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FOR IMMEDIATE RELEASE

**New Survey Indicates that College Bound Teens
Will be Particularly Hard Hit by Economic Crisis**

***Families Polled by ApplyWise.com and Next Step Magazine
Are Cutting Spending and Seeking Less Expensive Education Options***

NEW YORK and ROCHESTER, NY (October 13, 2008)---As the largest class of graduating high school seniors in America is completing college applications, a new study indicates their college plans are likely to change in response to the economic downturn. The survey, conducted jointly by **ApplyWise.com**, an online college admissions counseling service and **Next Step Magazine**, a publication for high school students and their parents, shows that 50% of families polled are now limiting their child's college choices to less expensive options and 54% of families are considering in-state, public colleges, in response to the economic downturn.

Among those polled, 88% of parents say their families have reduced discretionary spending within the past six months specifically to save more toward their child's education, and 43% of those have cut spending significantly.

"The results confirm what we're seeing on *nextSTEPmag.com*," said *Next Step Magazine* editor and publisher Laura Hammond. "The number of visitors seeking scholarship information has tripled in recent weeks, advertising by college loan sources has become light and we are receiving a large number of emails from students whose families have fallen on hard times and they are looking for outside help."

According to the ApplyWise and Next Step survey, 32% of families report their financial situation has changed in the past six months and so they are seeking more economical education options for their child. Another 38% say they are concerned about the economy and are now seeking more affordable college options. Interestingly, less than one-third of those polled say their college selection criteria have not been influenced by economic factors.

The cost of tuition and fees was cited as the factor having the greatest overall influence in college decisions by 27% of the respondents. The academic programs offered by colleges is the number one criteria for college selection among 35% of the families responding to the Next Step and ApplyWise survey.

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“Academic offerings have always been the number one reason students select a college, but clearly now, the cost of attending college is equally important,” said Katherine Cohen, PhD., president and co-founder of ApplyWise.com. “We counsel families that a college education is actually one of the best financial investments you can make, with college graduates earning an average of \$800,000 more during their professional years than non-college graduates.”

Dr. Cohen noted that the reputation of the college or university was ranked as the most important factor by only 17% of families.

How will they pay?

Fifty-four percent of parents report that recent economic events have changed the way they plan to pay for their child’s college education. When asked to select which financial resources they plan to access, they responded as follows:

- 67% will apply for more need based scholarships
- 62% of parents say they will require their child to work while attending college
- 53% plan to get more student loans, including non-government loans
- 30% of families will send a stay-at-home spouse back to work
- 27% of families plan to take out a home equity loan
- 11% plan to liquidate a retirement fund
- 8% will borrow money from a relative
- 7% will sell a home or other real estate

“Interestingly, 66% of parents polled have at least a bachelor’s degree, and 30% of them reported that their parents paid for their entire college education. It’s clear that economic times have changed and that parents and children are working together to come up with the financial resources necessary to pay for college,” said Ms. Hammond of *Next Step Magazine*.

The survey shows that parents and children are working together on the college application process, too, with 48% of parents reporting they are somewhat involved and 37% of parents saying they are very involved and actually manage their child’s application process.

At present, current economic conditions are having little impact on what students plan to study in college, with only 7% of parents reporting their child has changed their area of study to one they think is in greater demand or has more earning potential, 6% of students plan to add a double major as a back-up plan, and 35% of families have had discussions about alternative academic programs.

“Getting into college has become more competitive over the years and now paying for it will be a bigger challenge for many families,” said Dr. Cohen. “As families are forced to look for more economical options, it pays to consult experts who can help them identify potential financial resources and the schools that would be a good fit for the student. Families need to be determined, not discouraged, at a time like this.”

The ApplyWise and Next Step survey was conducted online between September 25 and October 7, 2008.

About ApplyWise

ApplyWise (www.applywise.com) is an online college admissions counseling program that includes interactive online counseling modules and organizing tools to give parents and students everything they need to master the college admissions process. The ApplyWise program was developed by Dr. Katherine Cohen and her team of experts at IvyWise, respected leaders in admissions counseling. ApplyWise is available directly online to consumers and is also used by high school guidance counselors, certified college planners and independent counselors to supplement their own efforts.

About The Next Step Magazine

Next Step Magazine (www.nextSTEPmag.com), a college, career and life planning magazine and Web site for high school students, is distributed in 20,500 high schools nationwide. Next Step Magazine is headquartered in Rochester, N.Y., where the first issue was published in May 1995.

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