

## Many College-Bound Students Report Difficulty Affording a College Education

**Yet even by late spring, many students were still considering schools they viewed as “too expensive.”**

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### Publishers’ note

Despite acknowledging some to great concern about their own or their families’ ability to pay for college, a majority of college-bound seniors surveyed by *Student Poll* late last spring indicated that they were still considering schools they viewed as “too expensive” because they offered such characteristics as strong academics, a prestigious reputation, and other factors students valued and believed were worth the higher cost.


Simply put, students were still willing to stretch financially to attend institutions where they perceived the value of the education to be worth the higher cost. This is one of the major findings reported in this issue of *Student Poll* which compares and contrasts the findings of two studies on college affordability — one conducted in the winter of 2009 and the other conducted in late April as students were making their final college decisions.

Specifically, last winter, *Student Poll* conducted an online survey with 1,067 high school seniors (whom we will call early prospects) that explored how students were deciding where to apply to college and how they and their parents plan to finance a college education.

Then in late spring — six months later — we conducted this follow-up online survey with 903 high school seniors (whom we will call late prospects), asking them similar questions at a time when most had received their admission decisions and financial aid offers, and had already chosen or were in the process of choosing the college they planned to attend in the fall.

This issue of *Student Poll* compares other similarities and differences we found as students and their families moved through the college decision-making process. Overall, compared to early prospects (who were in the application stage), late prospects (who were deciding where to enroll) were:

- Equally likely to report that they will have some or a lot of difficulty affording a college education (59% compared to 63% of early prospects). Perhaps even more alarming, one-fifth of late prospects — despite the fact they had decided or were about to decide where to attend college — were not sure how their family will afford college, but believe “they will work it out when the time comes” (22% compared to 24% of early prospects).
- Equally likely to report that the current state of the economy has changed their college plans. A majority or higher still indicated they were much more likely: to attend a public college or university in their home state, attend an institution



with a reputation for generous financial aid, and work part-time or more while attending school next year.

- More likely to have discussed the affordability of college with their parents (87% compared to 75% of early prospects).
- More likely to have considered the annual net tuition cost — the actual cost they will pay for college after subtracting what they will receive in need- or merit-based financial aid (57% compared to 28% of early prospects). However, even by late spring, 5 percent of late prospects had not considered the costs of a college education.
- More likely to report that they, their parents, or both of them had used a net-tuition/financial aid calculator than early prospects (41% compared to 27%). Yet despite being much further along in the process, a high proportion of late prospects indicated that neither they nor their parents had used calculators (nearly 40% compared to 59% of early prospects).

The collective findings of these two studies further reinforce the need for colleges to do more to educate students and families about college affordability, how they can finance a college education, and how to determine the long-term financial implications of college costs for both students and parents. More personal financial counseling, better use of college net-tuition calculators, and more tough conversations about college costs between admissions professionals and prospective families are needed to ensure that families and students make college decisions based on complete, accurate, and sound information.

At the same time, these findings also suggest that as important as price is in the college decision-making process, the value proposition plays a critical role throughout the admissions process as well. Students and parents are willing to pay more for institutions they think offer certain qualities or characteristics they believe cannot be found at other colleges or universities. This underscores the importance of institutions exploring, understanding, and communicating the substantive qualities that truly differentiate their school from competitors in ways that matter to prospective students and parents in their choice of a college.

**Richard A. Hesel**

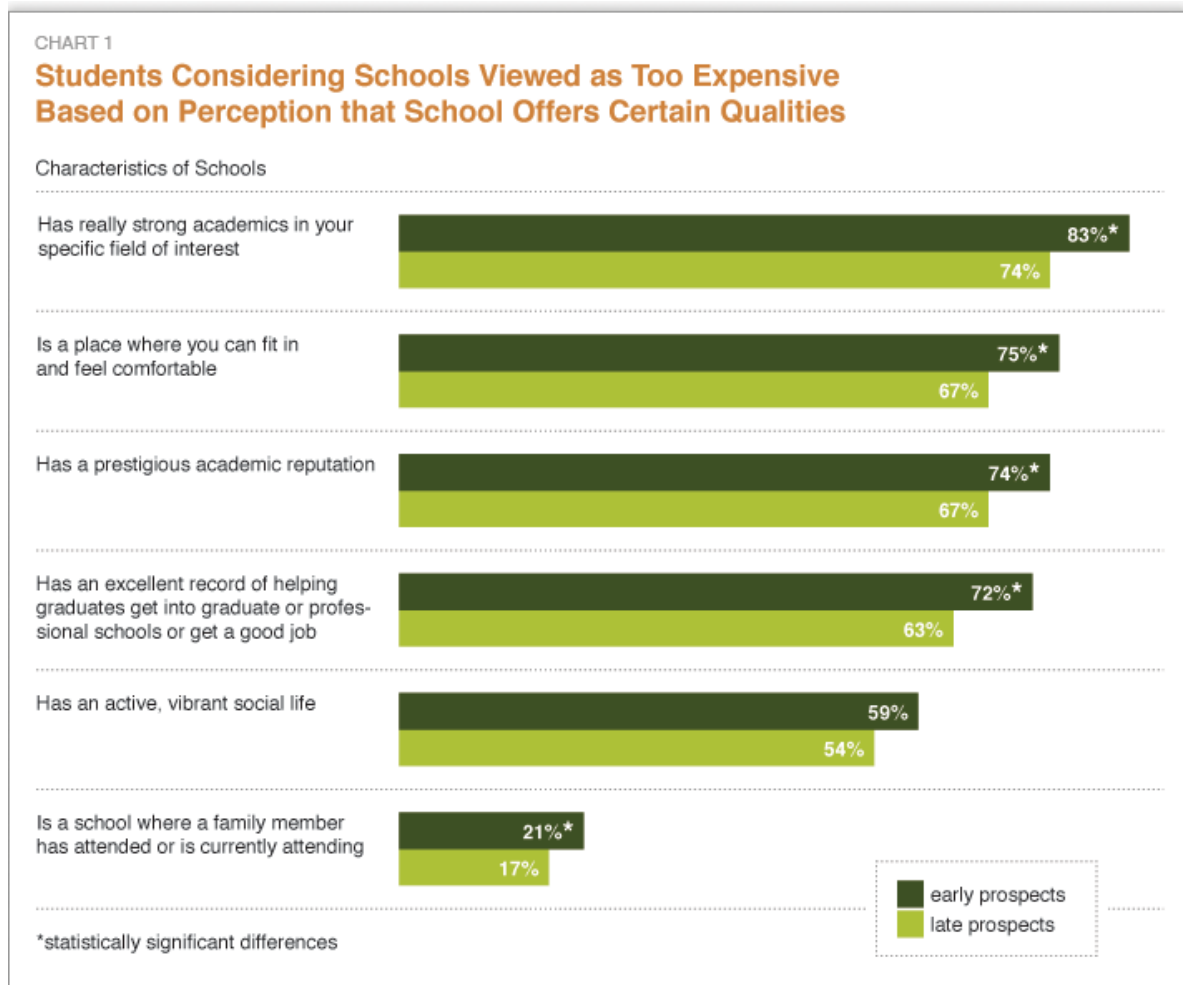
*Principal*

Art & Science Group, LLC

## Study Findings

### 1 A high proportion of late prospects continue to consider schools that they view as “too expensive” because they offer qualities or attributes that these students highly value.

In fact, two-thirds or more of students surveyed late in the admissions process reported still being interested in institutions they considered “too expensive,” but that offered such qualities as “strong academics in my field of interest,” “a prestigious reputation,” and the like. Even at this late date in the college admissions cycle, an overwhelming majority of students surveyed were willing to pay more for an institution they viewed as offering something they highly valued and perceived to be worth the higher price they would have to pay.



### 2 Net tuition calculators are still not widely used.

While more late prospects indicated that they or their parents had used a financial aid calculator compared to early prospects, this figure nonetheless remains small. A financial aid calculator is an online tool colleges make available to families so they can determine what their expected annual net cost or financial aid award is likely to be from a particular college.

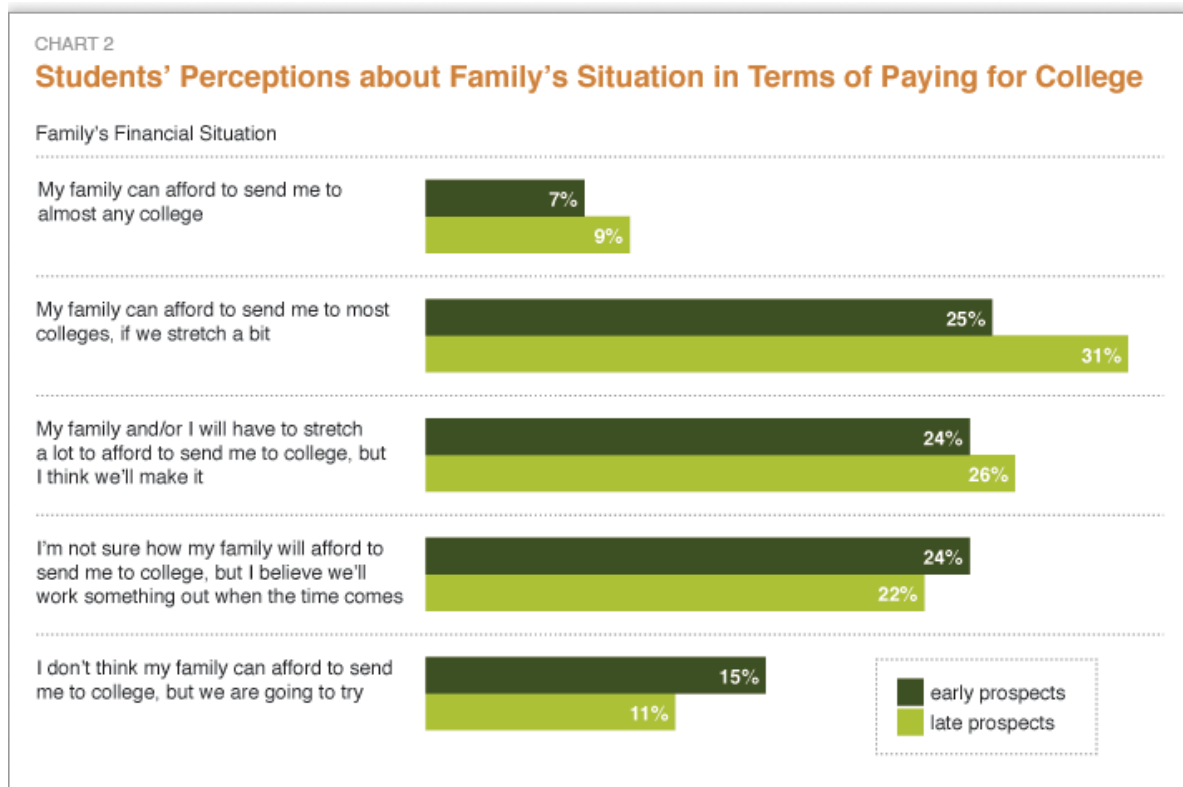
Twelve percent of early prospects indicated they had used a calculator compared to 16 percent of late prospects. Similarly, early prospects reported that only 9 percent of their parents had used a calculator compared to 14 percent of late prospects. Some 59 percent of early prospects indicated that neither they nor their parents had

used a calculator compared to 39 percent of late prospects — still more than a third of respondents. These findings further suggest that these tools are not as widely available or accessible as they might be or that parents and students simply are not aware of them or find calculators too complicated or time-consuming to use.

### 3 More than half of students surveyed will have some difficulty paying for college.

We read students a series of questions in both studies about their family’s ability to pay for college, asking them to indicate which statement most closely reflected their situation.

The findings from both studies paint a troubling picture about college affordability. Despite the fact that most late prospects had their financial aid award in hand at the time *Student Poll* fielded the spring study, there are no significant differences between the beliefs of early and late prospects. It is surprising, or even shocking, that one-third of late prospects continue to engage in apparent wishful thinking, indicating either that they believe “we’ll work something out when the time comes” or that they “don’t think my family can afford it, but we’re going to try.” The findings from both studies reinforce the critical need for colleges to do even more to make students and families aware of their financial responsibility for college by encouraging them to carefully review their own financial situation, understand the implications of various loan and scholarship awards, and make the hard choices necessary to determine what they can really afford to pay for college.



### 4 Students remain uneducated about what they are likely to pay each month to repay the loans they incur in college.

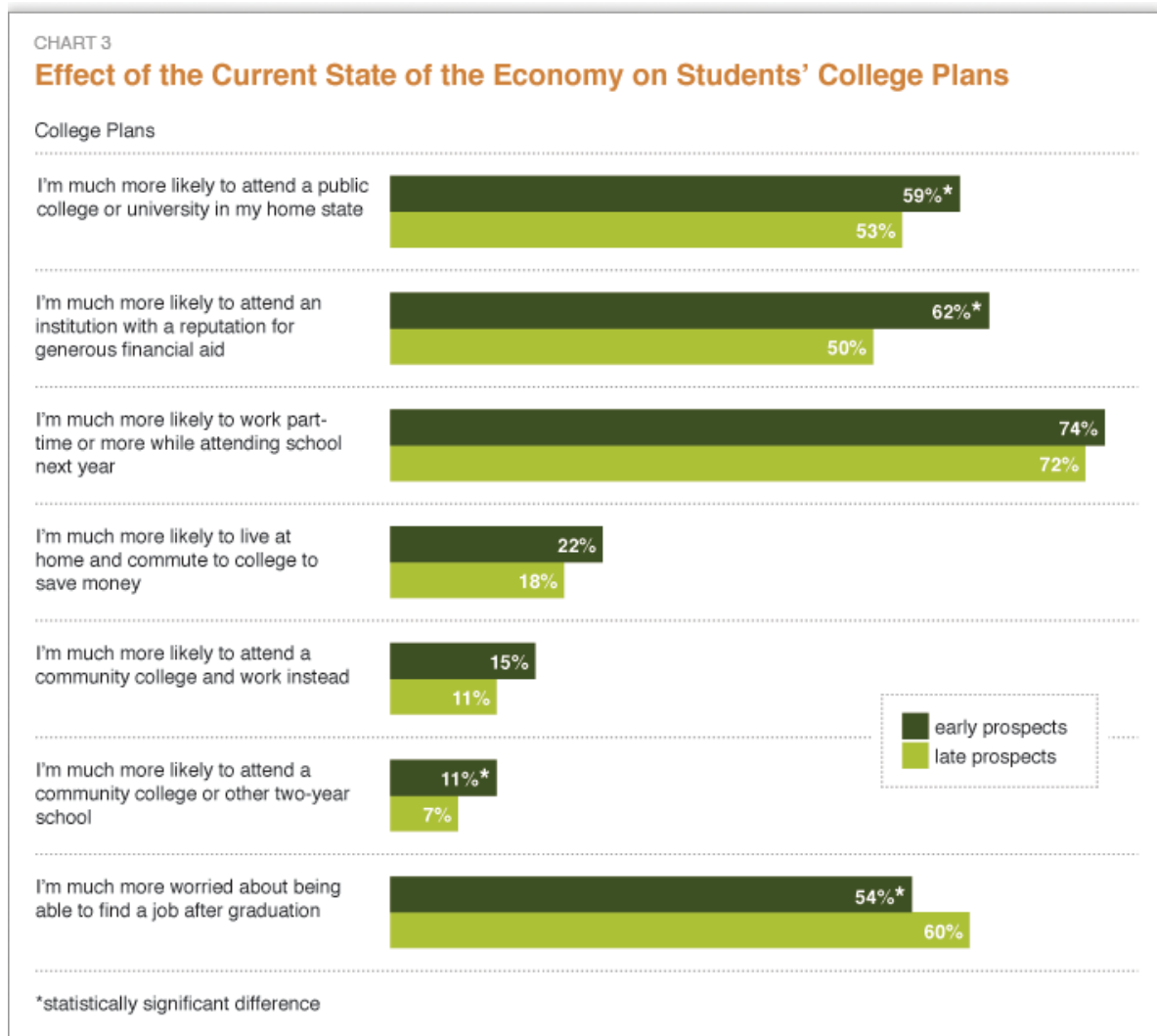
It is understandable that last winter when we conducted our first study, most early prospects did not yet know what their expected monthly payment would be on their financial aid loans. When we conducted our follow-up study in late spring, however, it seemed probable that late prospects would be more aware of what their likely monthly loan payment would be after graduation. We were surprised to find that late prospects were just as likely as early prospects (39% of late prospects versus 40% of early prospects) to say they had “no idea” what their likely monthly loan

repayment would be. This further suggests that students and their families are not using the tools and resources available to them to calculate and understand the immediate and longer-term financial implications for them in terms of financing a college education.

**5 The current state of the economy has not brought about a dramatic change in students' college plans over the six-month period between the administration of our first and follow-up study.**

*Student Poll* found that 59 percent of early prospects said they were more likely to attend a public college or university in their home state compared to 53 percent of late prospects. Similarly, while 62 percent of early prospects indicated they were “much more likely to attend an institution with a reputation for generous financial aid,” 50 percent of late prospects reported the same in late April 2010.

Perhaps the most meaningful statistical difference between the findings of the two studies: 54 percent of early prospects indicated they are much more worried about being able to find a job after graduation compared to 60 percent of late prospects. Given the timing of the spring study, students' growing concern about the job market in all likelihood coincided with media reports of the difficulty recent college graduates are having finding good jobs. Another statistically meaningful difference: those students more likely to attend a community college or other two-year school fell by 4 percent (11% of early prospects compared to 7% of late prospects).



- While cost and aid are important considerations for students and parents in college consideration and choice, cost is not monolithic. Its importance in the college decision-making process changes as students move through different stages of the admissions process.
- Even in a recession, the value proposition is alive and well in higher education. Students and parents are willing to pay more for institutions they believe offer significant value in the form of strong academics, fit, and prestige, among other qualities.
- Ultimately, the findings of *Student Poll* reflect general trends across the broad college-going population in the U.S., and should not be interpreted as representative of the behavior of any one institution's prospect pool. Each institution is unique, and only a careful examination of its own prospect pool can reveal how an institution can best maximize its net tuition revenue given its value proposition, its market position, the demographic makeup of its prospect pool, and many other factors.

## Study Methodology

The findings reported in this issue of *Student Poll* compare and contrast two different survey administrations, referred to above as early prospects and late prospects.

- The early prospects data refer to 1,067 responses from a random national sample of 42,000 high school students who registered for the SAT and who completed an optional Web survey between November 19 and January 5, 2010.
- The late prospects data refer to 903 responses from a random national sample of 42,000 high school seniors who registered for the SAT and who completed an optional Web survey between April 7 and April 28, 2010.
- The margin of sampling error for the early prospect surveys is plus or minus 2.8 percent, for the late prospect survey it is plus or minus 3.2 percent. The respondents are weighted to resemble the population of students' based upon gender, race, and the region of the United States where they reside.


## About *Student Poll*

A collaboration between the College Board and Art & Science Group LLC, *Student Poll* presents the results from a series of national surveys that measure the opinions, perceptions, and behavior of college-bound high school students and their parents. Published for the benefit of college and university senior leaders and enrollment officers as well as secondary school college counselors, *Student Poll* seeks to provide insights and understanding that will result in better communication and service to college-bound students across the nation.

First published in 1995 by Art & Science Group, a leading national source of market intelligence for higher education, *Student Poll* has become a trusted and widely-cited source of reliable data and insights on many critical questions concerning college choice. The College Board and Art & Science Group have now joined forces to expand the depth and range of the issues that will be explored in *Student Poll*.

*Student Poll* findings and analysis are provided free on both the [College Board](http://tinyurl.com/6xxfzs) (<http://tinyurl.com/6xxfzs>) and [Art & Science Group](http://www.artsci.com/student.htm) (<http://www.artsci.com/student.htm>) web sites.

## About the College Board and Art & Science Group



The College Board is a not-for-profit membership association whose mission is to connect students to college success and opportunity. Founded in 1900, the association is composed of more than 5,200 schools, colleges, universities, and other educational organizations. Each year, the College Board serves seven million students and their parents, 23,000 high schools, and 3,500 colleges through major programs and services in college admissions, guidance, assessment, financial aid, enrollment, and teaching and learning. Among its best-known programs are the SAT<sup>®</sup>, the PSAT/NMSQT<sup>®</sup>, and the Advanced Placement Program<sup>®</sup> (AP<sup>®</sup>). The College Board is committed to the principles of excellence and equity, and that commitment is embodied in all of its programs, services, activities, and concerns.

**Art & Science Group** ([www.artsci.com](http://www.artsci.com)) is one of the nation's most influential consulting firms specializing in market-related issues facing higher education and the nonprofit sector. The firm's work synthesizes imagination and empirical rigor — art and science. Its research is considered the most rigorous and innovative in higher education today. The firm assists clients in every major arena of marketing and communications: market-informed strategic planning; enrollment management and student recruitment; development and alumni relations; tuition pricing and financial aid. The firm has extensive experience working with a large variety of public and private institutions of higher learning, ranging from comprehensive private and public research universities to small liberal arts colleges.

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