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**JUNE 23, 2021**

**AGENDA ITEM 4  
INFORMATION ITEM**

**CALIFORNIA ABLE ACT BOARD**

***529A Program Consultant Update: AKF Consulting***

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***Information Item***

**Background:**

The California ABLE Act Board will receive an ABLE industry update report from Ms. Andrea Feirstein with AKF Consulting to include:

- An ABLE Development Overview
- The ABLE Market Today
- CalABLE Comparisons

**Attachments:**

- ABLE Industry Landscape Deck

# ***California ABLE Act Board***

## **ABLE Landscape Update**

**June 23, 2020**

# Today's Discussion

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# Landscape Observations for 2021 Q1

- **ABLE industry growth continues:**
  - Over \$759 million invested across approximately 90,000 accounts
  - Average account size increased from \$7,839 in 2020 Q4 to \$8,368
  - Independent Plans, including CalABLE, represent 42% of industry accounts
- **CalABLE compares well with the industry:**
  - Ranks third and fourth in assets and accounts among Independent Plans
  - Market share is steadily increasing
- **CalABLE exhibits strong comparative growth:**

	Assets	Accounts
Total ABLE Industry	18%	11%
Independent Plans	19%	11%
CalABLE	28%	15%

- **Multiple Plan Administrator changes possible in 2021**

# Section 1.

## ABLE Market Update

# Growth of National ABL Market

Annual Account Growth:

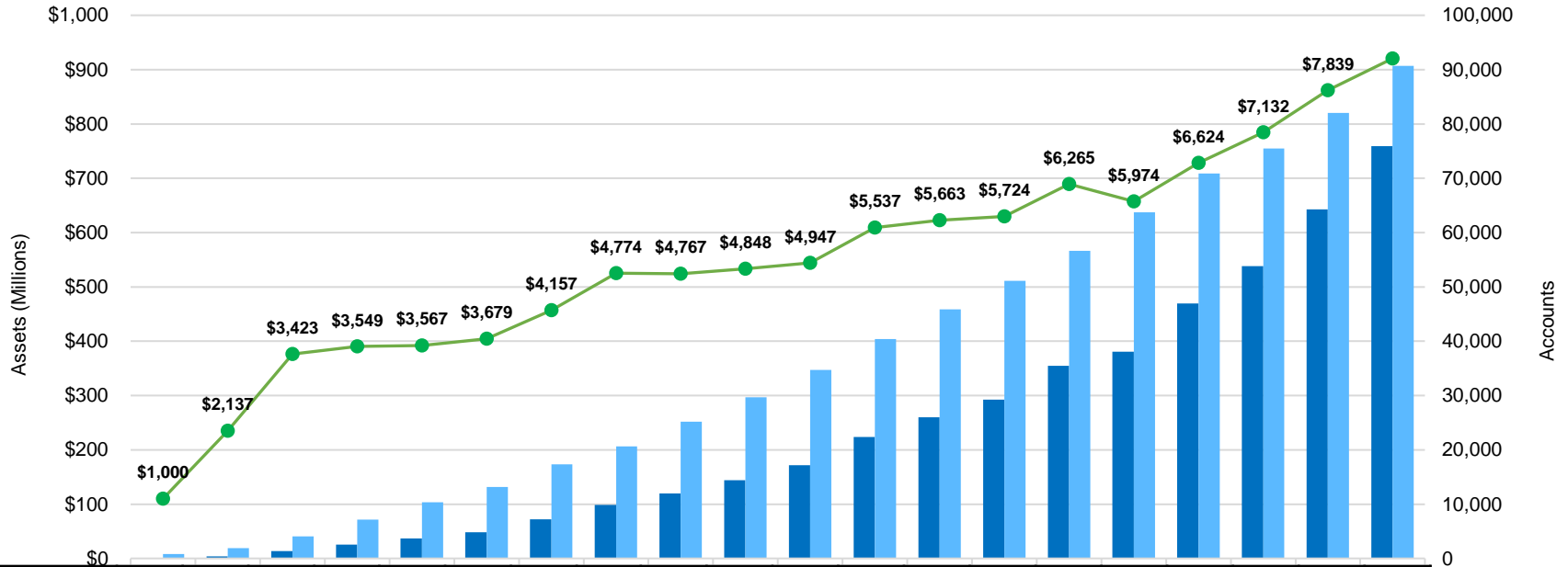
2016 (half year)  
395.61%

2017  
326.03%

2018  
100.46%

2019  
63.17%

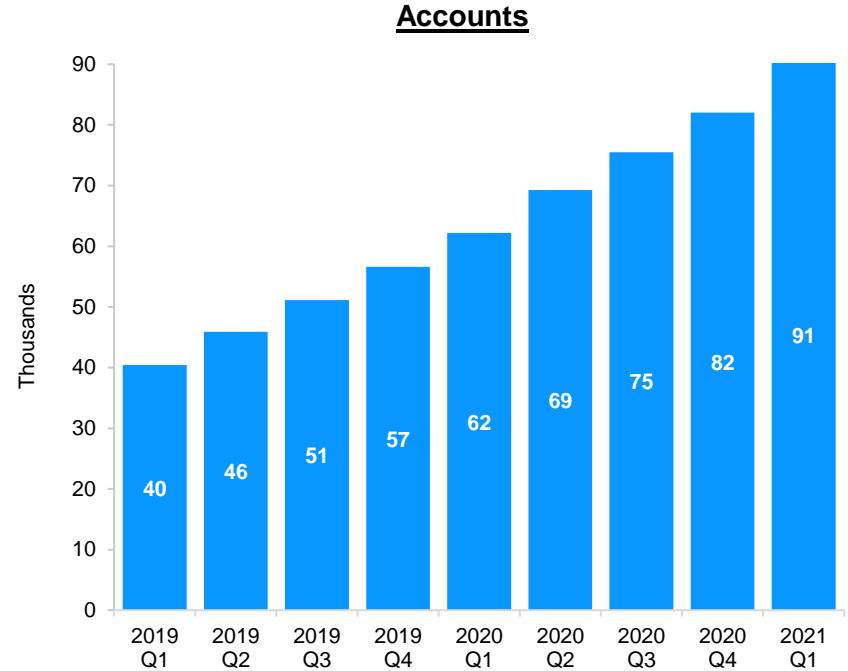
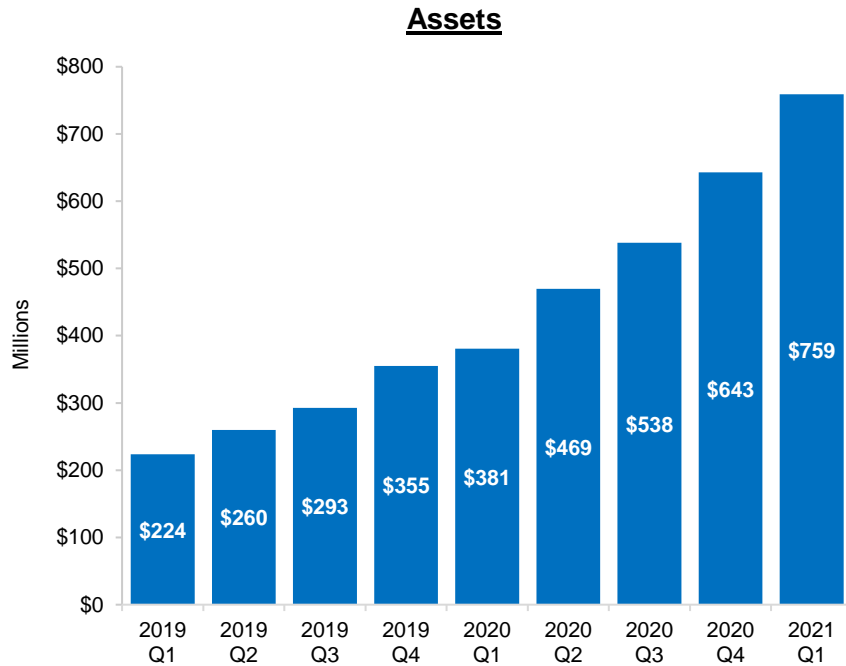
2020  
44.83%



Quarterly Growth Rates as of:	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2016			2017				2018				2019				2020				2021
<b>Assets</b>	-	404%	237%	83%	45%	31%	48%	37%	22%	20%	19%	30%	16%	13%	21%	7%	23%	15%	19%	18%
<b>Accounts</b>	-	136%	110%	76%	44%	27%	31%	19%	22%	18%	17%	16%	14%	11%	11%	13%	11%	6%	9%	11%

Source: ISS Market Intelligence as of March 30, 2021

# National ABLÉ Market



Average Increase (2019 Q1 – 2021 Q1)	Quarterly	Annual
<b>Assets</b>	<b>\$66,900,747</b>	<b>\$267,602,989</b>
<b>Accounts</b>	<b>6,286</b>	<b>22,348</b>

Source: ISS Market Intelligence as of March 30, 2021

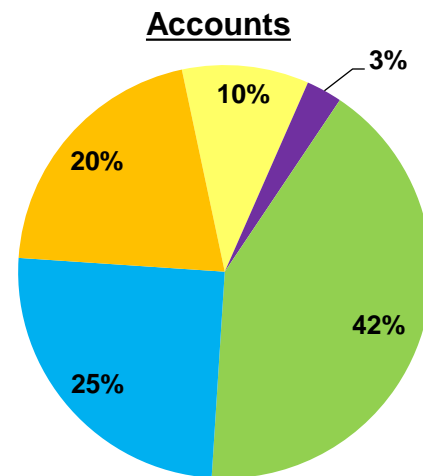
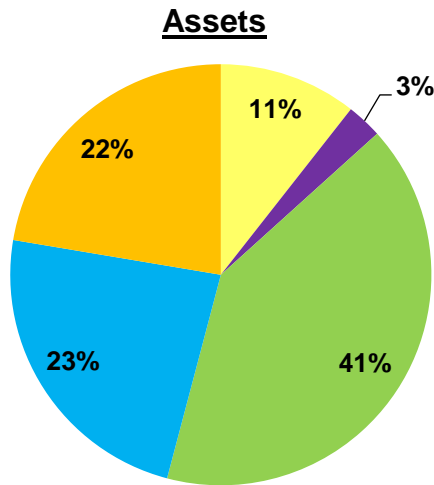
# ABLE Plans Across Business Models

	ABLE Alliance	Ohio Partners	Independent Plans	Oregon Partners	Nebraska Partners
States	Alaska Arkansas Colorado Connecticut Delaware District of Columbia Illinois Indiana Iowa Kansas Minnesota Mississippi Montana Nevada New Jersey North Carolina Pennsylvania Rhode Island	Arizona Georgia Kentucky Missouri New Hampshire New Mexico Ohio Oklahoma South Carolina Vermont West Virginia Wyoming	California Florida Louisiana Massachusetts Michigan New York Tennessee Texas Virginia (2)	Alabama Maryland Oregon (2) Washington	Nebraska
<b>43 States and DC</b>	<b>17 States and DC</b>	<b>12 States</b>	<b>9 States</b>	<b>4 States</b>	<b>1 State</b>
<b>15 Plans</b>	<b>1 Plan</b>	<b>1 Plan</b>	<b>10 Plans</b>	<b>2 Plans</b>	<b>1 Plan</b>

Information as of May 26, 2021  
 Hawaii expected to join Oregon Partners in 2021 Q3  
 Maine expected to launch an independent ABLE Plan in 2021 Q4 or 2022 Q1



# Business Models Snapshot – 2021 Q1

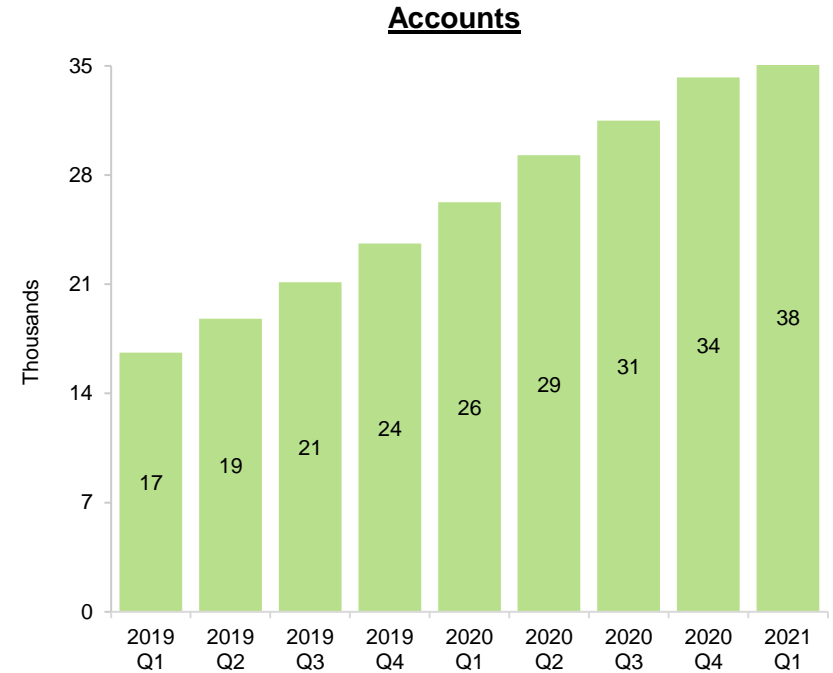
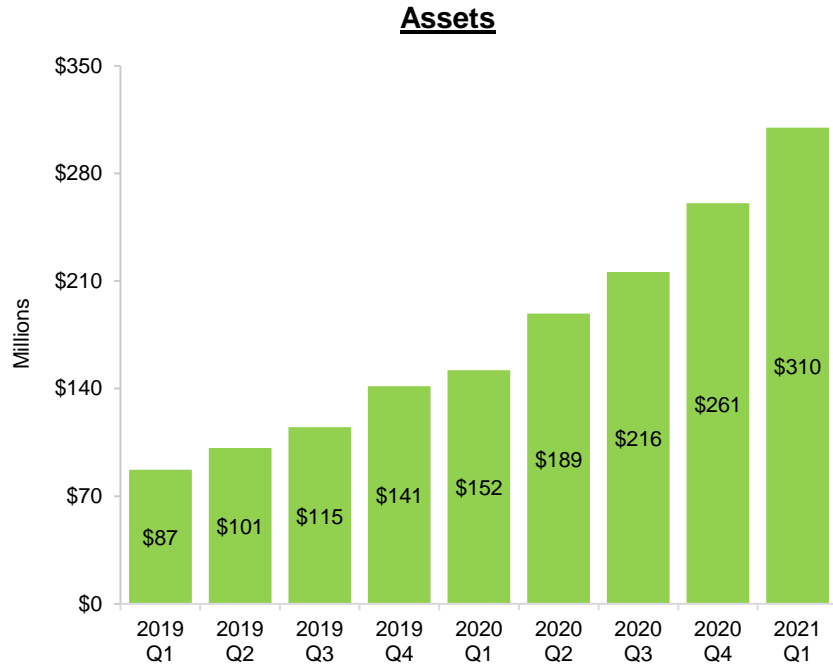


	2021 Q1			Account Growth (2020 Q4 – 2021 Q1)
	Assets	Accounts	Avg Account Size <sup>1</sup>	
Independent Plans	\$309,649,018	37,741	\$8,205	10.2%
Ohio Partners	\$178,625,934	22,724	\$7,861	11.3%
ABLE Alliance	\$169,678,101	18,687	\$9,080	11.2%
Oregon Partners	\$80,443,541	9,008	\$8,930	9.8%
Nebraska Partners	\$20,626,069	2,546	\$8,101	9.3%
Industry Total	\$759,022,663	90,706	\$8,368	10.6%

Source: **ISS Market Intelligence** as of March 30, 2021

<sup>1</sup>Average account size figure represents the ratio of Plan total assets to total accounts

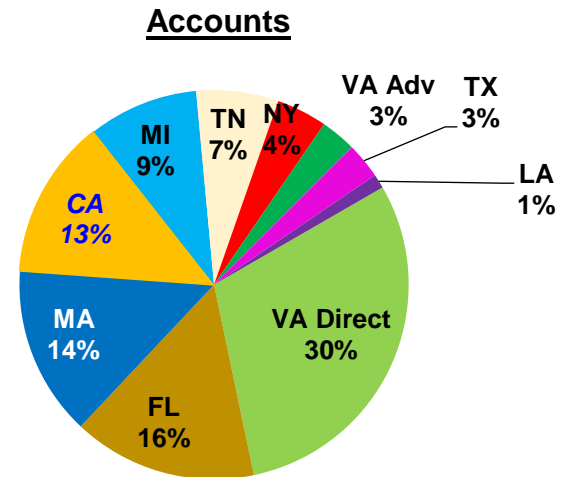
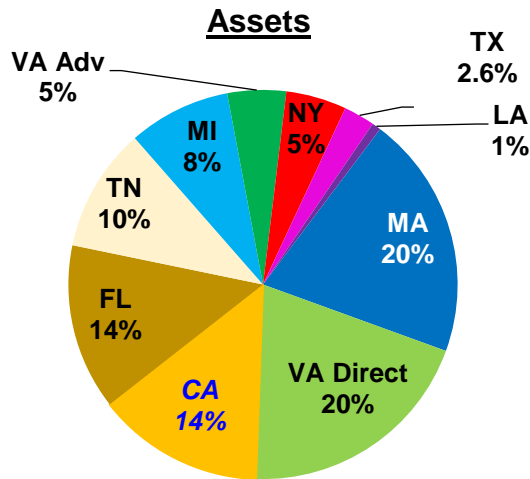
# Independent Plan Growth



Average Increase (2019 Q1 – 2021 Q1)	Quarterly	Annual
<b>Assets</b>	<b>\$27,801,767</b>	<b>\$111,207,066</b>
<b>Accounts</b>	<b>2,641</b>	<b>10,563</b>

Source: ISS Market Intelligence as of March 30, 2021

# Independent Plan Snapshot – 2021 Q1

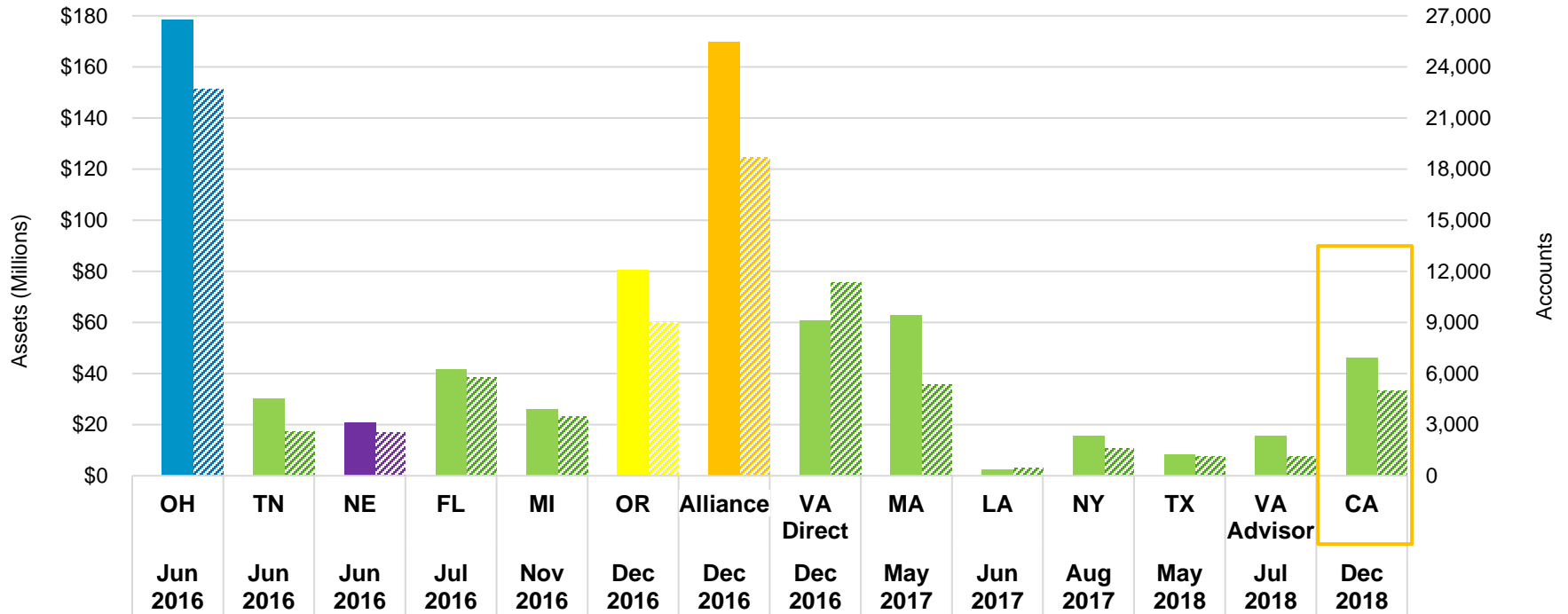


	Assets	Accounts	Avg Account Size <sup>1</sup>	Q1 Account Growth
<b>Massachusetts</b>	\$62,827,189	5,331	\$11,785	2.0%
<b>Virginia Direct</b>	\$60,854,920	11,339	\$5,367	12.8%
<b>California</b>	\$46,244,741	5,004	\$9,242	15.2%
<b>Florida</b>	\$41,681,195	5,776	\$7,216	10.5%
<b>Tennessee</b>	\$30,126,202	2,580	\$11,677	5.8%
<b>Michigan</b>	\$25,972,640	3,444	\$7,541	7.9%
<b>Virginia Advisor</b>	\$15,730,843	1,114	\$14,121	12.1%
<b>New York</b>	\$15,660,891	1,588	\$9,862	11.0%
<b>Texas</b>	\$8,212,733	1,123	\$7,313	14.5%
<b>Louisiana</b>	\$2,337,663	442	\$5,289	16.9%
<b>Total</b>	<b>\$309,649,017</b>	<b>37,741</b>	<b>\$8,205</b>	<b>10.2%</b>

Source: ISS Market Intelligence as of March 30, 2021

<sup>1</sup> Represents the ratio of Independent Plan total assets to total accounts

# Timing View of the Market



AUMs	\$179M	\$30M	\$21M	\$42M	\$26M	\$80M	\$170M	\$61M	\$63M	\$2M	\$16M	\$8M	\$16M	<b>\$46M</b>
Accounts	22.7K	2.6K	2.5K	5.8K	3.4K	9.0K	18.7K	11.3K	5.3K	0.4K	1.6K	1.1K	1.1K	<b>5.0K</b>

■ Ohio    
 ■ Independent    
 ■ Nebraska    
 ■ Oregon    
 ■ Alliance  
■ Program Assets    
■ Program Accounts

Source: ISS Market Intelligence as of March 30, 2021

# Status of Plan Administrators

	States	# of States	# of Plans	Contract Terminations
<b>Intuition</b> <i>Change to BNY as of July 2021</i>	<b>OH Partnership (12 States)</b>	12	1	6/30/21
<b>First National Bank of Omaha</b> <i>Transition Underway</i>	<b>Nebraska</b>	1	1	6/30/21
<b>TSA Consulting</b> <i>RFP Process Underway</i>	<b>Michigan</b>	1	1	8/31/21
<b>Ascensus</b> <i>Alliance RFP Process Underway</i>	<b>National ABLA Alliance (18 States)</b> New York Tennessee	20	3	<b>Alliance: 12/7/21</b> NY: 5/6/23 TN: Not disclosed
<b>BNY / Sumday</b>	<b>OR Partnership (4 States)</b> Florida	5	3	<b>OR: 11/18/21</b> FL: Not disclosed
<b>TIAA</b>	<b>California<sup>1</sup></b>	1	1	8/31/23
<b>Fidelity</b>	<b>Massachusetts</b>	1	1	12/26
<b>Orion</b>	<b>Texas</b>	1	1	8/31/26
<b>PNC Bank</b>	<b>Virginia</b>	1	1	Not disclosed
<b>State</b>	<b>Louisiana</b>	1	1	Not applicable
<b>American Funds</b>	<b>Virginia</b>	1	1	2/15/50

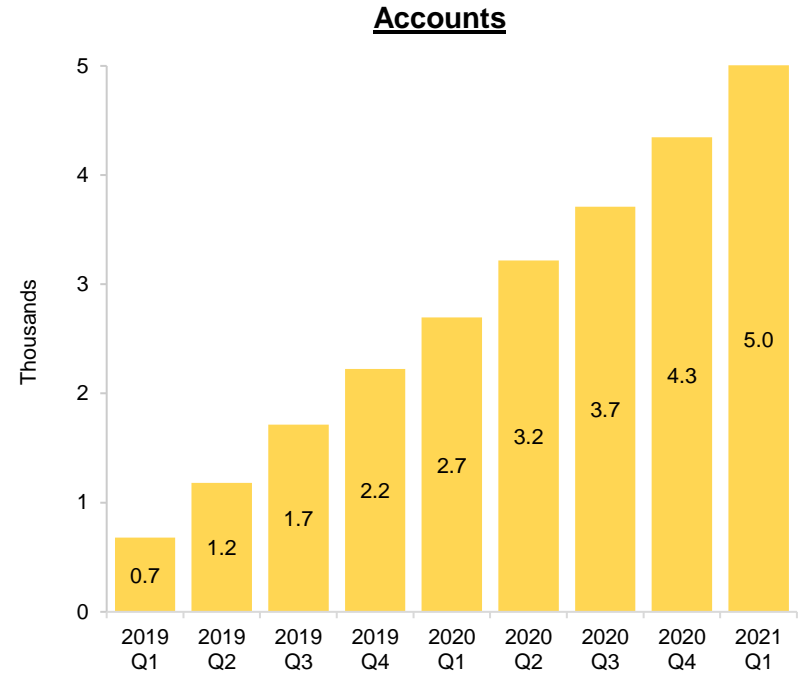
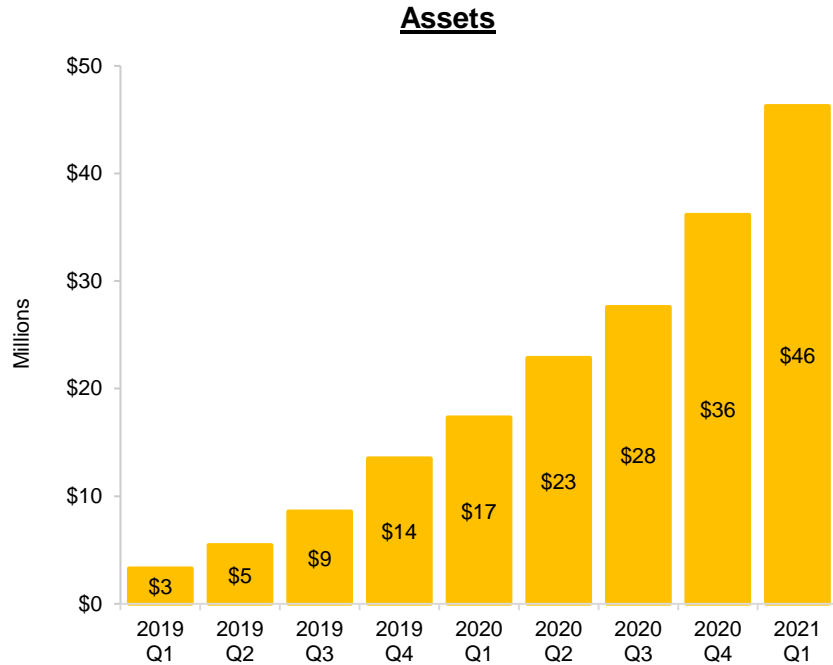
Source: Program Disclosure Statements and State contacts as of May 26, 2021

<sup>1</sup> Recordkeeping services provided by Intuition

## Section 2.

# CaABLE Growth Comparison

# CalABLE Growth

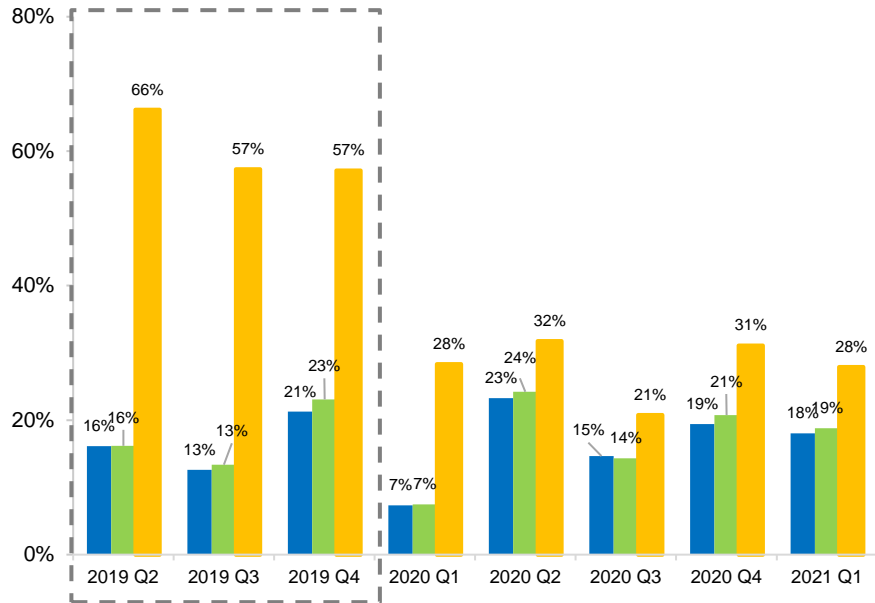


Average Increase (2019 Q1 – 2021 Q1)	Quarterly	Annual
<b>Assets</b>	<b>\$5,369,576</b>	<b>\$21,478,304</b>
<b>Accounts</b>	<b>541</b>	<b>2,162</b>

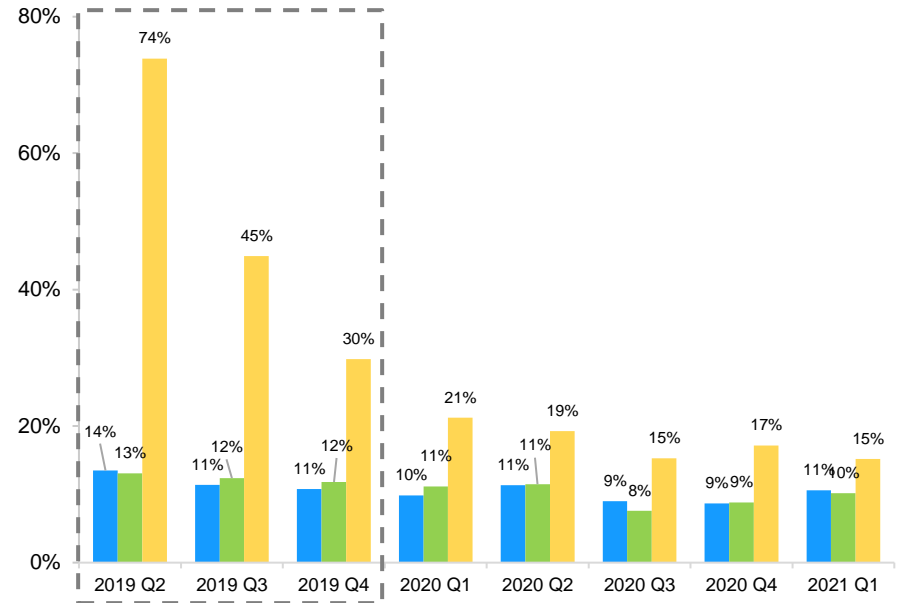
Source: ISS Market Intelligence as of March 30, 2021

# Relative Quarterly Growth

**Assets**



**Accounts**



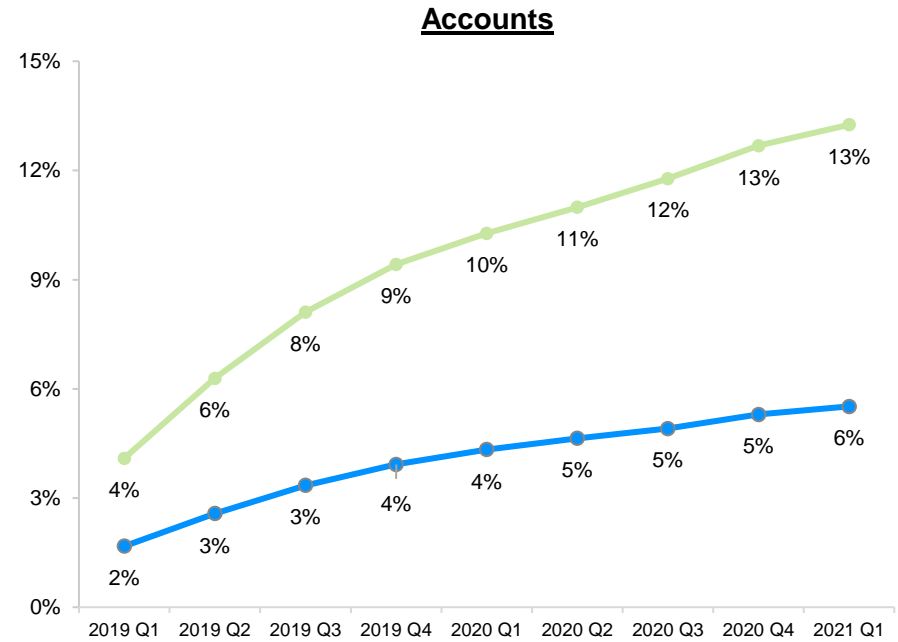
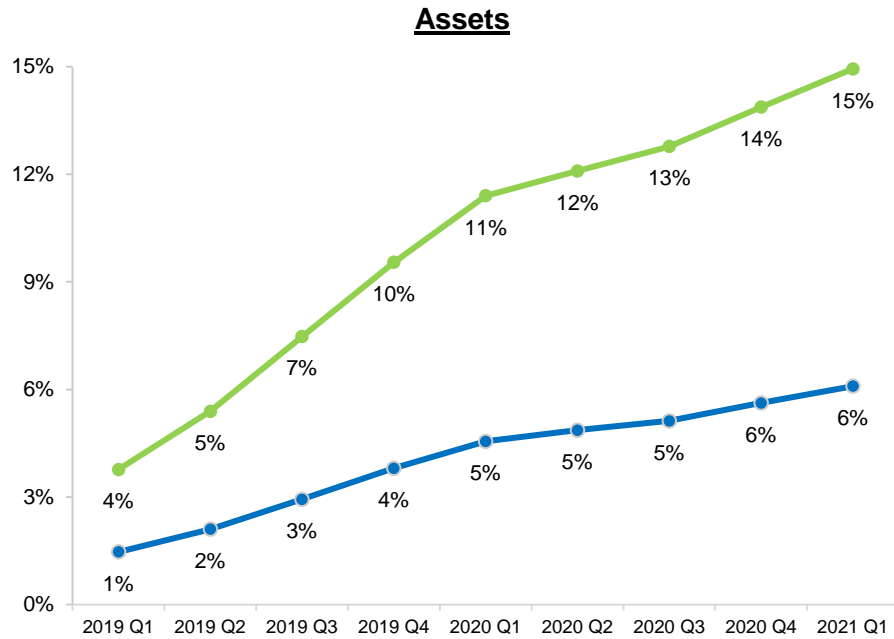
Average Quarterly Growth (2020 Q1 – 2021 Q1)	National	Independent	CalABLE
Assets	18.8%	19.5%	27.8%
Accounts	9.9%	9.5%	16.7%

Source: ISS Market Intelligence as of March 30, 2021

Note: CalABLE growth rates experienced in 2019 Q2-Q4 reflect Program inception



# CalABLE Market Share Overtime



As of 2020 Q4	CalABLE Market Share as a Percent of:	
	National	Independent Plans
Assets	6%	15%
Accounts	6%	13%

Source: ISS Market Intelligence as of March 30, 2021

# AKF Legal Disclosure

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