

# ***College Illinois!* Purchaser and Non-Purchaser Study**

*College Illinois! is the state's five-year-old prepaid college tuition program designed to encourage saving for college by giving families the chance to prepay college tuition at today's rates. The social and economic characteristics of those who purchased a contract during the 2000-2001 enrollment period are assessed in this report and compared to those who purchased a contract during the 1999-2000 enrollment cycle. In addition, these same social and economic characteristics are analyzed for those who inquired about the program during the 2000-2001 enrollment period but did not purchase a contract. The majority of both purchasers and non-purchasers can be characterized as middle to upper-middle income families, white, from the Chicago or collar area, and married. Non-purchasers were more likely to be younger and more likely to be female. Socioeconomic characteristics remained fairly consistent between the 2000 and 2001 Purchaser Studies; 2001 purchasers were somewhat more likely to have reported incomes in excess of \$100,000, their age as 44 years or younger, and their level of education obtained as a bachelor's degree or higher.*

## **Background and Overview**

*College Illinois!*, the Illinois Prepaid Tuition Program, is administered by the Illinois Student Assistance Commission (ISAC). The Program was enacted by the General Assembly and then signed into law by the Governor in November 1997. *College Illinois!* is the eighth-largest state-sponsored prepaid tuition program in the nation, with more than 22,000 contracts purchased during its first three years of operation. As a qualified state tuition program under Section 529 of the Internal Revenue Code, *College Illinois!* gives individuals the chance to prepay tomorrow's college tuition and mandatory fees based on today's prices.

*College Illinois!* offers plans for public university semesters, community college semesters and a combined plan that includes two years at a community college and two years at a public university. Plans can be purchased one semester at a time or up to a maximum of nine semesters for any one future student. Benefits may also be used at private colleges within Illinois and at public universities and private colleges and universities across the country as well.

The program has no age restrictions for future students. Beneficiaries of a plan do not have to choose a school until time of college enrollment. Plans can be purchased with a single lump-sum payment, with five-year and ten-year (for eight or nine semester plans) monthly installment plans, or with annual payments over five or ten years. Some five-year and ten-year monthly installment plans are available with down payment options. *College Illinois!* covers undergraduate tuition and mandatory fees but does not cover other expenses such as room and board, books and transportation.

## **Purpose and Design of the Study**

The study was undertaken to examine socioeconomic characteristics associated with purchasing *College Illinois!* contracts. The primary objective of this study was to assess – in more depth – the benefits that purchasers perceive they are receiving via a *College Illinois!* contract and to determine what non-purchasers believe to be the strengths of the program. Specifically, this study addresses four broad questions: (1) What program benefits influenced the actual purchase of a *College Illinois!* contract?; (2) What source of funds was used to pay for this contract?; (3) What do non-purchasers perceive as the strengths of the program?; and, (4) Why did customers call a representative after they had visited the Web site? In addition to these questions, the social and economic characteristics of purchasers, non-purchasers, and purchasers from last year's 2000 Purchaser Study were analyzed and compared. Highlights from these comparisons are provided throughout the findings.

*Data for this study were gathered from a survey of College Illinois! contract purchasers and a survey of non-purchasers.*

Data for this study were gathered from a survey of *College Illinois!* contract purchasers and a survey of non-purchasers. Additional information on purchasers was also obtained from the *College Illinois!* database. It should be noted that, when compared to the entire 2000-2001 purchaser population, characteristics collected from the *College Illinois!* database and/or the survey instrument on purchaser respondents, including age of beneficiary, beneficiary relationship, choice of plan, highest education level, race, region and payment type were all found to be reflective of the total population. For purposes of this study, a purchaser was defined as one who made a contract purchase during the 2000-2001 enrollment period and a non-purchaser was defined as one who inquired about the *College Illinois!* program during the 2000-2001 enrollment cycle but did not make a purchase.

A sample size of 600 was drawn from each of these two groups. The survey process included a pre-letter sent from the Director of *College Illinois!* to both groups informing them a questionnaire from ISAC would be forthcoming. A few days later the first survey mailing was completed; a post card reminder and a second mailing were sent in the ensuing weeks to all nonrespondents. The entire survey process was completed in April 2001. Of the 600 questionnaires mailed to *purchasers*, 420 were returned for a response rate of 70 percent. Of the 600 questionnaires mailed to *non-purchasers*, 12 were returned as undeliverable resulting in an effective sample size of 588. Of these 588, 168 were returned for a non-purchaser response rate of 28.6 percent.

## **Purchaser Survey Findings**

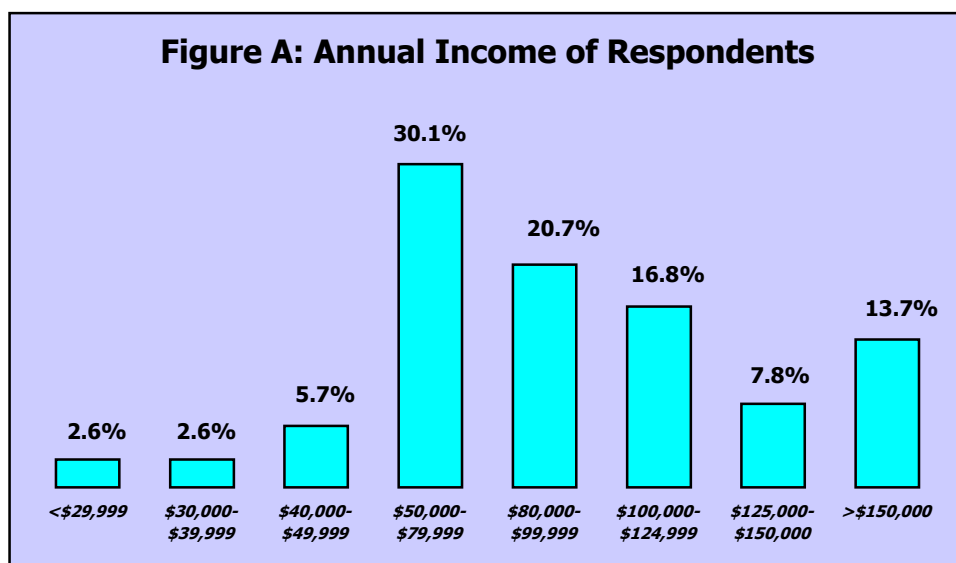
### **Socioeconomic Characteristics and Selected Purchase Options**

Socioeconomic characteristics collected on respondents who had purchased a *College Illinois!* contract included income, age, race/ethnicity, marital status, gender, family life cycle, geographic area, and primary language spoken in the home. Data were also collected on purchasers from the *College Illinois!* database

*The majority of purchasers can be characterized as middle to upper-middle income families, either male or female, between the ages of 35 and 54, white, and married.*

and included, method of payment, payment plan, purchasers' education level, purchasers' relationship to the beneficiary, and age of the beneficiary.

The majority of purchasers can be characterized as middle to upper-middle income families, either male or female, between the ages of 35 and 54, white, and married. Figure A and Table 1 show that 89 percent of respondents reported incomes more than \$50,000, over 38 percent reported incomes of \$100,000 or more, and nearly 22 percent reported incomes of \$125,000 or more. Census data indicate that the median income of Illinois families is approximately \$49,000. Table 1 also shows that nearly 89 percent of respondents reported their race/ethnicity as white. Of the remaining respondents, 4 percent indicated they were Asian American, 2 percent African American, and 5 percent indicated they were of Hispanic or Latino origin. Ninety percent of respondents reported that the language spoken most often in their home was "English," and four percent reported "Spanish".



*Nearly 68 percent of all purchasers who responded have obtained a bachelor's degree or higher.*

One half of all purchasers who responded were male; nearly 90 percent reported their marital status as married, 7 percent were separated or divorced, nearly 3 percent indicated they were single, and less than 1 percent were widowed. Table 1 also shows that the incidence of married status as well as level of education increased at the higher income levels. Nearly 68 percent of all respondents have obtained a bachelor's degree or higher. Eighteen percent reported having a high school diploma or equivalent, 10 percent had an associate degree, more than 41 percent a bachelor's degree, 22 percent a master's degree, and 4 percent a doctor's degree. Nearly five percent indicated "other" as their highest level of education. Purchasers' level of education was collected from the application; therefore, "other" could represent a variety of options.

**Table 1: Characteristics of Purchasers by Income Level**

Income Level	N	%	% Non-Minority	% from Chicago/Collar Area	% Married	% with BS, MS or PhD
< \$29,999	10	2.6%	70.0%	50.0%	50.0%	37.5%
\$30,000-\$39,999	10	2.6%	90.0%	50.0%	50.0%	33.3%
\$40,000-\$49,999	22	5.7%	86.4%	63.6%	63.6%	44.5%
\$50,000-\$79,999	116	30.1%	87.0%	65.2%	84.4%	62.1%
\$80,000-\$99,999	80	20.7%	88.8%	65.8%	96.3%	65.2%
\$100,000-\$124,999	65	16.8%	90.6%	71.4%	98.5%	78.0%
\$125,000-\$150,000	30	7.8%	83.3%	86.2%	96.7%	80.0%
> \$150,000	53	13.7%	94.3%	79.2%	96.2%	84.8%
<b>TOTAL</b>	<b>386</b>	<b>100.0%</b>	<b>88.5%</b>	<b>69.5%</b>	<b>89.7%</b>	<b>67.6%</b>

**2000 Purchaser Findings versus 2001 Purchaser Findings**

- ▶ 30 percent **vs.** 38 percent with incomes of \$100,000 or more
- ▶ 62 percent **vs.** 68 percent obtained a bachelor’s degree or higher

*The majority of respondents – nearly 70 percent – were from “upstate” Illinois.*

The majority of respondents – nearly 70 percent – were from “upstate” Illinois. Over 35 percent had a Chicago address, and just over 34 percent had a collar county address. Twenty-one percent were from central Illinois, over five percent were from northern Illinois, and four percent were from southern Illinois. Table 2 shows select socioeconomic characteristics of purchasers by their geographic location. A larger proportion of purchasers from collar Counties and from southern Illinois reported incomes in excess of \$50,000 and completion of a B.S.,

**Table 2: Characteristics of Purchasers by Geographic Location**

Geographic Location	N	%	% Income > \$50,000	% Non-Minority	% Married	% with BS, MS or PhD
Chicago	146	35.4%	90.4%	77.4%	91.1%	67.5%
Collar	141	34.1%	92.1%	93.6%	89.3%	70.4%
Central	87	21.1%	83.9%	96.5%	87.1%	68.6%
Northern	23	5.6%	85.7%	100.0%	86.4%	53.3%
Southern	16	3.9%	93.3%	93.8%	100.0%	71.4%
<b>TOTAL</b>	<b>413</b>	<b>100.0%</b>	<b>89.1%</b>	<b>88.5%</b>	<b>89.7%</b>	<b>67.6%</b>

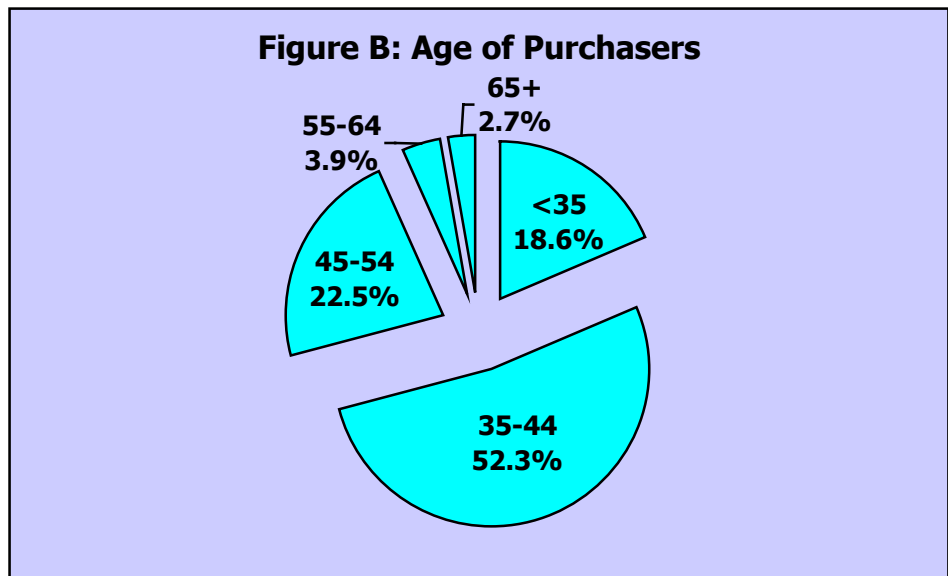
**2000 Purchaser Findings versus 2001 Purchaser Findings**

- ▶ 17 percent of respondents were from central IL and 9 percent from northern IL **vs.** 21 percent of respondents from central IL and 6 percent from northern IL
- ▶ Southern IL reported smallest proportion with incomes more than \$50,000 and married status **vs.** southern IL reported largest proportion with incomes more than \$50,000 and married status
- ▶ Reported B.S., M.S. or Ph.D. for central IL (54%), Chicago area (60%), southern IL (55%) **vs.** central IL (69%), Chicago area (68%), southern IL (71%)

*The majority of respondents - 75 percent - were between the ages of 35 and 54, and 92 percent indicated they were parents of the intended beneficiary.*

M.S., or Ph.D. degree. One hundred percent of respondents from northern Illinois reported their race/ethnicity as white compared to 77 percent of respondents from the Chicago area. Just 53 percent of respondents from northern Illinois indicated having a B.S., M.S., or Ph.D. degree.

The majority of respondents - 75 percent - were between the ages of 35 and 54. Age distribution, as illustrated in Figure B, shows 52 percent were between the ages 35 and 44, over 22 percent were between the ages of 45 and 54, and 19 percent were less than 35 years of age. The remaining seven percent were 55 years of age or older. In terms of the relationship to the beneficiary, 92 percent - 373 respondents - indicated they were parents of the intended beneficiary, 6 percent - 24 respondents - indicated they were grandparents, and 2 percent indicated some other relationship.



**2000 Purchaser Findings versus 2001 Purchaser Findings**

- ▶ 62 percent **vs.** 71 percent 44 years of age or younger
- ▶ 12 percent **vs.** 7 percent 55 years of age or older

*In terms of family life cycle, the majority of respondents, nearly 55 percent, can be characterized as “older marrieds, with children, youngest child age six or over.”*

In terms of family life cycle, the majority of respondents, nearly 55 percent, can be characterized as “older marrieds, with children, youngest child age six or over.” This category is shown in Table 3 as those with their youngest child age 6 to 18. Another 39 percent of the respondents can be classified as “younger marrieds, with children, youngest child under age six.” The remaining 7 percent of respondents, those shown in Table 3 whose youngest child is over age 18, can be classified as either “older marrieds or older separated/divorced, children maintaining separate residences.” These respondents are primarily comprised of grandparents purchasing a contract for their grandchildren and were less likely to be married; 19 percent reported their status as separated or divorced.

Respondents who indicated their youngest child was under the age of 18 were more likely to have incomes in excess of \$50,000, to be married, and to have obtained a bachelor's degree or higher. Respondents who indicated their youngest child was over age 18 were more likely to have less than a four-year college degree than other respondents.

**Table 3: Characteristics of Purchasers by Life Cycle**

Life Cycle: Age of Youngest Child	N	%	% Income > \$50,000	% Non- Minority	% Married	% Children n>1	% with BS, MS or PhD
< 6	154	38.6%	91.6%	84.3%	94.2%	68.0%	67.7%
6 – 18	218	54.6%	89.6%	91.2%	88.0%	77.3%	69.5%
Over 18	27	6.8%	72.0%	88.9%	77.8%	79.2%	44.0%
<b>TOTAL</b>	<b>399</b>	<b>100.0%</b>	<b>89.1%</b>	<b>88.5%</b>	<b>89.7%</b>	<b>73.3%</b>	<b>67.6%</b>

*The majority of respondents – 85 percent – purchased a university plan, 9 percent purchased a combination university/community college plan, and 6 percent a community college plan.*

Additional information collected from the *College Illinois!* database, and shown in Table 4, indicates the majority of respondents - 85 percent - purchased a university plan. Of those respondents, 51 percent purchased 8 university semesters, 19 percent purchased 4 university semesters, 10 percent purchased 9 university semesters, and 9 percent purchased 2 university semesters. Nine percent of respondents purchased a combination university/community college plan, and the remaining six percent purchased a community college plan. Of the 6 percent that purchased a community college plan, 81 percent purchased 4 community college semesters.

**Table 4: Type of Purchase by Geographic Area**

Type of Plan	N	%	Chicago n=146	Collar n=141	Central n=87	Northern n=23	Southern n=16
University	352	84.8%	87.7%	87.1%	83.3%	73.9%	62.5%
Comm. College	26	6.3%	4.8%	4.3%	8.3%	17.4%	6.3%
Combination	37	8.9%	7.5%	8.6%	8.3%	8.7%	31.3%
<b>TOTAL</b>	<b>415</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**2000 Purchaser Findings versus 2001 Purchaser Findings**

► 81 percent purchased a university plan, 13 percent a combination plan, and 7 percent a community college plan **vs.** 85 percent purchased a university plan, 9 percent a combination plan, and 6 percent a community college plan

Respondents with incomes of \$100,000 or higher were much more likely to purchase a university plan, 95 percent, compared to 56 percent of purchasers with incomes less than \$40,000. No respondents with incomes in excess of \$125,000 purchased a community college plan. By geographic area, respondents from northern and southern Illinois were less likely to purchase a university plan than were purchasers from other parts of the state. Northern Illinois purchasers were more likely to purchase a community college plan, and southern Illinois

purchasers were more likely to purchase a combination plan compared to the other respondents.

**More than 41 percent of respondents purchased by lump sum payment. Fifteen percent purchased using the 5-year monthly plan, and 13 percent using the 5-year annual plan.**

The largest proportion of respondents, as shown in Table 5, purchased a *College Illinois!* contract by lump sum payment. More than 41 percent, or 170 respondents, purchased by lump sum, 15 percent purchased using the 5-year monthly payment plan, and 13 percent used the 5-year annual payment plan. Eight percent purchased using the 10-year monthly payment plan, and over 3 percent used the 10-year annual plan. The remaining 20 percent selected one of the options which included a down payment of either \$2,000, \$5,000, or \$10,000 combined with monthly payments of either five or ten years. The most frequently chosen of the remaining options were a \$2,000 down payment plus five years of monthly payments, and a \$5,000 down payment with five years of monthly payments. These options were selected by seven percent and five percent of respondents, respectively. Nearly 45 percent of those who purchased university plans paid by lump sum compared to 19 percent of those who purchased a community college plan, and 22 percent of those who purchased a combination plan.

**Table 5: Type of Plan Purchased by Method of Purchase**

Method of Purchase	N	%	University Plan n=352	Community College Plan n=26	Combination Plan n=37
Lump sum	170	41.2%	44.8%	19.2%	22.2%
5 yr monthly	60	14.5%	10.6%	65.4%	16.7%
5 yr annual	53	12.8%	13.5%	11.5%	5.6%
10 yr monthly	34	8.2%	7.2%	0.0%	25.0%
10 yr annual	14	3.4%	3.7%	0.0%	2.8%
\$2k and 5 yr	28	6.8%	7.2%	3.8%	5.6%
\$2k and 10 yr	17	4.1%	4.3%	0.0%	5.6%
\$5k and 5 yr	19	4.6%	4.3%	0.0%	8.3%
\$5k and 10 yr	11	2.7%	2.3%	0.0%	8.3%
\$10k and 5 yr	6	1.5%	1.7%	0.0%	0.0%
\$10k and 10 yr	1	.2%	.3%	0.0%	0.0%
<b>TOTAL</b>	<b>413</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**2000 Purchaser Findings versus 2001 Purchaser Findings**

- ▶ 43 percent **vs.** 41 percent purchased using lump sum
- ▶ 29 percent **vs.** 15 percent purchased using 5-year monthly plan
- ▶ 17 percent **vs.** 8 percent purchased using 10-year monthly plan
- ▶ 13 percent and over 3 percent purchased by 5-year annual plan and 10-year annual plan, respectively (both are new plans for the most recent 2000-2001 enrollment period)

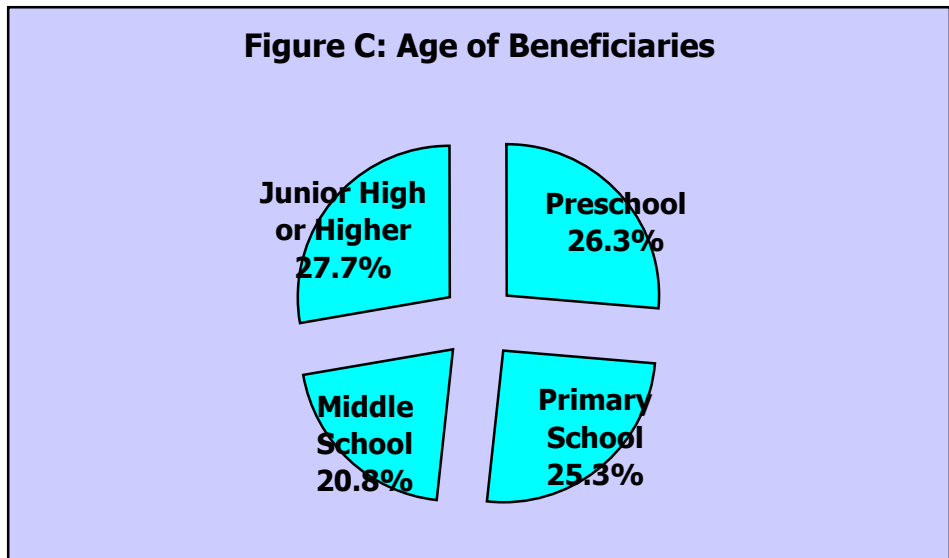
As shown in Table 6, while over one-third of those with incomes less than \$50,000 purchased by lump sum, almost two-thirds of those with incomes more than \$150,000 purchased by lump sum. In addition, less than 2 percent of respondents, 6 purchasers, used the \$10,000 down payment with the 5-year monthly payment plan, and only one respondent used the \$10,000 down payment and 10-year monthly payment plan.

**Table 6: Method of Purchase by Income**

Method of Purchase	N	%	Less than \$50,000 n=42	\$50,000 – \$79,999 n=116	\$80,000 – \$99,999 n=80	\$100,000 – \$124,999 n=65	\$125,000 – \$150,000 n=30	More than \$150,000 n=53
Lump sum	170	41.2%	35.7%	32.7%	32.9%	39.1%	41.4%	63.5%
5 yr monthly	60	14.5%	16.7%	22.1%	13.9%	15.6%	6.9%	5.8%
5 yr annual	53	12.8%	11.9%	14.2%	10.1%	20.3%	10.3%	9.6%
10 yr monthly	34	8.2%	11.9%	7.1%	15.2%	7.8%	0.0%	3.9%
10 yr annual	14	3.4%	2.4%	3.5%	2.5%	4.7%	3.5%	1.9%
\$2k and 5 yr	28	6.8%	9.5%	6.2%	6.3%	3.1%	13.8%	7.7%
\$2k and 10 yr	17	4.1%	7.1%	5.3%	3.8%	4.7%	6.9%	0.0%
\$5k and 5 yr	19	4.6%	2.4%	7.1%	5.1%	1.6%	10.3%	1.9%
\$5k and 10 yr	11	2.7%	2.4%	1.8%	5.1%	3.1%	0.0%	3.9%
\$10k and 5 yr	6	1.5%	0.0%	0.0%	5.1%	0.0%	6.9%	0.0%
\$10k and 10 yr	1	.2%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%
<b>TOTAL</b>	<b>413</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The largest proportion of beneficiaries - 28 percent - can be characterized as junior high or older, i.e., mostly seventh, eighth, and ninth graders. As Figure C illustrates, 26 percent were characterized as being in preschool (newborn through five years of age), 25 percent in primary school, and nearly 21 percent in middle school. The highest proportion of contracts purchased for all age groups were lump sum contracts. Approximately 42 percent, 28 percent, 44 percent, and 51 percent of contracts for preschool, primary school, middle school, and junior high students, respectively, were purchased by lump sum payment. Other popular payment options for all ages included the five-year annual plan and the five-year

*The largest proportion of beneficiaries - 28 percent - can be characterized as junior high or older.*



monthly plan. Contracts purchased for preschoolers and primary school children were far more likely to be ten-year monthly contracts than those purchased for



### 2000 Purchaser Findings versus 2001 Purchaser Findings

- ▶ 31 percent **vs.** 26 percent of beneficiaries characterized as preschoolers (newborn/infancy through five years of age)
- ▶ 23 percent **vs.** 42 percent lump sum contracts purchased for preschoolers
- ▶ 56 percent **vs.** 13 percent 10-year monthly contracts purchased for preschoolers

*Twenty-six percent of respondents indicated they first became aware of the College Illinois! Program through a friend or relative, 23 percent by a newspaper story, and 20 percent first became aware from a radio ad.*

middle school and junior high children. Notably, nearly 64 percent of contracts for newborns were purchased by lump sum payment, and nearly 91 percent of newborn contracts were 8 or 9 semester university plans.

### Program Awareness and Information Gathering

In order to assess the importance of various sources of *College Illinois!* program information, purchasers were asked how they first became aware of the program and how they were able to obtain answers to their questions. In addition, information was gathered on Web site visits and toll-free number usage during the last enrollment period. Twenty-six percent of respondents indicated they first became aware of the *College Illinois!* program through a friend or relative, 23 percent by a newspaper story, and 20 percent first became aware from a radio ad. As shown in Table 7, these sources of information were the three most frequently-cited sources for all regions, however, respondents from central, northern, and southern Illinois were more likely to have indicated they first became aware of the program from a radio ad than through a friend/relative or by a newspaper story. In addition, purchasers from central Illinois were more likely to indicate they became aware of the program through a television ad than did purchasers from other parts of the state.

**Table 7: How Purchasers First Became Aware of *College Illinois!* Overall and by Region**

	Chicago		Collar		Central		Northern		Southern		Overall	
	N	%	N	%	N	%	N	%	N	%	N	%
Friend/Relative	42	28.8%	43	30.5%	15	17.2%	3	13.6%	3	18.8%	107	25.5%
Newspaper Story	38	26.0%	33	23.4%	17	19.5%	5	22.7%	1	6.3%	96	22.9%
Radio Ad	23	15.8%	28	19.9%	20	23.0%	6	27.3%	6	37.5%	84	20.1%
Television Ad	8	5.5%	10	7.1%	9	10.3%	1	4.6%	1	6.3%	29	6.9%
Newspaper Ad	9	6.2%	7	5.0%	4	4.6%	1	4.6%	0	0.0%	21	5.0%
Internet	7	4.8%	6	4.3%	4	4.6%	1	4.6%	1	6.3%	20	4.8%
Other	5	3.4%	4	2.8%	2	2.3%	1	4.6%	1	6.3%	13	3.1%
Radio News	5	3.4%	4	2.8%	2	2.3%	0	0.0%	1	6.3%	12	2.9%
Financial/Tax Advisor	3	2.1%	2	1.4%	3	3.5%	1	4.6%	1	6.3%	11	2.6%
Employer	1	0.7%	2	1.4%	3	3.5%	1	4.6%	1	6.3%	8	1.9%
Television News	0	0.0%	2	1.4%	6	6.9%	0	0.0%	0	0.0%	8	1.9%
School	2	1.4%	0	0.0%	0	0.0%	1	4.6%	0	0.0%	4	1.0%
Library	2	1.4%	0	0.0%	1	1.2%	1	4.6%	0	0.0%	4	1.0%
Public Presentation	1	0.7%	0	0.0%	1	1.2%	0	0.0%	0	0.0%	2	0.5%
<b>TOTAL</b>	146	100.0%	141	100.0%	87	100.0%	22	100.0%	16	100.0%	419	100.0%

### 2000 Purchaser Findings versus 2001 Purchaser Findings

- ▶ Newspaper story and friend/relative continue to be the top two ways purchasers first became aware of *College Illinois!* - 23 percent and 20 percent **vs.** 23 percent and 26 percent
- ▶ 8 percent first became aware from a radio ad, 17 percent from a TV ad, and 11 percent from a newspaper ad **vs.** 20 percent from a radio ad, 7 percent from a TV ad, and 5 percent from a newspaper ad

*Sixty-nine percent reported they obtained answers to questions by visiting the College Illinois! Web site, 60 percent through the enrollment booklet, and 54 percent obtained answers by calling the College Illinois! toll-free number.*

Respondents less than 35 years of age were as likely to have first become aware of the program from a television ad as a radio ad, and respondents age 45 and older indicated that a newspaper story was the primary means by which they first became aware of *College Illinois!*. Purchasers with incomes between \$50,000 and \$100,000, representing 51 percent of all respondents, were more likely to first become aware of *College Illinois!* from a newspaper story than were respondents at other income levels. Separated or divorced respondents were more likely to hear about the program from a radio ad than through friends/relatives or newspaper stories. Male respondents were more likely to first become aware of the program from a radio ad, while female respondents were more likely to first become aware through friends/relatives.

After being asked how they learned about *College Illinois!*, respondents were asked how they obtained answers to their questions. Table 8 shows the results by region as well as overall. Sixty-nine percent reported they obtained answers to questions by visiting the *College Illinois!* Web site, 60 percent through the enrollment booklet, and 54 percent obtained answers by calling the *College Illinois!* toll-free number. In addition, sixteen percent got answers through a friend/relative, and 10 percent from a newspaper. The Web site, enrollment booklet, and toll-free number were also the three most frequently cited sources for all regions. A larger proportion of northern Illinois respondents - nearly 70 percent - indicated the enrollment booklet as the source for their answers.

**Table 8: How Purchasers Got Answers to Questions Overall and by Region**

Information sources	Chicago		Collar		Central		Northern		Southern		Overall	
	N	%	N	%	N	%	N	%	N	%	N	%
Visited Web site	97	66.4%	102	72.9%	61	70.1%	12	52.2%	14	87.5%	290	69.2%
Enrollment booklet	89	61.0%	81	57.9%	51	58.6%	16	69.6%	9	56.3%	252	60.1%
Called toll-free number	68	46.6%	83	59.3%	48	55.2%	11	47.8%	9	56.3%	225	53.7%
Friend/Relative	27	18.5%	19	13.6%	17	19.5%	2	8.7%	0	0.0%	65	15.5%
Newspaper	10	6.9%	19	13.6%	9	10.3%	4	17.4%	1	6.3%	43	10.3%
Radio	9	6.2%	11	7.9%	3	3.5%	2	8.7%	1	6.3%	27	6.4%
Financial/Tax Advisor	13	8.9%	4	2.9%	4	4.6%	2	8.7%	1	6.3%	24	5.7%
Television	11	7.5%	5	3.6%	3	3.5%	1	4.4%	0	0.0%	20	4.8%
Public Presentation	7	4.8%	4	2.9%	2	2.3%	1	4.4%	0	0.0%	14	3.3%
Other	1	0.7%	5	3.6%	2	2.3%	0	0.0%	0	0.0%	8	1.9%
Employer	2	1.4%	1	0.7%	2	2.3%	1	4.4%	1	6.3%	7	1.7%
Library	3	2.1%	1	0.7%	1	1.2%	0	0.0%	1	6.3%	6	1.4%
Never got answers	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions.

**Purchaser comments - most helpful source of information:**

*“TV news made me aware of this program. Newspaper and radio advertisements kept me interested, and the Internet gave me the details.”*

*“My initial investigation was through your Web site. I do that for just about every purchase these days - especially big ticket items.”*

*“Web site was comparable to booklet, but faster.”*

*“Web site was very good, but booklet went into more detail.”*

**Least helpful:**

*“Could not get a lot of detailed information from the toll-free number.”*

*“Some of the exhibits on the Web site didn’t download well.”*

**Over 79 percent of respondents have visited the College Illinois! Web site.**

As income increased, respondents obtaining answers from the Web site also increased. Respondents with incomes less than \$50,000 indicated the enrollment booklet or the toll-free number as their primary source for information; respondents with incomes in excess of \$50,000 reported the Web site as their primary source for information. Purchasers who reported their highest level of education as an associate degree or higher were more likely to indicate using the Web site as their source for information than purchasers with a high school diploma or equivalent.

Respondents were asked which of the sources of information they used was *most helpful* in answering questions, and which was *least helpful*. Table 9 shows 46 percent of respondents indicated the Web site was *most helpful* in answering questions, 35 percent indicated the enrollment booklet, and 13 percent indicated the toll-free number was most helpful. The three most frequently-cited as most helpful in answering questions were fairly consistent among socioeconomic characteristics.

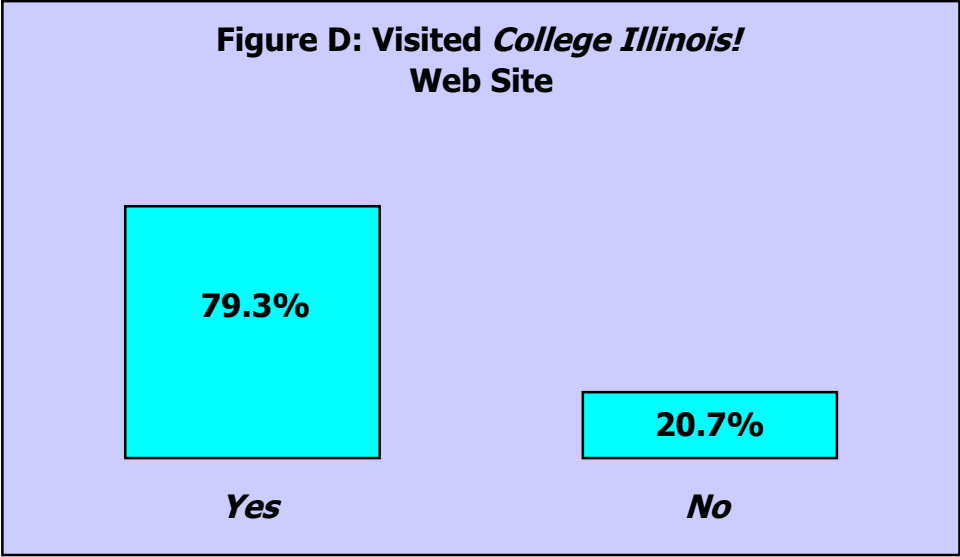
Table 9 also shows which one source respondents indicated as *least helpful* in obtaining answers to questions. Thirty-five percent indicated the toll-free number was least helpful in answering questions, 16 percent indicated friend/relative, 11 percent indicated Web site, and 10 percent each either indicated enrollment booklet or newspaper as least helpful in answering their questions. Note that many respondents did not indicate a source as least helpful; written comments suggested respondents felt all the sources of information were helpful, and so were unable to identify one source as least helpful.

**Table 9: Overall Most Helpful and Least Helpful Source Used to Obtain Answers to Questions**

Information sources	Most Helpful		Least Helpful	
	N	%	N	%
Web site	180	45.5%	26	11.4%
Enrollment booklet	137	34.6%	23	10.0%
Toll-free number	50	12.6%	80	34.9%
Friend/Relative	3	0.8%	37	16.2%
Newspaper	6	1.5%	22	9.6%
Radio	2	0.5%	12	5.2%
Financial/Tax Advisor	0	0.0%	10	4.4%
Television	0	0.0%	11	4.8%
Public Presentation	11	2.8%	2	0.9%
Other	4	1.0%	0	0.0%
Employer	1	0.3%	4	1.8%
Library	2	0.5%	2	0.9%
Never got answers	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>396</b>	<b>100.0%</b>	<b>229</b>	<b>100.0%</b>

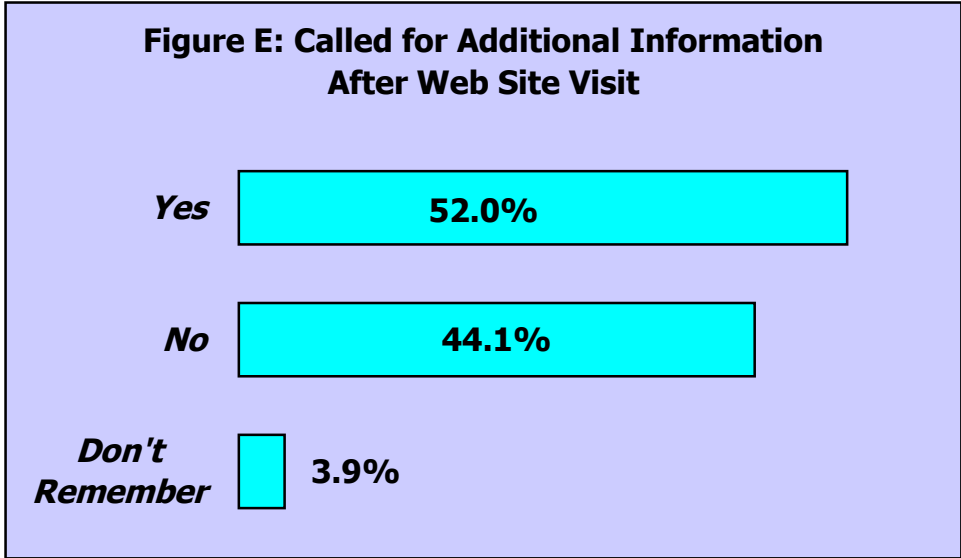
Respondents were asked a series of questions with regard to gathering information in order to find out what prompted those that visited the Web site to also call the toll-free number before a contract was purchased. As shown in Figure D, over 79 percent - 333 respondents - have visited the *College Illinois!*

Web site. Respondents with incomes less than \$50,000, respondents from northern Illinois and the Chicago area, and respondents of Hispanic or Latino origin were all less likely to have visited the Web site. In addition, purchasers 55 years of age or older, those who indicated their youngest child was more than 18 years of age, and those that indicated the intended beneficiary was their grandchild were all less likely to visit the *College Illinois!* Web site. Male respondents as well as respondents with an associate degree or higher were more likely to visit the Web site.



*Of those respondents who called for additional information, 37 percent called because they were still unclear about a program feature.*

Those that visited the Web site were asked if they called *College Illinois!* for additional information before they purchased a contract. Figure E shows, of the 79 percent who visited the Web site, 52 percent called for additional information, 44 percent did not, and 4 percent did not remember if they called for additional information.



Respondents who called the *College Illinois!* toll-free number in addition to visiting the Web site were asked what additional information was needed before a contract purchase could be made. As shown in Table 10, 37 percent - 62 respondents - were still unclear about a program feature. When asked which feature(s) respondents were unclear about, the majority indicated out-of-state transferability, refund provisions, and/or payment options. Twenty-nine percent of respondents who called had a question about the application process, and 17 percent had a problem accessing or downloading information from the Web site. In addition, 14 percent wanted to be sure the program was valid, 12 percent wanted to be sure the program was financially sound, and 7 percent felt it took too much time to find their answer on the Web site. Of the remaining 14 percent who indicated some “other” reason prompted them to call, the majority indicated they wanted a “paper” copy of either the application or the enrollment booklet or they were looking for additional clarification on a program feature.

**Table 10: Characteristics of Purchasers by What Prompted a Call to *College Illinois!* After a Web Site Visit**

Reason for Call	N	%	% Income > \$50,000	% Non-Minority	% Married	% Age 35 – 44
Still unclear about a program feature	62	36.9%	35.5%	36.4%	37.1%	40.0%
Question about the application process	49	29.2%	29.0%	27.8%	29.8%	27.5%
Problem accessing info from Web	29	17.3%	19.6%	17.9%	18.5%	16.5%
Be sure the program was valid	24	14.3%	11.6%	13.9%	13.9%	17.6%
Other	24	14.3%	13.0%	13.9%	13.3%	12.1%
Be sure the program was financially sound	20	11.9%	10.1%	11.9%	11.9%	12.1%
Too much time to find answer on Web	11	6.6%	5.8%	6.0%	6.0%	5.5%

\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions.

Male respondents were more likely to call because they were unclear about a program feature and less likely to call due to a problem accessing information from the Web site than were female respondents. Purchasers less than 35 years of age and purchasers from central Illinois were more often prompted to call because they were unclear about a program feature, and were less often prompted to call due to a problem accessing information from the Web site than were purchasers in other age groups and from other parts of the state.

*Sixty-two percent of respondents reported the most outstanding benefit College Illinois! had to offer was “peace of mind.”*

### Perception of Benefits

Information was gathered to assess the benefits that purchasers perceived they were receiving via a *College Illinois!* contract. As shown in Table 11, 62 percent, or 260 respondents, reported the most outstanding benefit *College Illinois!* had to offer was “peace of mind.” Nearly 18 percent felt “ability to lock in a price” was the most outstanding benefit, 10 percent indicated “flexible program features,” and over 5 percent felt “variety of payment options” was the most outstanding benefit of the program. Table 11 also shows those with incomes less than \$50,000 were more likely to have indicated “flexible program features” as the most outstanding benefit than those at higher income levels who were more likely to have indicated “ability to lock in a price.”

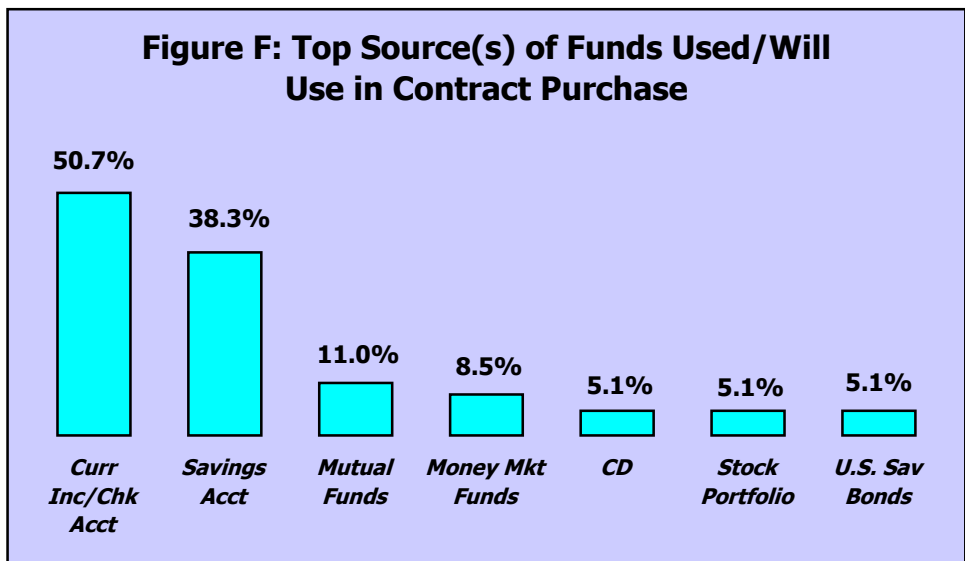
**Table 11: Most Outstanding Benefit *College Illinois!* Has to Offer Overall and by Income**

Most Outstanding Benefit	N	%	% Income	% Income	% Income	% Income
			< \$50,000 n=41	\$50,000- \$79,999 n=116	\$80,000- \$99,999 n=79	> \$100,000 n=147
Peace of mind	260	62.4%	58.5%	61.2%	67.1%	59.2%
Ability to lock in a price	73	17.5%	9.8%	19.0%	16.5%	19.0%
Flexible program features	43	10.3%	17.1%	12.1%	3.8%	10.9%
Variety of payment options	22	5.3%	2.4%	5.2%	11.4%	4.1%
Backed by the State of Illinois	10	2.4%	9.8%	0.9%	0.0%	3.4%
Complements other ed. Investments	4	1.0%	0.0%	0.0%	1.3%	2.0%
Other	3	0.7%	2.4%	0.9%	0.0%	0.7%
Reasonable pricing	1	0.2%	0.0%	0.0%	0.0%	0.7%
Tax advantages	1	0.2%	0.0%	0.9%	0.0%	0.0%
<b>TOTAL</b>	<b>417</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

*Nearly 51 percent of respondents used or will use current income/checking account in making their College Illinois! purchase.*

**Funds Used**

To pay for their contract, survey recipients were asked whether they used or will use any of a variety of sources of funds listed on the questionnaire. The sources of funds are listed in Table 12 by frequency of use. As Figure F and Table 12 show, nearly 51 percent of respondents used or will use current income/checking account in making their *College Illinois!* purchase. Over 38 percent utilized a savings account, 11 percent mutual funds, and nearly 9 percent utilized money market funds in their purchase.



\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions.

As shown in Table 12, respondents with incomes in excess of \$100,000 were more likely to have indicated they purchased or plan to purchase a contract using a savings account and/or money market funds. Nearly 21 percent of respondents with incomes between \$80,000 and \$99,999 reported utilizing mutual funds. Minority respondents were more likely to have indicated current income/checking account as a source of funds, and less likely to have indicated savings account.

**Table 12: Source(s) of Funds Used or Will Use for Purchase Overall and by Income**

	% Income	% Income	% Income
	< \$50,000	\$50,000- \$79,999	\$80,000- \$99,999
			> \$100,000

Source of Funds:	N	%	n=41	n=114	n=78	n=147
Current Income/Checking Account	208	50.7%	53.7%	57.0%	56.4%	46.3%
Savings Account	157	38.3%	31.7%	35.1%	33.3%	41.5%
Mutual Funds	45	11.0%	7.3%	9.7%	20.5%	9.5%
Money Market Funds	35	8.5%	7.3%	5.3%	3.9%	12.9%
Other	29	7.1%	9.8%	6.1%	11.5%	5.4%
Certificate of Deposit	21	5.1%	7.3%	8.8%	2.6%	4.8%
Stock Portfolio	21	5.1%	2.4%	6.1%	3.9%	8.3%
U.S. Savings Bonds	21	5.1%	4.9%	5.3%	6.4%	5.4%
Uniform Gift to Minors	19	4.6%	2.4%	2.6%	7.7%	5.4%
Inheritance	19	4.6%	7.3%	8.8%	3.9%	1.4%
Life Insurance	4	1.0%	0.0%	0.9%	1.3%	0.7%
Educational IRA	3	0.7%	0.0%	0.0%	1.3%	1.4%
Self-Managed Retirement Program	3	0.7%	2.4%	0.9%	0.0%	0.7%
Other Section 529 plan(s)	1	0.2%	0.0%	0.9%	0.0%	0.0%

**2000 Purchaser Findings versus 2001 Purchaser Findings**

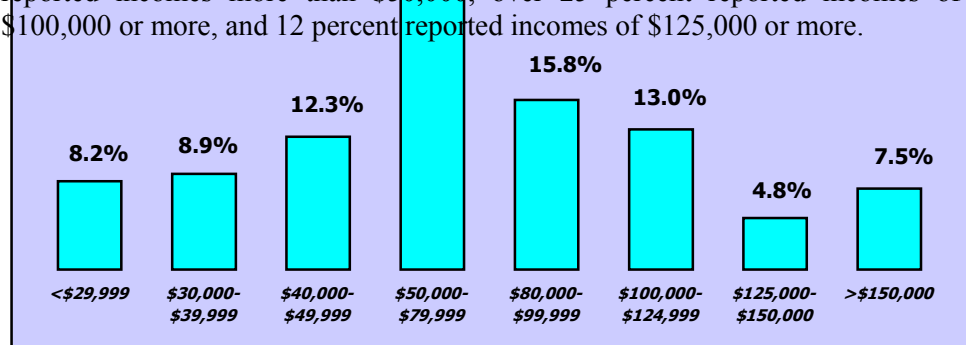
- Source(s) of funds used or will use for purchase or college funding purposes - 65 percent current income/checking account, 30 percent savings account, 12 percent mutual funds, 9 percent money market funds, 9 percent CD, and 9 percent stock portfolio **vs.** 51 percent current income/checking account, 38 percent savings account, 11 percent mutual funds, 9 percent money market funds, 5 percent CD, and 5 percent stock portfolio

\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions.

## Non-Purchaser Survey Findings

### Socioeconomic Characteristics

Socioeconomic characteristics collected on respondents who had inquired about the program but did not purchase a contract included income, age, race/ethnicity, marital status, gender, family life cycle, geographic area, and primary language spoken in the home. The majority of non-purchasers can be characterized as middle to upper-middle income families, female, age 44 or younger, white, and married. Figure G and Table 13 show that nearly 71 percent of respondents reported incomes more than \$50,000, over 25 percent reported incomes of \$100,000 or more, and 12 percent reported incomes of \$125,000 or more.



*The majority of non-purchasers can be characterized as middle to upper-middle income families, female, age 44 or younger, white, and married.*



**Table 13: Characteristics of Non-Purchasers by Income Level**

Income Level	N	%	% Non-Minority	% from Chicago/Collar Area	% Married
< \$29,999	12	8.2%	54.6%	66.7%	50.0%
\$30,000-\$39,999	13	8.9%	50.0%	58.3%	38.5%
\$40,000-\$49,999	18	12.3%	66.7%	61.1%	61.1%
\$50,000-\$79,999	43	29.5%	88.1%	62.8%	90.7%
\$80,000-\$99,999	23	15.8%	75.0%	57.1%	82.6%
\$100,000-\$124,999	19	13.0%	89.5%	73.7%	79.0%
\$125,000-\$150,000	7	4.8%	85.7%	71.4%	100.0%
> \$150,000	11	7.5%	90.9%	81.8%	100.0%
<b>TOTAL</b>	<b>146</b>	<b>100.0%</b>	<b>78.1%</b>	<b>64.3%</b>	<b>78.8%</b>

**2001 Findings: Purchasers versus Non-Purchasers**

- ▶ 11 percent **vs.** 29 percent with incomes less than \$50,000
- ▶ 38 percent **vs.** 25 percent with incomes more than \$100,000
- ▶ 89 percent white and 2 percent African American **vs.** 78 percent and 12 percent
- ▶ 50 percent of respondents female **vs.** 62 percent
- ▶ 90 percent married, 7 percent separated/divorced, and 3 percent single **vs.** 79 percent, 10 percent, and 10 percent, respectively

Table 13 also shows that over 78 percent of respondents reported their race/ethnicity as white. Of the remaining respondents, 12 percent indicated they were African American, 6 percent indicated they were of Hispanic or Latino origin, and 4 percent indicated their race as Asian American. Eighty-seven percent of respondents reported that the language spoken most often in their home was “English,” and six percent reported “Spanish.”

Nearly 62 percent of those who inquired about the program, but did not make a contract purchase were female. Seventy-nine percent of non-purchasers who responded reported their marital status as married, ten percent each were either separated/divorced or single, and less than two percent were widowed. Table 1 also shows that the incidence of married status, race/ethnicity as white, and residency in the Chicago or collar areas increased at the highest income levels. Respondents with incomes less than \$40,000 were more likely to have reported their race as African American and their marital status as separated or divorced than their counterparts.

*The majority of non-purchaser respondents – nearly 64 percent – were from “upstate” Illinois.*

The majority of respondents – 64 percent – were from “upstate” Illinois. Nearly 35 percent had a Chicago address, and 30 percent had a collar county address. Twenty percent were from central Illinois, over ten percent were from northern Illinois, and over five percent were from southern Illinois. Table 14 shows select socioeconomic characteristics of non-purchasers by their geographic location. Respondents from northern Illinois were more likely to be white, 44 years of age or younger, and to have reported incomes higher than \$50,000 than other respondents who inquired about the program around the state. Chicago area respondents were more likely to be minority and 45 years of age or older, and

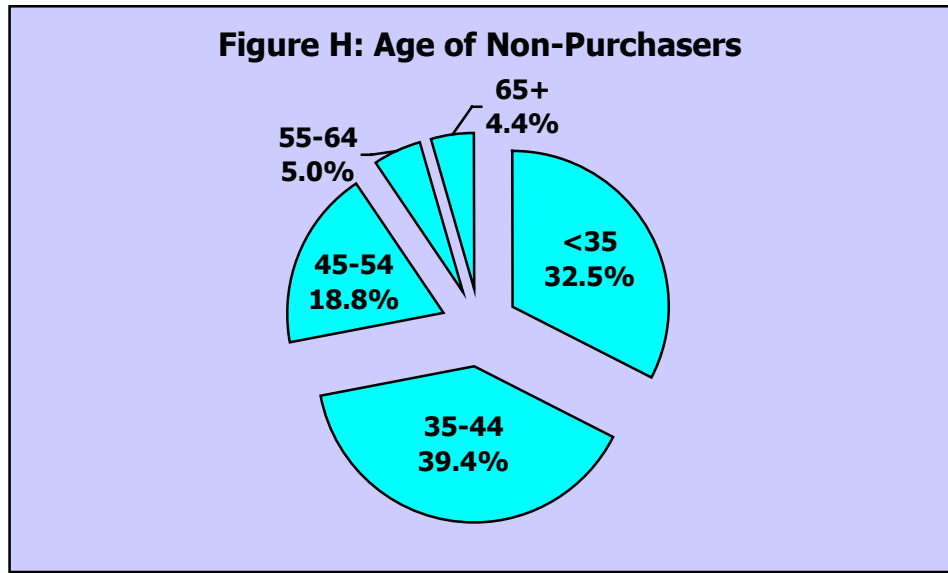
less likely to be married than their counterparts. Nearly 39 percent of respondents from central Illinois reported incomes less than \$50,000.

**Table 14: Characteristics of Non-Purchasers by Geographic Location**

Geographic Location	N	%	% Income > \$50,000	% Non-Minority	% Married	% age 44 or younger
Chicago	57	34.6%	70.0%	63.0%	72.7%	60.4%
Collar	49	29.7%	74.4%	87.0%	83.0%	72.9%
Central	33	20.0%	61.5%	85.7%	77.4%	78.1%
Northern	17	10.3%	76.5%	94.1%	88.2%	94.1%
Southern	9	5.5%	71.4%	71.4%	100.0%	85.7%
<b>TOTAL</b>	165	100.0%	70.5%	78.1%	78.8%	71.9%

*The majority of respondents - 72 percent - were 44 years of age or younger; nearly 33 percent were less than 35 years of age.*

The majority of respondents - 72 percent - were 44 years of age or younger. Age distribution, as illustrated in Figure H, shows 39 percent were between the ages 35 and 44, nearly 33 percent less than 35 years of age, and 19 percent were between the ages of 45 and 54. The remaining 9 percent were 55 years of age or older.



*In terms of family life cycle, the largest proportion of respondents, over 51 percent, can be characterized as “younger marrieds, with children, youngest child under age six.”*

In terms of family life cycle, the largest proportion of respondents, over 51 percent, can be characterized as “younger marrieds, with children, youngest child under age six.” This category is shown in Table 15 as those with their youngest child less than 6 years of age. Another 38 percent of the respondents can be classified as “older marrieds, with children, youngest child age six or over.” Nearly 88 percent of respondents were between the ages of 35 and 54. The remaining 11 percent of respondents, those shown in Table 15 whose youngest child is over age 18, can be classified as either “older marrieds or older separated/divorced or single, children maintaining separate residences.” These respondents were less likely to be married; 25 percent reported their status as separated or divorced and 13 percent as single. In addition, nearly 67 percent were age 55 or older.

**Table 15: Characteristics of Non-Purchasers by Life Cycle**

Life Cycle: Age of Youngest Child	N	%	% Income > \$50,000	% Non- Minority	% Married	% Children n>1	% age 44 or younger
< 6	77	51.3%	76.1%	80.8%	90.8%	75.0%	93.4%
6 – 18	57	38.0%	72.6%	78.2%	75.4%	74.5%	61.4%
Over 18	16	10.7%	64.3%	73.3%	56.3%	66.7%	6.7%
<b>TOTAL</b>	150	100.0%	70.5%	78.1%	78.8%	74.1%	71.9%

**2001 Findings: Purchasers versus Non-Purchasers**

- ▶ 5 percent **vs.** 10 percent of respondents from northern Illinois
- ▶ 19 percent less than 35-years of age and 52 percent between ages 35 and 44 **vs.** 33 percent and 39 percent
- ▶ Majority of respondents characterized as “older marrieds, with children, youngest child age six or over” **vs.** majority characterized as “younger marrieds, with children, youngest child under age six”

*Twenty-seven percent of respondents indicated they first became aware of the College Illinois! Program from a radio ad, 17 percent through a friend/relative, and 12 percent each from either a newspaper story or a TV ad.*

Respondents who indicated their youngest child was under the age of 6 were more likely to have incomes in excess of \$50,000, to be married, white, and to have more than one child. Respondents who indicated their youngest child was over age 18 were less likely to have reported incomes in excess of \$125,000, and more likely to have reported their race as African American than respondents with children under 18 years of age.

### **Program Awareness and Information Gathering**

In order to assess the importance of various sources of *College Illinois!* program information, purchasers were asked how they first became aware of the program and how they were able to obtain answers to their questions. Data were also gathered on Web site visits and toll-free number usage during the last enrollment period. Twenty-seven percent of respondents indicated they first became aware of the *College Illinois!* program from a radio ad, 17 percent through a friend or relative, and 12 percent each first became aware from either a newspaper story or a television ad. As shown in Table 16, radio ad was the most frequently cited source of information for respondents in all regions, except for those in southern Illinois where nearly 38 percent first became aware through a friend/relative. Central and northern Illinois non-purchasers were more likely to have first become aware of *College Illinois!* by radio ad or television ad than respondents from other areas.

**Table 16: How Non-Purchasers First Became Aware of *College Illinois!* Overall and by Region**

	Chicago		Collar		Central		Northern		Southern		Overall	
	N	%	N	%	N	%	N	%	N	%	N	%
Radio Ad	12	21.8%	12	25.5%	12	36.4%	5	29.4%	2	25.0%	44	27.0%
Friend/Relative	12	21.8%	6	12.8%	5	15.2%	1	5.9%	3	37.5%	27	16.6%
Newspaper Story	7	12.7%	7	14.9%	3	9.1%	2	11.8%	0	0.0%	19	11.7%
Television Ad	5	9.1%	3	6.4%	5	15.2%	5	29.4%	0	0.0%	19	11.7%
Employer	5	9.1%	1	2.1%	2	6.1%	1	5.9%	2	25.0%	11	6.8%
Internet	2	3.6%	6	12.8%	0	0.0%	0	0.0%	0	0.0%	8	4.9%
Other	1	1.8%	4	8.5%	1	3.0%	1	5.9%	0	0.0%	7	4.3%
Radio News	4	7.3%	1	2.1%	1	3.0%	1	5.9%	0	0.0%	7	4.3%
Library	5	9.1%	1	2.1%	0	0.0%	0	0.0%	0	0.0%	6	3.7%
Newspaper Ad	2	3.6%	3	6.4%	0	0.0%	0	0.0%	0	0.0%	6	3.7%
School	0	0.0%	2	4.3%	2	6.1%	0	0.0%	1	12.5%	5	3.1%
Television News	0	0.0%	0	0.0%	1	3.0%	1	5.9%	0	0.0%	2	1.2%
Financial/Tax Advisor	0	0.0%	1	2.1%	0	0.0%	0	0.0%	0	0.0%	1	0.6%
Public Presentation	0	0.0%	0	0.0%	1	3.0%	0	0.0%	0	0.0%	1	0.6%
<b>TOTAL</b>	<b>55</b>	<b>100.0%</b>	<b>47</b>	<b>100.0%</b>	<b>33</b>	<b>100.0%</b>	<b>17</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>	<b>163</b>	<b>100.0%</b>

### **2001 Findings: Purchasers versus Non-Purchasers**

- ▶ First became aware of *College Illinois!* –
  - 26 percent through friend/relative **vs.** 17 percent
  - 23 percent from newspaper story **vs.** 12 percent
  - 20 percent by radio ad **vs.** 27 percent
  - 7 percent by TV ad **vs.** 12 percent
  - 2 percent through employer **vs.** 7 percent
  - 1 percent from library **vs.** 4 percent

**Nearly 59 percent reported they obtained answers to questions through the enrollment booklet, 58 percent by calling the College Illinois! toll-free number, and over 38 percent obtained answers by visiting the College Illinois! Web site.**

No Asian American or Hispanic/Latino respondents indicated first hearing of *College Illinois!* through a newspaper story. The largest proportion of Hispanic/Latino respondents first become aware of the program from a radio ad, and the largest proportion of African American respondents first become aware through their employer. Respondents with incomes in excess of \$80,000, representing over 41 percent of all respondents, were more likely to have first heard of the program from a newspaper advertisement or the Internet than lower-income respondents. Those with incomes less than \$50,000 and those with incomes between \$80,000 and \$99,999 were more likely to indicate they first became aware of the program through a radio ad.

After being asked how they learned about *College Illinois!*, respondents were asked how they obtained answers to their questions. Table 17 shows the results by region as well as overall. Nearly 59 percent reported they obtained answers to questions through the enrollment booklet, 58 percent by calling the *College Illinois!* toll-free number, and over 38 percent obtained answers by visiting the *College Illinois!* Web site. In addition, 11 percent got answers from a newspaper, nearly 9 percent from the radio, and 8 percent through a friend or relative. Enrollment booklet, toll-free number, and Web site were also the three most frequently cited sources for all regions. Northern, southern, and central Illinois respondents, however, were more likely to have indicated obtaining answers from the toll-free number. Respondents from the Chicago and collar areas were more likely to have obtained answers from a newspaper than respondents from other parts of the state.

**Table 17: How Non-Purchasers Obtained Answers to Questions Overall and by Region**

Information sources	Chicago		Collar		Central		Northern		Southern		Overall	
	N	%	N	%	N	%	N	%	N	%	N	%
Enrollment booklet	35	63.6%	28	58.3%	17	53.1%	10	58.8%	2	28.6%	95	58.6%
Toll-free number	32	58.2%	23	47.9%	20	62.5%	12	70.6%	5	71.4%	94	58.0%
Web site	18	32.7%	19	39.6%	16	50.0%	5	29.4%	3	42.9%	62	38.3%
Newspaper	7	12.7%	8	16.7%	2	6.3%	1	5.9%	0	0.0%	18	11.1%
Radio	4	7.3%	4	8.3%	3	9.4%	1	5.9%	2	28.6%	14	8.6%
Friend/relative	6	10.9%	2	4.2%	3	9.4%	0	0.0%	2	28.6%	13	8.0%
Other	3	5.5%	2	4.2%	3	9.4%	0	0.0%	0	0.0%	9	5.6%
Employer	3	5.5%	0	0.0%	0	0.0%	0	0.0%	1	14.3%	4	2.5%
Financial/tax advisor	1	1.8%	2	4.2%	0	0.0%	1	5.9%	0	0.0%	4	2.5%
Never got answers	1	1.8%	1	2.1%	1	3.1%	0	0.0%	1	14.3%	4	2.5%
Library	2	3.6%	1	2.1%	0	0.0%	0	0.0%	0	0.0%	3	1.9%
Public presentation	1	1.8%	1	2.1%	0	0.0%	0	0.0%	0	0.0%	2	1.2%
Television	0	0.0%	0	0.0%	2	6.3%	0	0.0%	0	0.0%	2	1.2%

\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions.

As income increased, respondents obtaining answers from the Web site also increased. Respondents with incomes more than \$50,000 were more likely to have obtained answers from the Web site compared to lower-income non-purchasers; 64 percent of respondents with incomes in excess of \$150,000 reported the Web site as their source for information. Those with incomes more

### **2001 Findings: Purchasers versus Non-Purchasers**

- ▶ Obtained answers to questions –
  - 69 percent from Web site **vs.** 38 percent
  - 54 percent from toll-free number **vs.** 58 percent
  - 16 percent through friend/relative **vs.** 8 percent
  - 6 percent from radio **vs.** 9 percent
  - 6 percent through tax/financial advisor **vs.** 3 percent
  - 5 percent from TV **vs.** 1 percent
  - 0 percent never received answers **vs.** 3 percent

than \$125,000 were less likely to have reported the toll-free number as a source for answers. Female respondents indicated obtaining answers from a friend or relative more often, and from the Web site less often than male respondents.

As the age of respondents increased so did the likelihood of obtaining answers from the enrollment booklet. Non-purchasers age 55 or older and non-purchasers who indicated their youngest child was over the age of 18 were more likely to have found answers to their questions from a newspaper, and less likely to have obtained answers from the Web site. Separated or divorced respondents and Hispanic/Latino respondents had higher percentages obtaining answers from the radio, and smaller percentages from the Web site than their counterparts. No single respondents used the newspaper as a source for information.

Respondents were asked which of the sources of information used was *most helpful* in answering questions, and which source was *least helpful*. Table 18 shows nearly 55 percent of respondents indicated the enrollment booklet was *most helpful* in answering questions, 23 percent indicated the Web site, and 17 percent cited the toll-free number as most helpful. Respondents with incomes in excess of \$50,000 reported the Web site as the most helpful source more often than did lower-income respondents; no respondents with incomes in excess of \$100,000 indicated the toll-free number as the most helpful source of information.

Table 18 also shows which one source respondents indicated as *least helpful* in obtaining answers to questions. Thirty-six percent indicated the toll-free number was least helpful in answering questions, 16 percent indicated the newspaper, 10 percent each either indicated the enrollment booklet or radio, and nearly 9 percent indicated the Web site as least helpful in answering their questions. Non-purchasers with incomes between \$40,000 and \$79,999, representing nearly 42 percent of all respondents, were more likely to have indicated the radio as least helpful than respondents at other income levels. Again, note that many respondents did not indicate a source as least helpful; written comments suggested respondents felt all the sources of information were helpful, and so were unable to identify one source as least helpful.

**Table 18: Overall Most Helpful and Least Helpful Source Used to Obtain Answers to Questions**

Information sources	<i>Most Helpful</i>		<i>Least Helpful</i>	
	N	%	N	%
Enrollment booklet	79	54.5%	7	10.0%
Web site	33	22.8%	6	8.6%
Toll-free number	24	16.6%	25	35.7%
Newspaper	3	2.1%	11	15.7%
Financial/tax advisor	2	1.4%	2	2.9%
Employer	1	0.7%	3	4.3%
Radio	1	0.7%	7	10.0%
Other	1	0.7%	1	1.4%
Never got answers	1	0.7%	2	2.9%
Public presentation	0	0.0%	0	0.0%
Television	0	0.0%	1	1.4%
Friend/relative	0	0.0%	4	5.7%
Library	0	0.0%	1	1.4%
<b>TOTAL</b>	<b>145</b>	<b>100.0%</b>	<b>70</b>	<b>100.0%</b>

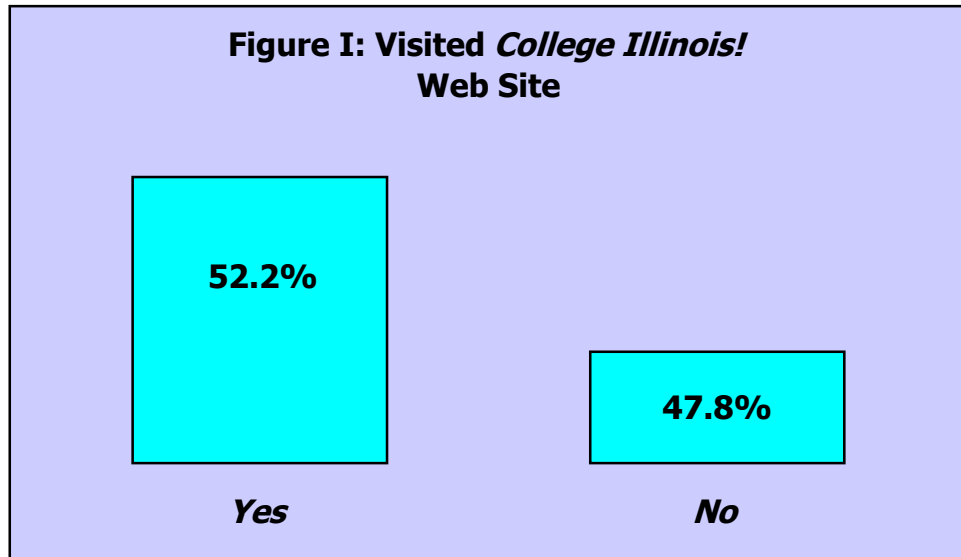
Respondents were asked a series of questions with regard to gathering information in order to find out what prompted those that visited the Web site to also call the toll-free number for additional information. As shown in Figure I, 52 percent - 83 respondents- have visited the *College Illinois!* Web site. Respondents with incomes less than \$50,000, respondents from northern Illinois and the Chicago area, separated or divorced respondents, and respondents of Hispanic or Latino origin were all less likely to have visited the Web site. Sixty-two percent of male respondents had visited the Web site compared to 47 percent of female respondents. As the age of respondents increased the likelihood of visiting the Web site decreased; 60 percent of respondents less than 35 years of age had visited the Web site compared to 38 percent of respondents between the ages of 55 and 64 and no respondents over the age of 65. The likelihood of visiting the site also decreased as the age of the respondents' youngest child increased – just 13 percent of respondents with their youngest child over age 18 had visited the *College Illinois!* Web site.

*Over half - 52 percent- have visited the College Illinois! Web site.*

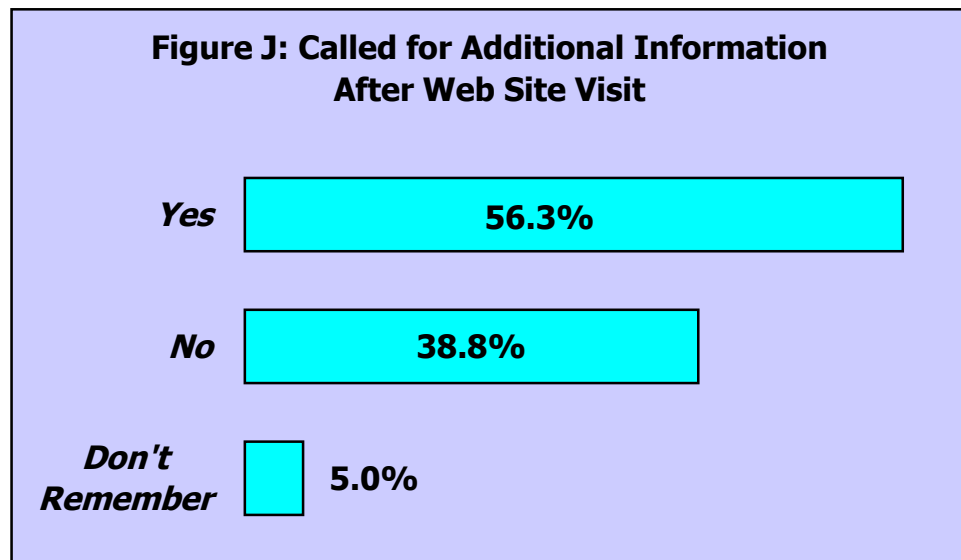
**2001 Findings: Purchasers versus Non-Purchasers**

- ▶ *Most helpful* in obtaining answers to questions –
  - 46 percent from Web site **vs.** 23 percent
  - 35 percent from enrollment booklet **vs.** 55 percent
  - 13 percent from toll-free number **vs.** 17 percent
  - 3 percent from public presentation **vs.** 0 percent
  - 0 percent through tax/financial advisor **vs.** 1 percent
- ▶ *Least helpful* in obtaining answers to questions –
  - 16 percent through friend/relative **vs.** 6 percent
  - 10 percent from newspaper **vs.** 16 percent
  - 5 percent from radio **vs.** 10 percent
  - 5 percent from TV **vs.** 1 percent
  - 0 percent never received answers **vs.** 3 percent

Of the 52 percent who visited the Web site, over 56 percent called the toll-free number for additional information.



Those that visited the Web site were asked if they called *College Illinois!* for additional information. Figure J shows, of the 52 percent who visited the Web site, over 56 percent called for additional information, 39 percent did not, and 5 percent did not remember if they called for additional information. Respondents between the ages of 35 and 54, female respondents, respondents from central or northern Illinois, those with their youngest child under age 6, and separated or divorced respondents were all more likely to have called the toll-free number for additional information after visiting the Web site.



Of those respondents who called for additional information, 41 percent - 18 respondents - called because they had a question about the application process.

Respondents who called the *College Illinois!* toll-free number in addition to visiting the Web site were asked what additional information was needed. As shown in Table 19, 41 percent - 18 respondents - had a question about the application process. Nearly 21 percent each either had a problem accessing information on the *College Illinois!* Web site or were still unclear about a



program feature. An additional 21 percent, or 9 respondents, indicated some “other” reason prompted their call. Of those respondents, the majority called for an enrollment booklet or an application. Eighteen percent each either wanted to be sure the program was valid or felt it took too much time to find their answers on the Web site, and nearly 16 percent called the toll-free number to be assured the program was financially sound.

**Table 19: Characteristics of Non-Purchasers by What Prompted a Call to *College Illinois!***

Reason for Call	N	%	% Income > \$50,000	% Non-Minority	% Married	% Age 44 or younger
Question about the application process	18	40.9%	43.8%	45.7%	41.7%	42.9%
Problem accessing info from Web	9	20.5%	25.0%	20.0%	19.4%	20.0%
Still unclear about a program feature	9	20.5%	15.6%	20.0%	19.4%	20.0%
Other	9	20.5%	25.0%	20.0%	19.4%	17.1%
Be sure the program was valid	8	18.2%	15.6%	20.0%	16.7%	17.1%
Too much time to find answer on Web	8	18.2%	18.8%	17.1%	13.9%	17.1%
Be sure the program was financially sound	7	15.9%	9.4%	11.4%	13.9%	20.0%

\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions

**2001 Findings: Purchasers versus Non-Purchasers**

- ▶ 79 percent had visited the *College Illinois!* Web site **vs.** 52 percent
- ▶ 52 percent called for additional information after visiting the Web site **vs.** 56 percent
- ▶ 37 percent called because they were still unclear about a program feature **vs.** 21 percent
- ▶ 29 percent called because they had a question on the application process **vs.** 41 percent
- ▶ 7 percent called because it took too much time to find their answer on the Web site **vs.** 18 percent

*Nearly 45 percent, or 70 respondents, reported the most outstanding benefit College Illinois! had to offer was “peace of mind.”*

Female respondents were more likely to have multiple reasons that prompted a call. Those between the ages of 45 and 54 were less likely to be unclear about a program feature, and/or need assurance of program soundness and/or validity than those in other age groups. African American respondents were more likely to need assurance of program soundness and less likely to have a question on the application process. Chicago area respondents were more likely to have called due to problems accessing information on the Web site, and less likely due to a question on the application process. Those with a collar area address tended to call with regard to the application process. Very few Central Illinois non-purchasers had problems accessing information on the Web site.

**Perception of Benefits**

Information was gathered to assess what those that inquired about *College Illinois!* perceived as the benefits of the program. As shown in Table 20, nearly 45 percent, or 70 respondents, reported the most outstanding benefit *College Illinois!* had to offer was “peace of mind.” Nearly 20 percent felt “ability to lock

in a price” was the most outstanding benefit, 10 percent each either indicated “flexible program features” or “variety of payment options,” and 9 percent felt “backed by the State of Illinois” was the most outstanding benefit of the program. Table 20 also shows those with incomes less than \$80,000 were more likely to have indicated “ability to lock in a price” or “backed by the State of Illinois” as the most outstanding benefit than those at higher income levels. Those with incomes more than \$100,000 were more likely than their counterparts to have cited “tax advantages” as the most outstanding benefit.

**Table 20: Most Outstanding Benefit *College Illinois!* Has to Offer Overall and by Income**

Most Outstanding Benefit	N	%	% Income	% Income	% Income	% Income
			< \$50,000 n=40	\$50,000- \$79,999 n=43	\$80,000- \$99,999 n=22	> \$100,000 n=37
Peace of mind	70	44.6%	45.0%	41.9%	31.8%	45.9%
Ability to lock in a price	31	19.8%	20.0%	23.3%	18.2%	16.2%
Flexible program features	16	10.2%	7.5%	11.6%	13.6%	13.5%
Variety of payment options	16	10.2%	10.0%	9.3%	13.6%	8.1%
Backed by the State of Illinois	14	8.9%	12.5%	11.6%	4.6%	8.1%
Tax advantages	4	2.6%	0.0%	2.3%	4.6%	5.4%
Other	3	1.9%	0.0%	0.0%	9.1%	2.7%
Reasonable pricing	2	1.3%	2.5%	0.0%	4.6%	0.0%
Complements other ed. investments	1	0.6%	2.5%	0.0%	0.0%	0.0%
<b>TOTAL</b>	157	100.0%	100.0%	100.0%	100.0%	100.0%

**2001 Findings: Purchasers versus Non-Purchasers**

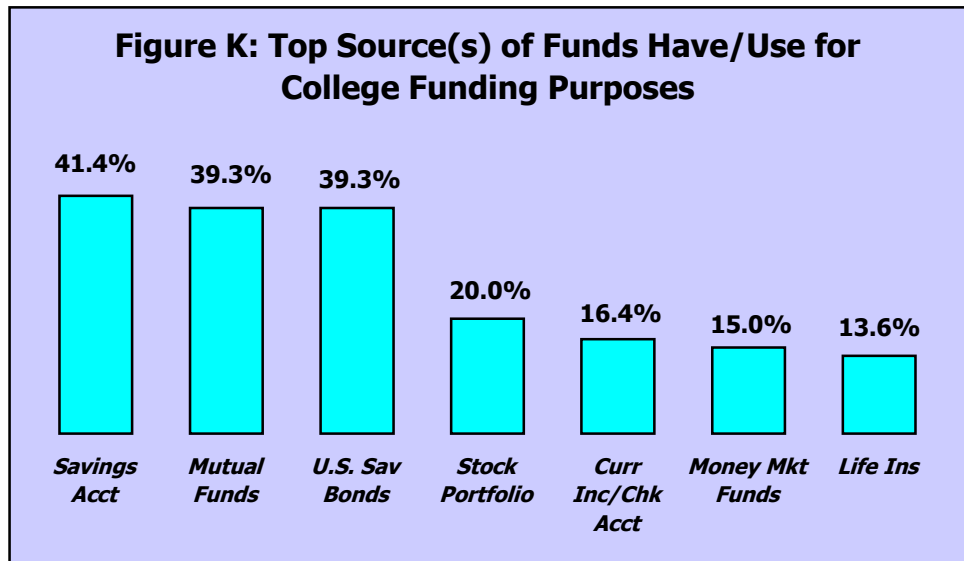
- ▶ 62 percent indicated most outstanding benefit was “peace of mind” **vs.** 45 percent
- ▶ 5 percent indicated most outstanding benefit was “variety of payment options” **vs.** 10 percent
- ▶ 2 percent indicated most outstanding benefit was “backed by the State of Illinois” **vs.** 9 percent

Sixty-five percent of northern Illinois respondents indicated “peace of mind” as the most outstanding benefit compared to 29 percent of respondents from southern Illinois. Southern Illinois respondents were more likely to have indicated “flexible program features” as the most outstanding benefit. Female respondents were less likely to have indicated “peace of mind” as the most outstanding benefit of *College Illinois!*, and more likely to have indicated “flexible program features” than male respondents. Non-purchasers age 55 and older and non-purchasers that indicated their youngest child was over age 18 were more likely to have chosen “variety of payment options” and less likely to have chosen “peace of mind.” In comparison, those that reported their youngest child as under age 6 and were less than 35 years of age were more likely to have indicated “peace of mind” and less likely to have indicated “variety of payment options.” Single respondents and separated or divorced respondents felt “variety of payment options” was the most outstanding benefit more often than their counterparts. Twenty percent of separated/divorced respondents indicated “flexible program features” as the most outstanding benefit.

*Over 41 percent of respondents have or use a savings account for college funding purposes, and 39 percent each will use either mutual funds and/or U.S. Savings Bonds.*

**Funds Used**

Survey recipients were asked whether they have or use any of a variety of sources of funds for college funding purposes. The sources of funds are listed in Table 9 by frequency of use. As Figure K and Table 21 show, over 41 percent of respondents have or use a savings account for college funding, and 39 percent each either have or use mutual funds and/or U.S. Savings Bonds. Twenty percent have a stock portfolio, over 16 percent current income/checking account, 15 percent money market funds, and nearly 14 percent have or use life insurance for college funding. Nearly 13 percent have or use a certificate of deposit, and slightly more than 9 percent each use the Uniform Gift to Minors and/or an Educational IRA. Of the 7 percent, or 10 respondents, that indicated using some “other” source(s) of funds, 2 respondents indicated a 401K Plan. The remainder of sources were used by five percent or less of respondents for college funding purposes.



\* Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions.

As shown in Table 21, as income increased so did the likelihood that respondents have or use mutual funds for college funding purposes. In addition, respondents with incomes in excess of \$50,000 were more likely to have indicated money market funds and/or a stock portfolio for college funding. Non-purchasers with incomes less than \$50,000 were more likely to have indicated current income/checking account than those with higher incomes. Female respondents were more likely to have indicated using a savings account, and less likely to have used mutual funds for college funding than male respondents.

**Table 21: Non-Purchaser Source(s) of Funds Have or Use for College Funding Purposes Overall and by Income**

Source of Funds:	N	%	% Income < \$50,000 n=29	% Income \$50,000- \$79,999 n=41	% Income \$80,000- \$99,999 n=21	% Income > \$100,000 n=34
Savings Account	58	41.4%	48.3%	39.0%	38.1%	44.1%
U.S. Savings Bonds	55	39.3%	27.6%	46.3%	47.6%	35.3%
Mutual Funds	55	39.3%	24.1%	39.0%	47.6%	50.0%
Stock Portfolio	28	20.0%	0.0%	26.8%	23.8%	26.5%
Current Income/Checking Account	23	16.4%	24.1%	17.1%	19.1%	8.8%
Money Market Funds	21	15.0%	0.0%	17.1%	9.5%	26.5%
Life Insurance	19	13.6%	24.1%	12.2%	9.5%	14.7%
Certificate of Deposit	18	12.9%	13.8%	9.8%	0.0%	26.5%
Uniform Gift to Minors	13	9.3%	6.9%	9.8%	0.0%	17.6%
Educational IRA	13	9.3%	6.9%	4.9%	9.5%	17.6%
Other	10	7.1%	20.7%	0.0%	4.8%	5.9%
Self-Managed Retirement Program	7	5.0%	10.3%	2.4%	4.8%	5.9%
Inheritance	6	4.3%	3.4%	7.3%	0.0%	0.0%
Other Section 529 plan(s)	4	2.9%	0.0%	0.0%	9.5%	2.9%

- Respondents could mark all that applied. Thus, percents are based on total number of responses to these questions

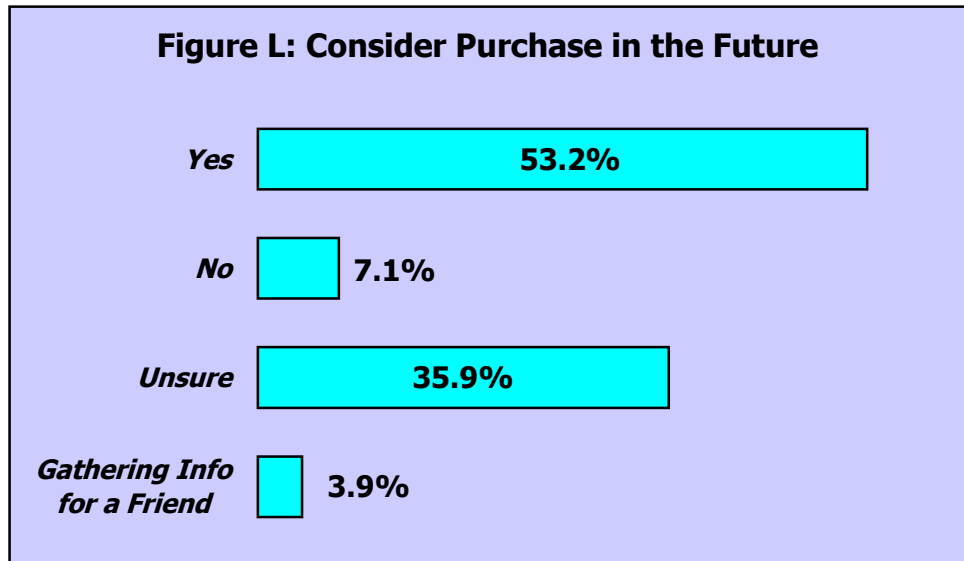
**2001 Findings: Purchasers versus Non-Purchasers**

► Source(s) of funds used or expected to use for purchase or college funding purposes - 51 percent current income/checking account, 11 percent mutual funds, 5 percent each either CD, stock portfolio, and/or U.S. Savings Bonds, 1 percent life insurance, and less than 1 percent Educational IRA **vs.** 16 percent current income/checking account, 39 percent mutual funds, 13 percent CD, 20 percent stock portfolio, 39 percent U.S. Savings Bonds, 14 percent life insurance, and 9 percent Educational IRA

*Fifty-three percent of respondents indicated they will consider a contract purchase in the future.*

**Future Contract Purchase**

Respondents who inquired about the *College Illinois!* program but did not purchase a contract were asked if they would consider a purchase in the future. Figure L and Table 22 show 53 percent of respondents indicated they will consider a contract purchase in the future, nearly 36 percent were unsure, 7 percent indicated they will not consider a purchase, and nearly 4 percent were gathering information for a friend or relative.



As shown in Table 22, nearly 64 percent of those who inquired about *College Illinois!* in the Chicago area indicated they will consider a contract purchase in the future. Collar area and southern Illinois respondents were less likely than respondents from other parts of the state to have indicated they will consider a purchase in the future. Respondent income level did not appear to be a good indicator of future contract purchases; those most likely to have indicated they will consider a contract purchase in the future include respondents with incomes between \$30,000 and \$39,999, between \$50,000 and \$99,999, and those with incomes in excess of \$150,000. Those over the age of 65 and those with youngest child over age 18 inquiring about the program were more likely than any other demographic to be gathering information on *College Illinois!* for a friend or relative.

**Table 22: Consider Contract Purchase Overall and by Region**

	Chicago		Collar		Central		Northern		Southern		Overall	
	N	%	N	%	N	%	N	%	N	%	N	%
Yes	33	63.5%	23	48.9%	13	43.3%	8	47.1%	4	57.1%	83	53.2%
No	1	1.9%	7	14.9%	1	3.3%	1	5.9%	1	14.3%	11	7.1%
Unsure	14	26.9%	16	34.4%	15	50.0%	8	47.1%	2	28.6%	56	35.9%
Gathering info for a friend	4	7.7%	1	2.1%	1	3.3%	0	0.0%	0	0.0%	6	3.9%
<b>TOTAL</b>	52	100.0%	47	100.0%	30	100.0%	17	100.0%	7	100.0%	156	100.0%

## Conclusion

A random-sample survey of *College Illinois!* purchasers who purchased a plan during the most recent 2000-2001 enrollment period, and a survey of those who inquired about the program during the enrollment period but did not purchase a contract was conducted in April, 2001. This combined study sought to obtain answers to four broad questions: (1) What program benefits influenced the actual

***The majority of both purchasers and non-purchasers can be characterized as middle to upper-middle income families, white, from the Chicago or collar area, and married.***

purchase of a *College Illinois!* contract?; (2) What source of funds was used to pay for this contract?; (3) What do non-purchasers perceive as the strengths of the program?; and, (4) Why did customers call a representative after they had visited the Web site? In addition to these questions, the social and economic characteristics of purchasers, non-purchasers, and purchasers from last year's 2000 Purchaser Study were analyzed and compared. Seventy percent of the 600 purchasers and nearly 29 percent of the 600 non-purchasers who received a survey mailed back their response.

The majority of both purchasers and non-purchasers can be characterized as middle to upper-middle income families, white, from the Chicago or collar area, and married. Non-purchasers were more likely to be younger and more likely to be female. Nearly 33 percent of non-purchasers were younger than 35 years of age. Of the six consumer classifications identified in life cycle analysis, the largest proportion of *College Illinois!* purchasers appears to be older marrieds with children, whose youngest child is between ages 6 and 18; the largest proportion of non-purchasers can best be described as young marrieds with children whose youngest child is under age 6. Socioeconomic characteristics remained fairly consistent between the 2000 and 2001 Purchaser Studies; 2001 purchasers were somewhat more likely to have reported incomes in excess of \$100,000, their age as 44 years or younger, and their level of education obtained as a bachelor's degree or higher.

The largest proportion of purchasers in both the 2000 and 2001 studies purchased university plans by lump sum payment. 2001 contracts for preschoolers were more likely to be purchased by lump sum payment, and less likely to be purchased using the 10-year monthly payment plan than those made in 2000. Nearly 64 percent of 2001 contracts for newborns were purchased by lump sum payment, and nearly 91 percent of newborn contracts were 8 or 9 semester university plans. Interest in both the 5-year and 10-year monthly payment plans decreased between 2000 and 2001. Thirteen percent and over three percent purchased using the 5-year and 10-year annual payment plans, respectively, both of which were new to the most recent enrollment period. Only one respondent used the \$10,000 down payment with ten-year monthly payment option in the 2001 Study.

The three most frequently cited sources for both purchasers and non-purchasers to have first become aware of the *College Illinois!* program included friend or relative, newspaper story, and radio advertisement. Non-purchasers were most likely to have first heard of the program from a radio ad; purchasers were most likely to have become aware through a friend/relative. Between the 2000 and 2001 Purchaser Studies, friend/relative and newspaper story continued to be the top two ways respondents first became aware of the program, however, the percentage who became aware through a radio ad changed significantly, increasing from 8 percent in 2000 to 20 percent in 2001 – a direct result of an increase in radio advertisement during the most recent enrollment period. Both purchasers and non-purchasers cited the Web site, enrollment booklet, and toll-free number as the top sources of information used to answer their questions. Purchasers, however, were more likely to obtain answers from the Web site, and non-purchasers more likely to obtain their answers from the enrollment booklet or the toll-free number. These same three sources were also the three most

helpful sources of information reported by both groups. The largest proportion of both purchasers and non-purchasers indicated the toll-free number was the least helpful source of information.

Over 79 percent of purchasers and just over half of non-purchasers had visited the *College Illinois!* Web site. Those that visited the Web site for both groups were more likely to be affluent, young, and male. A similar percentage of both purchasers and non-purchasers called the toll-free number for additional information after a Web site visit; purchasers were more likely to have called because they were still unclear about a program feature; non-purchasers called due to a question about the application process.

The most outstanding benefit the *College Illinois!* program had to offer to both purchasers and non-purchasers was “peace of mind.” “Ability to lock in a price” was ranked second for both cohorts. Non-purchasers were more likely to have indicated the most outstanding benefit as “variety of payment options” or “backed by the State of Illinois” than were purchasers.

Over half of 2001 purchasers - 51 percent - indicated they used or will use current income or a checking account in making their *College Illinois!* purchase compared to 65 percent of purchasers from the 2000 study. Savings accounts also ranked high as a source of funds, with 38 percent of purchasers and 41 percent of non-purchasers indicating this source. Non-purchasers were much more likely to have indicated use of U.S. Savings Bonds and/or mutual funds as a source of college funding than were purchasers.

Fifty-three percent of non-purchasers indicated they will consider a contract purchase in the future; nearly 36 percent were unsure. Nearly 64 percent of Chicago area respondents indicated they would consider a contract purchase.