



Helping families maximize  
every dollar they save for higher education.

## Who We Are:

- Launched in October 1999
- Qualified tuition program named after section of Internal Revenue Code
- State-sponsored 529 college savings plan administered by seven-member ScholarShare Investment Board chaired by CA State Treasurer
- Managed by TIAA-CREF Tuition Financing, Inc.

“We know you  
want to provide  
the brightest future  
possible. We are  
here to help.”

—James  
Financial Guru, ScholarShare 529 Spokeskid



# What we're going to talk about today

- The **benefits** of higher education
- The **cost** of higher education
- What you can **do**
- **ScholarShare 529**
- How we can **help**
- Getting **started**
- Questions



# The **benefits** of higher education

# The benefits of higher education

- Greater lifetime earnings
- Better job and career satisfaction
- More opportunity
- Higher quality of life

Source: U.S. Census Bureau, Current Population Survey, 2016 Annual Social and Economic Supplement. The figures are based on 2015 earnings projected over a typical work life, defined by the Census Bureau as the period from ages 25 through 64.

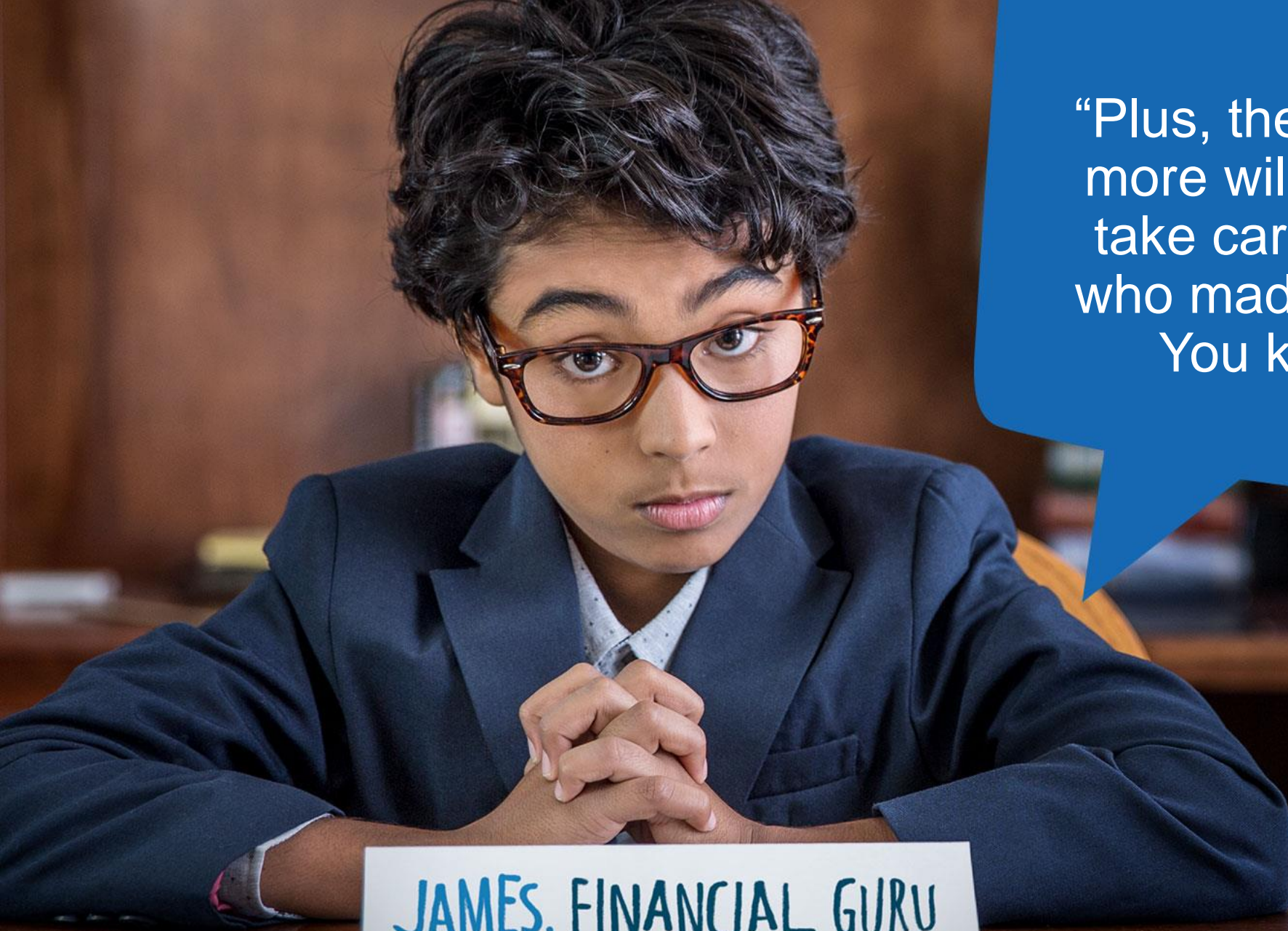
[https://www.bls.gov/emp/ep\\_chart\\_001.htm](https://www.bls.gov/emp/ep_chart_001.htm)

Source: <http://www.pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college/>

Source: [https://www.bls.gov/emp/ep\\_table\\_111.htm](https://www.bls.gov/emp/ep_table_111.htm) & <http://www.pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college/>

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JAMES, FINANCIAL GURU

“Plus, they’ll probably be more willing and able to take care of the people who made it all possible. You know... you.”

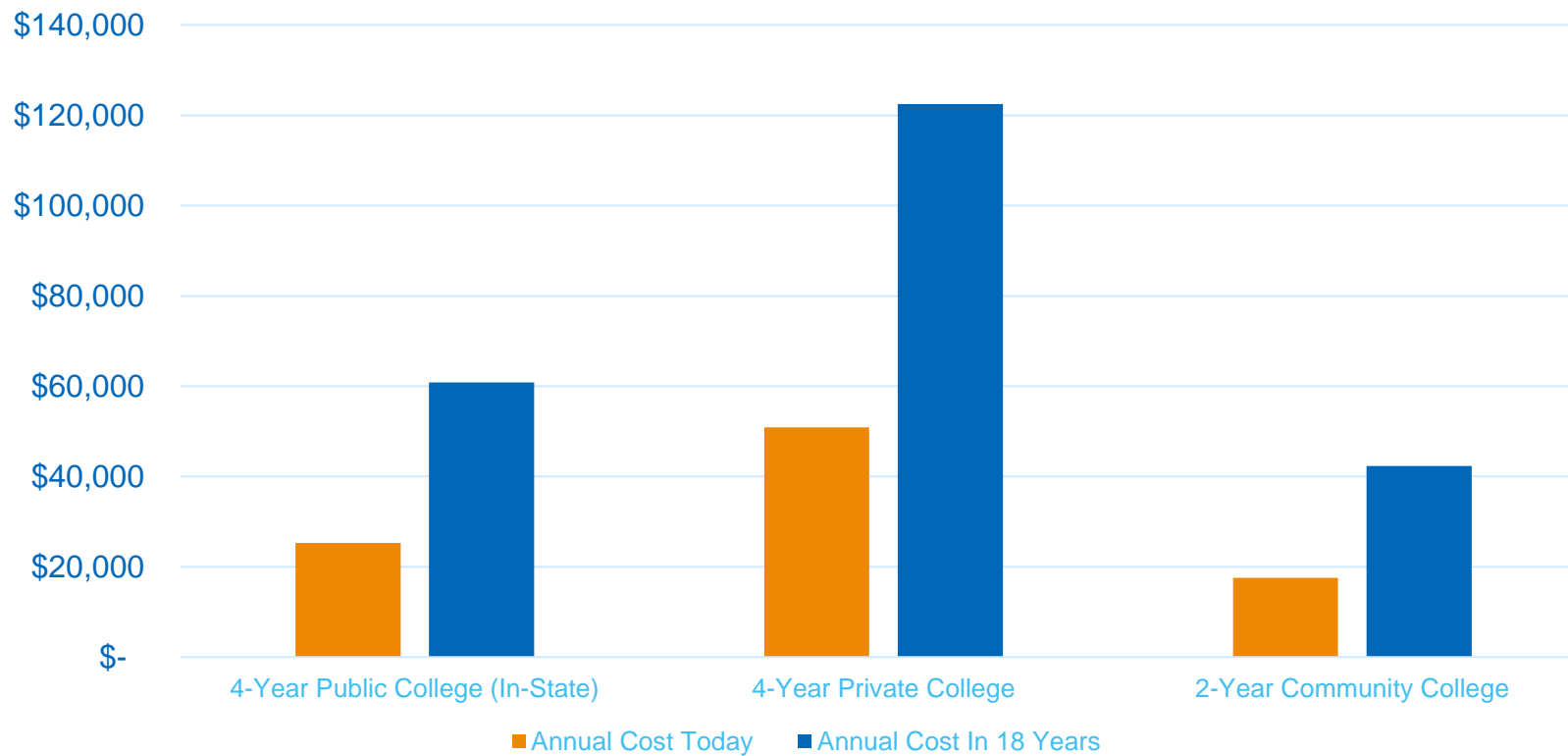


# The **cost** of higher education



# The cost of higher education

Annual cost of college now and in the future (based on 5% inflation)



# The cost of higher education

Student loans make it even more expensive.



Total student  
loan debt



Average class  
of 2016  
graduate debt



Average monthly  
payment  
(20- to 30-year old)

Source: <https://studentloanhero.com/student-loan-debt-statistics> 1/14/2018 (Data via [federalreserve.gov](https://www.federalreserve.gov/), [WSJ](https://www.wsj.com/), [newyorkfed.org](https://www.newyorkfed.org/) and [clevelandfed.org](https://www.clevelandfed.org/))



# What you can do



“Rule #1:  
Every little  
bit helps.”

# What you can do

## Step 1:

### Take a deep breath

You may not be able to pay for every cent of their higher education, but every bit helps. Focus on what you CAN contribute and how to MAXIMIZE that contribution.





# What you can do

## Step 2: Figure out how much a family will need to contribute

- Financial aid, scholarships and grants can significantly lower your family's cost
- More families qualify for aid than you might expect
- Learn more at [collegecost.ed.gov](https://collegecost.ed.gov)




# What you can do

## Step 3: Start saving







“Saving is the way to go,  
and starting  
early is  
the key.”

I ❤️  
Cookies

• Milk  
• Cheese  
PIZZA!

FROM  
JAMES



# Different ways to **save**

Spoiler alert:  
One of the best is ScholarShare 529.

# Different ways to save



UGMA/UTMA  
(custodial account)



Traditional / Roth IRA




Family's general  
savings account



ScholarShare 529

The one you choose can make a very big difference.

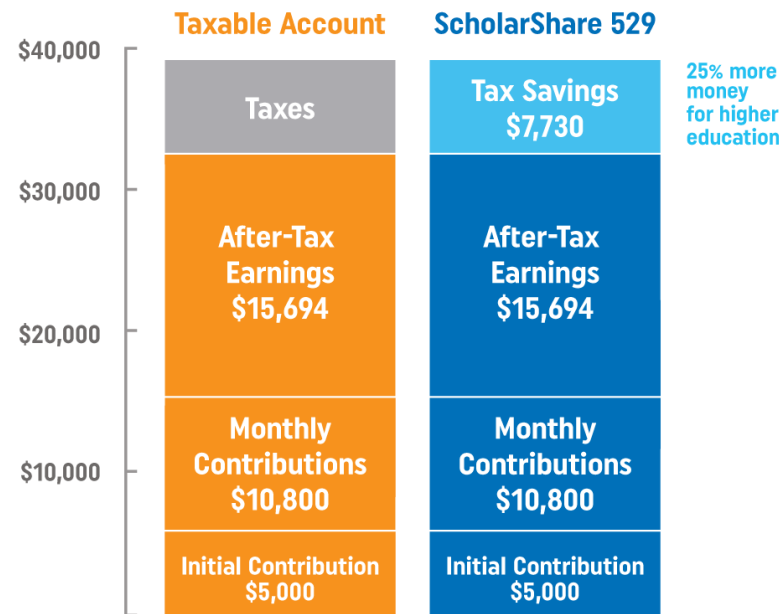




Reasons why  
ScholarShare 529  
may be the right choice  
for your families

# 1. Tax savings that really add up

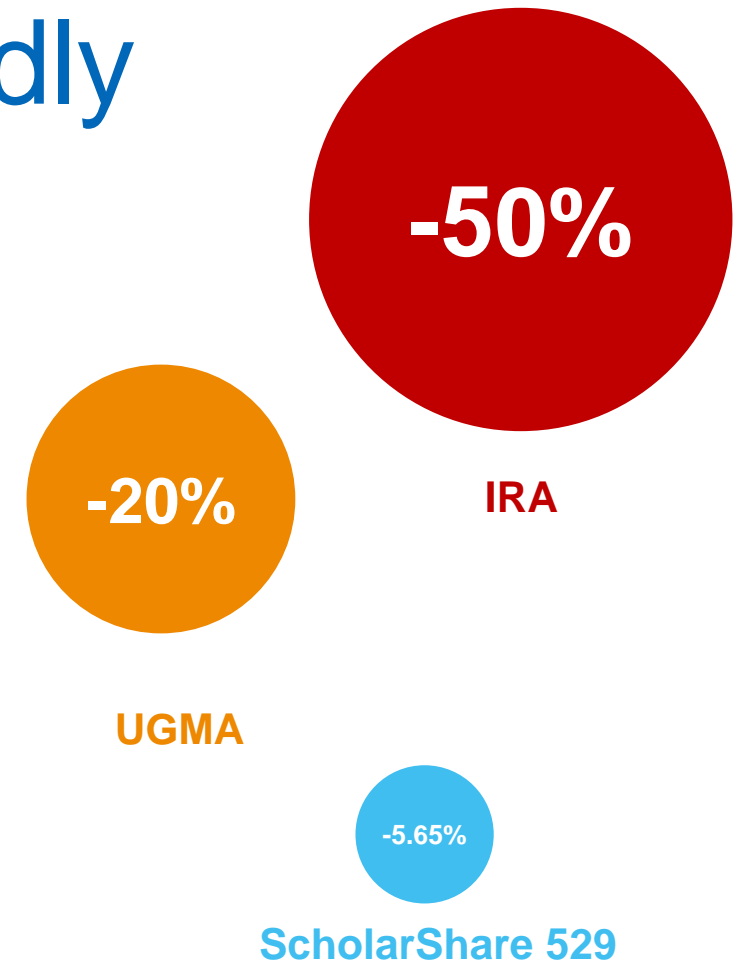
ScholarShare 529 tax-free growth means you could have a lot more money to help pay for college – up to 25% more.



This hypothetical example assumes a \$5,000 initial deposit, \$50 per month subsequent deposit for 18 years and 7% annual ROI. Tax calculations assume the maximum federal tax capital gains tax rate of 20% and the maximum CA marginal tax rate of 13%. At the end of the accumulation period, the taxable account would be worth \$31,494. The ScholarShare 529 account would be worth 25% more than that amount, or \$39,224.

## 2. Financial aid friendly

- UGMA accounts can reduce aid by 20% of the account balance annually
- Tap into your IRA and it can lower aid by as much as 50% of the amount withdrawn\*\*
- ScholarShare 529 has a minimal impact on aid—no more than 5.64% of the account balance\*



### 3. Contribution levels that fit your budget

- As little as \$25 per month
- As much as \$75,000 per individual / \$150,000 per couple, at one time (considered an accelerated 5-year gift)\*

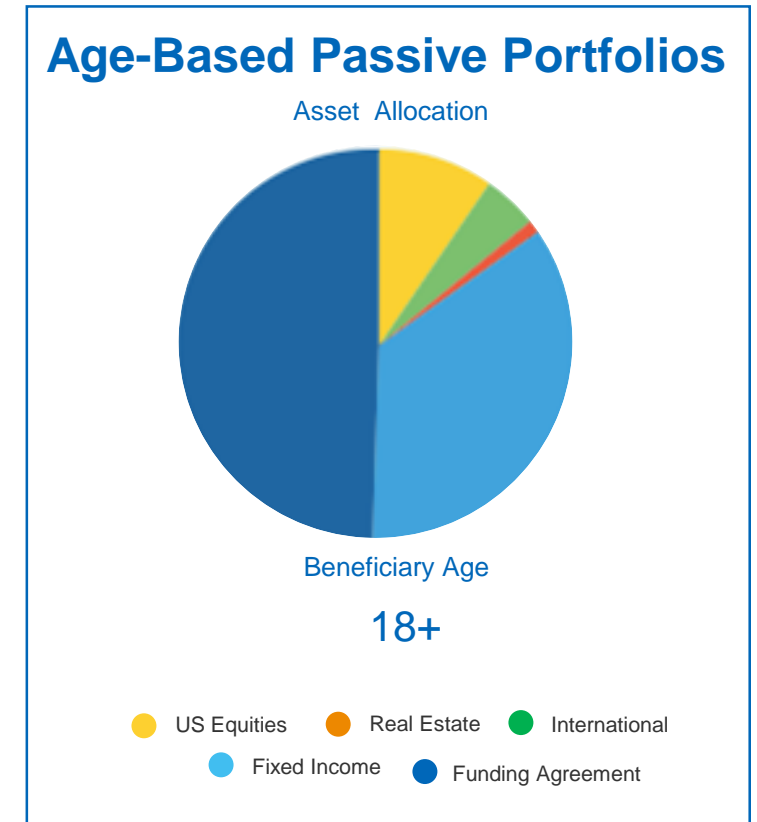


\*One-year investment is treated the same as a 5-year period, free of federal gift tax, so long as no other contributions are made to the same beneficiary in that 5-year period.

\*Contributions are generally considered completed gifts for federal transfer tax purposes and are, therefore, potentially subject to federal gift tax. Generally, if a contributor's contributions to Accounts for a Designated Beneficiary, together with all other gifts by the contributor to the Designated Beneficiary, do not exceed the "annual exclusion" amount of \$14,000 per year (or \$28,000 for a married couple), no federal gift tax will be imposed on the contributor for gifts to the Designated Beneficiary during that year.

# 4. You don't need to be a savvy investor

- It's not about choosing “the right” investment; it's about choosing the investment *that's right for you*
- One option you may consider is an Age-Based Portfolio
  - **Automatically shifts from aggressive-to-conservative investments as your child ages**
  - **Maximizes the opportunities of your investment horizon**
  - **No need to manually rebalance your portfolio each year**



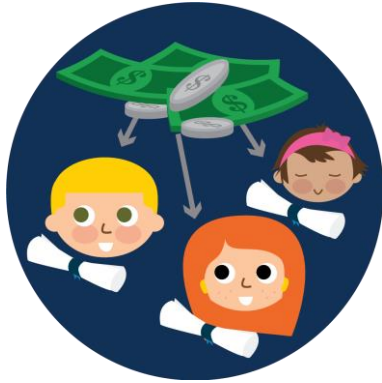


# 5. Low investment fees and expenses

- Why pay more for something when you don't have to?
- ScholarShare 529 investment fees and expenses are far less than many other 529 plans
  - Less than 1/2 the national average
  - Less than 1/3 the average for advisor-sold plans



## 6. Flexibility and control



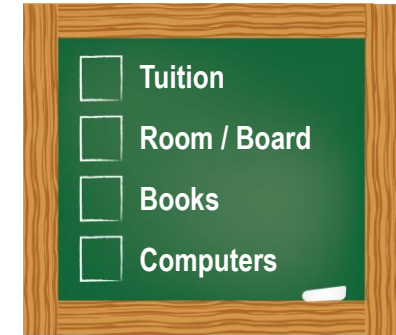
Change  
beneficiaries  
if you want



Use across the  
country or  
abroad



Good at many  
types  
of institutions



Wide range  
of approved  
educational  
expenses

## 6. Flexibility and control

- Anyone can contribute (not just parents)
- Maintain control even when the beneficiary turns 18 years old
- Withdraw funds for other purposes  
(subject to tax and penalty)

“Checking all  
the boxes.  
Just the way  
I like it.”



JAMES, FINANCIAL GURU



How we can **help** you get  
started on saving for the  
future?





# 2019 Matching Grant Program

# Everyone Deserves a Chance at a Higher Education

Pleased to offer the 2019 Matching Grant Program

- Jump-start your savings
- Maximize every dollar
- Help ensure you can give your child something all parents want for their children – a bright future
- Visit [www.scholarshare529.com/mgp](http://www.scholarshare529.com/mgp)
- Savings in an account will not impact eligibility for most state benefits

# Matching Grant Benefits

- A dollar-for-dollar match up to \$200
- An additional \$25 for establishing automatic contributions of \$25 or more
- Use funds for tuition at universities, community colleges, trade schools, and more
- Loved ones and family members can help with eGifting

# Matching Grant Eligibility Requirements

- Families must have an annual adjusted gross income (AGI) of \$75,000 or less to be eligible
- Account must be opened by a parent or a legal guardian
- Beneficiary (*future student*) must be 14 years of age or younger on December 31, 2019
- Parent/legal guardian and beneficiary must have a valid Social Security number or federal tax ID number



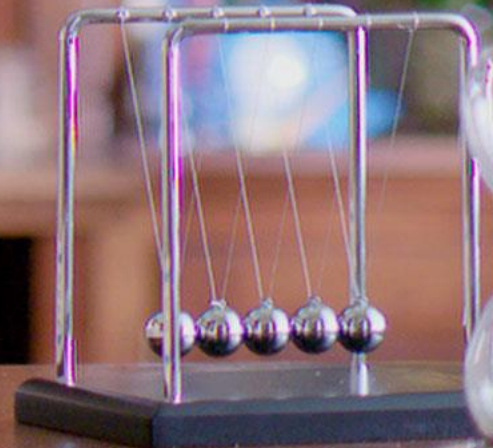
Visit  
[www.ScholarShare529.com/mgp](http://www.ScholarShare529.com/mgp)  
for more details



“Setting up  
an account is  
as easy as pie.  
Mmmm, pizza pie.”

ANCIAL GURU

FRESH BAKED PIZZA





# Getting started

There's no better time than now to start maximizing your college savings.



# Getting Started is Easy

- Go to [www.ScholarShare529.com](http://www.ScholarShare529.com)
- Our website is a great resource and user friendly
- Three easy steps to opening an account
- Questions along the way? Help is always a phone call away at: 1-800-544-5248

The screenshot shows the ScholarShare529 website. At the top is a navigation bar with links: PLAN, RESEARCH, MANAGE, GIFT, THE BUZZ, WORKPLACE 529, and HELP DESK. On the right of the bar are links for FIND and LOGIN. Below the navigation bar is the ScholarShare529 logo, which includes a graduation cap icon and the text "ScholarShare529". To the right of the logo is a circular seal of the State of California. Further right is an "OPEN AN ACCOUNT" button with the text "Need Help? Call 1-800-544-5248" and "Información en Español" below it. The main heading is "A Smarter Way To Save for College". Below this are three featured sections: "100% Tax Free Growth Really Adds Up" with a woman holding a water bottle, "Low Fees & Expenses Save You Money" with a man holding a coin, and "FAQs: What Families like yours want to know." with a man. Each section has a "LEARN MORE" link. Below these is a dark blue bar with the text "Check out our Workplace Savings Program" and two links: "FOR EMPLOYERS" and "FOR EMPLOYEES". The next section is titled "Getting Started is Easy..." and contains three numbered steps: 1. "Learn About the Plan" (Find out about the plan benefits, how it works, the tax advantages, and how the funds can be used. Learn More ->), 2. "Research Investments" (Choose investment portfolios that fit your life-stage and goals, including age-based options. Learn More ->), and 3. "Open an Account" (Open your ScholarShare account today and start out on the path to saving for college. Learn More ->). At the bottom is a dark blue bar with the text "Get more information on ScholarShare" and a search input field. Below this are three sections: "Matching Grant Program" (Get up to \$225 if you qualify. LEARN MORE), "Get started today." (Open an account with as little as \$25. OPEN AN ACCOUNT), and another "OPEN AN ACCOUNT" button.

# 3 Easy Steps to Getting Started

## Step 1: WHO

You will need to know who the account owner is and who will benefit from the account

## Step 2: WHAT

You will need to choose what investment option works best for you and your beneficiary. Review the ScholarShare529 investment options online and select one or more portfolios

## Step 3: HOW

You will need to select how you would like to fund your ScholarShare529 account:

Checking/Savings

Online Payment

Mail A Check



# Choosing Your Savings Plan

- Use our College Savings Planning Calculator to determine your savings goals
- Build your own portfolio or simply select an Age-Based Portfolio
- Set up your automatic contribution





# ScholarShare 529 Workplace Savings Program

# Employers make it extra easy

... by participating in our workplace savings direct deposit program!



Offering a ScholarShare 529 Workplace Savings is **free** and easy for you.

No  
employer costs

No reporting

No  
contract required



# It's **easy** for employees too.

- **Easy** set up only takes about 15 minutes
- **Easy** to enroll at any time—no open enrollment period
- **Easy** to manage with our online system and college savings specialists always available to answer questions





# More top employers are offering ScholarShare 529

- Nearly 950 companies, municipalities and payroll services
- 11 of the largest employers in the state
- 100s of small and mid-sized businesses, even start-ups
- 27 of Fortune's "best employers" to work for in the U.S. (that happen to be in California)\*

\*Source: [http://www.forbes.com/best-employers/list/2/#tab:rank\\_search:california](http://www.forbes.com/best-employers/list/2/#tab:rank_search:california)  
Forbes Best Employers 2017 ranking (May 2017)



# Questions?

Anything. Meaning of life? Why 8 hot dogs and 10 buns?

529 ★ DAY

# Get \$50

when you open a ScholarShare 529 account between 5/28 and 5/31.\*

I've run the numbers—  
this is a huge deal!



**100% tax-free growth can mean more money for college.**

Benefits of a ScholarShare 529 account:



- 100% tax-free compound earnings
- Low cost, less than half the national average\*\*
- Use at any accredited school
- Flexible investment choices

#### Online Webinar

Join a ScholarShare 529 specialist for a free, online webinar. Register at [ScholarShare529.com/529Day](https://ScholarShare529.com/529Day).

**May 22, 2019, 11 a.m. (PT)**

**To take advantage of this great \$50 offer:**

 [ScholarShare529.com/529Day](https://ScholarShare529.com/529Day)  866-230-8262 Offer valid May 28 to May 31, 2019.



ScholarShare529 



Thank you!



## ***CONTACT***

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ScholarShare529.com  
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# Important disclosures

To learn more about the California 529 College Savings Plan, its investment objectives, tax benefits, risks, and costs, please see the Disclosure Booklet at [ScholarShare529.com](https://ScholarShare529.com). Read it carefully. Check with your home state to learn if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan. Consult your legal or tax professional for tax advice, including the impact of the new federal tax changes. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss. If the funds aren't used for qualified education expenses, a 10% penalty tax on earnings (as well as federal and state income taxes) may apply. Non-qualified withdrawals may also be subject to an additional 2.5% California tax on earnings. TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributor and underwriter for the California 529 College Savings Plan. 433502



