

## African American Parents Are Finding New Ways to Invest in Their Children's Futures

Northwestern Mutual survey reveals majority of African American parents who have saved for their children's education are taking on side jobs to do so

MILWAUKEE, Feb. 7, 2018 /PRNewswire/ -- For African American parents, creating opportunities for their children through higher education is a top priority, according to a recent survey from [Northwestern Mutual](#). To make this priority a reality, African American parents who have saved for their children's higher education are finding creative ways to do so, with the majority (56 percent) pursuing additional sources of income through such pursuits as side jobs (part-time jobs, freelance work, odd jobs, etc.).

The company conducted the survey to better understand African American parents' financial priorities when it comes to secondary education savings, including when they start saving; how they contribute to these funds; and the tools and strategies they use to save.

Respondents cited a variety of side jobs, including landscaping, catering, tutoring and more, which they use as supplementary income to save specifically for their children's secondary education. When putting this money aside, the most common strategy these parents have used or are currently using to save for future education is a traditional savings account (55 percent). This is followed by 16 percent of these parents who use 529 plans, and 13 percent each are using either money market accounts or certificates of deposit.

While the survey shows these African American parents are strategically investing in their children's futures, there are additional options they can incorporate into their long-term financial planning approaches to help make their money work as hard as they do.

"African American parents have big dreams for their families and secondary education marks an important milestone in this journey," said Francisca Brown, director of African American market strategy at Northwestern Mutual. "Our research demonstrates these parents are committed to making these dreams a reality, and it's our job to provide the information and strategies to help them get there."

Resources such as 529 plans (qualified tuition plans) can provide a way for parents to both save *and* receive tax advantages, making their money work for them. According to the survey, 16 percent of these parents have or are currently using a 529 plan for saving. Consulting with a financial advisor is another important step for parents to integrate secondary education savings into their holistic financial plans, while keeping other goals on track.

Other key findings from the survey include:

- Sixty-two percent of these parents began saving for higher education before their child was 10 years old.
- Saving is multigenerational: 17 percent of respondents listed their child or children's grandparents as other active contributors to their secondary education savings.
- Forty-three percent of these parents expect grants will contribute to their child or children's higher education, while 40 percent expect the same of academic scholarships. Thirty-five percent plan to rely on loans.

For more information on strategies to save for secondary education, or to connect with a financial advisor,

please visit <https://www.northwesternmutual.com>.

### **\*About the Research**

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 504 African American parents who saved for their child(ren)'s education. Fieldwork was undertaken Dec. 22-27, 2017. The survey was carried out online.

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