
OCTOBER 2, 2014

**AGENDA ITEM 4
ACTION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Resolution to Approve Changes to the ScholarShare Outreach and Public Education Plan

Recommendation

Staff recommends that the ScholarShare Investment Board (SIB or Board) adopt Resolution No. SIB 2014-05, approving changes to the ScholarShare Outreach and Public Education (SCOPE) Plan.

Background

In June 2008, the Board adopted the SCOPE Plan. The main goal of the SCOPE Plan is to raise awareness of the ScholarShare College Savings Plan and promote the benefits of investing in a 529 college savings plan and attending institutions of higher education.

As part of its annual review, SIB staff is proposing changes to the SCOPE Plan. The changes, which are incorporated (in redline) into the revised SCOPE Plan (Exhibit A), are minor updates to partnership lists and current metrics. SIB staff continues to take into consideration its learnings when further developing its existing and future efforts and partnerships.

Presenter

Stanley Zeto, Deputy Executive Director, ScholarShare Investment Board

RESOLUTION NO. 2014-05

**RESOLUTION OF THE SCHOLARSHARE INVESTMENT BOARD
APPROVING CHANGES TO THE SCHOLARSHARE
OUTREACH & PUBLIC EDUCATION PLAN**

WHEREAS, the ScholarShare Investment Board (the “Board”) was created under Education Code section 69980 et seq. (the “Golden State ScholarShare Trust Act” or “Act”);

WHEREAS, Section 69992 of the Education Code provides that the Board shall aggressively market this program to the citizens of the State of California, and that the Board shall include in its marketing efforts information designed to educate citizens about the benefits of saving for higher education, and that the Board shall also develop a mechanism to keep participants in this program motivated about their current and future academic endeavors;

WHEREAS, the Board adopted the ScholarShare Outreach & Public Education Plan (the “SCOPE Plan”) at the June 19, 2008 Board meeting and recognized that the SCOPE Plan, goals and criteria were the first large-scale effort in furthering ScholarShare outreach, and as such will be amended from time to time, and

WHEREAS, as part of its annual review, SIB staff has reviewed the SCOPE Plan and is proposing minor updates to the current metrics, types of partnerships, and recent initiatives to provide a more defined outline of the marketing and outreach in which SIB participates;

NOW, THEREFORE, BE IT RESOLVED that the Board approves changes to the SCOPE Plan, as proposed by SIB staff and as shown (in redline) in the revised SCOPE Plan (Exhibit A).

Attest:

Chairperson

Date of Adoption: _____



SCHOLARSHARE OUTREACH & PUBLIC EDUCATION (SCOPE) PLAN

~~(September 2013)~~(October 2014)

ScholarShare is California's 529 college savings plan, a state-sponsored, tax-advantaged investment vehicle designed to help and encourage families to save for future higher education expenses. ScholarShare and the ScholarShare Investment Board (SIB or Board) were established in 1997 under California Education Code Sections 69980-69994. Earnings in ScholarShare accounts grow tax-deferred, and disbursements are federal and state tax-free when used for tuition and other qualified higher education expenses. SIB administers the ScholarShare College Savings Plan (ScholarShare) currently managed by TIAA-CREF Tuition Financing, Inc. (TFI).

Per California Education Code Section 69992, SIB is statutorily mandated to aggressively market ScholarShare to California families, to educate them about the benefits of saving for college, and to develop a way to keep ScholarShare participants motivated about their current and future college savings endeavors. The ScholarShare Outreach and Public Education (SCOPE) Plan was developed by SIB staff and originally adopted by the Board in 2008. It is updated and reviewed by the Board annually. The SCOPE Plan was developed in response to the Board's desire to expand outreach efforts to California families, while complementing marketing efforts by the ScholarShare program manager.

Current Landscape

As of June 30, ~~2014~~ ~~2013~~, there were more than ~~254,500~~ ~~245,000~~ open ScholarShare accounts with over ~~\$6 billion~~ ~~5 billion~~ in assets under management and an average ScholarShare account size of ~~\$23,654~~ ~~20,562~~. In ~~2014~~ ~~2013~~, the average contribution per account was ~~\$2,273~~ ~~1,257~~.¹ The percentage of accounts with a beneficiary aged eleven and under is ~~47%~~ ~~49%~~, with ~~62%~~ ~~63%~~ of account owners under the age of 50.²

During the last few years, there has been a trend toward younger families opening accounts. Of the new ScholarShare accounts opened since June 30, 2013, approximately 75% of the beneficiaries are aged 10 or under. To that end, SIB staff continues to evaluate marketing and outreach efforts and make adjustments to increase focus on reaching families with young children.

In ~~2013~~ ~~2012~~, SIB staff participated in more than ~~500~~ ~~200~~ outreach and community events statewide with an attendance of over ~~3.4 million~~ ~~2.2 million~~ people. ScholarShare has shown tremendous growth, however, there continues to be a need to promote the importance of attending and saving for college. According to the U.S. Bureau of Labor Statistics, in ~~June 2013~~ ~~August 2014~~, the seasonally adjusted unemployment rate for Americans with a high school diploma was ~~6.2%~~ ~~7.6%~~, which is almost double the ~~3.2%~~ ~~3.9%~~ unemployment rate for those with a college degree, demonstrating the great value of higher education. In addition, recent studies have shown that one of the main obstacles to parents deciding to save for college is a lack of awareness, not only about the importance of saving for college, but also about the tools available to them, such as a ScholarShare 529 college savings plan.

¹ Data for the period January-~~June 2014~~ ~~March 2013~~

² Data as of ~~June 30, 2014~~ ~~March 31, 2013~~

SIB staff continues to look for ways to encourage families to save for college. There are many opportunities to educate California families about the benefits of utilizing a ScholarShare 529 account, but there are obstacles to overcome as well. In California, as in much of the nation, the economic downturn, including the high unemployment rate, the decline in real estate values, and the increased cost of living, has also contributed to the financial inability of many families to save for college. Californians value the importance of a college education. According to the California College Savings Survey conducted for ScholarShare in 2013 2012, 92% of parents say that a college degree is worth the money and time involved, with 60% arguing that a degree is definitely worth it. Four in five California parents say that getting a higher education is more important today than it was 10 years ago. California parents consider a college education for their children to be crucial, but most fear they will not be able to afford it and have not started saving to help pay for the costs. Nearly three-quarters (73%) of California parents tell us they are very (55%) or fairly (18%) concerned about being able to pay for their kids' higher education, up slightly from last year's survey. The survey shows that while 84% of parents in California consider college "very important", 53% of parents are "very concerned" about their ability to pay for their children's higher education costs, and 54% 56% of parents do not have a college savings account at all. Over the past year, parents have become slightly more likely to save through a 529 or stocks and mutual funds outside of a 529, and slightly less likely to rely on savings accounts, money markets or bonds. California parents with a 529 are twice as likely to have a ScholarShare account than another state's 529. Another obstacle is that of the 43% of California parents who have a college savings account, many have expressed that they do not necessarily feel the need to invest in ScholarShare since California lacks a personal income tax incentive for contributions to a 529 plan. They often research the benefits of other state 529 plans. The proportion of California parents reporting to have saved for college increased from 43% in 2012 to 46% in 2013, but other data points suggest that California may be poised to see a long-term expansion in college savings. In both 2012 and 2013, younger parents were more likely than older parents to have money set aside for college.

The escalating cost of college is also a very challenging issue. According to the 2014 2013 Sallie Mae Study, "How America Pays for College 2014 2013," the cost of attending a four-year program in the next five years, is likely to be \$101,662 \$99,425 at a public institution and \$196,574 \$203,414 at a private institution. The average amount spent for four year public institutions per year was \$21,072, an increase of \$1,276 from 2013. Four-year private schools had the highest reported cost by school type at \$34,855 per year, nearly \$14,000 more than four-year public schools. In the next ten years, these numbers are estimated to increase by 40% and 22%, respectively, making the cost of attending a four-year program \$139,028 at a public institution, and \$248,878 at a private institution. While college costs are rising considerably above the rate of general inflation, the 2014 2013 Sallie Mae Study shows not only a decline in the percentage of families saving for college, but also a decline in the amount families are saving, due to financial difficulties that only about half (51%) of families with children under the age of 18 are saving for college and just 41% of families have created a plan to pay for college. More than two-thirds (69%) of families who created a plan are confident that they will be able to meet the future costs of college, much higher than the 25% of non-planning parents. Furthermore, families who are both planning and saving have saved 83% more dollars in their college savings fund, \$18,518, compared to the amount saved by families who don't yet have a plan \$10,105. The percentage of parents saving for college dropped from 60% to 50%, and the amount parents are saving has decreased from an average of \$21,615 to \$11,781 from 2010 to 2013, respectively. With the rising costs and the financial difficulties families are currently experiencing, it is more important than ever for California families to begin saving early and systematically.

The mission and vision statements and core values below will continue to serve and further guide SIB in its efforts to promote the benefits of saving for college with a ScholarShare 529 plan.

Mission Statement

To help Californians achieve their higher education goals and a better future by investing in a ScholarShare 529 college savings plan.

Vision Statement

ScholarShare: Investing for college and in California's future.

Core Values

- Integrity
- Dedication
- Enthusiasm
- Innovation
- Collaboration
- Diversity

Goals

The primary goal of the SCOPE Plan is to raise the public's awareness of ScholarShare by participating in resource fairs and events, working with organizations that are involved with promoting higher education access and affordability, and providing resources to parents, public policy makers, and schools about the importance of saving for college with a ScholarShare 529 college savings account. Below is a list of the specific goals of the SCOPE Plan.

1. **Raise awareness** of ScholarShare to families of all income levels and make product improvements to facilitate growth of assets and accounts.
2. **Promote** the **benefits of saving** for higher education and provide excellent customer service for current and potential ScholarShare participants.
3. **Promote** the **benefits of attending** higher education institutions.
4. **Partner** with organizations and agencies that **promote education, financial literacy and/or child development**, and also **provide educational opportunities to California families and children**.
5. **Partner** with organizations whose target audience complements the ScholarShare audience in order to leverage resources and maximize efficiency of marketing resources.
6. **Collaborate** with businesses, non-profit organizations and community-based youth-serving agencies that provide families and young adults with resources and tools needed to **pursue a higher education**.

Partnership Selection Criteria

In order to guide the efforts and meet the goals of the SCOPE Plan, SIB has developed the following criteria for partnership opportunities:

1. **Importance and/or relevance and applicability of the proposed partnership to the SCOPE goals**
 - a. Does the proposed partnership promote **the SCOPE's Plan** goals?
 - b. Does this partnership work with SIB's targeted audience?
 - c. How will awareness of ScholarShare and saving for higher education be advanced?
 - d. What type and size of audience will be exposed to ScholarShare?
2. **Qualifications of the organization**
 - a. Does the organization possess the necessary resources and/or facilities to promote the SCOPE **Plan** goals?
 - i. What is the physical environment?
 - ii. What are the attendance rates (daily / weekly / monthly / yearly) and how many individuals will be reached?
 - iii. What are the demographics of the audience?
 - iv. Does the organization have a record of reaching underrepresented groups and what are their efforts in this area?
 - v. Does the organization have other partnerships that can be leveraged?

- vi. Does the organization employ useful collaborative arrangements with outside entities that provide an opportunity to spread ScholarShare’s message (i.e., if ScholarShare signage is included in partnerships, does the organization have other events where the ScholarShare signs will be viewed)?

3. Budget

- a. Is the proposed budget realistic to accomplish the stated partnership goals?
- b. Is the value commensurate with the proposed cost?
- c. Are there “in-kind” offerings or “added-value” opportunities?

4. Outreach and education

- a. Does the partnership provide a focused and effective education and outreach strategy regarding SIB's mission to promote saving for higher education and attendance at institutions of higher education?
- b. What metrics will the partner provide and how will the success of the partnership be measured and communicated to SIB to ensure it has met objectives?

Types of Partnerships

SIB collaborates with agencies and organizations that share similar goals to maximize efforts and to raise the public’s awareness of ScholarShare, saving for higher education, and attending institutions of higher education. These agencies and organizations have established programs, events or other outreach efforts that provide California families with information about education, child development and learning, and/or financial planning. They may also have access to an audience that correlates with the target audience SIB seeks, allowing ScholarShare to take full advantage of reaching its partners’ built-in audience while leveraging its existing structure, network, and relationships, and established programs and events. SIB evaluates each opportunity, taking into consideration a number of factors, including the goals of the SCOPE Plan and the sponsorship selection criteria that SIB developed, to determine if the opportunity would be an effective effort to pursue. These established efforts each reach an important audience through various avenues that include, but are not limited to, direct marketing through e-newsletters and emails, print and online advertising, social media integration, on-site participation through resource booths and signage at events, and on-air campaigns such as television and radio. Partnerships and relationships with these agencies and organizations are continually evaluated to ensure that the outcomes and opportunities are consistent with the goals of the SCOPE Plan.

As part of the SCOPE Plan, SIB continues to research and explore opportunities with other agencies and organizations and makes an individual determination on whether the programs, initiatives and outreach efforts offered by that particular agency or organization meet the goals and sponsorship selection criteria of the SCOPE Plan. This determination allows SIB flexibility to work with specific partners who share its goals to promote the importance of attending and saving for college, and leverage the built-in audience and existing relationships of its partners.

Educational Partnerships

Audience: Parents, grandparents, students, educators, alumni, families with low to moderate income

Strategies: Online (website presence, ~~direct mail~~, e-newsletters, direct emails, social media), print (magazines, ~~direct mail~~, newsletters, fliers), on-site (workshops, resource booths, signage)

Examples:

- Partnerships with organizations that support education and assist families in preparing for college such as the South County California Student Opportunity and Access Program (Cal-SOAP) in Gilroy, Chicano Latino Youth Leadership Project in Sacramento, College OPTIONS in Redding, Intersegmental Coordinating Committee, ~~and~~ Parent Institute for Quality Education, Inc., ~~and~~ www.Californiacolleges.edu.

- Partnerships with alumni associations at University of California (UC), California State University (CSU), and private California college campuses, such as UC Los Angeles, UC Berkeley, [UC Santa Barbara](#), Fresno State, and the University of Southern California (USC).
- Partnerships with California higher education systems that include the UCs and CSUs such as College: Making It Happen events at CSU campuses, and the California Community Colleges.

Public Outreach Initiatives

Audience: Parents, grandparents, students, educators, governmental employees, families with low to moderate income, ethnically-diverse populations

Strategies: Online (website presence, ~~direct mail~~, e-newsletters, banner advertising, social media), print (magazines, ~~direct mail~~, newsletters, flyers, state calendars, employee benefits directories, ads), on-site (resource booths, signage, event naming opportunities), media (radio, print media, television)

Examples:

- Partnerships with education-promoting institutions such as [Pretend City Children's Museum in Irvine](#), [Zimmer Children's Museum in Los Angeles](#), The Lawrence Hall of Science in Berkeley, Kidspace Children's Museum in Pasadena, ~~Asian Art Museum in San Francisco~~, ~~Discovery Science Center in Santa Ana~~, ~~Reuben H. Fleet Science Center in San Diego~~, the Natural History Museum of Los Angeles County, ~~Museum of the African Diaspora in San Francisco~~, Bay Area Discovery Museum in Sausalito, The Tech Museum of Innovation in San Jose, the Sacramento Zoo, and the Los Angeles Zoo and Botanical Gardens.
- Partnerships with athletic associations [at various CSU campuses including Fresno State, Sacramento State, such as CSU Fresno, CSU Sacramento, CSU San Diego State, and CSU San Jose San Jose State, as well as](#) Stanford University, UC Berkeley, and UC Davis, [and various minor league baseball teams.](#)
- Participation in events promoting child development and learning such as Fairytale Town's ScholarShare Children's Book Festival in Sacramento, the Orange County Children's Book Festival in Costa Mesa, the Sacramento Play Summit, and the Children's Fairyland in Oakland.
- Participation in events and fairs held by organizations and government agencies such as the California Departments of Human Resources, Social Services, Motor Vehicles, Public Health, the California Public Employees' Retirement System, the California State Employees Association, and the California Environmental Protection Agency.
- Partnerships with media organizations, such as Telemundo of Northern California, that promote education through on-air campaigns and on-site participation at local events.

Other Initiatives

~~Following the program manager transition in late 2011,~~ [In the past year,](#) SIB staff [continued with embarked on](#) various initiatives [that began](#) in 2012 and 2013 in an effort to reach an even wider audience throughout the state, while continuing to meet its statutory requirements to market the ScholarShare Plan, educate Californians about the importance of attending and saving for college, and motivate ScholarShare participants in their current and future academic endeavors. These marketing initiatives include ~~the launch of~~ the ScholarShare Speaks series, ~~development and the~~ enhancement of ScholarShare's social media channels, ~~the annual~~ ~~the development of a~~ Summer Reading Program, the free school supplies program offered to California elementary schools, and ~~the~~ completion of a California-specific survey about college savings.

- **ScholarShare Speaks** – In ~~2014~~~~October~~ ~~2012~~, ScholarShare ~~continued its~~ ~~launched its~~ ScholarShare Speaks series ~~with three events held, allowing ScholarShare~~ to align itself as a thought leader of important topics that would serve as an educational resource and appeal to its target audience, which include parents with young children, grandparents, and caregivers. Topics may include, but are not limited to, education, health, and parenting.
- **Social Media** – In ~~2014~~ ~~2012~~, ScholarShare ~~continued to~~ developed its social media channels by ~~launching offering various resources and promotions on~~ its Facebook ~~and page, enhancing its~~ Twitter pages, and interacting with the blogger community. ~~As demonstrated in ScholarShare's 2012 marketing results,~~ ~~†~~There ~~continues to be is~~ a strong indication that it is effective to engage its target audience at places where they find their information, which include online and mobile social media sites and through discussion amongst their community of fellow parents and caregivers. By being present in these channels, ScholarShare is able to continually increase its brand awareness and increase participation in the Plan, while also serving as a resource to its target audience.
- **Summer Reading Program** – In ~~2014~~ ~~2012~~ ~~and~~ ~~2013~~, ScholarShare ran its annual summer reading program which encourages students throughout the state to read over the summer. California families with children in grade 8 or below participating in a California Public Library summer reading program were offered the chance to win ~~\$500~~ ~~\$529~~ toward a ScholarShare college savings account, plus ~~\$500~~ ~~\$529~~ for their local library. Participants entered their information on the ScholarShare website, and at the end of the summer, 40 winners were randomly selected (one winner from each of the 40 senatorial districts). The contact information provided by the entrants was also used to send ScholarShare marketing material, such as brochures and enrollment kits to the participants.
- **Free School Supplies Materials and ScholarShare Information** – In ~~2014~~, ~~the summer of~~ ~~2012~~ ~~and~~ ScholarShare ~~continued to offer continuing~~ ~~this past summer,~~ ~~ScholarShare launched~~ ~~a program offering~~ all California elementary schools free school supplies. Principals, school administrators, and families were encouraged to go to CA529forschools.com to order a free shipment of folders, ~~bookmarks and growth charts~~, as well as educational materials promoting the importance of going to college such as posters and brochures for students in kindergarten through grade 3. Additionally, the website offered schools the option for ScholarShare to host webinars and presentations about college savings.
- **California College Savings Survey** – In September ~~2013~~ ~~2012~~, a California College Savings Survey was conducted for ScholarShare by Hart Research Associates. The results showed that ~~nearly three-quarters (73%) of California parents tell us they are very (55%) or fairly (18%) concerned about being able to pay for their kids' higher education, up slightly from last year's survey 84% of parents considered it "very important" that their children attend college;~~ however, ~~54%~~ ~~56%~~ of parents indicated that they do not have a college savings account for their children. Analysis of the survey results validates the idea that college continues to be very important to California families, and that many families want to save for college. To overcome the lack of awareness about college savings vehicles, ScholarShare is continually increasing its marketing, outreach, and education to this group of families.

Summary

Due to California's large and diverse population and geographic size, developing partnerships with other organizations is essential to maximize SIB's efforts to increase the awareness of ScholarShare and to promote the importance of attending and saving for college. By partnering with a variety of organizations, SIB will leverage existing relationships to create a larger outreach impact and maximize resources. All partnerships and sponsorships are evaluated by SIB on a continual basis to ensure that the outcomes and opportunities are consistent with the goals of the SCOPE Plan. In an effort to accomplish these goals and to meet our mission, SIB will continue to perform outreach to all California families to raise awareness about ScholarShare and the importance of saving for and attending college.