

## 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.

### **About Northwestern Mutual**

[Northwestern Mutual](#) has been helping families and businesses achieve financial security for more than 160 years. Through a distinctive, whole-picture planning approach, we empower our clients to make the most of every single day and plan for important moments in their future. We combine the expertise of our financial professionals with a personalized digital experience to help our clients navigate their financial lives every day. With \$250.4 billion in assets, \$28.2 billion in revenues, and more than \$1.6 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.4 million people who rely on us for life, disability income and long-term care insurance, annuities, brokerage and advisory services, trust

services, and discretionary portfolio management solutions. The company holds more than \$100 billion of client assets as a part of its wealth management company and investment services. Northwestern Mutual ranks 97 on the 2017 FORTUNE 500 and is recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2018.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Northwestern Mutual and its subsidiaries offer a comprehensive approach to financial security solutions including: life insurance, long-term care insurance, disability income insurance, annuities, life insurance with long-term care benefits, investment products, and advisory products and services. Subsidiaries include **Northwestern Mutual Investment Services, LLC** (NMIS) (securities), broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company® (NMWMC) (fiduciary and fee-based financial planning services), federal savings bank; and Northwestern Long Term Care Insurance Company (NLTC) (long-term care insurance).

SOURCE Northwestern Mutual

For further information: Elizabeth DeLuca | 800-323-7033, [mediarelations@northwesternmutual.com](mailto:mediarelations@northwesternmutual.com)

---

<https://news.northwesternmutual.com/2018-02-07-African-American-Parents-Are-Finding-New-Ways-to-Invest-in-Their-Childrens-Futures>