

**Report V for Lumina
On Access, Tuition Discounting and Pricing
Parent Spring Results by Race/Ethnicity**

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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) This report presents a summary of the results of the 762 completed parent surveys from the spring of 2007. The results in this report are shown by the race/ethnicity of the students

This report explores the college choices of high school seniors who are going to college the following fall. The report looks at the impact of various characteristics of the colleges including type of college, location, cost and aid package on the parent's perceptions about their child's decision to enroll at the college. This project has produced many very interesting results concerning the importance of pricing and discounting variables relative to access to higher education for these students.

Where do students go to college?

	Two year	Four year
Asian/Pacific Islander	13%	87%
African American	17%	83%
Caucasian	23%	77%
Hispanic	33%	67%
All other races	22%	78%
Total	22%	78%

According to the parents surveyed in the spring, 22% of their children plan to attend two year colleges and 78% are going to four year institutions. Viewed by race/ethnicity, the break-out varies considerably with 33% of the Hispanic students planning to attend two year institutions and only 13 % of the Asian/Pacific Islanders who will attend two year institutions.

Sixty-eight percent of the students are going to public colleges, 29% to private not-for-profit colleges and 3% to for-profit colleges.

Control of
institution

	Public	Private not-for-profit	Private for-profit
Asian/Pacific Islander	64%	30%	7%
African American	68%	30%	2%
Caucasian	68%	30%	2%
Hispanic	70%	27%	3%
All other races	78%	22%	0%
Total	68%	29%	3%

Among those going to four year colleges and universities, we have divided them into three categories: inclusive, selective and most selective.

	4 Yr Inclusive	4 Yr Selective	4 Yr More Selective	Total 4 Year
Asian/Pacific Islander	6%	32%	62%	100%
African American	29%	42%	29%	100%
Caucasian	12%	54%	34%	100%
Hispanic	13%	44%	42%	100%
All other races	26%	42%	32%	100%
Total	15%	49%	36%	100%

Fifteen percent of those going to four year colleges are going to inclusive schools, 49% to selective schools and 36% to more selective schools. Sixty-two percent of the Asian/Pacific Islanders choose more selective four year colleges and universities compared with less than 29% of the African Americans, 34% of the Caucasians and 42% of the Hispanic students. Twenty-nine percent of the African American students who choose a four year college, choose an inclusive one.

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

	\$5,000 or less	\$5,001 to \$10,000	\$10,001 to \$15,000	\$15,001 to \$20,000	\$20,001 to \$30,000	More than \$30,001	Don't know
Asian/Pacific Islander	8%	16%	10%	12%	14%	24%	14%
African American	13%	13%	12%	19%	12%	13%	20%
Caucasian	16%	12%	17%	10%	14%	17%	14%
Hispanic	20%	8%	13%	5%	13%	18%	25%
All other races	19%	3%	6%	6%	9%	9%	47%
Total	15%	11%	15%	11%	14%	16%	18%

In terms of tuition for college, 18% of the parents do not know what the tuition is at the school their child will attend in the fall. Fifteen percent will attend colleges with tuition of \$5,000 or less while 16% of the students will attend colleges with tuitions of more than \$30,000. Twenty-four percent of the Asian/Pacific Islander students will go to the very expensive colleges compared with only 13% of the African American students.

3. Approximately how far is the college from your house?

	< 50 miles	50 to 199 miles	200 to 499 miles	500 miles+
Asian or Pacific Islander	42%	34%	10%	14%
African American	42%	29%	18%	11%
Caucasian	40%	35%	16%	10%
Hispanic	56%	18%	13%	14%
All others	65%	23%	10%	3%
Total	43%	32%	15%	10%

Almost half of all recent high school graduates are attending college within 50 miles of their home and 75% will attend college within 200 miles of their home. Only 25% of all new freshmen go to college more than 200 miles from home. The most significant difference in terms of preference for college close to home can be seen among Hispanics where 56% of Hispanic students will attend college within 50 miles of their house.

If we just look at those students who are attending four-year colleges and universities, we see that 34% of them are planning to attend school within 50 miles of home while 81% of those who are planning on attending two year colleges will attend within 50 miles of home. Only 30% of the students attending four-year colleges are going more than 200 miles from home. The differences are further magnified when we look at the selectivity of the colleges.

3. Approximately how far is the college from your house?

	Less than 50 miles	50 to 200 miles	200 to 500 miles	500 miles or more
Two -year	81%	10%	4%	4%
Four Year inclusive	47%	27%	20%	7%
Four Year Selective	35%	41%	17%	7%
Four Year More Selective	23%	42%	17%	18%

We see that as college selectivity increases, the percent of students attending college farther from home increases. Even at the more selective colleges, only 18% of the students will attend schools that are more than 500 miles from home.

4. Where is your child planning to live while attending college?

	At Home	On-campus residence hall	Off-campus apartment/condo/house	Not sure
Asian or Pacific	33%	53%	12%	2%

Islander				
African American	24%	68%	6%	2%
Caucasian	28%	62%	10%	1%
Hispanic	44%	42%	11%	2%
All others	32%	52%	13%	3%
Total	30%	59%	10%	1%

Overall, 30% of new freshman plan to live at home while 44% of Hispanic students plan to live at home. This clearly relates in part to the significantly larger percent of Hispanic students who attend college close to home. Among students who do not live at home, on-campus residence halls are the choice of most of these students. Among students attending four-year institutions, 17% plan to live at home while 76% expect to live in a campus residence hall.

	On-Campus
Two -year	14%
Four Year inclusive	57%
Four Year Selective	77%
Four Year More Selective	82%

We see that the percent living on-campus increases with campus selectivity with 57% of students who are attending four-year inclusive colleges living on-campus, 77% of those attending selective four-year institutions and 82% of those attending more selective four-year institutions living on campus.

5. Approximately how many colleges did your child apply to?

	1	2	3	4	5 or more	Average
Asian/Pacific Islander	16%	12%	16%	26%	30%	3.92
African American	11%	8%	22%	20%	39%	5.22
Caucasian	24%	16%	19%	15%	26%	3.33
Hispanic	22%	20%	16%	14%	28%	3.51
All other races	32%	7%	4%	21%	36%	3.79
Total	22%	15%	18%	17%	28%	3.64

The number of colleges to which students apply varies significantly by race/ethnicity. Overall, students applied to 3.64 colleges. Caucasians apply on average to 3.33 colleges compared with African American students who applied to more than 5 colleges on average per student.

6. How many colleges accepted your child?

	1	2	3	4	5 or more	Average
Asian/Pacific Islander	21%	23%	21%	19%	17%	4.17
African American	18%	21%	28%	13%	20%	3.96
Caucasian	29%	20%	16%	14%	21%	2.91
Hispanic	27%	19%	22%	13%	20%	2.90
All other races	30%	20%	13%	10%	27%	3.00

Total	27%	20%	18%	14%	21%	3.13
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On average, students apply to 3.64 colleges and are accepted at 3.13 colleges. Twenty-one percent of the students were accepted to five or more colleges

	Average # of Applications	Average # of Acceptances	Acceptances/Applications
Asian/Pacific Islander	3.92	4.17	106%
African American	5.22	3.96	76%
Caucasian	3.33	2.91	87%
Hispanic	3.51	2.90	83%
All other races	3.79	3.00	79%
Total	3.64	3.13	86%

Overall, students are accepted by 86% of the colleges to which they applied. This should reduce some of the angst which students and their parents feel. There are differences by race/ethnicity on acceptances. Caucasians are accepted at 87% of the colleges to which they apply compared with only 76% African Americans and 83% for Hispanic students.

6a. How many colleges placed your child on their wait-list?

	0	1	2 or more
Asian or Pacific Islander	76%	16%	8%
African American	76%	18%	6%
Caucasian	82%	15%	3%
Hispanic	78%	18%	4%
All others	57%	23%	20%
Total	79%	16%	5%

There is always lots of discussion about wait-lists. Fewer than 21% of students are placed on a wait-list and only 5% of students are put on more than one wait-list. Caucasian students are less likely to be placed on wait-lists as compared with students of color and Hispanic students.

7. Was he/she accepted to his/her first choice?

	Yes	Yes from wait-list	No
Asian or Pacific Islander	76%	4%	20%
African American	80%	1%	19%
Caucasian	91%	1%	8%
Hispanic	78%	0%	23%
All others	78%	0%	22%
Total	87%	1%	12%

Eighty-seven percent of students are accepted at their first choice college. Asian/Pacific Islanders have the lowest acceptance rate at their first choice college; this is probably

attributable to the fact that a larger percent of Asian/Pacific Islanders apply to more selective schools than other groups. Only 1% of students were accepted off of wait lists at their first choice school.

8a1. Applied to Private Colleges

	Yes	No
Asian or Pacific Islander	51%	49%
African American	45%	55%
Caucasian	48%	52%
Hispanic	41%	59%
All others	41%	59%
Total	47%	53%

More than 50% of students do not apply to private colleges. Only 41% of Hispanics apply to private colleges compared with 51% of Asian/Pacific Islanders.

8a2. Applied to Public Colleges

	Yes	No
Asian or Pacific Islander	90%	10%
African American	95%	5%
Caucasian	86%	14%
Hispanic	85%	15%
All others	88%	13%
Total	87%	13%

Only 13% of students overall did not apply to public colleges. Almost all African Americans applied to public colleges.

8b.1. Applied to Two-Year Colleges

	Yes	No
Asian/Pacific Islander	35%	65%
African American	28%	72%
Caucasian	30%	70%
Hispanic	40%	60%
Other	31%	69%
Total	31%	69%

Less than a third of students apply to two-year colleges. Only 28% of African American students apply to two-year colleges compared with 30% of Caucasians and 40% of Hispanics.

8b.2. Applied to Four-Year Colleges

	Yes	No
Asian/Pacific Islander	92%	8%
African American	93%	7%
Caucasian	84%	16%
Hispanic	85%	15%
Other	78%	22%
Total	85%	15%

Overall, 85% of students apply to four year colleges and universities. More than 90% of the Asian/Pacific Islanders and African American students in this study applied to four-year colleges compared with 84% of the Caucasians. More African Americans and Hispanics apply to four-year colleges than Caucasians.

Did You Apply to:	Reach Schools	Likely Schools	Safety Schools
Asian/Pacific Islander	41%	84%	51%
African American	36%	81%	58%
Caucasian	32%	81%	36%
Hispanic	43%	80%	45%
Other	31%	69%	34%
Total	34%	81%	41%

Students were asked if they applied to reach schools, schools that were a long-shot to get into, likely schools, schools they expected to be able to get into, and safety schools, schools that should easily accept them. Only 34% of students apply to reach schools compared with 81% who apply to likely schools and 41% who apply to safety schools. Caucasians (36%) and African Americans (36%) apply in fewer numbers to reach schools than Hispanics (43%) and Asian/Pacific Islanders (41%). The low percent of Caucasians who apply to reach schools may in part account for the high acceptance rate (87%) they have for the schools to which they have applied and the high probability of being accepted to their first choice school (92%). The difference in percent of African Americans who apply to reach schools, 36%, and Hispanics, 43%, complicates understanding the similarity in acceptance rates and admission to their first choice college.

9. Did you apply to schools that were X miles from your home?

	<50 miles	50 - 199	200-499	> 500
Asian/Pacific Islander	58%	63%	43%	43%
African American	61%	71%	47%	34%
Caucasian	55%	61%	41%	24%
Hispanic	69%	56%	41%	33%
Other	72%	53%	59%	34%
Total	59%	61%	43%	28%

In the application process, more than 61% of students apply to colleges that between 50 and 199 miles from their home while 59% applied to colleges that were less than 50 miles from home. Only 43% of students apply to schools that are between 200 and 499 miles from home and only 28% apply to schools that are more than 500 miles from home. Although 71% of the students applied to colleges that are more than 200 miles from home, only 25% went to colleges that were that far from home. As there is a high acceptance rate for colleges, it is likely that many of these students were accepted at distant colleges but chose not to attend them.

Factors of Importance In Choosing a College

We asked many questions to determine what factors were most important in the college choice decision. The characteristic that was most important to all groups was the academic reputation of the college. This had an average weighting of 3.31 on a 4.0 scale. Only 16% of the respondents said that it had little or no influence on their decision. It was more important to Asian/Pacific Islanders and African Americans than to other groups.

Important College Characteristics by Race/Ethnicity	Asian/Pacific Islander	African American	Caucasian	Hispanic	All other races	Total
10.1. Academic reputation of the college	3.42	3.35	3.32	3.28	2.84	3.31
10.2. Size of the college	3.14	2.81	2.79	2.73	2.52	2.80
10.3. Distance from home	2.83	2.89	2.67	3.08	2.50	2.74
10.4 Total cost to attend before financial aid or scholarships	2.88	2.95	2.65	2.90	2.58	2.72
10.5. Amount of scholarships offered	2.90	2.61	2.57	2.69	2.23	2.60
10.6. Total out-of-pocket costs per year	2.92	2.82	2.79	2.90	2.67	2.81
10.7. My child felt like he/she fit in at the college	3.10	3.13	3.27	3.06	3.03	3.21
10.8. Availability of athletic programs	2.08	2.34	1.95	2.26	2.45	2.06
10.9 Rankings of the College, such as U.S. News and World Report	2.81	2.69	2.42	2.64	2.58	2.51
10.10. Having friends who attend the college	2.49	2.44	2.10	2.53	2.47	2.23
10.11 Recommendations or advice of a guidance counselor	2.83	2.58	2.12	2.58	2.52	2.29
10.12 Availability of International Experiences	2.53	2.35	1.96	2.43	2.06	2.10
10.13. Emphasis on community service	2.43	2.51	2.10	2.53	2.13	2.22
10.14. Presence of a religious affiliation at the college	2.04	2.18	1.80	2.28	2.10	1.92

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

Parents were asked about a variety of factors that influenced the college choice of their child. We have looked at these factors by race/ethnicity and by selectivity of college

attended. On top of the list for all students was the academic reputation of the college. On a four point scale, this had a score of 3.31 and was most important to Asian/Pacific Islanders (3.42 followed by African American students (3.35). The only other variable with a rank above 3.0 was “I felt like my child fit in.”

There are a few factors where there are significant differences based on race/ethnicity. The size of the institution is much more important to Asian/Pacific Islanders than it is to the parents of other students and distance from home is much more important to Hispanics than to the other students. The recommendation of a guidance counselor is much less important to the parents of Caucasian students than to all of the other parents.

Important College Characteristics by College Selectivity

	Two Year	Four Year Inclusive	Four Year Selective	Four Year More Selective	Total
10.1. Academic reputation of the college	3.02	3.27	3.32	3.62	3.33
10.2. Size of the college	2.52	2.92	2.79	3.01	2.80
10.3. Distance from home	3.00	2.96	2.57	2.65	2.74
10.4 Total cost to attend before financial aid or scholarships	2.97	2.89	2.56	2.64	2.71
10.5. Amount of scholarships offered	2.33	2.66	2.64	2.67	2.58
10.6. Total out-of-pocket costs per year	2.96	2.92	2.74	2.72	2.81
10.7. I felt like I fit in at the college	3.01	3.25	3.29	3.30	3.22
10.8. Availability of athletic programs	2.05	2.08	2.09	2.15	2.10
10.9 Rankings of the College, such as U.S. News and World Report	2.19	2.56	2.43	2.87	2.51
10.10. Having friends who attend the college	2.47	2.49	2.16	2.09	2.25
10.11 Recommendations or advice of a guidance counselor	2.55	2.38	2.16	2.18	2.28
10.12 Availability of International Experiences	1.90	1.85	2.02	2.44	2.09
10.13. Emphasis on community service	2.12	2.40	2.18	2.32	2.23
10.14. Presence of a religious affiliation at the college	1.67	2.15	2.04	1.93	1.94

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

The importance of academic reputation increases with the selectivity of the college; it scores 3.02 for parents of students attending a two year college compared with 3.62 for parents of students attending a more selective college. Distance from home declines in importance as college selectivity increases. Cost is more important for parents of students attending two year colleges than those attending four year schools. .

Feeling like a student fits into college becomes more important for parents of students attending the selective and more selective four-year institutions. College rankings

increase in importance as selectivity increases; this goes from 2.19 for parents of students planning to attend two-year institutions to 2.87 for parents of students planning to attend more selective four-year institutions. Guidance counselor advice and having friends attend are more important to parents of students at two year and four year inclusive institutions than at other types of institutions.

11. Has any member of your family attended the college your child has chosen to attend?

	Parent	Sibling	Other relative	No
Asian/Pacific Islander	10%	16%	12%	62%
African American	10%	9%	15%	66%
Caucasian	19%	7%	10%	64%
Hispanic	14%	13%	5%	69%
All other races	22%	3%	9%	66%
Total	17%	8%	10%	65%

Overall, 65% of students attend college where they have not had a relative attend. About 8% of students attend college where a sibling attended and 17% attend where their parents went.

College Costs

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

	Disagree	Neither Agree nor Disagree	Agree	Average (5 point scale)
Asian/Pacific Islander	24%	27%	49%	3.41
African American	29%	32%	39%	3.14
Caucasian	29%	43%	29%	2.94
Hispanic	28%	35%	38%	3.10
All other races	28%	44%	28%	3.03
Total	28%	40%	32%	3.02

I asked four very direct questions about college cost and got answers that are quite inconsistent. When asked if they prefer a college that costs \$30,000 and gives a \$10,000 scholarship versus a college that costs \$20,000, the net cost of the two colleges would be the same, 32% of the parents prefer the higher priced college with the scholarship and 40% of the parents are neutral. Only 28% of the parents prefer the lower priced college. These preferences to vary by race/ethnicity with 49% of Asian/Pacific Islander parents preferring the higher priced college compared with only 29% of the Caucasian parents and 39% of the African American parents and 38% of the Hispanic parents preferring the \$30,000 college..

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

	Disagree	Neither Agree nor Disagree	Agree	Average (5 point scale)
Asian/Pacific Islander	20%	14%	66%	3.70

African American	29%	21%	50%	3.32
Caucasian	26%	22%	52%	3.31
Hispanic	30%	24%	46%	3.26
All other races	31%	25%	44%	3.19
Total	27%	21%	52%	3.33

When asked “you get what you pay for is generally true,” 52% of parents agree and 27% disagree. Asian/Pacific Islanders agree much more strongly (66%) than any of the other groups.

12.3. The price of a college is a good indicator of its quality

	Disagree	Neither Agree nor Disagree	Agree	Average (5 point scale)
Asian/Pacific Islander	33%	21%	46%	3.17
African American	51%	19%	30%	2.63
Caucasian	55%	26%	19%	2.37
Hispanic	38%	25%	37%	2.93
All other races	56%	25%	19%	2.31
Total	51%	25%	24%	2.51

On the other hand, when we asked if the price of college is a good indicator of its quality, 51% disagreed and only 24% agreed. Asian/Pacific Islanders again had different views than most other groups with 33% of them disagreeing and 46% of them agreeing. The responses of Asian/Pacific Islanders are much more consistent on these two questions than the responses of the other groups.

12.4. You will always have to pay a bit more for the best

	Disagree	Neither Agree nor Disagree	Agree	Average (5 point scale)
Asian/Pacific Islander	27%	21%	52%	3.42
African American	30%	15%	55%	3.40
Caucasian	43%	23%	35%	2.79
Hispanic	24%	28%	49%	3.35
All other races	33%	30%	36%	2.97
Total	38%	22%	40%	2.97

The fourth question in this series, you will always have to pay a bit more for the best, has very interesting results. Overall, 38% of parents disagree with this statement while 40% agree with it. There are significant differences by race/ethnicity with 55% of the parents of African American students, 52% of the parents of Asian/Pacific Islander students and 49% of the parents of Hispanic students agreeing while only 35% of the parents of Caucasian students agree.

Asian or Pacific Islander	African American	Caucasian	Hispanic	All others	Total
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12_1. Generally speaking, if a college that costs \$30,000 a year offered my child a \$10,000 scholarship, I would prefer he/she attend this college over a college that costs \$20,000 that offers us no scholarships	3.41	3.14	2.94	3.1	3.03	3.02
12_2. The old saying "you get what you pay for" is generally true	3.7	3.32	3.31	3.26	3.19	3.33
12_3. The price of a college is a good indicator of its quality	3.17	2.63	2.37	2.93	2.31	2.51
12_4. You will always have to pay a bit more for the best	3.42	3.40	2.79	3.35	2.97	2.97

When taken together, the picture one gets from these four questions is quite unclear. On average, parents would choose the more expensive college with a scholarship, they believe that you get what you pay for and that you will always have to pay a bit more for the best. On the other hand, they do not believe that the price of a college is a good indicator of its quality. Asian/Pacific Islanders favor high price and see the relationship between price and quality through all four of these questions than any of the other groups; Caucasians see the least relationship.

13. Did you place a price restriction on the colleges your child could apply to?

	Yes	No
Asian/Pacific Islander	31%	69%
African American	15%	85%
Caucasian	18%	82%
Hispanic	26%	74%
All other races	19%	81%
Total	19%	81%

One question which is rarely asked but comes up in conversation from time to time concerns the issue of college price. The question we asked was did you place a price restriction on the colleges your child could apply to. Only 19% of the parents said that they placed price restrictions placed on the child's college choices. There was variation in the responses by race/ethnicity with only 31% of Asian/Pacific Islanders and 26% of Hispanic parents placing price restrictions on their child's college choices compared with only 15% of African American and 18% of Caucasian parents.

School Choice

14e. We chose the school that was my child's first choice among those where he/she was accepted

	Yes	No
Asian/Pacific Islander	65%	35%
African American	63%	38%

Caucasian	77%	23%
Hispanic	73%	28%
All other races	69%	31%
Total	73%	27%

The majority of students attend the first choice school among those to which they were accepted. This percent varies significantly by race/ethnicity; 77% of Caucasians attend their first choice school compared with fewer than 73% of Hispanic student, 65% of Asian/Pacific Islanders and 63% of African American students.

14_1. If no, why was a compromise made?

	Financial reasons	Distance from home	Changed his/her mind	Didn't have his/her major	Not accepted	Other
Asian or Pacific Islander	33%	33%	6%	6%	17%	6%
African American	32%	26%	11%	3%	8%	21%
Caucasian	42%	21%	16%	4%	4%	14%
Hispanic	26%	30%	4%	0%	9%	30%
All others	33%	33%	0%	11%	0%	22%
Total	37%	25%	12%	3%	6%	17%

The reasons given for not attending their first choice school varied among types of students. Overall, 37% of the students did not attend their first choice school because of financial reasons but only 26% of Hispanics did not attend their first choice school because of financial issues whereas finances were the reason for 42% of the Caucasians. Other reasons for not attending the first choice school to which they were accepted include distance from home, availability of academic programs, changing their mind, not accepted, and a variety of other reasons including personal issues and uncertainty about why they made the choice they did.

14a. We chose the school that gave us the largest scholarship or grant - gift aid			14b. We chose the school that gave us the best total financial aid package - gift aid + loans + work study		
	Yes	No		Yes	No
Asian/Pacific Islander	43%	57%	Asian/Pacific Islander	50%	50%
African American	33%	67%	African American	44%	56%
Caucasian	25%	75%	Caucasian	30%	70%
Hispanic	26%	74%	Hispanic	41%	59%
All other races	25%	75%	All other races	31%	69%
Total	27%	73%	Total	34%	66%
Attending first choice school			Attending first choice school		

Yes	27%	73%	Yes	34%	66%
No	25%	75%	No	34%	66%

14c. We chose the school with the lowest out-of-pocket cost

	Yes	No
Asian/Pacific Islander	45%	55%
African American	45%	55%
Caucasian	28%	72%
Hispanic	41%	59%
All other races	25%	75%
Total	33%	67%

14d. We chose the school where we will have to borrow the least

	Yes	No
Asian/Pacific Islander	39%	61%
African American	47%	53%
Caucasian	27%	73%
Hispanic	45%	55%
All other races	34%	66%
Total	33%	67%

Attending first choice school

Yes	31%	69%
No	42%	58%

Attending first choice school

Yes	32%	68%
No	37%	63%

When we look at the cost of the school that the students chose, we see that the majority of students did not choose the school that had the lowest net cost. Seventy-three percent did not choose the school that offered them the largest scholarship; 66% did not choose the school that gave them the best financial aid package; 67% did not choose the school where they had to borrow the least and 67% did not choose the school with the lowest out-of-pocket cost. Caucasians are much less sensitive to price and aid offers than the other groups and Asian/Pacific Islanders are most sensitive. African Americans and Hispanics were much more likely to choose schools where they would have to borrow less than the other groups: 47% and 45% respectively compared to an average of 33%.

There is not much difference in price sensitivity according to the parents if students are attending the school that is their first choice or not their first choice. The only variable on which there is a relatively significant difference is lowest out-of-pocket cost and there students are more sensitive if they are attending a school which is not their first choice. I would have expected to see larger differences here than are evident.

Financial Aid Process

16. How well did you understand the overall financial aid application process?

	I didn't understand it	I had a general understanding of it	I understood it	Didn't apply
Asian/Pacific Islander	16%	36%	42%	6%
African American	14%	29%	48%	9%
Caucasian	14%	26%	44%	16%
Hispanic	28%	29%	38%	5%
All other races	16%	23%	39%	23%
Total	16%	27%	44%	13%

Overall, 13% of the students did not apply for financial aid. Most parents had at least a general understanding of the process with only 16% of the parents of students who applied for aid responding that they did not understand the process. Parents of Hispanic students were significantly less likely to understand the process, 28%, than other parents. African American parents had the best understanding of the process with 48% responding that they understood it and 29% responding that they had a general understanding of the process.

17. Did your family complete a FAFSA form (free application for federal student aid) or a CSS form?

	Yes	No
Asian/Pacific Islander	86%	14%
African American	86%	14%
Caucasian	81%	19%
Hispanic	76%	24%
All other races	73%	27%
Total	81%	19%

Among respondents, 81% of the parents said that they completed the FAFSA; only 76% of the parents of Hispanic students said that they completed a FAFSA although 95% of the parents of Hispanic students said that they applied for financial aid. .

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

	Less than one-quarter	One-quarter	One-half	Three-quarters	All of it	Not sure
Asian/Pacific Islander	20%	22%	27%	8%	16%	6%
African American	29%	13%	11%	9%	18%	20%
Caucasian	22%	19%	12%	13%	26%	8%
Hispanic	18%	13%	15%	10%	30%	15%
All other races	28%	22%	9%	9%	13%	19%
Total	23%	18%	13%	12%	24%	11%
Two Year Colleges	24%	15%	12%	6%	31%	11%
Four Year Colleges	22%	20%	13%	13%	22%	10%
Public	21%	17%	12%	10%	29%	11%
Private	25%	22%	16%	15%	13%	8%

In June before the beginning of college, we find that 11% of parents are unsure about how much of their college costs they will pay out-of-pocket. Uncertainty is highest among African American parents where 20% of them are not sure compared with 15% of Hispanics and only 6% of parents of Asian/Pacific Islander students. Twenty-four percent of all parents expect to pay all of their college costs out-of-pocket. This varies from 16% for Asian/Pacific Islanders to 18% for African Americans, 26% for Caucasians and 30% for Hispanics.

When we look at this data by type of college the student will attend, we see some significant differences. Twenty-two percent of parents of students attending four year colleges expect to pay all of their college costs out-of-pocket compared with 31% of those attending two year colleges. Only 13% of those who will attend private colleges expect to pay all of their costs compared with 29% of those who will attend public colleges.

Financial Aid Data

18a.1. Federal or Pell Grants

	Yes	No	Not Sure
Asian/Pacific Islander	46%	36%	18%
African American	57%	23%	20%
Caucasian	40%	45%	15%
Hispanic	52%	26%	22%
All other races	42%	31%	27%
Total	44%	39%	17%

Among students who are getting aid, the parents of 44% of the students responded that their child was getting a Federal Pell grant. More than 50% of the parents of Hispanic and African American students report that their children are receiving a Pell grant. The percent of students receiving Pell grants looks a bit high given the income distribution of the students by race/ethnicity.

	Asian/Pacific Islander	African American	Caucasian	Hispanic	All other races	Total
Less than \$25,000	9%	23%	9%	18%	5%	11%
\$25,000 to less than \$50,000	21%	27%	21%	21%	40%	22%
\$50,000 to less than \$75,000	26%	26%	27%	22%	25%	26%
\$75,000 to less than \$100,000	21%	11%	20%	28%	5%	20%
\$100,000 to less than \$150,000	12%	8%	15%	10%	20%	14%
More than \$150,000	12%	5%	8%	1%	5%	7%

We see that there is a significant difference by race/ethnicity of students who come from families with incomes below \$25,000. Only 9% of the Caucasian and Asian/Pacific Islander students come from very low income families as compared with more than 18% of the Hispanic students and 23% of the African American students.

It is quite surprising that 17% of the parents in June of their child's senior year do not know if their child is getting a Pell grant. Whether this is just an indication that they have not been tuned in to their child's financial aid awards or have not yet finalized their financial aid application is difficult to determine.

18a.2. A state scholarship or grant

	Yes	No	Don't Know
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Asian/Pacific Islander	54%	28%	18%
African American	57%	28%	15%
Caucasian	42%	44%	14%
Hispanic	32%	46%	21%
All other races	35%	38%	27%
Total	44%	40%	16%

The same percent of students who expect to receive a Pell grant also expect to receive a State grant. The percentages differ by race ethnicity with 57% of African Americans and 54% of Asian/Pacific Islanders expecting to receive a State Scholarship or Grant compared with only 32% of Hispanics.

18a.3. A need-based grant from the college you are attending

	Yes	No	Don't Know
Asian/Pacific Islander	24%	47%	29%
African American	34%	41%	25%
Caucasian	27%	55%	18%
Hispanic	38%	40%	22%
All other races	23%	42%	35%
Total	29%	50%	21%

Twenty-nine percent of the students are receiving need-based grants from their college. This percent again varies with 38% of Hispanics, 34% of African Americans, 27% of Caucasian students and only 24% of Asian/Pacific Islanders receiving need-based institutional aid.

18a.4. An ability-based institutional grant such as athletic, music, leadership scholarships, etc.

	Yes	No	Don't Know
Asian/Pacific Islander	49%	33%	18%
African American	33%	50%	18%
Caucasian	44%	45%	11%
Hispanic	25%	58%	16%
All other races	35%	38%	27%
Total	41%	46%	13%

The data for ability-based institutional grants is quite different than for need-based grants. Overall, 41% of the parents responded that their students were getting these grants with 49% of the Asian students and 44% of the Caucasian students receiving them compared with 33% for African American students and 25% for Hispanic students.

18a.5. Scholarships or grants from private sources such as businesses or organizations

	Yes	No	Don't Know
Asian/Pacific Islander	46%	33%	21%
African American	38%	44%	18%
Caucasian	49%	41%	10%
Hispanic	40%	44%	16%

All other races	35%	42%	23%
Total	45%	41%	13%

More than 45% of the parents responded that their child was getting grants from private sources. This number is larger than I would have expected and should provide encouragement for students to pursue the variety of private grants that are available.

There are several questions that we asked to understand when parents knew that their child would be getting financial aid and how the aid was presented to them. This is an area where schools do things quite differently.

19. Among those getting aid, when did you first know that you would get some aid from this institution?

	Before I inquired about the college	When I first talked with an admission counselor at the college	After I applied but was accepted	After I was accepted to the college	Not sure
Asian/Pacific Islander	16%	18%	24%	21%	21%
African American	14%	10%	26%	31%	19%
Caucasian	18%	6%	23%	44%	8%
Hispanic	15%	4%	24%	35%	24%
All other races	16%	8%	8%	48%	20%
Total	16%	7%	23%	40%	13%

We find that almost half of the students knew they would get aid from the college before they were accepted, 40% said they were informed about aid after their child was accepted and 13% were not sure when they found out about aid. In terms of merit aid, many schools publish the criteria for merit aid in their catalogues and on their web sites. If these schools use a formulaic approach to awarding aid such as all students with a high school grade point above a certain level or certain SAT scores, students will know in advance of applying to the institution if they will receive such an award.

In terms of need-based aid, many schools will give students estimates of what they are likely to receive. Some schools even put calculators on their web sites to estimate the amount of the award. Other schools choose not to do this arguing that when the FASFAA arrives with the actual data it is too often different and students and their families are very upset that their award will be different from what they expected it to be.

20a. Was the financial aid package from the school your child will be attending easy to understand?

	Yes	No
Asian/Pacific Islander	87%	13%
African American	85%	15%
Caucasian	82%	18%
Hispanic	80%	20%

All other races	62%	38%
Total	82%	18%

Eighty-two percent of the parents said that the financial aid packages were easy to understand.

20b. Was the financial aid package from the school your child will be attending ...

	One of the first packages you received	One of the last packages you received	Somewhere in the middle	Do not remember
Asian/Pacific Islander	29%	8%	39%	24%
African American	34%	14%	37%	15%
Caucasian	33%	14%	38%	15%
Hispanic	31%	11%	36%	22%
All other races	27%	19%	27%	27%
Total	32%	14%	37%	17%

The question on when the financial aid package from the school that the student chose to attend arrived was asked in order to see if there was a relationship between the arrival of this information and the decision to attend the college. There does not seem to be any relationship. This was the first aid package received by 32% of the students and it was somewhere in the middle for 37% of the students.

20c. Did the financial aid package from the school your child is going to attend come at the same time as your acceptance letter?

	Yes	No	Don't remember
Asian/Pacific Islander	24%	39%	37%
African American	18%	68%	14%
Caucasian	23%	59%	19%
Hispanic	22%	67%	11%
All other races	15%	59%	26%
Total	22%	60%	19%

Another question of interest is did the financial aid package come with the acceptance letter. This was the case for only 22% of the students.

A question many people want to know about is do people negotiate with the school for a better financial aid package and if they do, are they successful. The negotiations occurs primarily at the four year institutions although there is some limited negotiations at the two year colleges also. We see that among those students attending four-year institutions, 20% of the students or their parents negotiated for a better package. Twenty-seven percent of the students or the parents of students attending private colleges negotiate compared with only 14% at public institutions. The percent who negotiate varies significantly by race/ethnicity with only 13% of Asian/Pacific Islanders negotiating, 31% of African Americans negotiating, 18% of Caucasians and 26% of Hispanics.

21d. Did you call the school and try to negotiate for more financial aid?

	Private 4 yr Colleges		Public 4 Yr Colleges		Total 4 Year Colleges	
	Yes	No	Yes	No	Yes	No
Asian/Pacific Islander	20%	80%	10%	90%	13%	87%
African American	27%	73%	33%	68%	31%	69%
Caucasian	28%	72%	10%	90%	18%	82%
Hispanic	29%	71%	24%	76%	26%	74%
All other races	0%	100%	0%	100%	0%	100%
Total	27%	73%	14%	86%	20%	80%

Among those who negotiated, 65% responded that they were successful and 35% were unsuccessful. Sample size gets quite small when we disaggregate further but we do see that 61% of the negotiations at the private colleges were successful compared with 70% at the public colleges. Success rates were lowest for Hispanic and highest for Asian/Pacific Islanders.

20d.1. Were you successful?

	Private 4 yr Colleges		Public 4 Yr Colleges		Total 4 Year Colleges	
	Yes	No	Yes	No	Yes	No
Asian/Pacific Islander	100%	0%	50%	50%	75%	25%
African American	67%	33%	62%	38%	63%	37%
Caucasian	63%	38%	85%	15%	69%	31%
Hispanic	33%	67%	60%	40%	45%	55%
All other races						
Total	61%	39%	70%	30%	65%	35%

We asked a series of questions about the financial aid packages. The first asked whether the package clearly explained the out-of-pocket contribution that would be required. Seventy-one percent of the parents said it did. Only 65% of parents of African American students and 64% of Hispanic parents found that the package clearly explained the out-of-pocket costs.

20e. Did the package clearly explain your out-of-pocket contribution per year?

	Yes	No
Asian/Pacific Islander	74%	26%
African American	65%	35%
Caucasian	73%	27%
Hispanic	64%	36%
All other races	62%	38%
Total	71%	29%

The next question asked about ways to cover the out-of-pocket cost with loans. Sixty-nine percent responded that the package provided information about how to cover the out-of-pocket costs with loans.

20f. Did the package offer options to cover your out-of-

pocket cost with loans?

	Yes	No
Asian/Pacific Islander	76%	24%
African American	63%	37%
Caucasian	72%	28%
Hispanic	67%	33%
All other races	35%	65%
Total	69%	31%

There followed a series of questions to better understand how college would be financed and where the funds came from. Only 26% of the parents participated in a college savings plan. The highest participation was among Asian/Pacific Islanders with 39% of their families participating and the lowest participation was among African Americans (21%) and Hispanics (19%).

24. Did your family participate in a college savings plan?

	Yes	No
Asian/Pacific Islander	39%	61%
African American	21%	79%
Caucasian	27%	73%
Hispanic	19%	81%
All other races	13%	88%
Total	26%	74%

One quarter of the parents do not know how much they and their family have saved for college and another 28% report no college savings. Less than 20% of the parents report savings for college in excess of \$10,000.

25. Amount you and your family have saved for college

	\$0	\$1 to \$5,000	\$5,001 to \$10,000	\$10,001 to \$20,000	Over \$20,000	Don't know
Asian/Pacific Islander	28%	28%	8%	8%	8%	20%
African American	36%	14%	7%	7%	7%	30%
Caucasian	25%	20%	10%	9%	12%	25%
Hispanic	35%	19%	9%	8%	5%	24%
All other races	37%	11%	4%	4%	7%	37%
Total	28%	20%	9%	8%	10%	25%

In June before the beginning of college, 17% of the parents responded that they did not yet know if they or their child would be borrowing to pay for college and 46% said they would not be borrowing. Among those who were not borrowing, 50% of the Caucasians said they would not be borrowing compared with 34% of the Asian/Pacific Islanders, 39% of the Hispanics and 40% of the African Americans. Among those who knew they would borrow, 6% thought they would borrow less than \$2,700, 14% between \$2,700 and \$7,500, 11% between \$7501 and \$15,000 and only 5% expect to borrow more than \$15,000.

26. How much are you and your child borrowing for your first year of college?

	Not borrowing	Less than \$2,700	\$2,700 to \$7,500	\$7,501 to \$15,000	More than \$15,000	Don't know
Asian/Pacific Islander	34%	10%	14%	18%	10%	14%
African American	40%	6%	14%	5%	4%	31%
Caucasian	50%	5%	14%	12%	5%	13%
Hispanic	39%	8%	15%	14%	8%	18%
All other races	42%	3%	12%	3%	0%	39%
Total	46%	6%	14%	11%	5%	17%

When analyzed by family income, 43% of students who come from families with incomes of less than \$25,000 do not plan to borrow and 26% of families at this income level do not yet know if they will be borrowing. More than half of the families with income between \$100,000 and \$150,000 do not plan to borrow and 85% of those with income over \$150,000 do not expect to borrow.

	Less than \$25,000	\$25,000 to less than \$50,000	\$50,000 to less than \$75,000	\$75,000 to less than \$100,000	\$100,000 to less than \$150,000	More than \$150,000	Total
Not borrowing	43%	33%	43%	45%	52%	85%	45%
Less than \$2,700	4%	6%	8%	4%	8%	0%	6%
\$2,700 to \$7,500	16%	19%	18%	12%	16%	7%	16%
\$7,501 to \$15,000	4%	9%	11%	22%	17%	5%	12%
More than \$15,000	7%	7%	6%	10%	2%	0%	6%
Don't know	26%	26%	14%	8%	5%	2%	15%

When the parents were asked who would be repaying the loans, only 42% responded that their child alone was responsible for the repayment. This percent was highest among parents of Caucasian students at 47%. Nineteen percent of the parents expected to repay the loans and 32% expected repayment to be a joint commitment between them and their child. Twenty-four and 25% of the parents of African American and Hispanic students expected to repay their children's loans and 30% and 36% of the parents of African American and Hispanic students expected to jointly pay off the loans.

27. Who will be primarily responsible for paying back these loans?

	Me	My parents	Jointly paying off the loans	Not sure
Asian/Pacific Islander	34%	19%	44%	3%
African American	35%	25%	30%	11%
Caucasian	47%	16%	32%	5%
Hispanic	32%	24%	36%	8%
All other races	35%	29%	6%	29%
Total	42%	19%	32%	7%

In trying to understand if there were other resources available for college, 14% of the parents responded that there were other family members or friends who were planning to help pay for their child's education. These numbers were highest for Asian/Pacific Islanders where 22% expected others to help pay for college. Only 9% of parents of Hispanic students expected help from others to pay for college.

28. Are there other family members or friends planning to help pay for your education?

	Yes	No
Asian/Pacific Islander	22%	78%
African American	16%	84%
Caucasian	14%	86%
Hispanic	9%	91%
All other races	13%	88%
Total	14%	86%

Additional Demographic Information For This Sample

31. What is your parent's highest level of education?

	Less than a high school diploma	High school graduate	Some college	Two-year degree	Four-year degree	Some post-graduate work	Graduate degree
Asian/Pacific Islander	8%	24%	10%	18%	14%	0%	20%
African American	3%	31%	15%	18%	18%	3%	11%
Caucasian	2%	21%	19%	14%	21%	5%	17%
Hispanic	10%	22%	17%	11%	21%	2%	14%
All other races	3%	16%	22%	16%	19%	3%	9%
Total	3%	22%	18%	14%	20%	4%	16%

34. Which of the following ranges best categorizes your family's annual household income?

	Less than \$25,000	\$25,000 to less than \$50,000	\$50,000 to less than \$75,000	\$75,000 to less than \$100,000	\$100,000 to less than \$150,000	More than \$150,000
Asian/Pacific Islander	9%	21%	26%	21%	12%	12%
African American	23%	27%	26%	11%	8%	5%
Caucasian	9%	21%	27%	20%	15%	8%
Hispanic	18%	21%	22%	28%	10%	1%
All other races	5%	40%	25%	5%	20%	5%
Total	11%	22%	26%	20%	14%	7%

Only 610 responses