
DECEMBER 13, 2022

**AGENDA ITEM 3
INFORMATION ITEM**

CALIFORNIA ABLE ACT BOARD

529A Program Consultant Update: AKF Consulting Background

Background

The California ABLE Act Board will receive an ABLE industry update report to include:

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

Presenter

Andrea Feirstein, Managing Director, AKF Consulting

Attachments

- Attachment #1 – ABLE Industry Landscape Deck

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California ABLE Act Board

ABLE Landscape Update

December 13, 2022

Today's Discussion

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2022 Landscape Observations

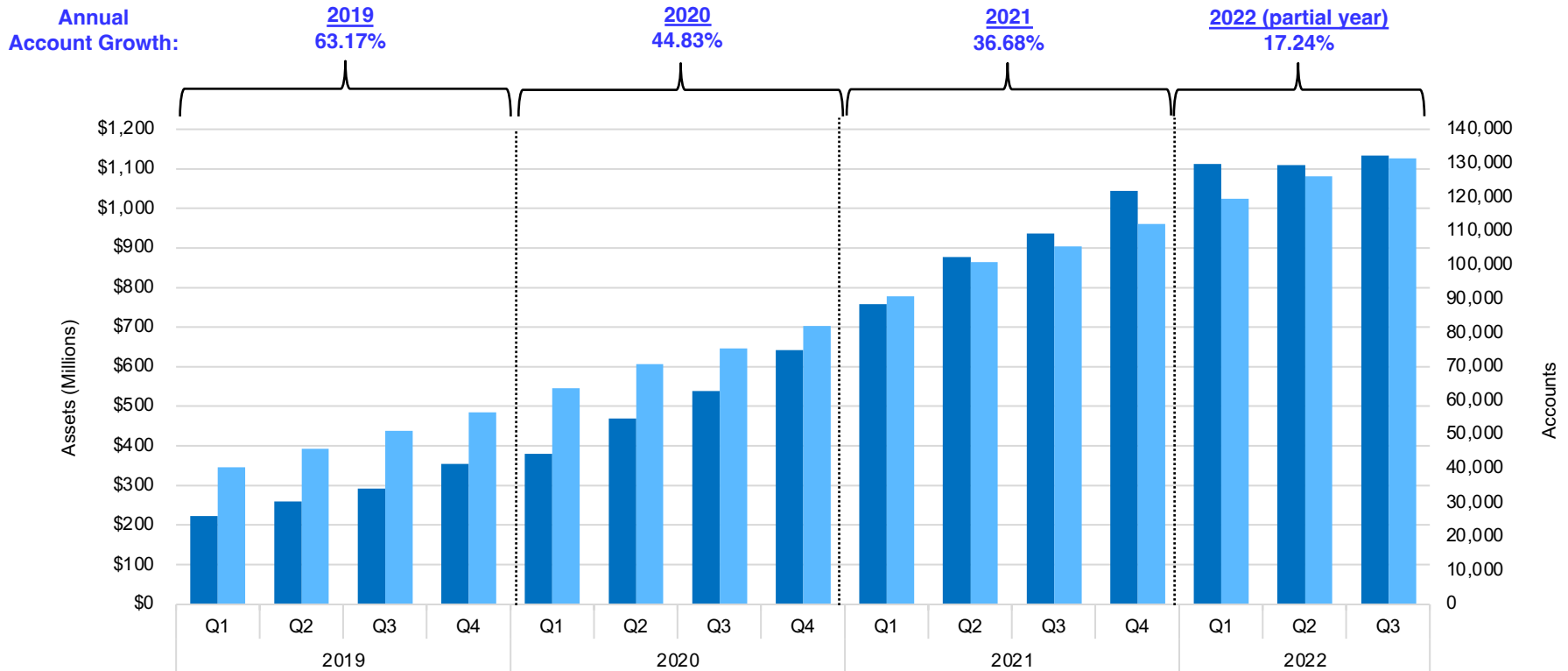
- **ABLE Industry:**
 - **Over \$1.1 billion invested across more than 131,400 accounts**
 - **Asset increase is negligible but number of accounts continues to increase**
 - **As a result, average account size has decreased since last year (\$8,623 in 2022 Q3 vs. \$8,883 in 2021 Q3)**
- **CalABLE Compared to the Industry:**
 - **Remains third largest Independent Plan, in both assets and accounts**
 - **Extremely strong comparative annual growth**
 - **As a result, average account size has increased, bucking the industry trend**
 - **Overall market share continues to increase**

Source: **ISS Market Intelligence** as of September 30, 2022

Section 1.

Market Update

National ABL Market Growth Has Slowed



2019 – 2022 Q3 ¹	Average Quarterly Increase	Average Annual Increase
Assets	\$64,107,849 (<i>\$69,570,526</i>)	\$256,431,397 (<i>\$278,282,105</i>)
Accounts	6,449 (<i>6,434</i>)	25,794 (<i>25,735</i>)

Source: **ISS Market Intelligence** as of September 30, 2022

¹ Represents the period January 1, 2019 – September 30, 2022

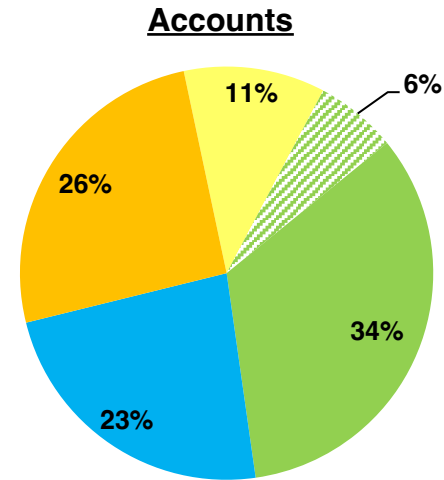
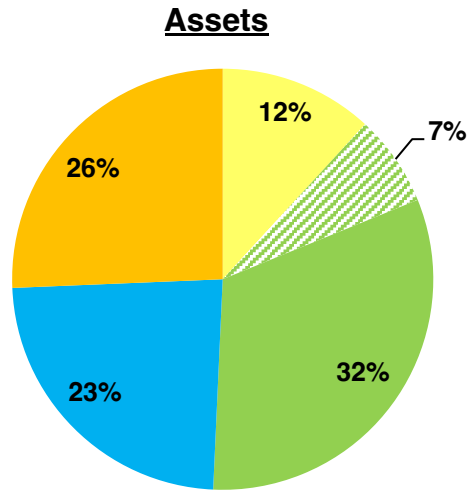
Grey figures represent January 1, 2019 – September 30, 2021

State Plans Are Unchanged

	ABLE Alliance	STABLE Partners	Independent Plans	Oregon Partners
States	Alaska Arkansas Colorado Connecticut Delaware District of Columbia Illinois Indiana Iowa Kansas Michigan Minnesota Mississippi Montana Nevada New Jersey North Carolina Pennsylvania Rhode Island	Arizona Georgia Kentucky Missouri New Hampshire New Mexico Ohio Oklahoma South Carolina Utah Vermont West Virginia Wyoming	California Florida Louisiana Maine Massachusetts Nebraska New York Tennessee Texas Virginia (2)	Alabama Hawaii Maryland Oregon (2) Washington
47 States / DC	19 States / DC	13 States	10 States	5 States
15 Programs	1 Program	1 Program	11 Programs	2 Programs

Source: AKF Consulting as of November 22, 2022; lead Partnership States appear in blue

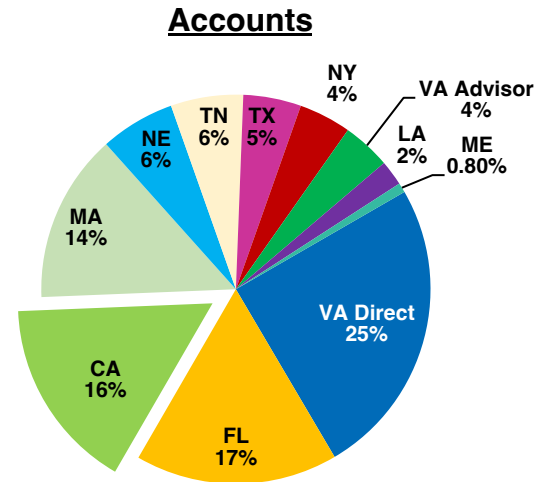
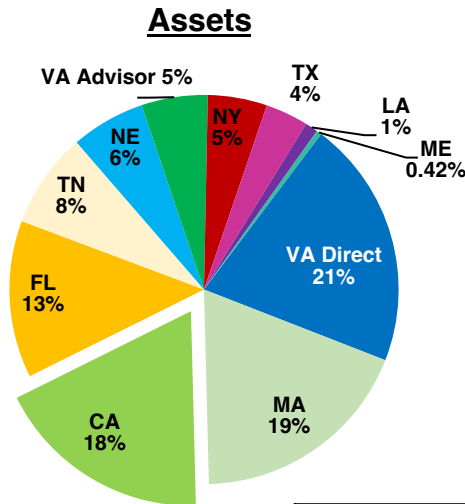
Total Industry Snapshot – 2022 Q3



		2022 Q3		
		Assets	Accounts	Avg Account Size
Independent Plans	CaABLE	\$79,597,788	8,416	\$9,458 (\$9,319)
	Other	\$361,240,351	44,172	\$8,178 (\$8,508)
STABLE Partners		\$267,713,442	30,748	\$8,707 (\$8,778)
ABLE Alliance		\$290,764,677	33,542	\$8,669 (\$9,318)
Oregon Partners		\$133,994,057	14,558	\$9,204 (\$9,353)
Industry Total		\$1,133,310,315	131,436	\$8,623 (\$8,883)

Source: **ISS Market Intelligence** as of September 30, 2022
Grey figures represent Average Account Sizes from September 30, 2021

Independent Plan Snapshot – 2022 Q3



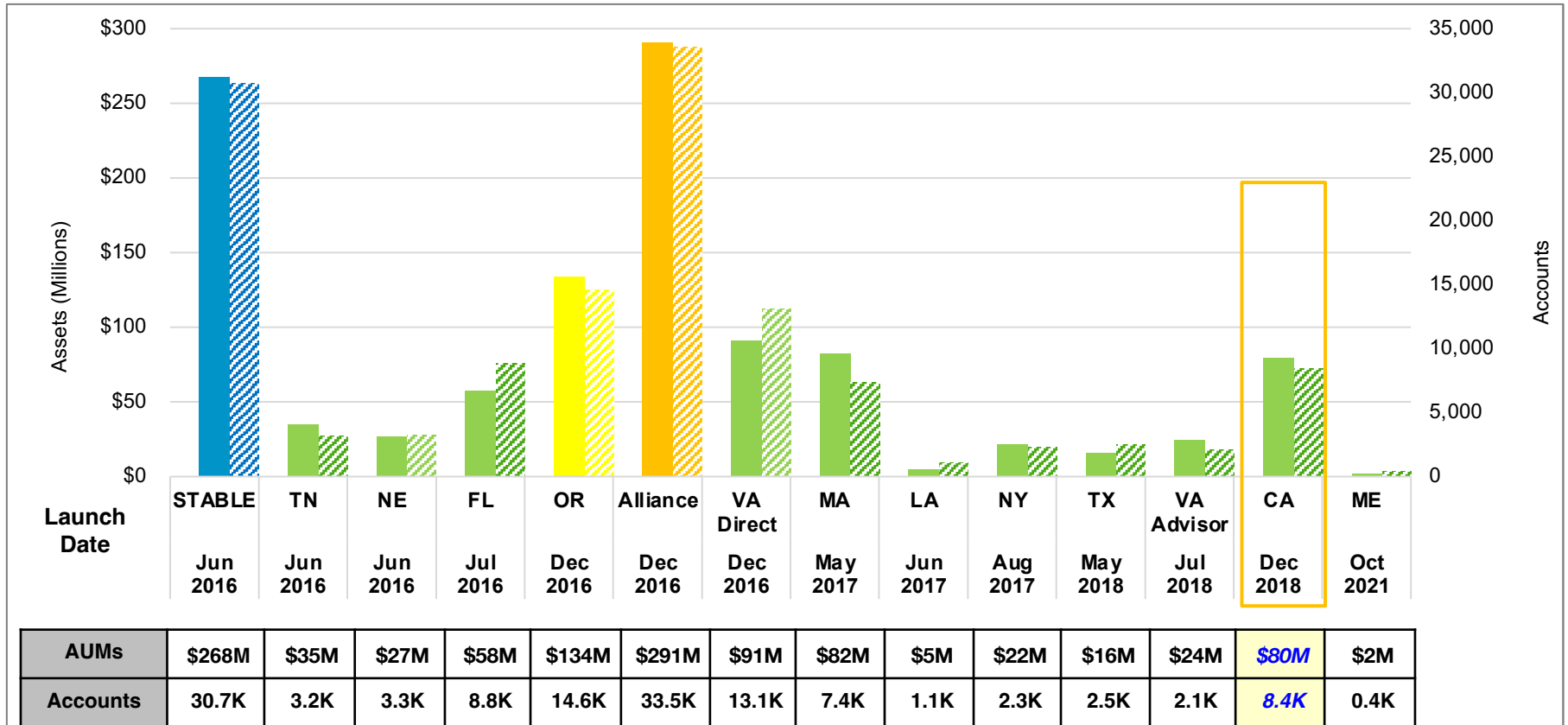
	Assets	Accounts	Avg Account Size
Virginia Direct	\$90,978,407	13,076	\$6,958
Massachusetts	\$82,351,475	7,378	\$11,162
California	\$79,597,788	8,416	\$9,458
Florida	\$57,580,921	8,846	\$6,509
Tennessee	\$34,967,842	3,165	\$11,048
Nebraska	\$27,118,619	3,263	\$8,311
Virginia Advisor	\$24,315,132	2,106	\$11,546
New York	\$21,696,539	2,285	\$9,495
Texas	\$15,702,915	2,529	\$6,209
Louisiana	\$4,666,519	1,104	\$4,227
Maine	\$1,861,983	420	\$4,433
Total	\$440,838,139	52,588	\$8,383

Source: ISS Market Intelligence as of September 30, 2022
 Yellow shading indicates Plans with higher average account sizes than CalABLE



Plans in Perspective

- CalABLE compares well against independent plans that launched years earlier



■ STABLE
 ■ Independent
 ■ Oregon
 ■ Alliance
■ Program Assets
 ▨ Program Accounts

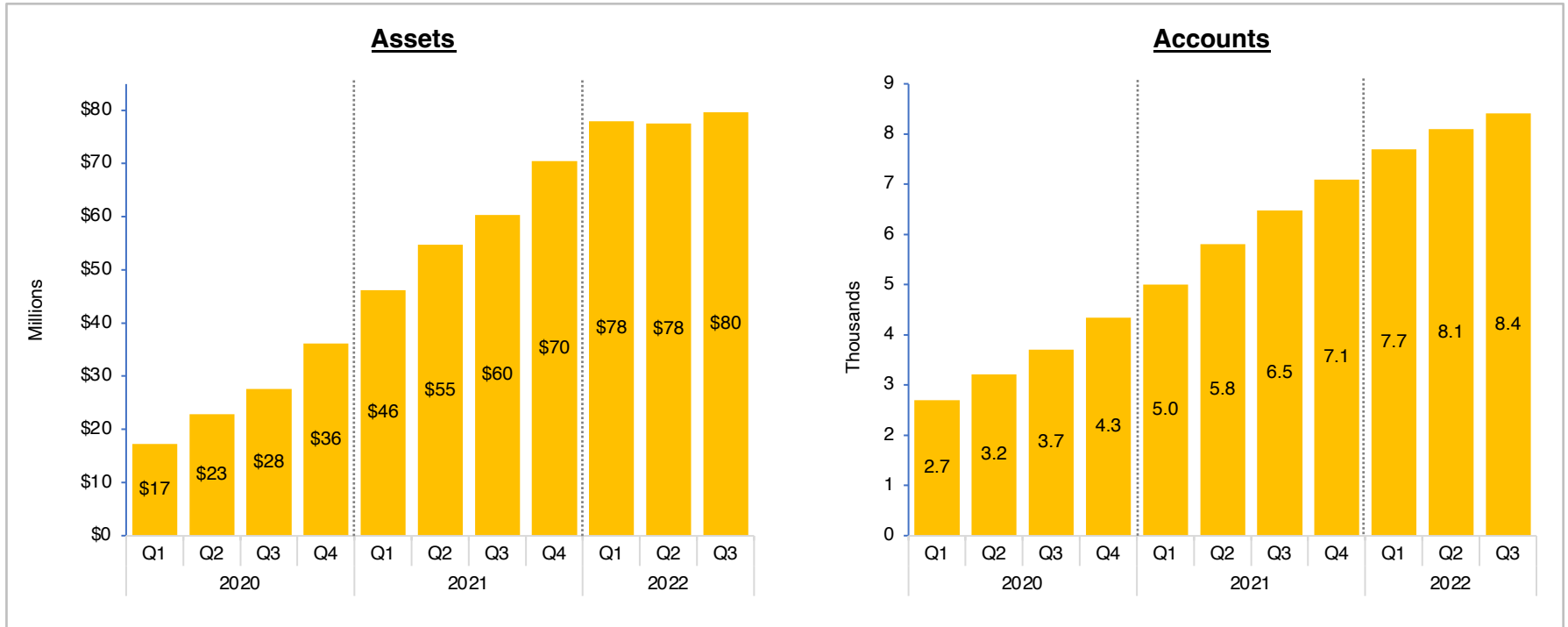
Source: ISS Market Intelligence as of September 30, 2022

Section 2.

CaIABLE Growth Comparison

CalABLE Growth

- Financial markets impact asset growth but accounts grow steadily



2020 – 2022 Q3 ¹	Average Quarterly Increase	Average Annual Increase
Assets	\$6,008,792 (<i>\$6,688,318</i>)	\$24,035,169 (<i>\$26,753,274</i>)
Accounts	563 (<i>607</i>)	2,252 (<i>2,428</i>)

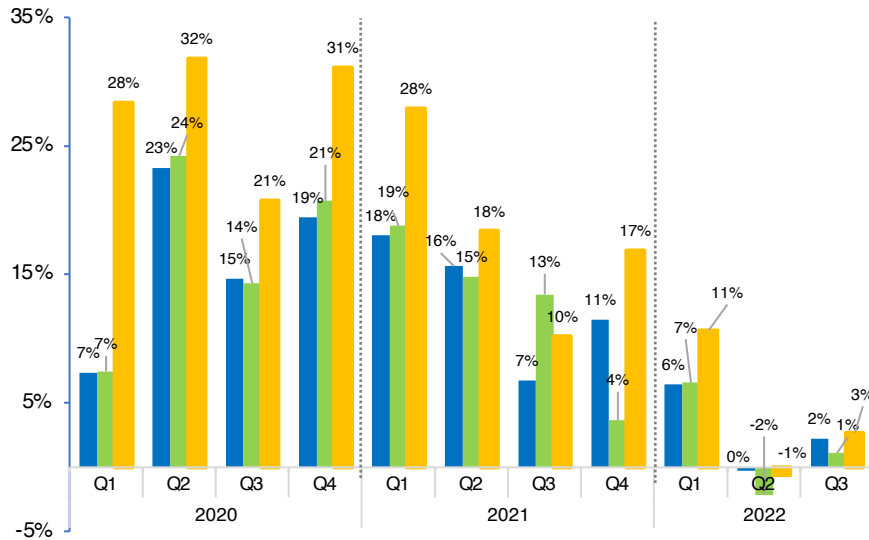
Source: **ISS Market Intelligence** as of September 30, 2022

¹ Represents the period January 1, 2020 – September 30, 2022

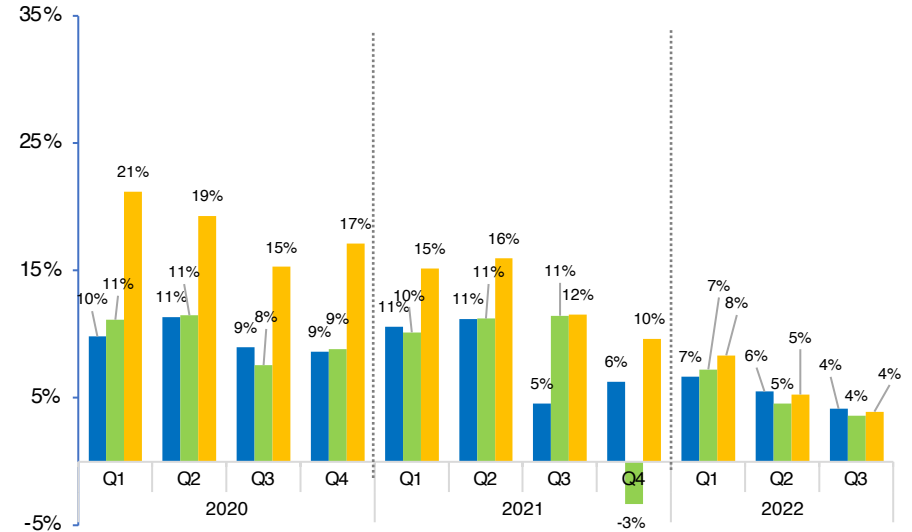
Grey figures represent January 1, 2020 – September 30, 2021

CalABLE Growth Outperforms Industry

Assets



Accounts



Average Quarterly Growth (2020 – 2022 Q3) ¹	National	Independent	CalABLE
Assets	11.14% (14.88%)	10.89% (16.15%)	17.50% (23.84%)
Accounts	7.95% (9.29%)	7.55% (10.26%)	12.86% (16.49%)

Source: **ISS Market Intelligence** as of September 30, 2022

¹Represents the period January 1, 2020 – September 30, 2022

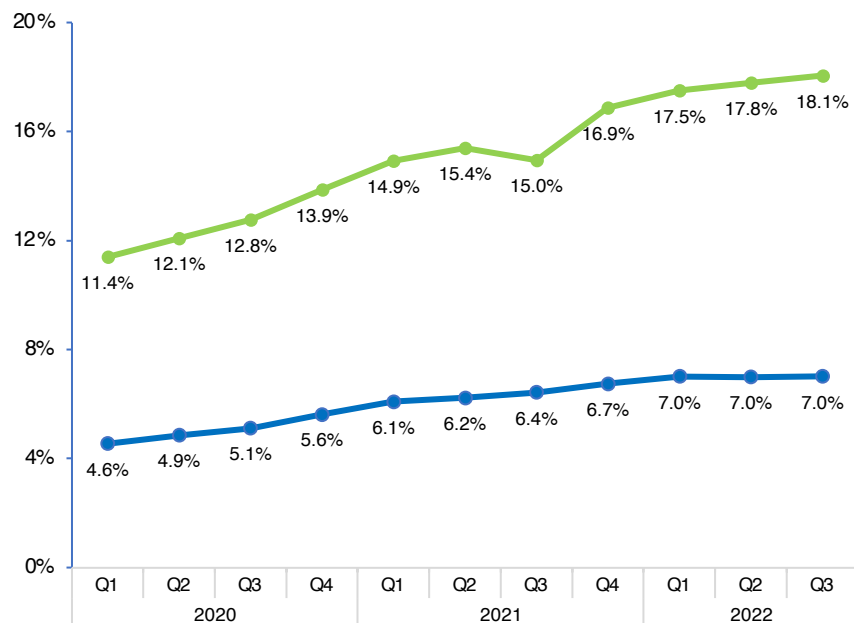
Grey figures represent January 1, 2020 – September 30, 2021

Note: Independent Plan growth in 2021 Q3 reflects Nebraska's shift from partnership to Independent Plan. Independent Plan growth in 2021 Q4 reflects Michigan joining the ABLE Alliance.

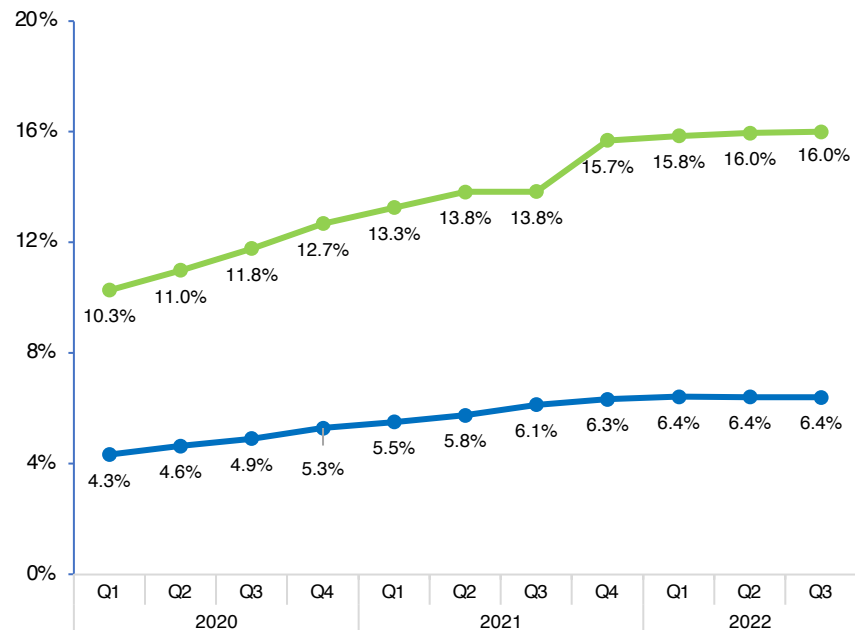


CalABLE Market Share Increases Steadily

Assets



Accounts



As of 2022 Q3	CalABLE Market Share as a Percent of:	
	National	Independent Plans ¹
Assets	7.02% (6.44%)	18.06% (14.95%)
Accounts	6.40% (6.14%)	16.00% (13.83%)

Source: ISS Market Intelligence as of September 30, 2022
Grey figures represent September 30, 2021

¹ As of 2021 Q3, Nebraska is included in Independent Plans. As of 2021 Q4, Michigan is excluded from Independent Plans.

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