

my529[®]

UTAH EDUCATIONAL SAVINGS PLAN

Higher Education Appropriations Subcommittee

February 15, 2019



College Savings Make a Difference

71%

cite financial difficulty as a reason for dropping out of college.¹

¹Source: “With Their Whole Lives Ahead of Them,” <http://www.publicagenda.org/files/theirwholelifesaheadofthem.pdf>, December 2009.

Children with college savings accounts are

3x more likely to enroll

4x more likely to graduate²

²Source: “Building Expectations, Delivering Results: Asset-Based Financial Aid and the Future of Higher Education,” Lawrence: University of Kansas School of Social Welfare, Assets and Education Initiative (AEDI), 2013.

Are You Saving Yet?

- Set up an account with my529
- Funds used for qualified higher education expenses
 - Use at eligible institutions including public, private, in-state, or out-of-state schools
 - Tuition, books, room and board, computer
- Funds used for K-12 tuition
 - Use at public, private, religious schools
 - Up to \$10,000 annually

Tax Benefits

- Money grows tax-deferred from federal and Utah state taxes
- Utah state tax credit per beneficiary
 - 2019 tax benefit: 5% tax credit
 - For contributions up to \$2,000 for single filer
 - For contributions up to \$4,000 for joint return

Empowering Account Owners

- No minimums
- Account owner remains in control
- Unused funds can be transferred to a member of the beneficiary's family

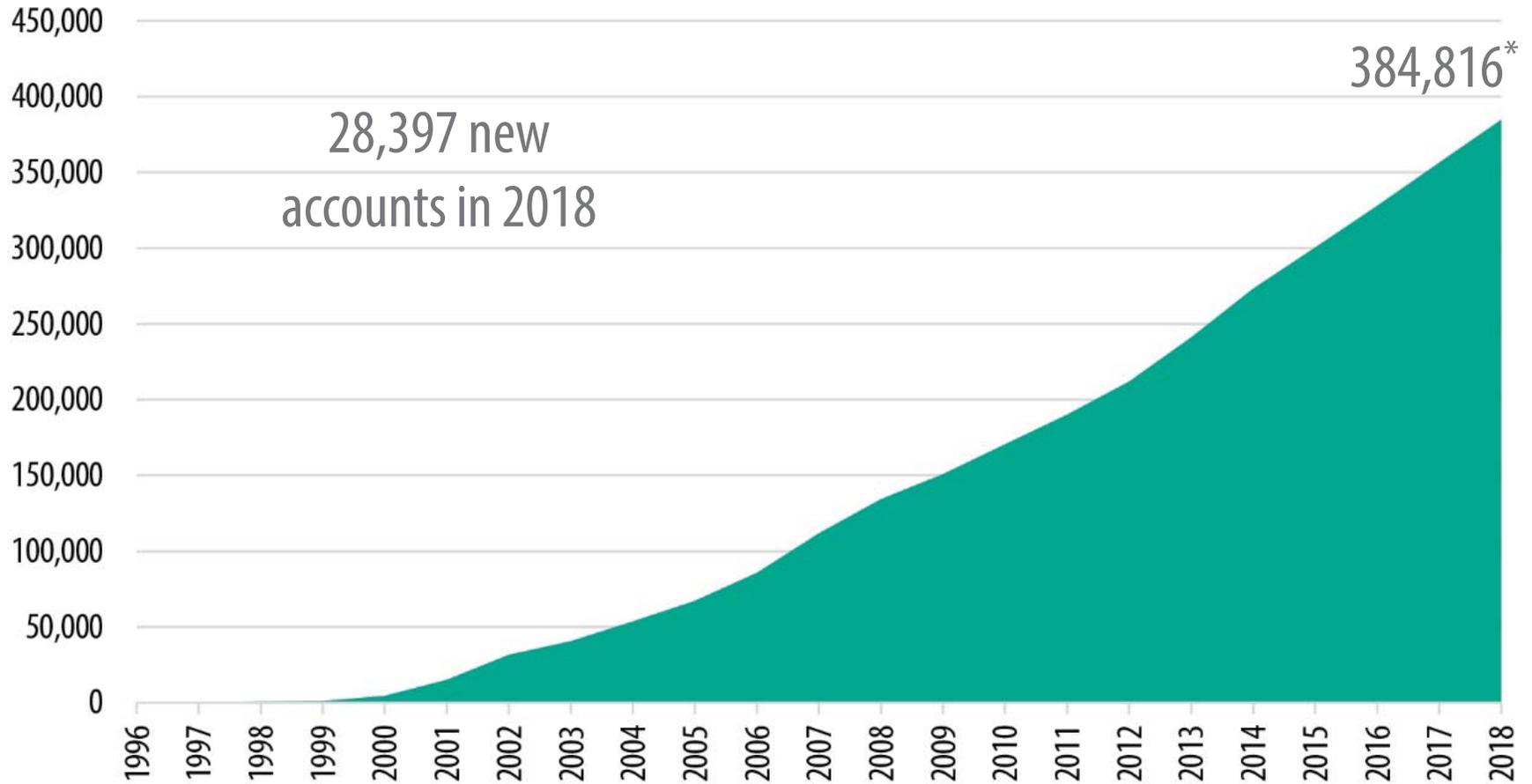
- No state appropriations
- Low fees average \$1.99 per \$1,000 investment*

*As of December 31, 2018

Total Investments (Assets Under Management)

- \$13 billion in assets
- 14 investment options, which include:
 - Vanguard mutual funds
 - Dimensional mutual funds
 - Utah Public Treasurers' Investment Fund
 - FDIC-insured account at U.S. Bank and Sallie Mae Bank
 - PIMCO stable value fund

Growth in Number of Accounts



*As of December 31, 2018

National Standings

- Morningstar Gold rating – 8 straight years

“Utah’s my529 has a new name, but its core tenets of robust investments, low cost, and exceptional state oversight remain. We reaffirm its Morningstar Analyst Rating™ of Gold. Both residents and nonresidents will be well served by its low cost and appealing set of investment options.”

-Morningstar Analyst Madeline Hume

“Morningstar Names Best 529 College-Savings Plans for 2018”

- Clark Howard

- my529’s age-based options made the Dean’s List.
- “[The Dean’s List plans] are the very best plans in the country.”
 - Only 529 plans with fees less than 0.20% annually made the grade.

- Nation’s third-largest direct-sold plan

Barriers to Saving for Higher Education

- Attitudes
 - My child will get a scholarship to pay for college.
 - If my child has to take out a student loan, they will appreciate their college education.
 - I have many children. How do I save for all of them?
- Available disposable income

Efforts to Reach Utahns

- Outreach to employers
 - Businesses
 - Government agencies
 - Higher education institutions
 - School districts and foundations
- Speaking engagements
- Back to school brochure
- St. George Children's Museum
- "Road to Success" partnership
- American West Heritage Center
- Magazine and newspaper advertisements
- Billboards
- TRAX and bus boards
- Promotions through partners
- Newborn postcards
- Radio commercials
- National "Daniel Tiger's Neighborhood" campaign
- Invite Education Tool

Children's Savings Accounts

- Student Prosperity Savings Program
 - 5 community partners
 - 63 scholarship accounts for students
- Partnerships in other states
 - 17 participating organizations
 - 1,380 scholarship accounts for students
 - 1,550 family accounts for students

A Commitment to Education



“We have already started 529s for both of our children. Education is very important to me. ... If we can help [pay for their education], we would like to help.”

-Apinya H.

Parent of 2018 Make Your Mark winner, Athena