



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Contact: [Press Office](#)
news@sto.ca.gov
916-653-2995

Treasurer Chiang's ScholarShare 529 Encourages Californians to Open New Accounts and Save for College During National College Savings Month

ScholarShare 529 ranked #1 in the country for investment performance

SACRAMENTO – To kick off National College Savings Month, California State Treasurer John Chiang and ScholarShare 529 are reminding California families to start saving for college early.

"The cost of higher education may be going up, but that shouldn't get parents down," said Treasurer Chiang. "Saving for college is one of the best things parents can do for their children and it doesn't have to be a financial burden. Kids with a savings account in their name have a much better chance of avoiding crippling student loan debt when they graduate, so — during National College Savings Month — there's no better time to start saving!"

While many students and parents are worried about their ability to pay for college, according to Sallie Mae, only six in 10 parents have actually started saving for their children's higher education.

And for those parents who are saving, data shows they are only saving \$18,000, on average, for their children's education. However, according to the College Board, a typical private, nonprofit college charged \$46,950 this past year for tuition, fees, and room and board; and those costs are only predicted to increase further in the coming years.

That's why 70 percent of college students who graduate do so with a mountain of debt. The average student loan debt for the class of 2017 was \$39,400 per student, up six percent from the previous year, according to Student Loan Hero.

Those families, however, who begin to save for college early, in a tax-advantaged manner, can overcome escalating tuition costs. The ScholarShare 529 College Savings Plan makes saving for college easy. With no big, upfront investment, getting started is simple, affordable, and stress-free. Parents can open a ScholarShare 529 account online in just 15 minutes — and with as little as a \$25 contribution. All earnings are tax-free when used for qualified higher

education expenses, including tuition, room and board, computers, books, and other required supplies.

Beyond the enticing tax benefits, ScholarShare 529 has a strong track record on investment returns. In fact, the plan was recently ranked number one in the nation for investment performance, among all direct-sold 529 plans, based on a three-year and five-year investment period ending June 30, 2018, according to Savingforcollege.com.

Additionally, ScholarShare 529 allows grandparents, as well as other family and friends, and even employers to make gifts to a student's account for maximum growth potential.

Chiang added, "Just imagine what these graduates could do with all that saved money. They could put a down payment on a home, buy a new car, or finance their own business startup. ScholarShare 529 encourages students and families to save as much as possible, as early as possible, so we not only help California students, but grow our economy even stronger."

About ScholarShare 529

ScholarShare 529 serves as California's official college savings plan. Administered by the ScholarShare Investment Board, ScholarShare 529 provides families with a valuable tool that offers a diverse set of investment options, tax-deferred growth, and withdrawals free from state and federal taxes when used for qualified higher education expenses, such as tuition and fees, books, certain room and board costs, computer equipment, and other required supplies.

To open a ScholarShare 529 account or get more information about the plan, visit www.ScholarShare529.com. For information about the ScholarShare Investment Board, visit www.treasurer.ca.gov/scholarshare, like ScholarShare 529 on Facebook at www.facebook.com/scholarshare529, and follow them on Twitter at [@ScholarShare529](https://twitter.com/ScholarShare529).

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