



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR 18:29  
May 24, 2018

Contact: [John Wark](mailto:John.Wark@sto.ca.gov)  
[news@sto.ca.gov](mailto:news@sto.ca.gov)  
916-653-2995

## Save the Date: May 29 Is 529 College Savings Day

*529 College Savings Day reminds families of the vital importance of saving now for college – and the many ways that a ScholarShare 529 College Savings Plan can help*

**SACRAMENTO** –With tuition rates spiraling rapidly upward, it's more vital than ever that Californian families start saving early for college. This is why the California State Legislature has recently introduced Assembly Concurrent Resolution (ACR) 216 to officially designate May 29 as 529 College Savings Day – to raise awareness of the importance of saving for college and to let families know they can save more easily with the help of a 529 college savings plan.

To kick off 529 College Savings Day, State Treasurer John Chiang and ScholarShare 529, California's College Savings Plan, will hold a four-day promotion to encourage families to launch their own college savings efforts.

Student loan debt has now reached \$1.5 trillion nationally, up from \$676 billion in 2008, according to the Federal Reserve Bank of New York. In our state over the past decade, tuition rates at the University of California, California State University and California Community College have increased 100 percent, 117 percent and 130 percent, respectively.

"When Americans are burdened with student loan debt, they are not able to buy homes, cars and other products that boost our economy," said State Treasurer John Chiang, chair of the ScholarShare Investment Board. "The ScholarShare 529 College Savings Plan enables families to limit or eliminate future student loan debt by helping them save for higher-education expenses. In turn, the contributions families make today pay off later in the form of increased earning potential for their children, because college graduates earn an average of \$1 million more than high school graduates during their career."

A ScholarShare 529 College Savings Plan is a powerful tool for California families who want to start saving now for their children's college education. It offers a diverse range of investment options, tax-deferred growth and withdrawals free from state and federal taxes.

### **\$50 Match Promotion**

To celebrate 529 College Savings Day, ScholarShare 529 is offering a four-day matching promotion to get families started now and free their future graduates from the burden of mountainous student debt.

To be eligible for the matching promotion, families must open a new ScholarShare 529 account between May 29, 2018 and June 1, 2018 with a minimum \$50 deposit – to be contributed and invested at the time the new account is opened – and sign up for a \$25 Automatic Contribution Plan for a minimum of six months.

A matching deposit of \$50 will be made by the state to the eligible ScholarShare 529 account on or before January 31, 2019. There is a limit of one matching deposit per new ScholarShare 529 account opened for each new beneficiary.

Visit [www.ScholarShare.com/529day](http://www.ScholarShare.com/529day) for more information and complete terms and conditions.

### **Making College Dreams Come True**

One of thousands of families benefitting from a ScholarShare 529 account is the Maldonado family. Martha Maldonado opened a ScholarShare 529 account when the program launched, in 1999, and when her daughter, Julia, was just 2 years old. Today, Julia is a junior in college and Martha is close to her goal of seeing her daughter graduate from college with zero student loan debt.

“By putting a little bit away at a time, it helped lessen the burden of having to pay for college all at once,” said Martha. “At first, I was nervous about a ScholarShare 529 account but with patience and the compound interest, I was quite surprised at how the little bit I put away each month has gone such a long way.”

The Maldonados started off with \$25 in their account and watched it grow from there, as Martha regularly set aside a small amount from her monthly paycheck.

“ScholarShare 529 has really helped make the college years manageable,” she said. “Paying for things with ScholarShare 529 is so easy. Even for small things, like a \$10 or \$20 book purchase, we just pull from the 529 account. It’s an investment in your child’s future. Why wouldn’t you want to do that for them?”

### **Triple the Challenge**

Tim and Lorie Shelley knew they would have to prepare early for their children’s college education – they have triplets. The Sacramento-based couple started saving for college with ScholarShare 529 soon after their kids were born. They credit the early start and the ease of savings via monthly payroll deductions as a huge help in their quest to send three children off to college at the same time.

Today, their kids, Callahan, Maile and Jared are college freshman – and all made the dean’s list.

“ScholarShare 529 played a big part in making that happen,” said Lorie. “By taking advantage of the automatic payroll deductions, we’ve been able to guarantee that some portion of our income would be automatically saved for college.”

Adds Tim, “The biggest piece of advice I have for parents of twins or triplets is to start as soon as possible. Just like it’s smart to start saving for retirement as soon as you get your first job, you need to start saving for college as soon as your children are born.”

### **Advice from James, the ScholarShare Spokeskid**

To highlight 529 College Savings Day, ScholarShare 529 recently launched a new [video series](#) starring James, the program’s Spokeskid. James helps families better understand 529s which should help them feel more comfortable with the financial decisions that accompany saving for college.

In one video, James reminds parents that, “ScholarShare 529 is a smart way to reach your college savings goals. With 100 percent tax-free growth, it could mean as much as 25 percent more money for college. Now, even a kid can tell you that’s a winning investment.”

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

To sign up for an account or for more information about the plan, visit [www.ScholarShare529.com](http://www.ScholarShare529.com). For information about the ScholarShare Investment Board, visit [www.treasurer.ca.gov/scholarshare](http://www.treasurer.ca.gov/scholarshare). Like ScholarShare 529 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, so once funds are placed in the account, investment earnings, if any, are not federally or state taxed, as long as they are withdrawn to pay for qualified higher-education expenses.

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

*For more news, please follow the Treasurer on Twitter at [@CalTreasurer](https://twitter.com/CalTreasurer), and on Facebook at [California State Treasurer's Office](https://www.facebook.com/CaliforniaStateTreasurer).*

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