

NEWS RELEASE

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One-Third of College Freshmen Have Less than \$1,000 in College Savings; Neither High School nor College Students are Prepared to Manage the Cost of College

New Study from Junior Achievement and Citizens Bank Shows College Freshmen are Not Much More Prepared to Pay for College than their High School Peers

Denver, CO – (May 8, 2018) – According to a new survey conducted on behalf of Junior Achievement USA and Rhode Island-based Citizens Bank, a troubling majority of high school juniors (52%), high school seniors (39%) and college freshman (34%) say they are unprepared for managing and paying for the cost of college.

The research also reveals why college-bound and college-age teenagers likely feel ill-prepared. The number of teens with less than \$1,000 in their college savings accounts is staggering – 39% of juniors, 30% of seniors, and 29% of college freshmen. Well over half of each class agrees they have not done enough research on how to pay for college. And, a large majority of each class has either never spoken to their parents or only spoken to their parents once about paying for and managing the cost of college.

Q. How prepared do you feel for paying for and managing the cost of college?	HS Juniors	HS Seniors	College Freshmen
Very Prepared	11%	14%	19%
Somewhat Prepared	37%	46%	46%
Not Very Prepared	35%	27%	26%
Not at all Prepared	17%	13%	8%

“It’s no wonder that kids feel vulnerable,” Robin Wise, president and CEO of Junior Achievement-Rocky Mountain. “As a community, we are not doing enough to educate young people to make smart, sound decisions so they are confident and secure in the choices they make that impact their lives so dramatically.”

Other troublesome data from the survey reveals teens have a lack of awareness of the actual cost of a college education. When juniors and seniors in high school and college freshmen were asked their thoughts on the costs of a variety of college options, the majority responded with “I don’t know.” Most teens also admit to not doing enough research on how to pay for college, with some expecting to borrow more than \$18,000 to pay for their first year of college.

“It’s clear that more needs to be done to help equip students with the tools necessary to minimize student debt and help students make more informed decisions on what loan is best for them,” said Brendan Coughlin, president of consumer deposits and lending at Citizens Bank. “We’re helping our young people understand how to make smart financial decisions so they can pursue their studies and begin their careers after college on sound financial footing.”

More Data	HS Juniors	HS Seniors	College Freshmen
Teens whose parents have either only spoken to them once or never at all about paying for and managing the cost of college	48%	32%	31%
Teens who agree that they haven’t done enough research about how to pay for college	75%	62%	64%
Teens who have \$1,000 or less in college savings	39%	30%	29%
Average amount of money teens expect to borrow in student loans for their first year of college	\$18,554	\$16,991	\$9,548
Teens who agree a college degree is worth the cost	79%	81%	83%

There is some light at the end of this confusing tunnel. The majority of teens agree that a college degree is worth the cost and have applied or will apply to college.

“Kids today are intelligent. They know that a college degree is a good pathway to future success, yet simply need more help understanding the implications of their decision making. It absolutely takes a village to help ensure teens can accomplish what they hope to in life,” said Wise.

In fact, the survey showed that besides their parents, many teens get financial information about paying for college from at least eight other sources: teachers or guidance counselors; college websites or brochures; family members; friends; college fairs; social media; financial websites or blogs; and banks and other financial institutions.

And, for those students who plan to go to college (87% of juniors and 90% of seniors), most expect a combination of options to pay for their education. Among the sources cited are scholarships and grants, money earned while in school or during the summer, savings, and student loans (either federal or private).

The more people understand about budgeting, savings and borrowing, the more likely they are to improve their financial well-being. Through its *Citizens Helping Citizens Manage Money* program, Citizens Bank creates partnerships with nonprofit organizations, like Junior Achievement, to give individuals and families financial knowledge and give them confidence in their ability to successfully manage their money. The programs funded through Citizens Bank’s initiative will enable more than 350,000 people in 2018 to improve their financial acumen.

For more details on the 2018 JA College Preparedness Survey, read the summary [here](#).

Methodological Notes:

The Junior Achievement / Citizens Bank | Citizens One College Savings Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 500 U.S. high school juniors, 500 U.S. high school seniors and 500



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U.S. college freshmen, between March 22 and March 30, 2018, using an email invitation and an online survey. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.4 percentage points for each audience, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the samples.

About Junior Achievement- Rocky Mountain

Junior Achievement-Rocky Mountain is part of the world's largest organization dedicated to inspiring and preparing young people to succeed in a global economy. Through a dedicated volunteer network, Junior Achievement provides K-12 programs for students, which focus on three key content areas: work readiness, entrepreneurship and financial literacy. This year, Junior Achievement-Rocky Mountain will provide programs to 120,000 students in schools throughout Metro Denver, Northern Colorado and Southern Wyoming. These programs are always free to schools thanks to 6,000 volunteers and the generous support of donors. For more information, visit www.JAColorado.org.

About Citizens Financial Group, Inc.

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