



**For Immediate Release**

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***STUDY FINDS THAT MANY AMERICANS DO NOT EXPECT THEIR CHILDREN TO ATTEND COLLEGE***

**LOUISVILLE, Ky., July 10, 2002** – Half of the 39 percent of parents who are not saving for their children’s college education say they do not expect their children to ever attend college, a dramatic 15 percent increase over last year, according to a national survey.

The second annual survey, sponsored by Aegon Institutional markets and conducted by Harris Interactive, also found notes of despair even among parents who have been saving diligently. For example, when asked their biggest fear about saving money for their children’s college education, 29 percent of parents cited never being able to save enough money.

Of those who are not saving, 72 percent plan to try pay for their children’s college education as they actually attend college, and 24 percent of parents not saving expected their children to pay their own way through college.

“Clearly, many American parents are still not prepared to pay for their children’s education and evidently, more parents don’t expect that their children will ever go to college,” said Lynn Allen, director of college savings at AEGON Institutional Markets, which sponsored the survey.

The survey, from which other results were disseminated last month, found that a major barrier for a majority of non-saving parents, 65 percent, is the fact they have no discretionary income.

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“Although many Americans recognize the need to save, many, frankly, cannot afford to put any money aside right now,” added Allen.

The survey further showed conflict between perceptions and action. For example, 75 percent of the parents surveyed said they did not know enough to make good investment decisions, but 62 percent of the parents prefer a savings plan they can self-manage.

Further, the majority of parents this year expect far lower returns on their college savings, 19 percent compared to 24 percent in 2001, yet only 10 percent of parents saving for college in the past year reported returns of 10-24 percent.

Meanwhile, the investment vehicles they choose remain extremely conservative, with bank savings accounts, one of the lowest-return savings vehicles, being used by 61 percent of parents. That number rose 7 percent over 2001 even as parents anticipated continued dramatic increases in college costs.

The risk-aversion shows up throughout with only two in 10 reporting switching investment vehicles during the turbulent economic year and 73 percent saying they would probably never change their investment lineup.

Awareness of government-backed 529 Plans for college investing has doubled among parents to 16 percent, but the vast majority of parents remain unfamiliar with the savings plan, according to the survey. And only 7 percent indicated knowledge of stable value funds, a conservative investment many financial experts have turned to in the turbulent past two years.

The study was conducted via telephone between March 22-29, 2002 and included 500 interviews with parents of children under the age of 18. The margin of error for the survey was plus or minus 4.4 percent.

AEGON Institutional Markets, which commissioned the study, is a leading provider of stable value products. These insurance-based contracts maintain the value of the investor's principal and earned interest, and are often created by combining bond portfolios with an insurance "wrapper." Long popular in retirement plans, stable value investment options are now becoming increasingly popular investment vehicles in

college savings plans. With a stable value fund offering, parents saving for college are able to maintain the value of the principal and all accumulated interest.

With more than \$57.7 billion in product balances, AEGON Institutional Markets, a Louisville, Kentucky-based unit of AEGON Insurance Group, is a leading provider of savings and investment products to institutional clients in the retirement and asset-accumulation markets. Its stable value products are insurance contracts issued by Monumental Life Insurance Company, AUSA Life Insurance Company, Inc., Transamerica Occidental Life Insurance Company, Transamerica Life Insurance and Annuity Company and Transamerica Life Insurance Company. AEGON Insurance Group is one of the world's largest insurance organizations, with \$237.4 billion in assets, \$223.7 billion in liabilities and \$13.7 billion in shareholders' equity as of March 31, 2002 (NYSE: AEG).

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