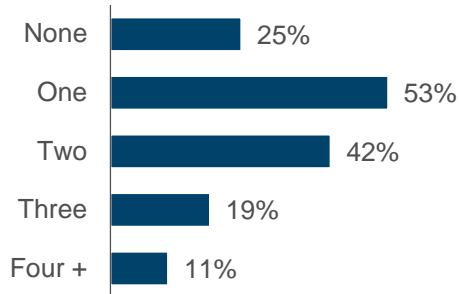


## KID GENDER MIX

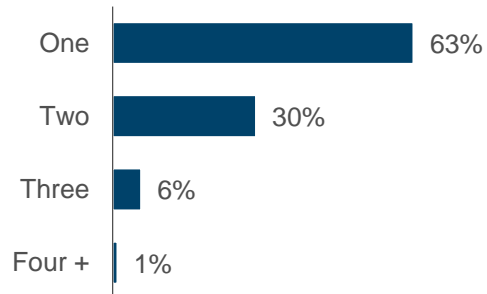


# Respondent Profile

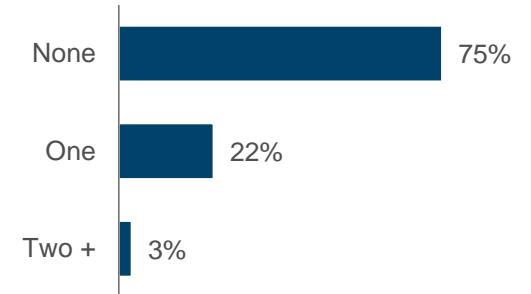
## # KIDS < 8 IN HH



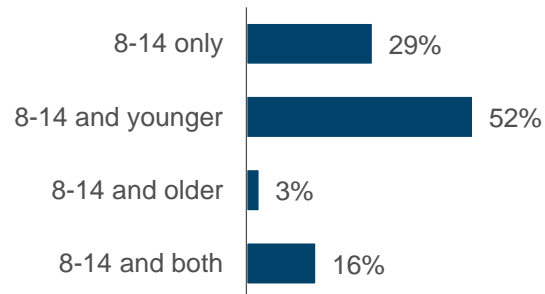
## # KIDS 8-14 IN HH



## # KIDS > 14 IN HH



## KID AGE MIX





# OBJECTIVE & METHODOLOGY



# Objective and Methodology

## Objective

- To understand the basic financial knowledge, attitudes, and behaviors of both parents of children ages 8-14 and their children ages 8-14.

## Methodology

- T. Rowe Price commissioned an online survey of parents of children ages 8-14 and their children ages 8-14.
- The survey was fielded from 2/4/16 to 2/11/16, with parent quotas of approximately 50% men and 50% women.
- A total of 1,086 parents and children ages 8-14 in the U.S. participated; the sampling error for a sample of 1,086 is +/- 3% at the 95% confidence interval.
- The survey was fielded through MetrixLab, Inc.

T.Rowe Price®



**THANK YOU.**