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**OCTOBER 4, 2017**

**AGENDA ITEM 5  
ACTION ITEM**

**SCHOLARSHARE INVESTMENT BOARD**

*Review of the ScholarShare Outreach and Public Education (SCOPE) Plan*

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***Recommendation***

Staff recommends that the Board adopt Resolution No. 2017-04, approving changes to the ScholarShare Outreach and Public Education (SCOPE) Plan.

***Background***

In June 2008, the SCOPE Plan was adopted by the Board and 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. Although the ScholarShare College Savings Plan (Plan) has shown tremendous growth, there continues to be a need to promote the importance of attending and saving for college. The main goal of the SCOPE Plan is to outline SIB's strategy for raising awareness of and educating families about the benefits of investing in the 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 updates to the current landscape, metrics, Plan data, partnership list, and current targeted initiatives. SIB staff continues to take into consideration its learnings when further developing its existing and future efforts and partnerships.

***Presenter***

Julio Martinez, Executive Director, ScholarShare Investment Board  
Mario Sierras, Manager, ScholarShare Investment Board

**RESOLUTION NO. 2017-04**

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

**WHEREAS**, the ScholarShare Investment Board (the “Board” or “SIB”) 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 and Public Education Plan (the “SCOPE Plan”) at the June 19, 2008 Board meeting and recognized that the SCOPE Plan’s 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 proposes updates to the current landscape metrics and recent targeted 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

CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

## SCHOLARSHARE OUTREACH & PUBLIC EDUCATION (SCOPE) PLAN (September ~~2016~~2017)

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, ~~2016~~2017, there were more than ~~291,012~~~~277,135~~ open ScholarShare accounts with ~~more than~~~~nearly~~ ~~\$6.7~~~~\$7.7~~ billion in assets under management and an average ScholarShare account size of ~~\$26,539~~~~24,344~~. Through the second quarter in ~~2016~~2017, the average contribution per account was ~~\$2,415~~~~2,242~~.<sup>1</sup> The percentage of accounts with a beneficiary aged eleven and under is ~~46~~~~45~~%, with ~~60~~~~64~~% of account owners under the age of 50.<sup>2</sup>

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, a significant number of the beneficiaries are aged 10 or under. SIB staff continues to evaluate marketing and outreach efforts and make adjustments to reach families with young children thereby maximizing the savings and investment returns time horizon.

In ~~2015~~2016, SIB staff participated in more than ~~320~~~~650~~ outreach and community events statewide with an attendance of ~~nearly 440,000~~~~over 930,000~~ people, including many families with low to moderate incomes, non-English speaking populations, and other underrepresented communities. ScholarShare has shown tremendous growth, however, there continues to be a need to promote the importance of attending and saving for college.

Although many parents believe it is important to save for college, according to the Sallie Mae Study "How America Pays for College ~~2016~~2017," only ~~two in five~~~~39%~~ of families have a plan in place to save for college. ~~Additionally, only 13% of families used 529 plans to pay for college in 2016-17, down from 16% the prior year, and the lowest percentage in the past five years.~~ Further, according to the ~~sixth~~ annual "529 Plan

<sup>1</sup> Data for the period January-June ~~2016~~2017

<sup>2</sup> Data as of June 30, ~~2016~~2017

Awareness Survey” from financial services firm Edward Jones, “~~37~~ out of ~~410~~ Americans still don’t know what a 529 college savings plan is.” While the cost of a college education remains a top concern for families the Edward Jones survey reports a ~~slight upward trend~~~~continuing downward trend~~ in 529 awareness, citing a ~~4%6% increase~~~~drop~~ in awareness compared to the same survey conducted a year earlier. It remains clear that more needs to be done to educate families about 529 plans like ScholarShare.

The cost of attending college continues to rise above the rate of general inflation. According to The College Board, the average cost (tuition, fees, room and board) of attending a four-year program in the ~~2016-17~~~~2015-16~~ school year was ~~\$20,090~~~~19,548~~ at an ~~in-state~~ public institution and ~~\$43,921~~~~\$45,370~~ at a private institution, representing an increase of ~~2.7%~~~~3.2%~~ and ~~3.4%~~~~3.5%~~ respectively from the ~~2015-16~~~~2014-15~~ school year. Rising college costs continues to be a challenge and a concern for families despite less than ~~40~~~~50~~% of families planning to save for college. However, the Sallie Mae Study ~~also~~ reports that families who created a plan were significantly more confident they made the right financial decisions about paying for college than families without plans (~~92%~~~~86%~~ were either completely or somewhat confident). The planning payoff is significant: families with plans save more for college, have the means to spend more on college, and borrow less. With rising costs, increased reliance on student loans, 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 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)?
    - vii. Is the organization capable of gathering and analyzing data and results to measure the success of their efforts?
3. **Budget**
  - a. Is the proposed budget realistic to accomplish the stated partnership goals?
  - b. Are the marketing benefits 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. 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 raise the public's awareness of ScholarShare, saving for higher education, and the importance of attending higher education institutions. 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 literacy. They 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 prescribed sponsorship selection criteria, to determine if the opportunity would be an effective effort to pursue. These established efforts each reach SIB's target 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.

### **Educational Partnerships**

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

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

*Examples:*

- Partnerships with organizations that support education and assist families in preparing for college such as college access programs, child savings account advocates, and parent empowerment organizations.
- Partnerships with California public and private university alumni associations.
- Partnerships with California institutions of higher education (universities and community colleges) and event programming that promote college access and success.
- Development of programs and partnerships with K-12 public and private schools and organizations that reach parents, students, and educators.

### **Public Outreach Initiatives**

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

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

*Examples:*

- Partnerships with education-promoting institutions such as museums, zoos, aquariums, and science and learning centers.
- Partnerships with health and wellness agencies and organizations and participation in programs that reach families and new and expecting parents.
- Participation in events promoting child development and learning such as children's book festivals, baby expos, and new parent and mommy clubs, fairs, and events.
- Participation in events, educational workshops and webinars, and employee benefits fairs through partnerships with public and private employers.
- Partnerships with media organizations that reach California's diverse ethnic populations.
- Development of programs and partnerships with organizations that reach California's low to moderate income populations.

### **Other Initiatives**

In the past year, ScholarShare continued various initiatives 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 enhancement of ScholarShare's social media channels, ~~the annual Summer Reading Program, the free~~

~~school supplies program offered to California elementary schools~~ the Scholar Dollars Grant Program, and various promotions held at specific times of the year (such as National 529 College Savings Day and National College Savings Month) to bring awareness to the importance of college savings.

- **Social Media** – In ~~2016~~2017, ScholarShare continued to develop its social media channels by offering various resources and promotions on its Facebook, Instagram, and Twitter pages, and interacting with the blogger community. There continues to be a strong indication that it is effective to engage its target audience at places where they seek 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 interactive 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 2016, 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 toward a ScholarShare college savings account, plus \$500 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 Materials and ScholarShare Information~~ – In 2016, ScholarShare continued to offer all California elementary schools free school supplies. Principals, school administrators, and families were encouraged to order online a free shipment of folders 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 online order website offered schools the opportunity to request ScholarShare webinars and presentations about college savings.
- **Scholar Dollars Grant Program** – The Scholar Dollars Grant Program for K-8 public and charter schools was launched on February 2017. Nearly 400 schools participated from all regions of the state, with over 411,000 qualified votes from supporters. In April 2017, a total of \$300,000 was awarded in grants to 20 schools. The grants were awarded to support programs and services that foster a rich college-going culture on their campuses, innovatively prepare students for success in higher education, and enhance extracurricular and enrichment. The program also provided the opportunity to generate engagement and meaningful conversation about the importance of attending and saving for higher education
- **National College Savings Awareness Initiatives** – Each year, the 529 industry as a whole develops specific initiatives to increase awareness and education about college savings. Two initiatives that occur annually include National 529 College Savings Day on May 29<sup>th</sup> and National College Savings Month in September.
  - In May ~~2016~~2017, ScholarShare collaborated with Assemblymember ~~Jose Medina~~Kevin McCarty's office with the adoption of Assembly Concurrent Resolution (ACR ~~1685~~7), establishing May 29<sup>th</sup> as National 529 College Savings Day. To generate interest and awareness, ScholarShare held a special ~~three~~one-day matching promotion supported by traditional marketing channels (online, social media, email, etc.) and outreach efforts that included ~~two-six~~ 529 college savings ~~workshop~~events statewide including, one in the State Capitol in Sacramento ~~and one in Los Angeles~~, allowing attendees to open accounts on-site, and an informational resource booth. This initiative resulted in more than ~~1,9004,500~~ accounts opened during the three-day 529 Day promotion.
  - In September ~~2016~~2017, the Governor declared September as College Savings Month in California. ScholarShare launched a campaign to educate employers about the benefits of offering a college savings tool such as ScholarShare to their employees. "College Savings Pledge" month-long promotion in September to commemorate National College Savings Month and to increase awareness and education to California families about saving for college, encouraging them to "take a pledge" to learn more about saving for college, develop a plan, and put the plan into action. The campaign was aimed at increasing

awareness and education to California families about saving for college by reaching them through their workplace. This initiative was supported by a special online webinar specifically targeted to employers, chambers of commerce, traditional marketing channels (online, social media, mailings, etc.) and outreach efforts through ~~the school systems,~~ employers, and ScholarShare's existing partners.

### **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.