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Current and Proposed State and Federal Policies to Help Families Save for College

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Background: Development of “529” plans

- States recognized extreme increases in college costs
- Federal aid funding – shift from grants to loans
- In the 1980’s, states began to develop programs to encourage saving for college
- Congress recognized these efforts and clarified the tax treatment



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529 plan awareness

- Need to continue to raise awareness of 529 plans
- 401k's date from early 1980's
- Steeper awareness curve for 529s
- Marketing budgets
- Common misperceptions



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Low/moderate income participation

- Not a typical target for financial services firms, planners, advisors
- State oversight assures low/moderate participation
- Plans encourage participation by all income levels
- 24 states offer grant or scholarship programs (or both)



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CSPN initiatives

- Success on tax permanency
- HR 1351
- Applaud work of Vice-President's MCTF
- Continuing relationship with Treasury
- Proposing an additional set of regulatory considerations



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Thank you!