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More parents say kids should help pay for college, poll shows



JESSICA RINALDI/GLOBE STAFF/FILE

More high school graduates had better forget about Mom and Dad paying for all their college costs.

By Polly Mosendz | BLOOMBERG NEWS MAY 09, 2016

More high school graduates had better forget about Mom and Dad paying for all their college costs, now a six-figure proposition at even middling schools.

Discover Financial Services found that 48 percent of parents in its survey think their child should pay part or all of the cost, up from 39 percent four years ago.

Interestingly, the proportion of parents prepared to pay all tuition increased from 9 percent in 2015 to 11 percent this year, perhaps reflecting that the number of very wealthy families is increasing at the same time that half the country contemplates taking ever-larger student loans.

The survey, of 1,000 American adults with children ages 16 to 18, was conducted on behalf of Discover by Rasmussen Reports, a nonpartisan polling firm, from March 30 to April 3. Most of those polled said they could spring for at least a quarter of the tuition cost — a hefty amount, given that the average debt for a US undergraduate who completed studies in 2014 was \$28,950, up 2 percent from 2013.

The good news for the higher education industry is that 82 percent of parents surveyed think a college degree is important, and the good news for students is that 78 percent of parents said they would help pay.

Borrowing is the most common method used to pay for education, with 32 percent of parents saying they would ask the bank for help, while 27 percent plan to rely on family savings. Four percent said they'd dip into retirement funds; 3 percent said they would consider refinancing their home or taking on a second mortgage.



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Over half said their children would have to take out loans, especially if they pursued a degree that's less likely to lead to a job.

Despite an increasing reliance on student borrowing — and nightmare tales of unemployed graduates carrying \$100,000 or more in debt — a third of parents don't seem to know much about what their kids are getting into. The survey found that 8 percent of parents had no idea of the difference between federal and private loans. (The latter are generally much more expensive.. And 26 percent described themselves as simply “not very knowledgeable.”

The majority of those polled said they didn't complete the Free Application for Federal Student Aid (FAFSA). About \$2.7 billion in federal grant money was left on the table because parents didn't bother to fill out these forms, the consumer finance website NerdWallet says. Among those who did complete the application, 15 percent described it as "very difficult." Nonso Maduka, a student debt expert at NerdWallet, said the form is indeed complex, which may be "impeding them from filling it out."

Despite the hurdles, the survey found that Mom and Dad have high hopes for Junior's success: Though 43 percent said they're very worried about having enough money to pay, they have yet to scratch the priciest schools off their lists.

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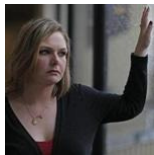
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