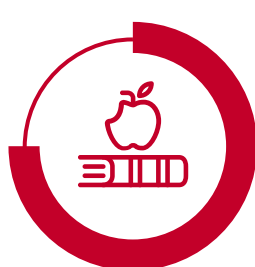


## Higher Education Perspectives & The State of Saving

A recent Vanguard survey shows that Americans recognize the importance of higher education but may lack understanding on ways to fund this goal. However, when made aware of the benefits of a **529 plan—a tax efficient education savings plan**—many found them compelling.

### HIGHER EDUCATION PERSPECTIVES



**75%**

Americans say that a post-high school education is important for becoming wealthy



**80%**

Considered a four-year college/university



**64%**

Considered trade/vocational schools after high school



**50%**

Considered apprenticeship programs



### SAVINGS STATISTICS & SENTIMENT

*\*This section is based on responses from parents of high school juniors, seniors, and college-aged people (ages 18-23).*

**Most parents feel confident in being able to reach their higher education savings goals, but uncertainty still exists.**



Only

**16%**

feel they are absolutely certain they will meet their goal

#### Savings Goal Timing



While parents have set goals and are progressing toward them, many still plan to take on debt to help fill the gap.

This suggests that additional education about savings vehicles like 529s may be needed.

#### Most Common Ways Higher Education is Funded

**59%**



Family

**43%**



Scholarships/Grants

**41%**



Financial Aid

**37%**



Loans

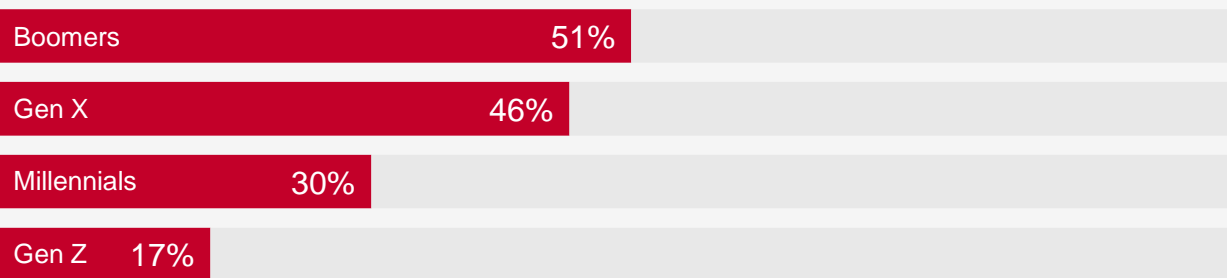
*\*Percentages in this box are based on the general population sample (1,500) only. This sample was weighted on age, gender, race/ethnicity, income, and region/metro area and inclusive of parents with kids outside of high school juniors, seniors, and college-aged people (ages 18-23).*



### 529 PLAN AWARENESS & USAGE

**A little over a third of Americans have heard of a 529 plan as a way to save for higher education, and awareness is highest among older generations.**

#### Awareness Breakdown by Generation:



Only **3 in 10**

parents\* use or have used a 529 plan

*\*Parents refers to those with high school juniors, seniors, and college-aged people (ages 18-23).*

“

While many agree that saving for higher education is critical, it can undoubtedly feel daunting when it comes to putting that plan into action. At Vanguard, we believe the strongest education savings plan starts with a 529 account – a special account that offers tax benefits and spending options for qualified expenses. Through a 529, families can develop a high-quality, long-term investment plan and ultimately harness the power of these savings to open a world of education possibilities.”

- ANDREW KADJESKI

Principal, Head of Brokerage & Investments, Vanguard



#### Did You Know?

You can also use a 529 for qualified K-12 private school tuition, apprenticeship program expenses, student loan repayment, as well as for room and board, fees, books, supplies, equipment, computer hardware and software, and Internet access/related services.



#### Most Common Concerns Related to 529 Plans

According to the Vanguard Survey

**26%**



Don't know enough about how they work

**21%**



Don't believe they have enough to fund one

**18%**



Believe funds will go unused if child does not pursue higher education

**SECURE 2.0 Act enables beneficiaries of 529s to transfer unused funds directly into a Roth IRA, if certain conditions are met.**

#### Most Compelling Features of 529 Plans

According to the Vanguard Survey



**76%**

Being able to use funds at schools across the US



**76%**

Being able to use funds for non-tuition qualified expenses



**75%**

Unused funds being rolled over into a Roth IRA for the child

*\*Percentages in this box are based on the general population sample (1,500) only. This sample was weighted on age, gender, race/ethnicity, income, and region/metro area and inclusive of parents with kids outside of high school juniors, seniors, and college-aged people (ages 18-23).*

Visit our website to see if a 529 plan is right for you:

<https://www.vanguard.com/529plan>



Vanguard fielded this study in April 2023 in the U.S. The 2,500 respondents were recruited from an independent, third-party panel and surveyed through an online instrument. 1,500 completed surveys were among the general population and were weighted on age, gender, race/ethnicity, income, and region/metro area. Additionally, oversamples of 500 current students (high school juniors, seniors, and college-aged people (ages 18-23) and 500 parents of those current students were collected nationally. Analysis that reports on “Americans” refers to the weighted general population total. Analysis reported on students and parents is not weighted and is based on the oversamples.

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