



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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PR16:58  
Dec. 13, 2016

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## Treasurer's ScholarShare 529 Plan reaches \$7 billion in assets for first time, reduces fees by 25%

*Fee reduction will save ScholarShare investors more than \$700,000*

SACRAMENTO, Calif. – ScholarShare, California's 529 College Savings Plan, today announced it has reached \$7 billion in combined assets for the first time in the plan's history and will reduce fees for investors by 25 percent.

ScholarShare's program management fees will drop from 0.04 to 0.03 percentage points. This latest reduction marks the second time in 2016, and the fifth time in the last five years, that ScholarShare has reduced its management fees. As recently as June of 2016, investors benefited from a previous reduction of 20 percent.

"With the cost of higher education continuing to climb, we are always looking to find ways to reduce costs for families saving for college," said State Treasurer John Chiang, chair of the ScholarShare Investment Board. "Our goal is to offer a diverse set of investment options and strong performance to deliver the best possible value. The more money we can help families save in fees, the more they have to invest in their future higher education expenses."

The average total annual asset-based fee across all ScholarShare investment options is expected to drop to 0.29 percentage points, which is less than half the national industry average of 0.71 percentage points.

Additionally, the average total annual asset-based fee for ScholarShare's passively-managed investment options will drop to 0.14 percentage points from 0.15, making it the lowest average in the country.

"Reaching the \$7 billion mark is an important milestone for ScholarShare. The plan's growth shows the tremendous effort that our families are undertaking to support their college savings goals," added Treasurer Chiang.

California's 529 Plan, which launched in 1999, currently manages more than 280,000 accounts. This latest milestone marks a 75 percent increase in combined assets over the last five years.

Last year alone, ScholarShare helped California families pay for more than \$333 million in qualified higher education expenses.

In October, ScholarShare was ranked as one of the top-rated 529 college savings plans in the country by Morningstar, an independent investment research firm. On December 1, ScholarShare was also recognized by Savingforcollege.com with a 5-Cap Rating. According to Savingforcollege.com, a plan with a Rating of 5 Caps offers outstanding flexibility, attractive investments, and additional economic benefits that can offer a substantial boost in savings for some investors.

Recently, ScholarShare became the first 529 college savings plan in the nation to offer gift cards to help families save and pay for college. These cards will make great stocking stuffers this holiday season. Physical or digital gift cards are available at California-based Toys “R” Us or Babies “R” Us retail stores or online at [www.ScholarShare.com](http://www.ScholarShare.com).

### **About the ScholarShare 529 College Savings Plan**

To sign up for an account or for more information about the plan, visit [www.scholarshare.com](http://www.scholarshare.com). For information about the ScholarShare Investment Board (SIB), visit [www.treasurer.ca.gov/scholarshare](http://www.treasurer.ca.gov/scholarshare). Like ScholarShare on Facebook at [www.facebook.com/scholarshare529](http://www.facebook.com/scholarshare529) and follow us on Twitter at [@ScholarShare529](https://twitter.com/ScholarShare529).

Named for the section of the IRS code under which they were created, 529 plans offer valuable tax advantages. Contributions are made with money that has already been taxed. Once funds are placed in the account, investment earnings, if any, are not federally or state taxed, if withdrawn to pay for qualified higher education expenses.

The ScholarShare 529 College Savings Plan Twitter and Facebook pages are managed by the State of California.

For more news, please follow the Treasurer on Twitter at @CalTreasurer, and on Facebook at California State Treasurer's Office.

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