



CALIFORNIA STATE TREASURER BILL LOCKYER

NEWS RELEASE

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Treasurer Lockyer Urges Families to Give Children Gift of Higher Education by Opening ScholarShare Savings Account ***Lower Fees Make ScholarShare Attractive Way to Build College Fund***

SACRAMENTO – State Treasurer Bill Lockyer today urged California parents and families to give their children the gift of a higher education this holiday season by starting a ScholarShare college savings plan.

“The holiday season is the perfect time for parents, grandparents and other family members to help the children in their life save for college,” said Treasurer Lockyer. “With recently lowered fees, ScholarShare is a great holiday gift. And revisiting college savings goals is a great resolution for the New Year. In today’s economy, a college degree has become even more vital to obtaining a good job and successful future.”

ScholarShare, the state’s 529 college savings plan, enables Californians to save for college by putting money in tax-advantaged investments. After-tax contributions allow earnings to grow tax-deferred, and disbursements, when used for tuition and other qualified expenses, are federal and state tax-free.

“Thinking about affording college for my three young children can be worrisome,” said Jose Gomez, a Southern California parent who uses ScholarShare to save for his children’s future college education. “The best thing a parent can do is to start saving as early as possible and remain committed to saving. Even making small contributions each month adds up and can make a difference when it comes time to pay those bills. ScholarShare is the perfect tool to accomplish this task and with the new lower fees, each dollar I save goes even further.”

ScholarShare also has reduced by up to 50 percent program management fees paid by parents and families, giving them more value for each dollar they invest in their children’s ScholarShare account and make it one of the lowest-cost plans in the country.

“The fee reductions make ScholarShare an attractive option for any college savings investor,” said Andrea Feirstein, a nationally recognized expert in the 529 college savings market and an advisor to ScholarShare. “Even a non-California investor may find it hard to pass-up the savings from these fee reductions solely for state tax benefits in their home state’s plan.”

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Accounts may be opened online with as little as \$50, or \$15 when combined with regular investments of at least \$15 per month. ScholarShare has no annual fee, no income limit and offers a high maximum contribution limit of \$320,000. The program currently holds more than \$3.2 billion with more than 255,000 ScholarShare accounts opened since inception.

Lockyer is chair of the ScholarShare Investment Board, which sets investment policies and oversees all activities of ScholarShare. For more information, visit www.treasurer.ca.gov/scholarshare.

The ScholarShare College Savings Plan is administered by the ScholarShare Investment Board (SIB), an agency of the State of California. Fidelity Investments serves as ScholarShare's investment manager. The money deposited into ScholarShare accounts is not guaranteed by the SIB, Fidelity Investments, or the state or federal government. Additionally, none of these entities guarantee ScholarShare account holders will earn a return on their investment. ScholarShare investments are municipal securities and may be subject to market volatility and fluctuation.

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