
JUNE 17, 2025

**AGENDA ITEM 5
INFORMATION ITEM**

CALIFORNIA ABLE ACT BOARD

529A Program Consultant Update: ABLE Landscape Update

Background

The California ABLE Act Board will receive an ABLE Industry Landscape updated report to include:

- The ABLE Industry Landscape Today
- CalABLE Growth Comparisons
- Select Plans: Fee Comparisons
- Observations and Considerations

Presenter

Juliana Christ, AKF Consulting

Attachments

- Attachment #1 – ABLE Industry Landscape Deck

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California ABLE Act Board

ABLE Landscape Update

June 17, 2025

Today's Discussion

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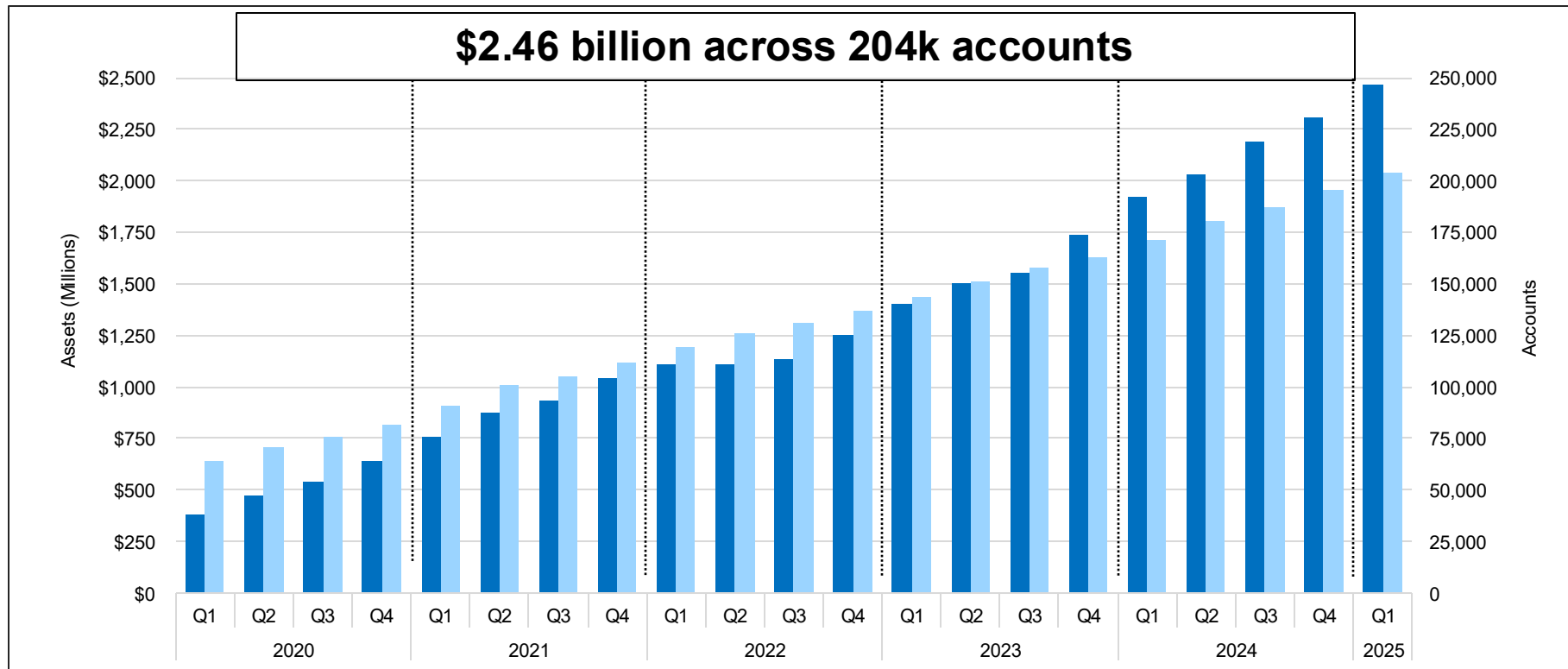
Highlights

- Overall ABLE Market nears \$2.5B
- 2024 saw largest-ever increase in total ABLE accounts
- CalABLE growth continues favorable trends:
 - Plan ranks second largest for assets and accounts across Independent Plans (up from last year)
 - Plan growth rates and balances exceed national averages
- CalABLE fees remain competitive, although we are seeing decreases in the industry
- Federal legislative activity is picking up steam

Section 1.

The Landscape Today

National Market Growth Accelerated in 2024

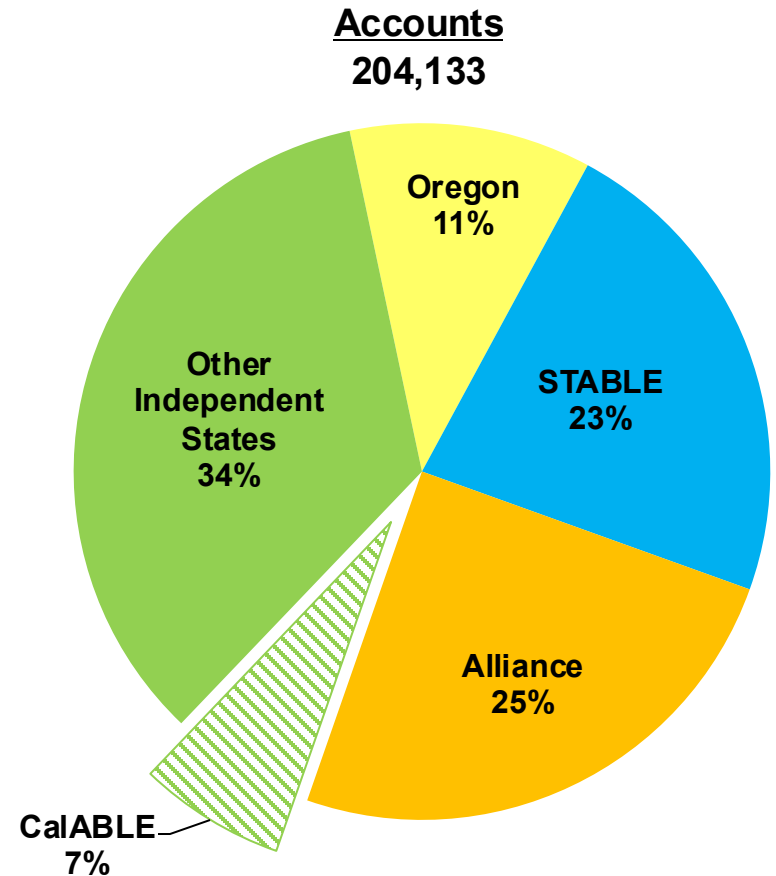
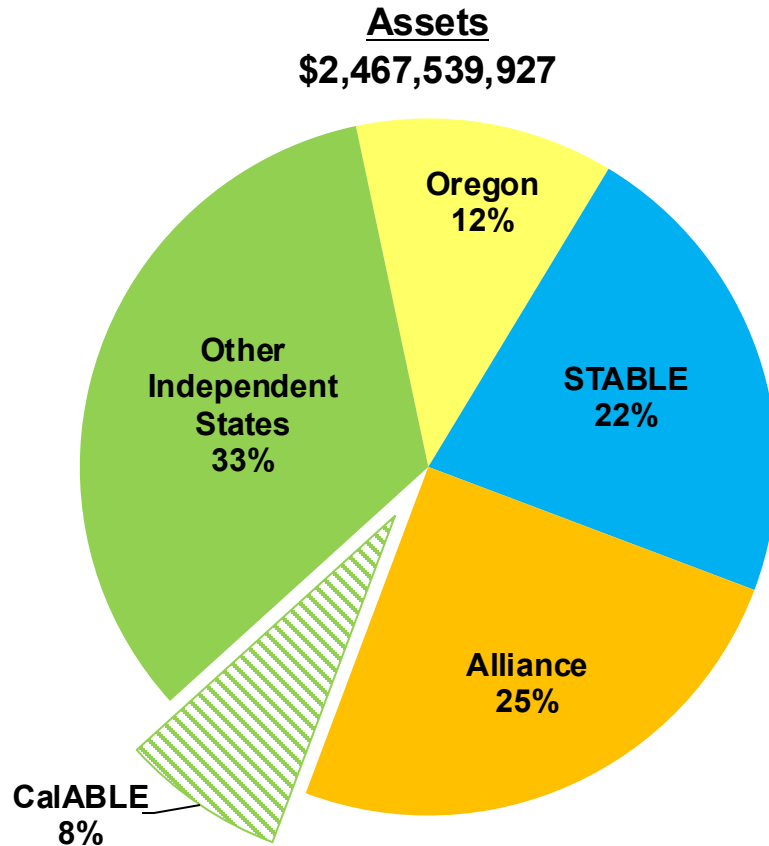


Annual Increase ¹	2022	2023	2024
Assets	\$208,456,202	\$487,921,861	\$565,624,228
Accounts	25,039	25,824	32,573

Source: **ISS Market Intelligence** as of March 31, 2025

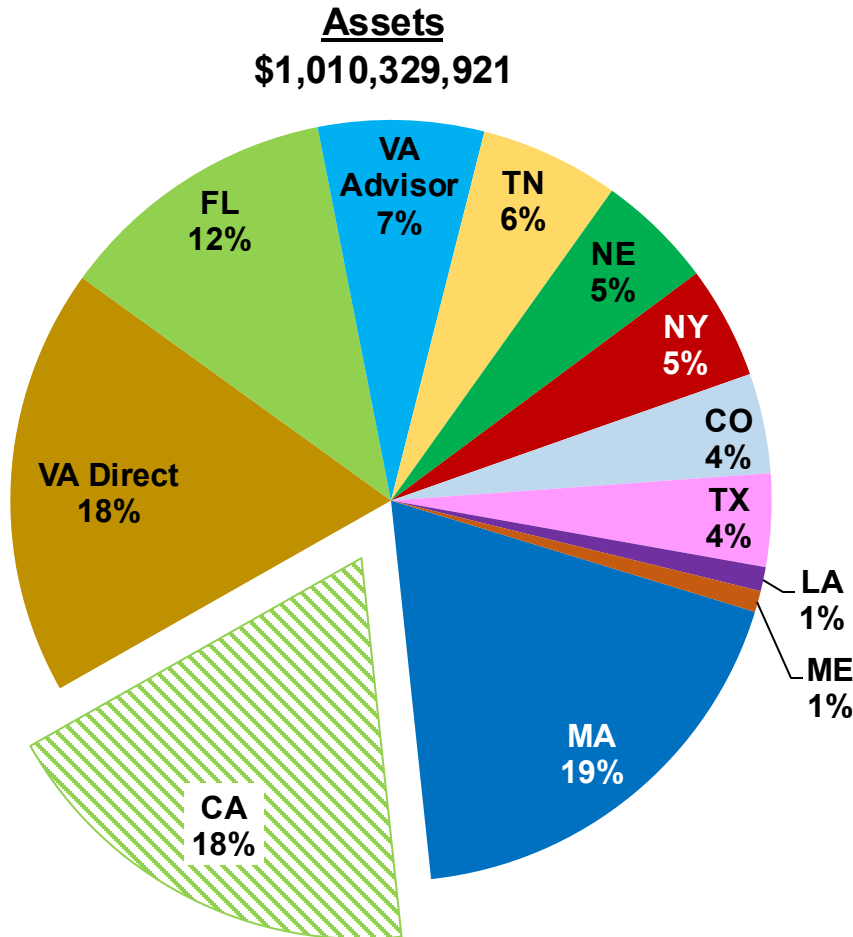
¹ Represents the net increase for the period January 1 – December 31 of each calendar year shown

Industry Snapshot: Market Share



Source: ISS Market Intelligence as of March 31, 2025

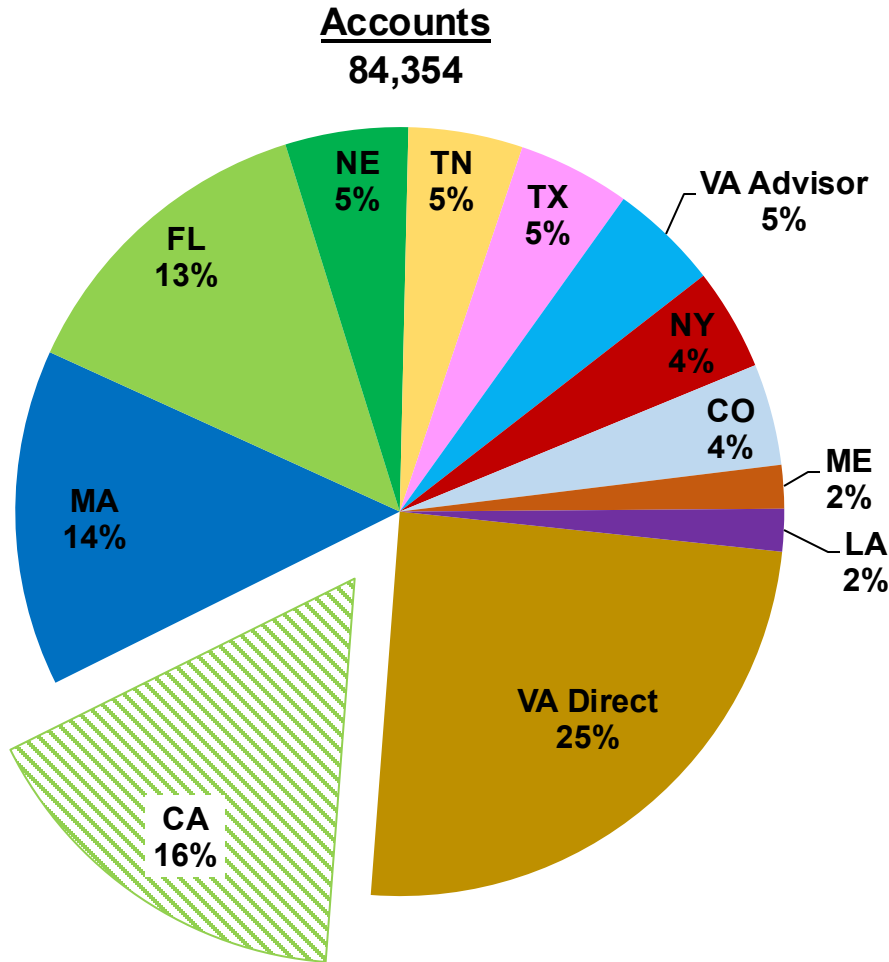
Independent States Snapshot: Market Share



Rank	Plan	Assets
1	Massachusetts	\$187,885,177
2	California	\$186,605,629
3	Virginia Direct	\$183,460,605
4	Florida	\$120,861,603
5	Virginia Advisor	\$71,140,880
6	Tennessee	\$59,721,800
7	Nebraska	\$50,130,228
8	New York	\$48,325,043
9	Colorado	\$42,893,348
10	Texas	\$39,913,408
11	Louisiana	\$10,338,406
12	Maine	\$9,053,794

Source: ISS Market Intelligence as of March 31, 2025

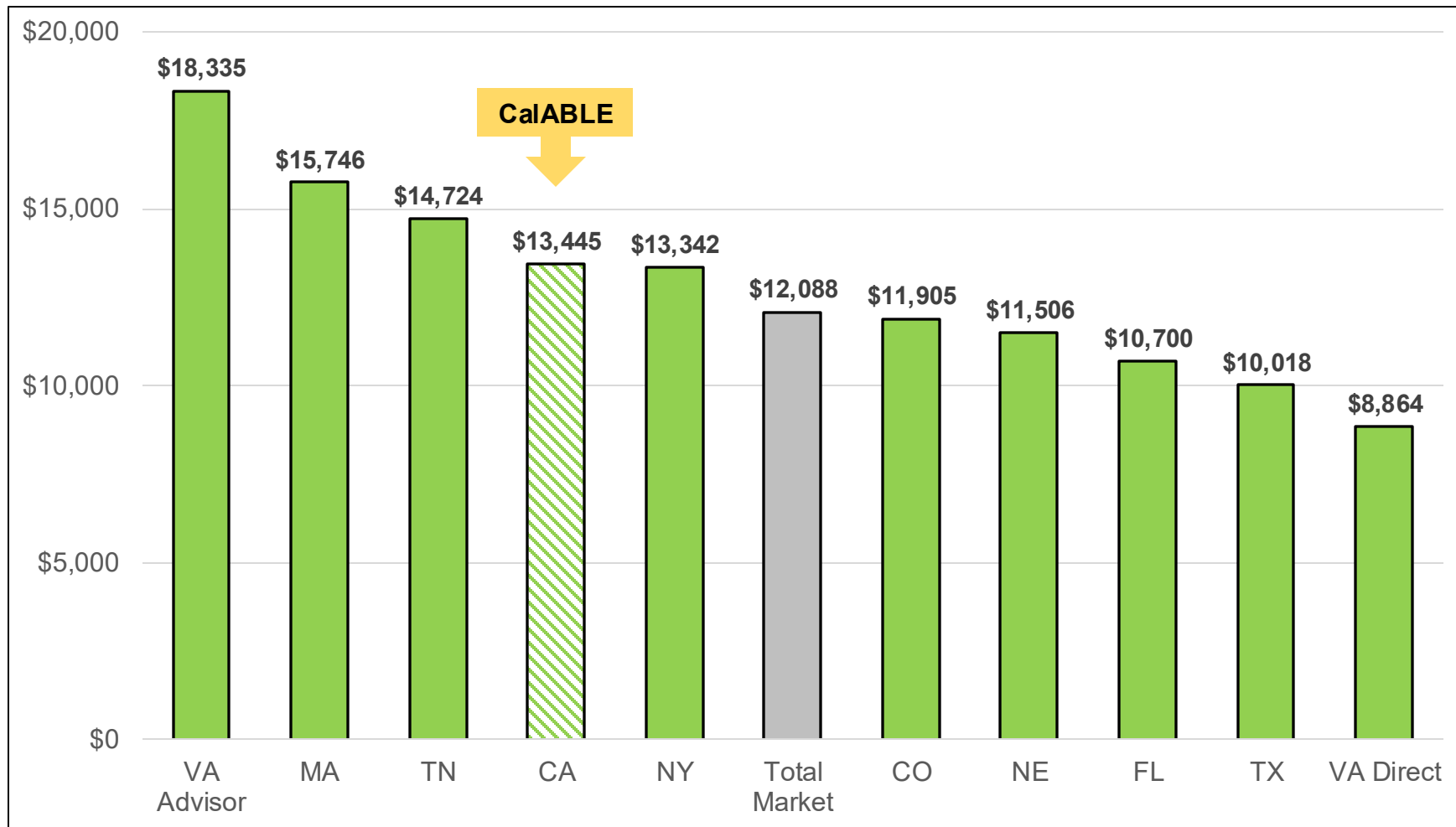
Independent Plan Snapshot: Market Share, continued



Rank	Plan	Accounts
1	Virginia Direct	20,698
2	California	13,879
3	Massachusetts	11,932
4	Florida	11,296
5	Nebraska	4,357
6	Tennessee	4,056
7	Texas	3,984
8	Virginia Advisor	3,880
9	New York	3,622
10	Colorado	3,062
11	Louisiana	1,505
12	Maine	1,542

Source: ISS Market Intelligence as of March 31, 2025

Independent Plan Snapshot: Average Account Size



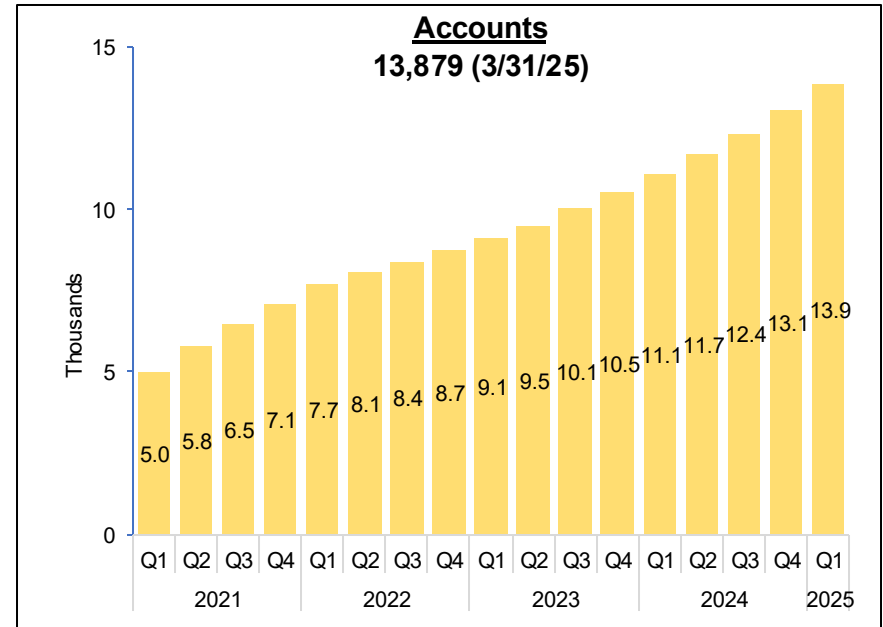
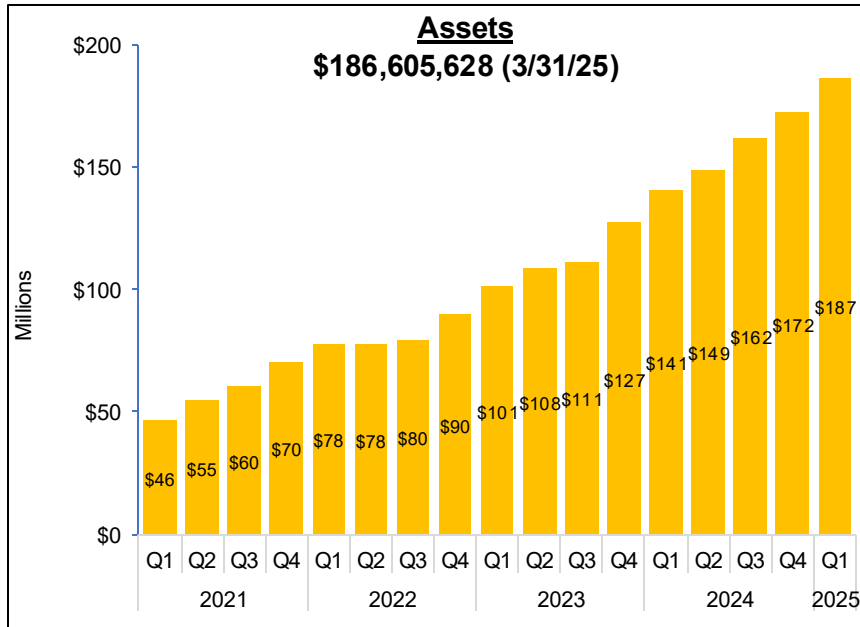
Source: ISS Market Intelligence as of March 31, 2025

Section 2.

CalABLE Growth Comparisons

CalABLE Growth

- In 2024, CalABLE had its:
 - Largest-ever increase in total assets (\$)
 - Second largest increase in total accounts (only second to COVID stimulus year)



Annual Increase ¹	2022	2023	2024
Assets	\$19,155,468	\$37,628,237	\$44,992,167
Accounts	1,641	1,788	2,531

Source: ISS Market Intelligence as of March 31, 2025

¹ Represents the net increase for the period January 1 – December 31 of each calendar year shown

CalABLE Growth versus Industry

- CalABLE has outperformed national growth rates and the overall growth rates for Independent States

Annual Growth Rate: 1 Year Period (April 1, 2024 – March 31, 2025)	National	Independent States	CalABLE
Assets	28.58%	28.17%	32.40%
Accounts	18.98%	19.56%	24.99%

Annualized Growth Rate: 2 Year Period (April 1, 2023 – March 31, 2025)	National	Independent States	CalABLE
Assets	32.78%	35.53%	35.92%
Accounts	19.03%	21.42%	23.23%

Source: AKF calculations based upon data from **ISS Market Intelligence** as of March 31, 2025

Section 3.

Select Plans: Fee Comparisons

Annual Fee Snapshot: Select Peer Plans

Plan	Dollar-based Fees	Asset-based Fees	Card Fees
Massachusetts	\$0	0.20 – 0.84% ↓	No card
Virginia (Advisor)	\$0 ¹	0.50 – 0.69% ² ↓	No card
STABLE (Ohio and Partner States)	\$15 (Ohio Residents) \$27 (Partner States)	0.19 – 0.33%	\$0 (OH, OK, UT, VT, WV) \$60
STABLE (Non-Partner States)	\$27	0.45 – 0.59%	\$60
ABLE Alliance	\$26 ³ – \$31 ↓	0.00 – 0.36% ↑	\$0
California	\$30	0.28 – 0.45%	\$0
Oregon ABL	\$35	0.30 – 0.341%	\$15
Virginia (Direct)	\$39 ⁴	0.00 – 0.39%	\$0
New York	\$40	0.00 – 0.35% ↓	\$0

Source: Program Disclosure Statements available as of May 20, 2025

Fees shown assume e-delivery of account statements

Green shows changes from July 2024

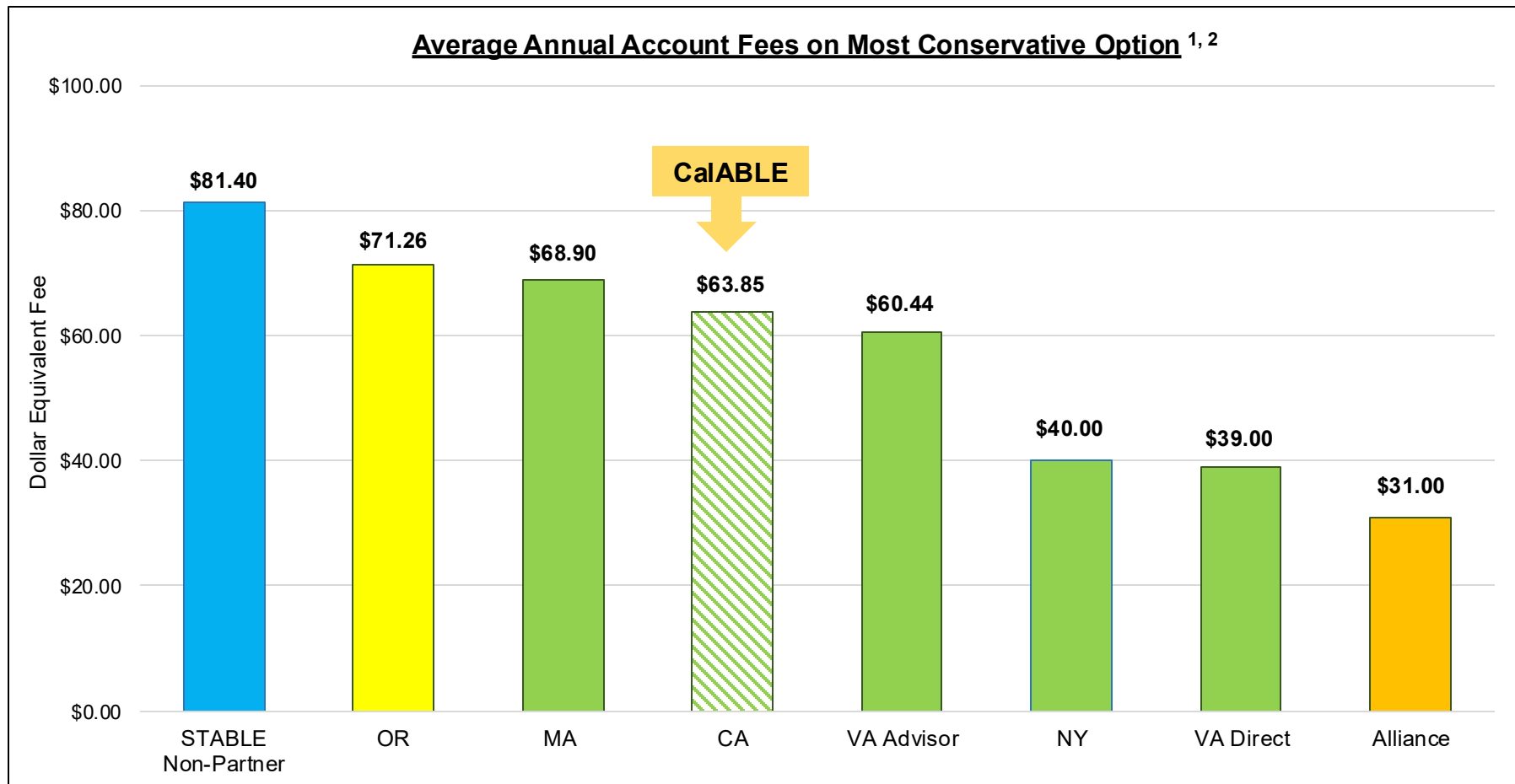
¹ Program Description notes a potential \$10 annual fee that is currently waived

² Represents fees for Class A shares

³ Ten Alliance Member States offer a fee reduction for in-State residents

⁴ Waived for accounts that maintain an average daily balance of \$10,000 in the ABLEnow “Deposit Account” investment option

Dollar Equivalent Fees (FDIC or Money Market Options)



Source: Program Disclosure Statements available as of May 20, 2025

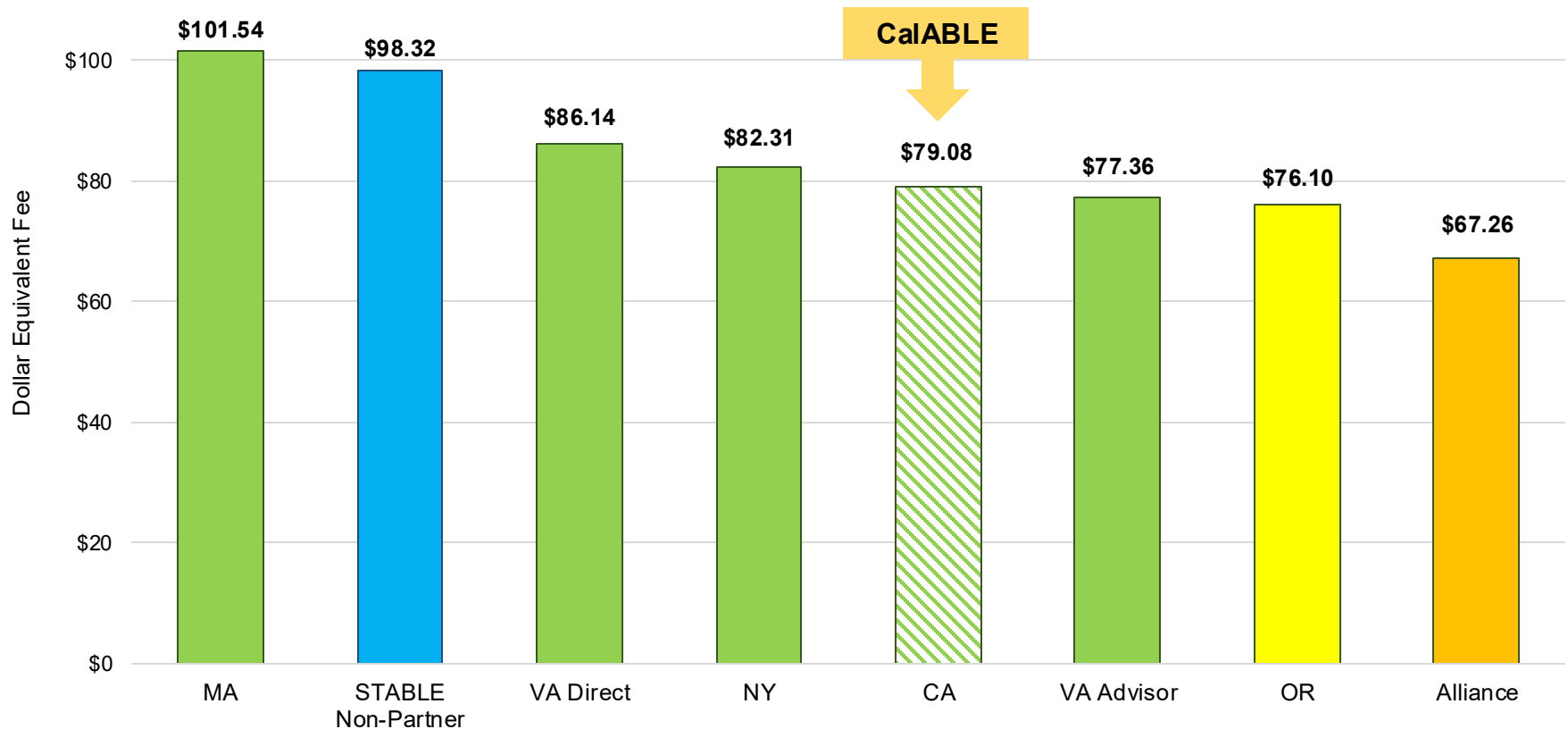
Basis point conversion assumes \$12,088 national average account balance, based upon March 31, 2025 industry data. Costs do not include additional dollar-based fees charged to participants for prepaid cards.

¹ Represents fees for each Plan's most conservative investment option. For most Plans shown, this is the FDIC-insured savings or checking option. The Virginia Advisor Plan and the Massachusetts Plan do not offer FDIC-insured options, so fees shown are for the respective Money Market portfolios.

² Fees reflect e-delivery

Dollar Equivalent Fees (Moderate Growth Portfolio)

Average Annual Account Fees on Moderate Growth Options¹



Source: Program Disclosure Statements available as of May 20, 2025

Basis point conversion assumes \$12,088 national average account balance, based upon March 31, 2025 industry data. Costs do not include additional dollar-based fees charged to participants for prepaid cards.

¹ Represents dollar- and asset-based fees for each Plan's moderate growth option, approximating an 80 / 20 allocation portfolio, and assuming e-delivery

Section 4.

Future Considerations

Ahead for the ABLE Industry

- **New Program Activity:**
 - Wisconsin set to begin creating a new ABLE Plan in 2025
 - Idaho has legislation to create an ABLE Plan – will enter a partnership
 - Provider market will become even more concentrated in 2025
- **Federal Legislative Activities:**
 - **One Big Beautiful Bill Act (Reconciliation bill)**
 - Introduced May 20, 2025; passed House May 22nd
 - Will make permanent 529 Rollovers, ABLE to Work, and Saver's Credit
 - Will also slightly increase standard ABLE annual contribution limit
 - **ENABLE Act –**
 - Introduced February 7, 2025 (Bi-partisan initiative)
 - Will also make permanent 529 Rollovers, ABLE to Work, and Saver's Credit
 - **TCJA Permanency Act –**
 - Introduced January 3, 2025 (Republican initiative)
 - Will also make permanent 529 Rollovers, ABLE to Work, and Saver's Credit

Ahead for the ABLE Industry, cont'd

- **Federal Legislative Activities, cont'd:**
 - **ABLE Employment Flexibility Act (expected re-introduction in 2025)**
 - **Makes employer contributions easier**
- **Potential Federal Threats:**
 - **Expiration of ABLE Tax Benefits (ABLE to Work, 529 Rollovers, Saver's Credit)**
 - **Removal of disability-inclusion efforts due to changing "DEI" policies**
 - **Significant changes to federal means-tested benefits and SSI eligibility**
 - **Decrease in ABLE support / information sharing by federal benefits agencies, due to staffing cuts**
- **Wave of new State legislation focused on protecting benefits paid to foster youth**

AKF Legal Disclosure

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Appendix

National Alignment of States

	ABLE Alliance	STABLE Partnership	Independent Plans	Oregon Partners
States	Alaska Arkansas Connecticut Delaware District of Columbia Illinois Indiana Iowa Kansas Michigan* Minnesota Mississippi Montana Nevada New Hampshire* New Jersey North Carolina Pennsylvania Rhode Island	Arizona Georgia Kentucky Missouri New Mexico Ohio Oklahoma South Carolina Utah Vermont West Virginia Wyoming	California Colorado* Florida Louisiana Maine Massachusetts Nebraska New York Tennessee Texas Virginia (2)	Alabama* Hawaii Maryland Oregon (2) Washington
47 States (including DC)	19 States (including DC)	12 States	11 States	5 States

Source: AKF Consulting as of May 2025

Blue indicates Lead State in the partnership

*Asterisk indicates a change in alignment since launch of Plan