



2014 COLLEGE RESOLUTIONS STUDY

EXECUTIVE SUMMARY OF KEY FINDINGS

Introduction and Study Methodology

The Fidelity College Resolutions Study was designed to explore attitudes toward college financial New Year resolutions and savings behavior. This is the first year Fidelity has conducted this study.

This survey was conducted online among a sample of 511 adults 18 years of age and older. Interviewing was conducted from December 12-17, 2013 by Research Data Technology, an independent research firm not affiliated with Fidelity Investments. Survey respondents had household incomes of \$30,000 a year or more, had started saving for college, and were the financial decision makers in their household. They must have children 18 years or younger and plan to send them to college after high school. The results of the survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

Key Findings:

Families Make College Savings a Priority in 2014

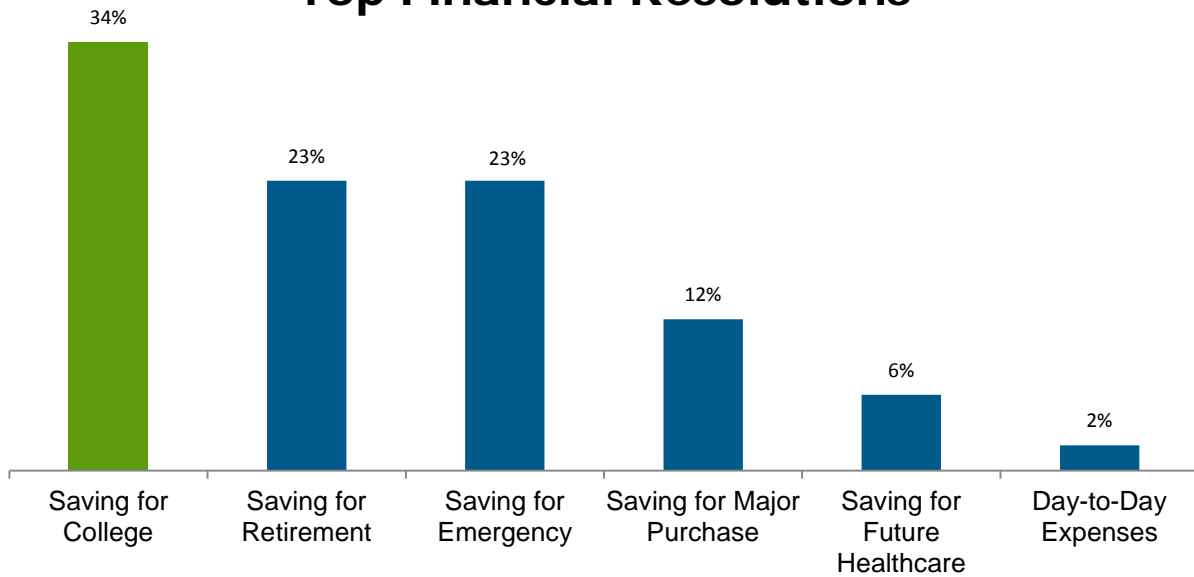
- Three-quarters (76 percent) of respondents who make New Year's resolutions report that saving for college is a resolution this year.
- Eighty-eight percent of families plan to save at least as much for college as they did last year, including more than half (60 percent) who intend to save even more.
- Fifty-eight percent of families saving for college have a specific financial plan in place to reach 2014 savings goals.
 - Families planning to save monthly plan to save an average of \$405 each month.
- Parents are looking to friends and relatives to help with college savings as well; currently 41 percent of grandparents contribute to their grandchildren's education.
- Parents are utilizing a number of strategies to stay on track, including talking to their children about the total cost of college and how they can contribute, researching scholarships and financial aid, and talking to experts.



Saving for College is a Top Priority for American Parents

- Seventy-one percent of families surveyed in December planned on making a New Year's resolution. Of these families, more than three-quarters (76%) said that saving for college was among them.
- Eighty-five percent of parents cite saving for college as one of their top three savings priorities.
 - Parents were asked to rank their top three savings priorities. Thirty-four percent said saving for college was their top priority, followed by 23 percent saving for retirement, and 23 percent saving for an emergency.

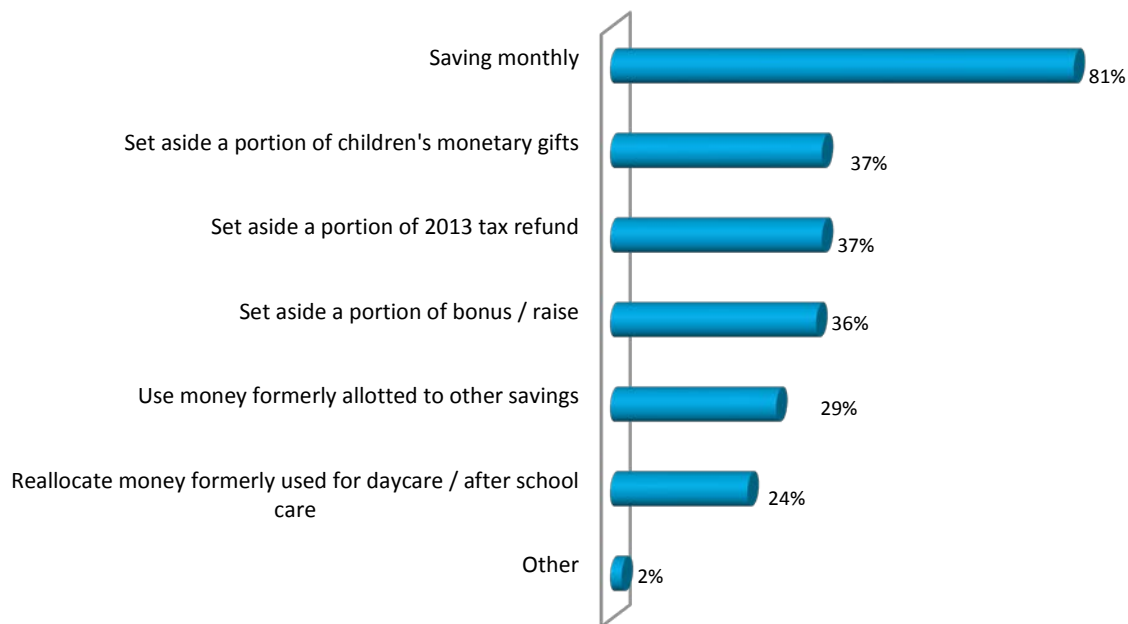
Top Financial Resolutions



Planning Ahead

- Eighty-eight percent of parents intend to save at least the same amount for college in 2014 than they did in 2013, including 60 percent who plan to save more.
- More than half (63 percent) of the respondents are setting a 2014 college savings goal. Fifty-eight percent report they have a plan in place to help reach this goal, and are incorporating a range of strategies.

College Savings Plan Strategies



- These strategies include: eighty-one percent of respondents are planning to save monthly, and 66 percent say they will save a specific fixed amount. Among these respondents, the average amount they expect to save is \$405 per month.
- Half (50 percent) of respondents own a 529 college savings plan and the majority (93 percent) report they will contribute at least as much as they did in 2013, including approximately half (53 percent) who plan to save more.



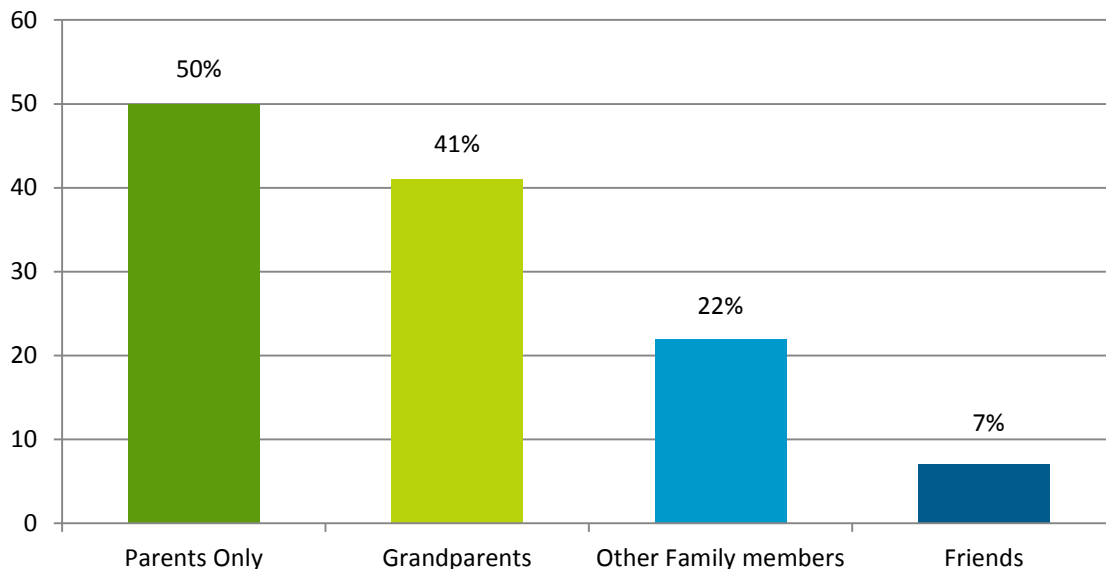
- Although many respondents are prioritizing college savings, many feel there are still barriers to saving more, including:
 - Paying down existing debt (25 percent)
 - Not enough income (21 percent)
 - Saving for retirement (13 percent)
 - Other savings needs (12 percent)
 - Day care, pre-school, private school costs (8 percent)
- In addition, 11 percent of parents say that they are already saving enough for college.
- For many families, college resolutions go beyond savings. Also on parents' college planning 'to-do list' for 2014:

College Planning Strategies	
Talk to their child about how much college costs and how their family will pay for it	58%
Research scholarships and grants that can help offset costs	53%
Learn more about how the financial aid process works	39%
Talk to your child about what taking out student loans means for them in the future	34%
Research different kinds of loans, in addition to what might be available through financial aid	33%
Talk to their child about working during college to help pay for expenses	33%
Talk to your child about choosing a school based on what their family can afford	32%
Talk to their child about contributing their own savings / earnings toward college	30%

Families Getting Help with College Savings

- As noted earlier, saving a portion of monetary gifts to their child is one way parents are planning to save for college this year. Fifty percent of parents currently receive contributions to their children's college savings fund from friends and family.
 - Grandparents in particular are playing a role in saving for college, with 41 percent contributing.
 - Over a third (36 percent) expect these monetary gifts will play a significant role in paying for their children's college education, and on average expect these gifts to cover nearly a quarter (24 percent) of college costs.

Contributors to Children's College Savings*



*Respondents were able to choose multiple answers

- Outside experts are another resource that some families will utilize, with 48 percent of respondents saying they will consider talking to a financial or planning expert for help this year.
 - Those seeking guidance will utilize a variety of sources, including financial professionals (60 percent), college planning professionals (49 percent), college counselors (34 percent), high school counselors (33 percent), or private college counselors (26 percent).



Additional Demographics of Sample

Of the 511 total respondents, the average household income is \$116,000. Respondents have an average of two children, 10.9 years of age, and attend the fifth grade.

The results of 2014 College Resolutions Study may not be representative of all parents meeting the same criteria as those surveyed for this study.

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**Fidelity Brokerage Services LLC, Member NYSE, SIPC
900 Salem Street, Smithfield, RI 02917**

**Fidelity Investments Institutional Services Company, Inc.,
500 Salem St., Smithfield, RI 02917**

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