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## COLLEGE-SAVINGS IMBALANCE: PARENTS PUT ASIDE MORE FOR SONS THAN DAUGHTERS

*Two studies find a gender divide. Is it bias? Or do parents have more confidence in their daughters' abilities?*

By Cheryl Winokur Munk  
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Some girls may still be getting shortchanged when it comes to college savings.

Results from two financial-industry polls this year indicate that parents are saving more for boys than for girls for higher education. These findings suggest that a gender divide – identified several decades ago in academic research – persists today in some cases.

“We certainly see in society more broadly there are gaps between incomes of men and women,” says Roger Young, a senior financial planner at mutual-fund company **T. Rowe Price**, who was involved in analyzing and interpreting one of the recent reports. “That might be factoring into their thoughts on how much they are willing to spend on college,” he says.

One study, conducted in January by T. Rowe Price, looked at 238 households with all boys and 155 homes with all girls and found that parents of the girl-only households reported less saving for college. Specifically, 50 percent of boy-only households had money saved for their children’s college compared with only 39 percent of parents of girl-only households. Boy-only households also reported contributing to their children’s college savings more frequently, with 83 percent contributing at least monthly compared with 70 percent of girl-only households. (Mr. Young says the number of children in a household didn’t appear to affect the results.)

These findings are consistent with a similar study that T. Rowe Price commissioned three years earlier, in which 53 percent of boys reported that their parents were saving for their college education compared with 42 percent of girls.

Meanwhile, a study in April by LendEDU, a student-loan marketplace, paints a similarly unequal picture. The company polled more than 1,400 college graduates and concluded that females generally received less help paying for college than their male peers. Only 6 percent of women said their parents paid for a majority of college, and 50 percent said their parents paid nothing at all. By contrast, 10 percent of men said their parents paid for most of college, and 43 percent of men said their parents paid nothing.

Neither study delved into why parents may be saving more for boys than for girls, but Mr. Young of T. Rowe Price says the research adds “to the body of literature of gender issues in society.” He calls the results “disappointing” and says, “Parents should give a good hard look and make sure they are treating their children fairly and recognizing the potential of both their boys and their girls.”

Jennifer Olmsted, a professor of economics at Drew University who teaches a course on gender and globalization, says parents need to recognize that their funding decisions could

have long-term implications in terms of where their daughters attend college, the quality of their education and their eventual career path. Also, if girls end up having to work more to help pay for their education, they'll have less time to spend on their studies. "There are some very subtle ways that [lack of funding] could make a difference," she says.

To be sure, gender bias has long been an issue with respect to income and career-advancement opportunities, so the idea that parents could be saving unequally for their girls and boys doesn't surprise some academics.

Joe Carella, assistant dean at the Eller College of Management at the University of Arizona, draws a parallel to his findings in the area of venture-capital funding. His research shows that for every dollar that men receive in VC funding, women receive 48 cents. His studies also point to a deep-rooted bias where men are judged based on their future potential, while women are judged on their accomplishments thus far. He postulates that the bias may be the same for parents saving for college – the idea being that parents save less for girls because they feel boys have more potential.

"It is a completely misguided and biased way to look at the way in which men and women perform, especially in environments when there is equal opportunity," says Dr. Carella, who specializes in strategic thinking, neuroscience and gender differences.

### **Faith in scholarships?**

A more benign possibility is that parents save less for girls because they expect them to receive more scholarship money than boys. Decades of research consistently show that girls outperform boys in academics, says Shaun Harper, a professor of education and business at the University of Southern California and executive director of the USC Race and Equity Center.

"Many parents are probably not convinced their boys are going to receive enough merit-based scholarship money," Dr. Harper says.

In reality, the difference between what girls and boys receive in merit-based aid is minimal. Data from the National Center for Education Statistics shows the percentage of females who received merit aid for the 2011-12 school year, the latest period for which data is available, was only slightly higher than for men (11.3 percent vs 10.8 percent). And the average size of the grant for females was slightly less – \$6,100 compared with \$6,500 for males, the data show.

Some college planners say they have occasionally seen parents favor boys, particularly with respect to college selection and fields of study.

Charlie Donaldson, founder of College Bound Coaching LLC, a financial-aid consultant, recalls one family that sent a son to a private high school, paid for him to receive private SAT tutoring and hired Mr. Donaldson to create a college-funding plan. The son ended up in a prestigious business school and landed a coveted internship – the kind of opportunity more "readily available" to children who attend upper-tier schools, Mr. Donaldson says.

Their daughter went to a public high school, and they did all of the financial-aid planning and college funding on their own. The daughter got into a good school, but not one as well-respected as her brother's. "In this family, it wasn't saving for college that was a distinction but the amount of effort, time and resources that went into their son's education as compared to their daughter," Mr. Donaldson says.

Steven Roy Goodman, an educational consultant and admissions strategist, has had similar experiences. He says he counseled two families in the past five years that treated their sons and daughters differently in terms of college planning, savings and selection.

“There is really no way to say this subtly: The parents had different life expectations for their sons and daughters – and were unwilling to pay private college tuitions for their daughters,” he says. “They perceived that the young women were not going to have 40-year careers in the ways they expected their sons to have.”

All of which can have an effect on the shape of a graduate’s financial life. A recent analysis of federal government data by the nonprofit American Association of University Women found that women are more likely to take on debt – and on average have larger student loans – than men. And following graduation, women repay their loans more slowly than do men, in part because of the gender pay gap, according to the analysis.

That said, there is significant disagreement about just how wide the college-savings gender divide is, and whether it is improving over time. Some academics whose research focuses on these issues say the gender bias in college savings might have become as pronounced as it will get, and could improve from here. Some also contend that the scope of these recent studies is too small to make sweeping conclusions about gender bias in this area.

Rather than gender, says Brian Powell, a sociology professor at Indiana University, the primary issue today in college funding is a family’s ability to set money aside amid increasing costs. “If your family doesn’t have the resources, your likelihood of going to college is going to plummet – whether you’re a boy or a girl,” he says.

Dr. Powell, who has done research on parental investment in college, says he found evidence that parents in the 1980s exhibited gender bias when saving for college. However, his more-recent findings suggest that the gender bias has either disappeared or the pendulum has swung the other way.

Today, women have a much greater likelihood of going to college, they are more likely to do well, and they are more likely to graduate, says Dr. Powell, who is a visiting professor at the Russell Sage Foundation.

In addition to Dr. Powell’s research, data from the National Center for Education Statistics from 2009 – the latest available – show a bias toward boys, but only by a small margin compared with the financial-industry studies. The data show that 94.7 percent of parents of ninth-grade boys who were expected to attend college had saved at least some money toward this goal, compared with 93.1 percent of parents of girls.

### **The STEM issue**

One thing is clear: Many parents are pushing boys and girls toward different types of majors, which often means different types of colleges.

Shereem Herndon-Brown, a former college-admissions director, says he has seen a tendency among parents to push boys toward business or STEM (science, technology, engineering and mathematics) fields – at highly rated and more-expensive colleges. The reason, he says, is that’s where the money is.

“They save money to make sure they can pay for their boys to do that,” says Mr. Brown, founder of Strategic Admissions Advice LLC, which helps families navigate the college-admissions process.

With girls, however, he has seen some parents push state schools or otherwise less-expensive colleges because they don't think they are going to recoup the costs of their investment, he says. "I don't think parents are going to admit to their 18-year-old daughter that they don't want to pay as much for her education because they are thinking 10 years down the road to her wedding," he says, "but it's an unfortunate reality."

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