



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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**PR 17:39  
June 30, 2017**

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## **New Law Helps Put Kids From Low-Income and Middle Class Families on Path to Higher Learning**

*Governor Brown Signs Every Kid Counts Act to Incentivize California Families  
to Save for College with ScholarShare*

**SACRAMENTO** – Low- to moderate-income California families will get help saving for college thanks to legislation supported by State Treasurer John Chiang and signed by Gov. Jerry Brown.

The Every Kid Counts Act, authored by Assemblymember Phil Ting (D-San Francisco), provides \$3 million in funding to create the Every Kid Counts College Savings Matching Grant Program. Eligible participants of the program will receive a dollar-for-dollar match contribution of up to \$200 in college savings.

“Through underinvestment and, even worse, apathy, we are pricing ourselves out of the California Dream. At a time when the wealth gap between the haves and the have nots has seemingly turned into a hopeless chasm, California must re-imagine new and cost-effective ways for its citizens to afford a decent home, a college diploma and a dignified retirement,” said Chiang. “With the support of the Governor and the lawmakers, my office will now begin incentivizing thousands of low- to moderate-income families to get in the habit of socking away a few dollars each month, with an eye toward making a college degree a reachable dream for their children.”

Research shows that children with savings accounts, however small, are seven times more likely to attend and graduate college.

The ScholarShare Investment Board, which oversees ScholarShare, California’s 529 college savings plan, will administer the program.

“The Every Kid Counts Act is a significant step forward in the effort to help bring greater educational attainment to those families who need it the most,” said Chiang, chair of the ScholarShare Investment Board. “Faced with skyrocketing tuition, we must empower California families to save, invest, and plan for their children’s futures.”

According to a Pew Research Center study, individuals with a college degree are outperforming their peers with only a high school diploma on virtually all economic measures.

The current difference in annual earnings between millennials with a bachelor's degree and those with a high school diploma is \$17,500. A substantial increase from only four generations ago when that difference was \$7,500, the study shows.

The signing of the legislation reflects the ongoing commitment of California and its state-sponsored college savings investment plan, ScholarShare, to develop innovative programs to even out the educational and economic playing field. By encouraging families to save for future college expenses, the hope is that more children will go to college and enjoy greater economic opportunities.

To learn more about the Every Kid Counts Act, visit <http://treasurer.ca.gov/scholarshare/index.asp>.

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