New Research from Sallie Mae and Ipsos Shows Families Still Confident in Value of Higher Education and More Report Having a Plan to Pay for It

NEWARK, Del.--(BUSINESS WIRE)--Despite the challenges and uncertainty caused by COVID-19, 86% of high school juniors, seniors, and their families remain confident in the value of higher education, and 80% are still planning to attend, according to new research from Sallie Mae® and Ipsos.

Sallie Mae and Ipsos interviewed high school students and parents in January for its inaugural “Higher Ambitions: How America Plans for Post-secondary Education” report and went back into the field in April to see whether the effects of the COVID-19 global pandemic had changed high school juniors’ and seniors’ perceptions about planning for college.

In April, more students reported planning to attend post-secondary education (80% vs. 75%), more families reported having a plan to pay for higher education (67% vs. 61%), and more have savings set aside (56% vs 51%) for post-secondary education. In addition, seven in ten families are willing to stretch financially to pay for college, the same proportion as reported in January.

More families are concerned about the effect COVID-19 will have on their financial wellbeing than their personal wellbeing. Specifically, 49% are concerned about the stock market and college savings investments, 30% are concerned about needing to use college savings for other costs or the parent losing a job, and 25% are worried about becoming infected with the virus.

“High school families are worried and feel uncertain because of the COVID-19 pandemic, however, the situation is currently seen as temporary,” said Jennifer Berg, director, Ipsos. “Despite living in this turbulent time, these families are just as, if not more, committed to their plans for their high school student’s future.”

In April, the majority of families, 57%, believe the student will take some online courses in post-secondary education compared to 49% in January, and 81% believe that online education should cost less than an on-campus experience.

Just 61% students report completing the Free Application for Federal Student Aid (FAFSA) by April. The application, which is used to determine eligibility for more than $150 billion in scholarships, grants, and federal financial aid, is available to students and families on Oct. 1. Those waiting to complete it could be missing out on thousands of dollars in first-come, first served aid and may not even receive a financial aid offer letter from schools.

“Creating a plan to pay for higher education is a family decision, and often times, it’s the first, big lesson in money and adulting where students participate,” said Donna Vieira, executive vice president, Sallie Mae. “No doubt the COVID-19 pandemic has presented uncertainty, changes, and challenges for all types of family decisions, including their plans for higher education. Still, it’s incredibly encouraging to see how resilient families are, unwilling to let coronavirus’ disruption steer them off course and determined to make post-secondary education happen even if they have to do it differently than originally planned. Families are committed to taking steps to ensure what they do today will be a foundation for success tomorrow.”

The report also highlights that those families who have a plan to pay for post-secondary education are nearly three times as likely to be confident about meeting the cost of college.

“Higher Ambitions: How America Plans for Post-secondary Education” reports the results of interviews with 1,503 parents of high school students and 1,507 high school students between Jan. 8, 2020 and Jan. 17, 2020. In addition, an addendum of the research was conducted with 500 parents of high school juniors and seniors and 500 high school juniors and seniors between April 10, 2020 and April 22, 2020.

The complete report can be found at www.SallieMae.com/HowAmericaPlans.

Start a plan to pay for higher education at www.salliemae.com.
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Contact:
Ashley Boucher
302.451.0452
Ashley.Boucher@SallieMae.com

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