

**Report VI for Lumina
On Access, Tuition Discounting and Pricing
Comparison of Student Responses in the Fall and Spring**

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Overview

This is one in a series studies using the data base of high school seniors and their parents during the senior year in high school. The data was collected in the fall and spring of the 2006-2007 academic year. (See Report I May, 2008 for an analysis of the data base) In the spring, we went back to the students and parents who responded to the survey in the fall as our first priority. We were able to get responses from 27% of the students who responded in the fall to the spring survey. This report looks at the responses of all students in the fall and spring as they are quite similar to the responses that we got from the 200 students who responded in both the fall and spring.

This report compares the responses of all the students on the questions that were the same. The report explores how perceptions, expectations, and college choices of high school seniors change between the fall and spring of their senior year. It also explores how they *planned* to finance college when we surveyed them in the fall, and how they now are actually going to do it.

Where are students thinking about going to college?

We asked a series of questions in the fall about how many schools students planned to apply to, the type of school they thought they would attend and where they would live while at school. We then repeated these questions in the spring to see how much had stayed the same and how much had changed.

How many schools are you applying to?	Fall	Spring
1	7%	22%
2	10%	15%
3	25%	19%
4 or more	58%	44%

In the fall when students were asked how many schools they planned to apply to, only 7% said that they were only going to apply to one school whereas 22% of the students actually applied to only one school. In the fall, 58% of the students planned to apply to four or more schools and only 44% actually applied to these large numbers of schools. The modal number of school applications remained in both the fall and spring.

The number of applications that students make differ by race/ethnicity.

Fall Spring

Asian/Pacific Islander	4.4	5.0
African American	5.1	4.4
Caucasian	4.4	3.3
Hispanic	5.0	4.2
All others	4.1	4.1
Total	4.4	3.7

The average number of applications in that students expect to make was 4.4 in the fall; they actually only filed 3.7 applications. All groups except Asian/Pacific Islanders planned to apply to more colleges in the fall than they actually did. Asian/Pacific Islanders planned to apply to 4.4 colleges in the fall and actually applied to an average of 5 colleges. Caucasian students planned to apply to the fewest number of colleges, 4.4, and actually applied to the fewest colleges, 3.3 among the various demographic groups.

What type of Institution do you expect to attend?

Type of Institution	Fall	Spring
2 Year	15%	23%
4 Year	79%	77%
Not sure	7%	
Public	71%	73%
Private	17%	27%
Not sure	12%	

Students were asked in the fall if they expected to go to a two- or four-year college, and to a public or private college. In the fall, only 15% of the students expected to attend a two- year college while 23% of the students in the spring now expect to attend a two-year college. It appears that most of the students who were unsure as to whether they would attend a two year or a four year college actually will attend a two year college.. In the fall, 71% of the students responded that they expected they would attend a public institution and 73% of these students actually will attend a public institution. In the fall, 17% expected to attend a private institution and 12% were unsure. In the spring, 27% now expect to attend a private institution.

Among the same students who responded to our survey in both the fall and spring, only 31% of the students are attending the college they named as their first choice in the fall, yet 85% said they were accepted at their first-choice school. Among all of the respondents to the spring survey, 81% of the students are attending their first choice school. This data indicates that significant numbers of students change their mind as to their first-choice school during their senior year. This has been the argument of many guidance counselors against encouraging students to apply early decision to college.

Are you planning on living
at home while attending
college?

	Fall	Spring
Yes	25%	33%
No	60%	65%
Not sure	15%	2%

We see in the fall that 25% of the students planned to live at home while attending college, 60% planned not to live at home and 15% were unsure where they will live. In the spring, the 65% of students reported they will live away from home, 33% of the students will live at home and only 2% are still unsure. The decision to live at home varies significantly by race/ethnicity.

Living at Home	Fall	Spring
Asian/Pacific Islander	16%	31%
African American	17%	32%
Caucasian	26%	30%
Hispanic	33%	48%
All others	28%	37%
Total	25%	33%

We see that for all groups except Caucasians, significantly more students plan to live at home when asked this question in the spring than had expected to when questioned in the fall. Hispanic students are much more likely to live at home than any other group with 48% of them planning to live at home compared with an overall average of 33%.

College Characteristics which Influence College Decision

Influence on Attending College	Fall	Spring
8/10.1. Academic reputation of the college	3.34	3.33
8/10.2. Size of the college	2.47	2.68
8/10.3. Distance from home	2.65	2.77
8/10.4. Total cost to attend before financial aid or scholarships	3.18	3.1
8/10.5. Amount of scholarships offered	3.24	2.82
8/10.6. Total out-of-pocket costs per year	3.18	3.02
8/10.7. I felt like I fit in at the college	3.06	3.01
8/10.8. Availability of athletic programs	2.25	2.14
8/10.9. Rankings of the college, such as the US News rankings	2.44	2.47
8/10.10. Having friends who attend the college	2.24	2.17

Weighting done on a 1-4 scale of importance with 1 = no influence and 4 = great deal of influence

The importance of the factors that influence students to decide on which college to attend remains relatively consistent between the fall and spring with the exception of the total out-of-pocket cost of the college and the amount of scholarship offered. Cost and financial aid were more important to students in the fall than in the spring. The amount of scholarship aid offered was more important to students than the total out-of-pocket cost or total cost to attend before financial aid in the fall; whereas, in the spring, the amount of scholarship aid was less important than the cost of the college. This may be a very

important finding in terms of college strategy vis-à-vis the high cost/high aid strategy that many follow. The offer of financial aid may be important to persuade students to apply, but in the end the net cost of the college becomes more important.

College Cost, Choice and Quality

We asked a series of questions about college cost and its relationship to college quality.

9/12.1. Generally speaking, if a college that costs \$30,000 a year offered me a \$10,000 scholarship, I would prefer this college over a college that costs \$20,000 that offers me no scholarships

	Fall	Spring
Disagree	12%	17%
Neither agree nor disagree	34%	36%
Agree	53%	47%

When students were asked explicitly if they would prefer a college that cost \$30,000 and gave them a \$10,000 versus a college that cost \$20,000 and did not offer them a scholarship, 53% of the students in the fall chose the higher-priced college with the scholarship (47% of students in the spring study selected this option). Only 12% of the students in the fall and 17% of the students in the spring would prefer the lower-priced college without the scholarship.

9.1. Generally speaking, if a college that costs \$30,000 a year offered me a \$10,000 scholarship, I would prefer this college over a college that costs \$20,000 that offers me no scholarships

Fall	Disagree	Neither Agree nor Disagree	Agree	Spring	Disagree	Neither Agree nor Disagree	Agree
Asian/Pacific Islander	10%	41%	49%		17%	47%	36%
African American	25%	30%	44%		28%	29%	44%
Caucasian	10%	35%	55%		15%	37%	49%
Hispanic	14%	31%	54%		23%	33%	44%
All other races	10%	31%	59%		14%	36%	50%
Total	12%	34%	53%		17%	36%	47%

When we look at this question by race/ethnicity, we see that in the fall African American students are significantly less impressed with the scholarship than Hispanic and Caucasian students. In the spring, Caucasian students remain the most impressed with the scholarship among all of the groups.

Fall Spring

9/12.2 The old saying "you get what you pay for" is generally true

3.49	3.35
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9/12.3. The price of a college is a good indicator of its quality

2.84	2.53
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9/12.4. You will always have to pay a bit more for the best 3.37 3.03

Weighting done on a 1- 5 scale of importance with 1 = strongly disagree and 5 = strongly agree

We then asked three questions looking at the relationship of the cost of a college and its quality. Students remained fairly consistent in their responses between fall and spring of their senior year although the relationship between price and quality weakened in the spring. The results of these questions are somewhat inconsistent; students believe more strongly that generally you get what you pay for and that you will have to pay a bit more for the best than that price is a good indicator of quality.

Price of Tuition, Room and Board	Fall	Spring
Less than \$10,000	11%	26%
\$10,000 - \$20,000	13%	28%
\$20,000 - \$30,000	16%	14%
More than \$30,000	30%	12%
Don't Know/Not Important	30%	20%

In the fall, students were asked how much tuition, room and board could be before it was too expensive and then in the spring they were asked the cost of the college they would be attending. We see that in the fall, students were willing to spend more on college than they are actually spending. Almost a third of the students responded in the fall that they would consider colleges that cost more than \$30,000 and we see that only 12% of them will be attending these expensive colleges and universities. More than half of the students will be going to schools that will cost less than \$20,000. What may be the most surprising result is that 20% of the students in the spring do not know how much their college will cost.

11. How much can tuition, room and board be before it becomes too expensive for your family to afford?

Fall Data	Less than \$10,000	\$10,000 - \$19,999	\$20,000 - 29,999	More than \$30,001	Price isn't important; concerned with aid	Don't know
Asian/Pacific Islander	9%	13%	17%	30%	30%	19%
African American	14%	12%	16%	28%	28%	12%
Caucasian	10%	12%	17%	29%	32%	14%
Hispanic	14%	15%	17%	28%	35%	14%
All others	10%	10%	14%	45%	20%	3%
Total	11%	13%	16%	30%	17%	13%

When we look at the fall data by race/ethnicity, we do not see significant differences in the price that a college can be before it is too expensive to afford.

15. Tuition amount at the college you are going to attend

	Less than \$10,000	\$10,000 - \$19,999	\$20,000 - 29,999	\$30,000 or more	Don't know
Spring Data	25%	24%	19%	23%	9%
Asian/Pacific Islander	25%	24%	19%	23%	9%
African American	22%	27%	15%	10%	27%
Caucasian	25%	29%	13%	12%	20%
Hispanic	27%	26%	17%	6%	23%
All other races	31%	34%	10%	14%	10%
Total	26%	28%	14%	12%	20%

We see that in the spring, only 6% of the Hispanic students will attend a college that costs more than \$30,000 compared with 23% of the Asian/Pacific Islanders and 12% of the Caucasian students. Only 9% of the Asian/Pacific Islander students do not know how much their college will cost compared with 27% of the African American students, 23% of the Hispanic students and 20% of the Caucasian students.

The Financial Aid Process

12/16. How well do you understand the overall financial aid application process?

	Fall	Spring
I did not understand it	37%	15%
I had a general understanding	51%	35%
I understood it well	11%	43%
Did not apply for any financial aid		7%

We see that in the fall, 37% of the students did not understand the financial aid process. By the spring, this portion of surveyed students had fallen to 15%. It is still a problem that 15% of the students who were applying for financial aid did not understand the process in the spring. However, it is good to see that the percent of students who understood the process well increased from 11% in the fall to 43% in the spring.

14/ 22 Where did you go to get information about financing your college education

	Fall	Spring
College	9%	21%
HS	44%	33%
internet	25%	19%
Other/Don't Know	22%	27%

When students were asked in the fall and spring where they went to get information about funding their college education, high school teachers and guidance counselors topped the list in both surveys as the first response the students gave. In the fall, 44% of the students went to their HS for information and in the spring this fell to 33% with a significant

increase in those who got their information from college financial aid or admission offices. The internet was the source of information for 25% of the students in the fall and 19% in the spring. The website fastweb.com was specifically mentioned by a good number of these students as the source of their financing information. In response to another question, 48% of students in the spring stated that the recommendation of their high school guidance counselor influenced their college choice.

Paying for College

We asked a series of questions in both the fall and spring about how students were planning on financing their college education.

18. Approximately what percent of your total undergraduate college tuition, room and board will you and your family be paying out of pocket?

	Fall	Spring
Less than one-quarter	18%	26%
One-quarter	20%	18%
One-half	28%	15%
Three-quarters	10%	10%
All of it	5%	18%
Not sure	18%	13%

Perhaps the most surprising response to the question about what percent of the total undergraduate tuition, room and board costs the student and his family would be paying out of pocket is that 18% of the students did not know in the fall of their senior year and 13% of them still did not know late in the spring before they were going to start college within just a few months. The percent of students who planned to pay all of their college costs went up significantly between fall (5%) and spring (18%).

18/27. How much are you and your family borrowing for your first year of college?

	Fall	Spring
Not borrowing	17%	41%
Willing to borrow	70%	35%
Don't know	13%	24%

One of the most significant changes that occurred among this group of students is the propensity to borrow. In the fall, only 17% of the students said they would not be borrowing, but in the spring this had increased to 41%. This may be attributable to a larger percent of students choosing less-expensive schools than they thought they would attend in the fall, combined with an increase in the percent of students who were paying the full cost of college out-of-pocket in the spring. It also may be that students were awarded more financial aid than they thought they would receive when asked in the fall. It also is surprising that in June of their senior year, 24% of the students still did not know if they would be borrowing any money to help pay for college.

19/28. Who will be primarily responsible for paying back these loans?

	Fall Number	Spring Number	Fall Percent	Spring Percent
Me	270	225	40%	54%
My parents	66	62	10%	15%
Jointly paying off the loans	322	118	48%	28%
Not sure	18	15	3%	4%
Total	676	420		

We have a much smaller group responding to the question on loan repayment in the spring than in the fall because of the increased number of students who no longer plan to borrow money. In the fall, 40% of the students expect that they alone will be responsible for repaying their student loans; this increases to 54% in the spring. In the fall, 10% of the students expect that their parents will be responsible for repaying their loans and this increases to 15% in the spring. The major change occurs among those who expect that the responsibility for repaying the loans was a joint one with their parents. This change is in large part attributable to the increase in the number of students who expect to pay for the total cost of college out of pocket.