

Study Reveals A Need For More Information About Paying For College

A financial aid officer sat in a focus group recently. She recounted the story of a parent who had stormed into the bursar's office, waved his bill and exclaimed, "How do you expect me to pay for this?" Judging from the nods and smiles in the focus group room, this is not an uncommon scene at colleges and universities around the country.

Why are so many parents so ill-prepared for college tuition bills? And what can schools do to fill their information gap? Recently, Academic Management Services, a leading provider of interest-free monthly payment plans and education loans, commissioned two nationwide surveys to better understand the information needs of families and schools.

Two groups were surveyed: 1) the parents of college-bound high school students, college freshman and sophomores and 2) financial aid executives at colleges and universities.*

- More than 70% of the parents of high school juniors planned on receiving scholarships
- 67% of parents expressed an interest in using interest-free monthly tuition payments
- If they could do it over again, 40% of the parents of college students would like to have learned more about financial planning alternatives to borrowing
- Only 32% of financial aid officers were completely satisfied with their resources for providing payment information

*Alpha Research of Providence, RI surveyed 1200 parents in May 2000. First Market Research of Boston, MA surveyed 200 school executives in August 2000. To learn more about the AMS survey, please contact Michael Trainor of Trainor Public Relations at (401) 435-4875, ext. 236.

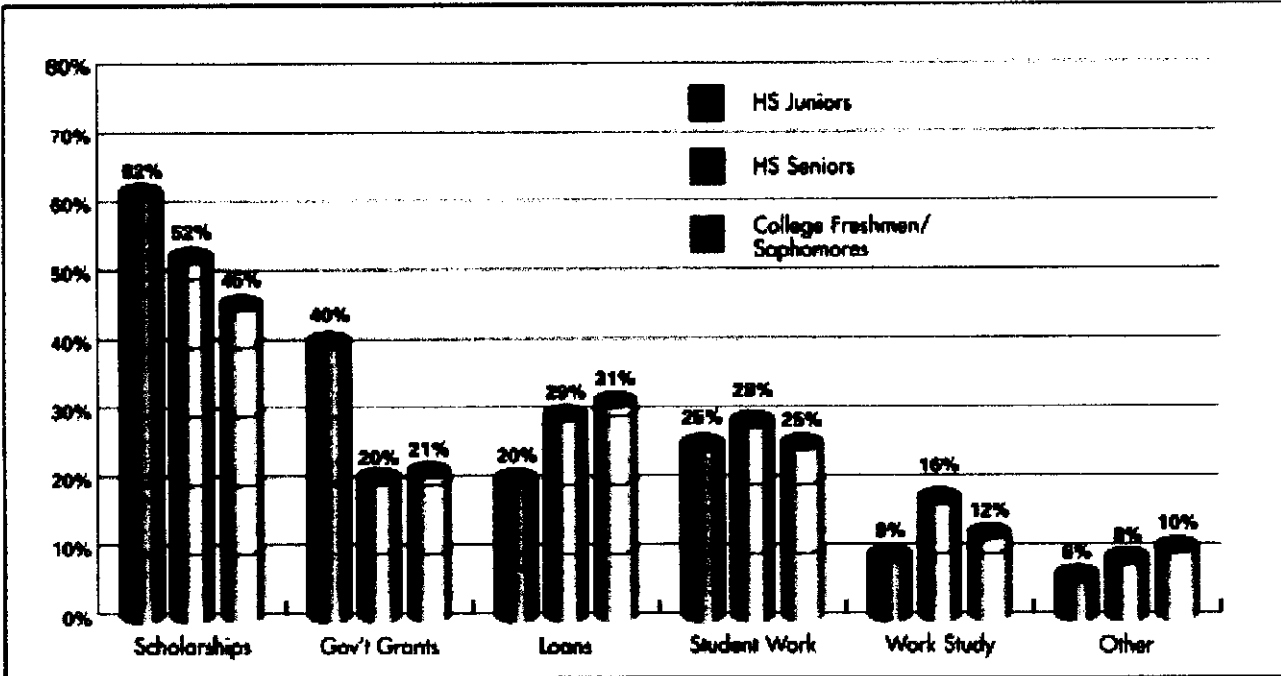
Scholarship Expectations Outpace Reality

Many parents begin their education payment odyssey with mythical dreams about scholarships and grants. Almost half of the parents surveyed hadn't set up any kind of education savings program. Instead, they were counting on their kids to snag some free tuition dollars.

In the survey, an astounding 72% of parents of high school juniors believed that grants and scholarships would provide significant assistance in paying for school. The reality, of course, is that 60% of all student aid is in the form of loans, which, unlike those elusive scholarships and grants, must be paid back.



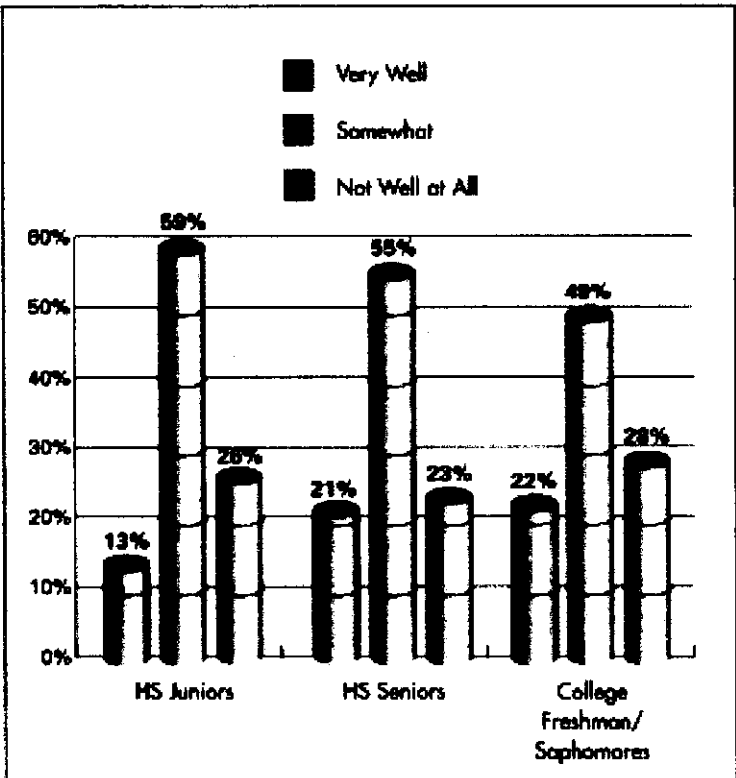
After Meeting The Expenses You're Responsible For, How Do You Think The Remaining Amount Of Your Child's College Costs Will Be Met?



Information In Short Supply

Given these misconceptions about scholarships, it's not surprising that the parent survey found families aren't receiving enough payment information. Between 60% and 70% of all parents surveyed reported that they had "some" or "very great" need for information about paying for college, and only 13% of parents of college bound juniors felt their information needs were being met "very well."

How Well Would You Say Your Information Needs For College Planning Are Currently Being Met?



How Familiar Are You With Monthly Tuition Payment Programs That Allow You To Pay For Tuition In Interest-Free Monthly Installments?

Beyond Loans

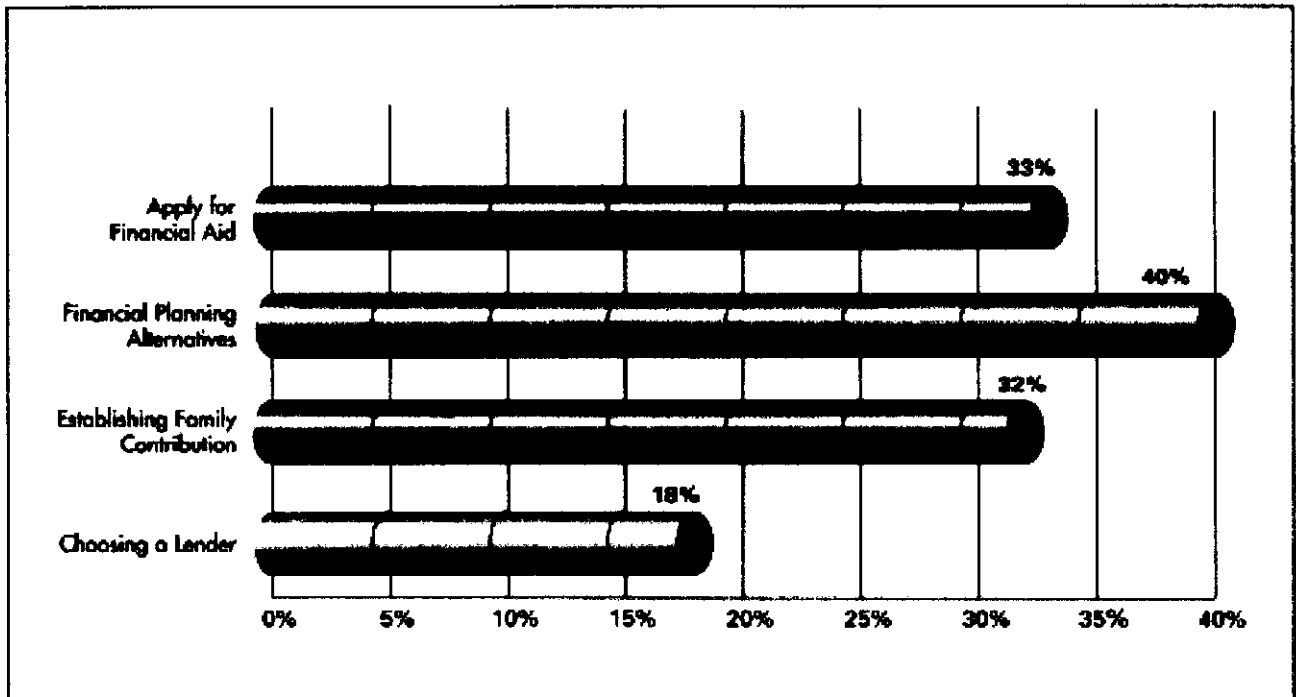
What kind of information would be most helpful to parents? Many families could benefit from alternatives to costly borrowing, such as interest-free payment plans, low cost combinations of payment plans and PLUS Loans, or loans with unique borrower benefits. But parents don't always receive enough information about these options to make informed decisions. For example, only 17% of the pre-college families surveyed were "very familiar" with monthly tuition payment plans.

		PARENTS OF H.S. SENIORS	PARENTS OF COLLEGE KIDS
1.	Very Familiar	17%	20%
2.	Somewhat Familiar	31%	31%
3.	Somewhat Unfamiliar	15%	14%
4.	Not Familiar At All	35%	34%
5.	No Response	2%	2%

Strong Interest In Monthly Plans

Yet, after these plans were explained, 67% of the parents expressed an interest in using such a plan. And when parents who had children in college were asked what they'd do differently, 40% of the parents said they'd like to have learned more about financial planning alternatives to borrowing.

Looking Back, Before Your Child Entered College, Which Of The Following Would You Have Liked To Learn More About?



College Executives Speak Up

The shortage of information perceived by parents was echoed by college executives. 40% of college executives said that help with financial aid counseling would be useful to them. And only 32% of financial aid officers said they were completely satisfied with their staffing and resources for providing financial aid counseling.

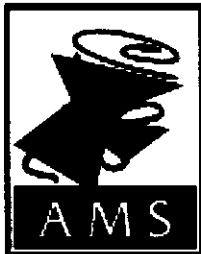
Closing The Information Gap

In response to these surveys and to close the information gap, Academic Management Services created TuitionPay – a new program to provide valuable education payment information to schools and families. TuitionPay helps schools offer financial counseling to families in a simple, straightforward way. It helps students and parents budget their funds using a tuition payment plan, then borrow wisely, using money-saving loan products.

If you'd like to learn more about TuitionPay, call toll free **(800) 531-4300** or visit us at **www.tuitionpay.com**.



TuitionPay Puts The Right Information Into The Right Hands At The Right Time.



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