



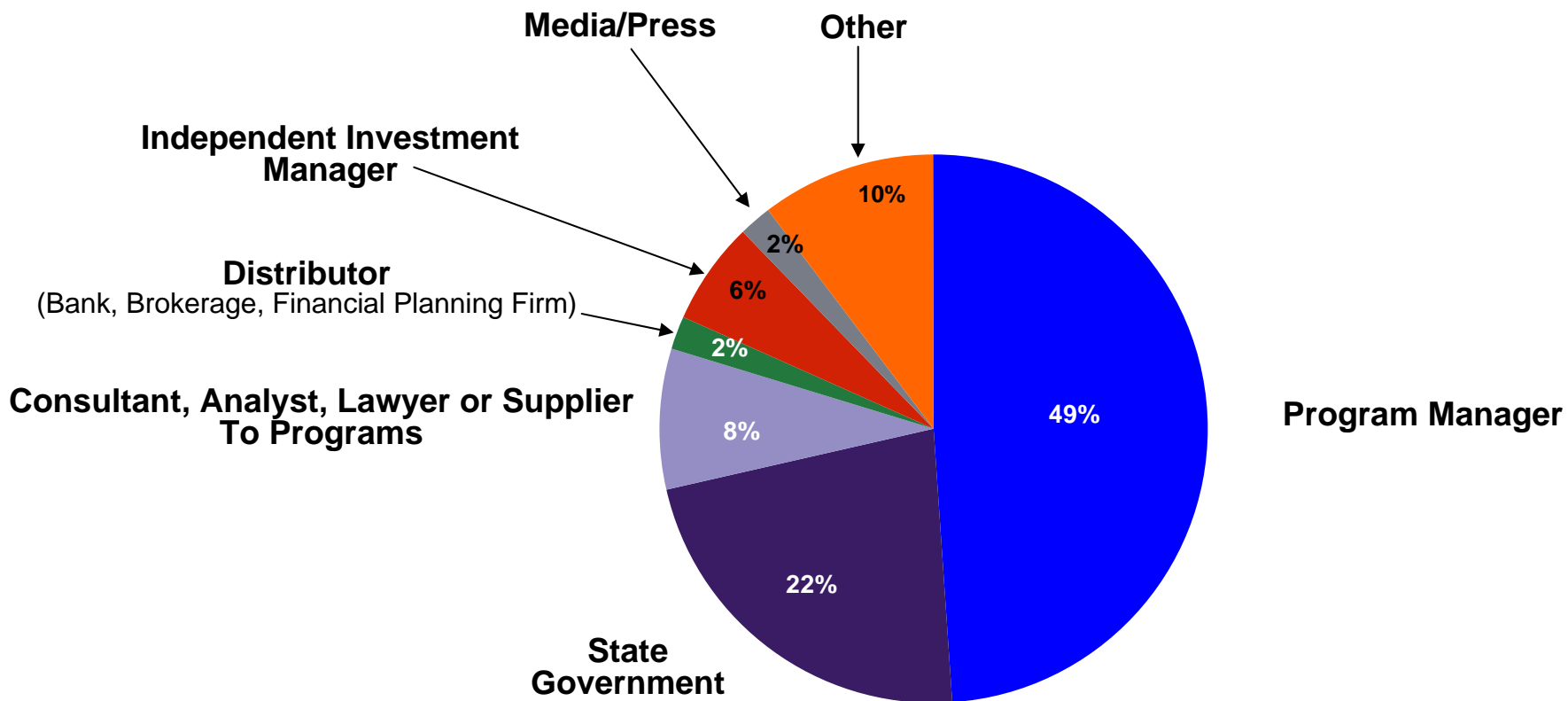
Annual Pre-Conference Survey



College Savings
Foundation Conference
February 24-26, 2010

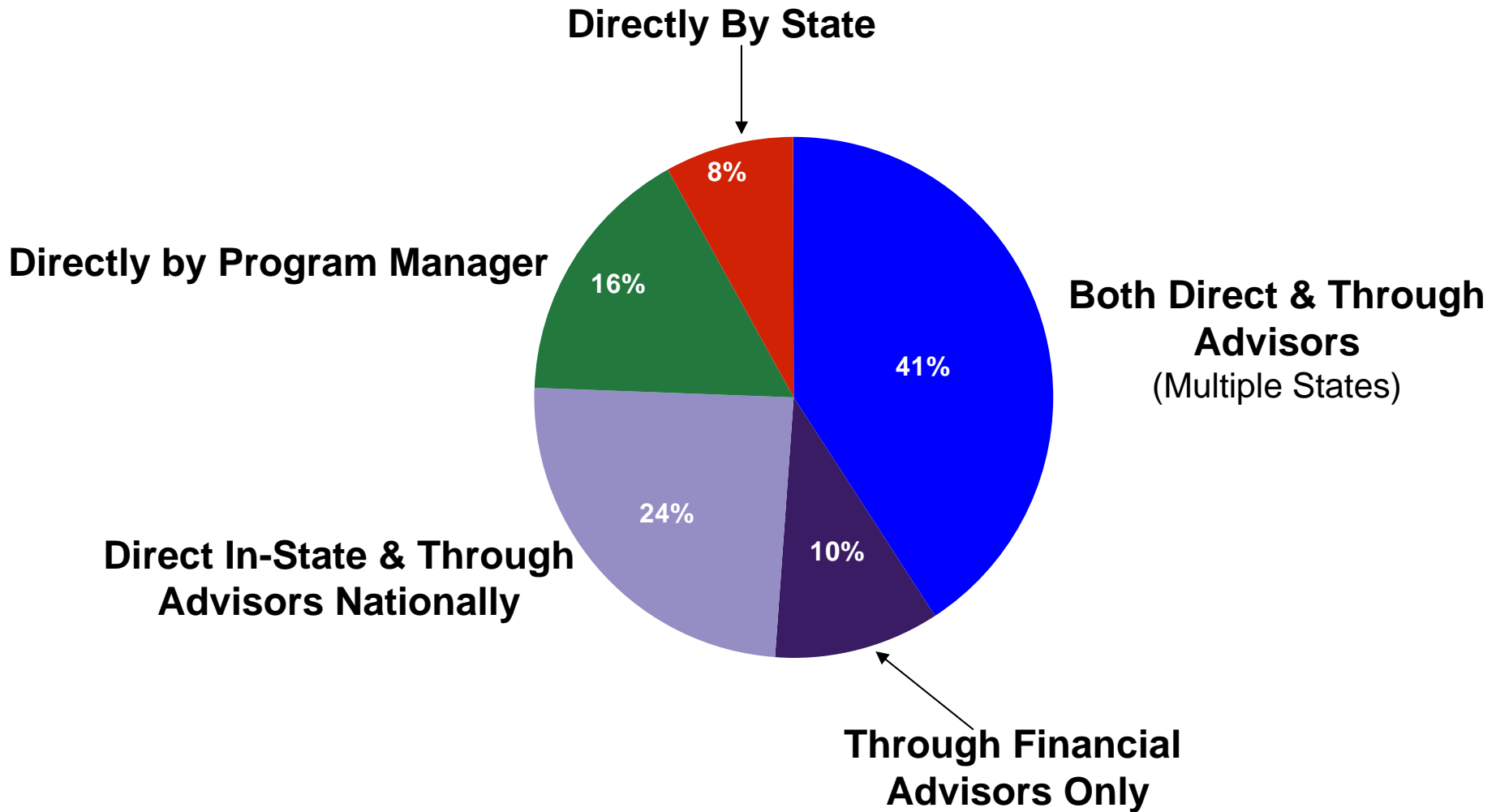
Organizational Representation

49 Respondents



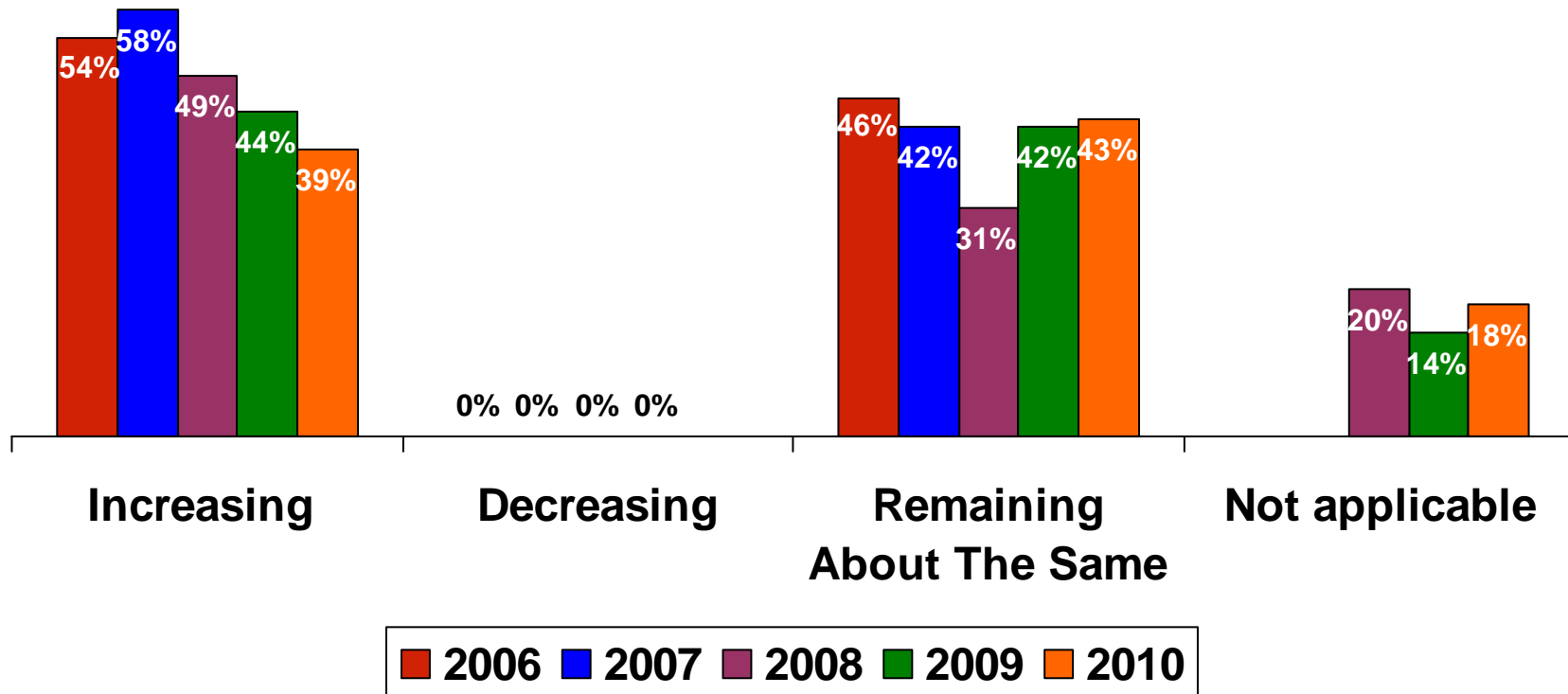
Distribution Model

The plan(s) I am involved in is primarily marketed:



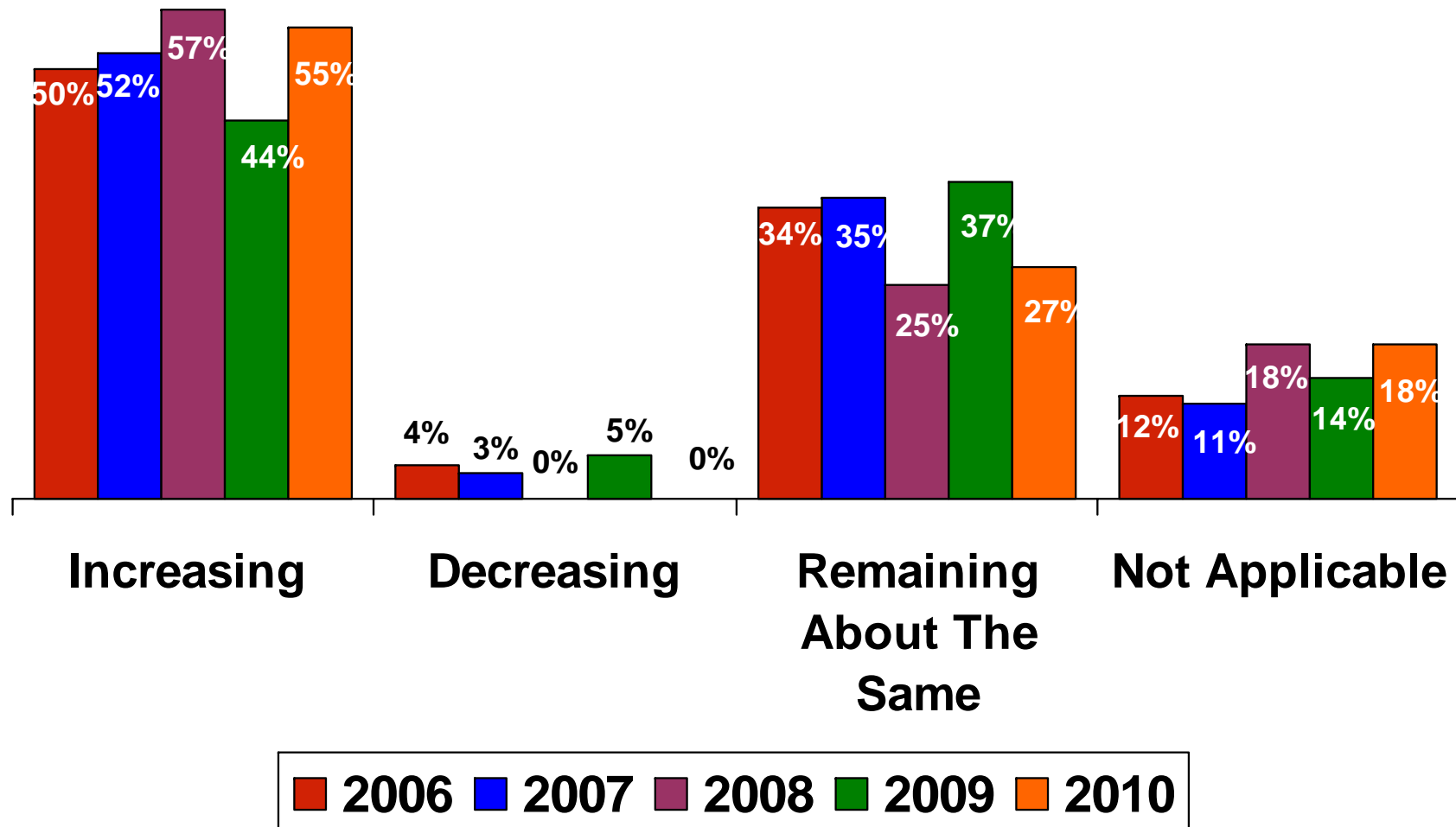
State's Level Of Commitment To 529

Our State's level of commitment to college savings is:



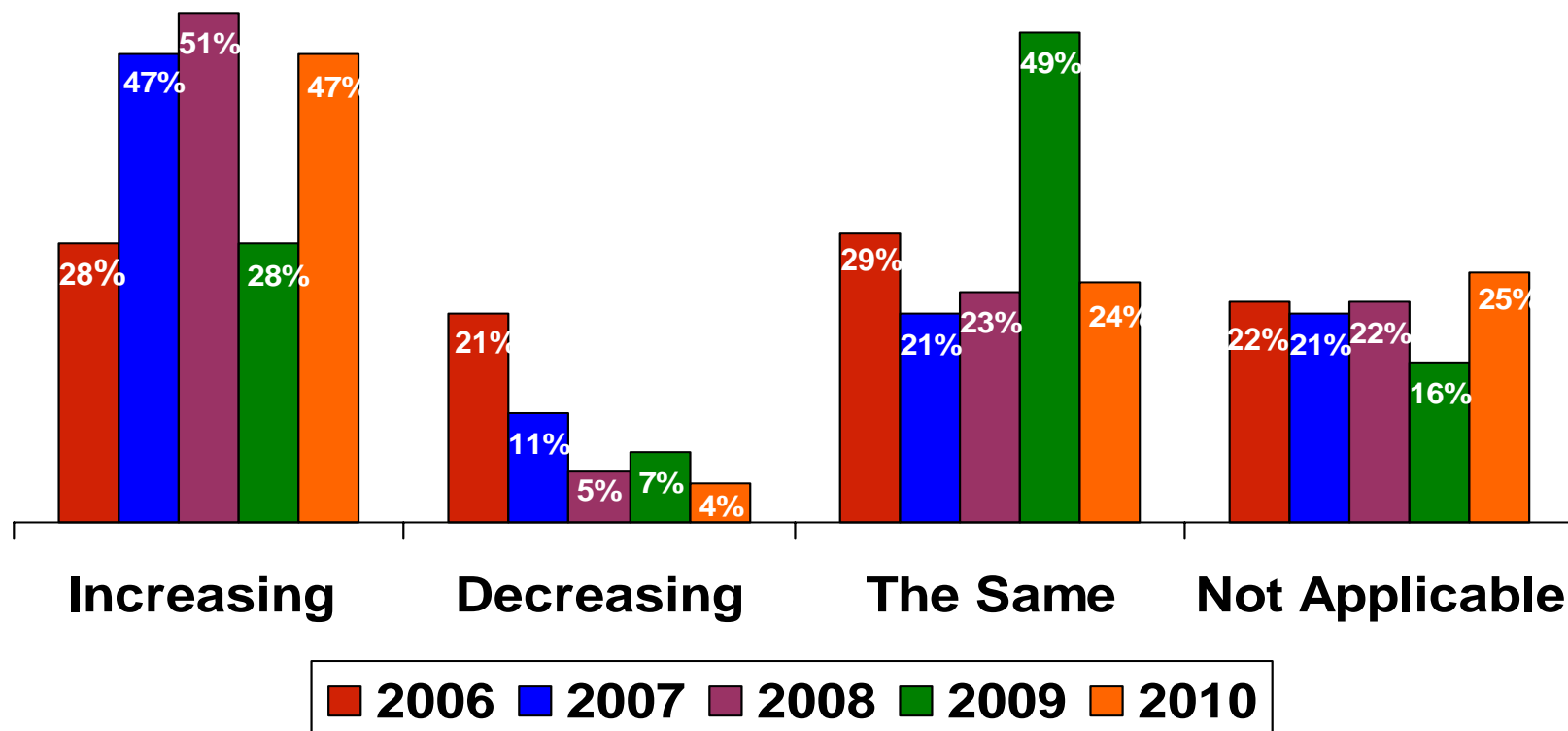
Program Manager's Overall Commitment to 529

Our Program Manager's level of OVERALL commitment to college savings is:



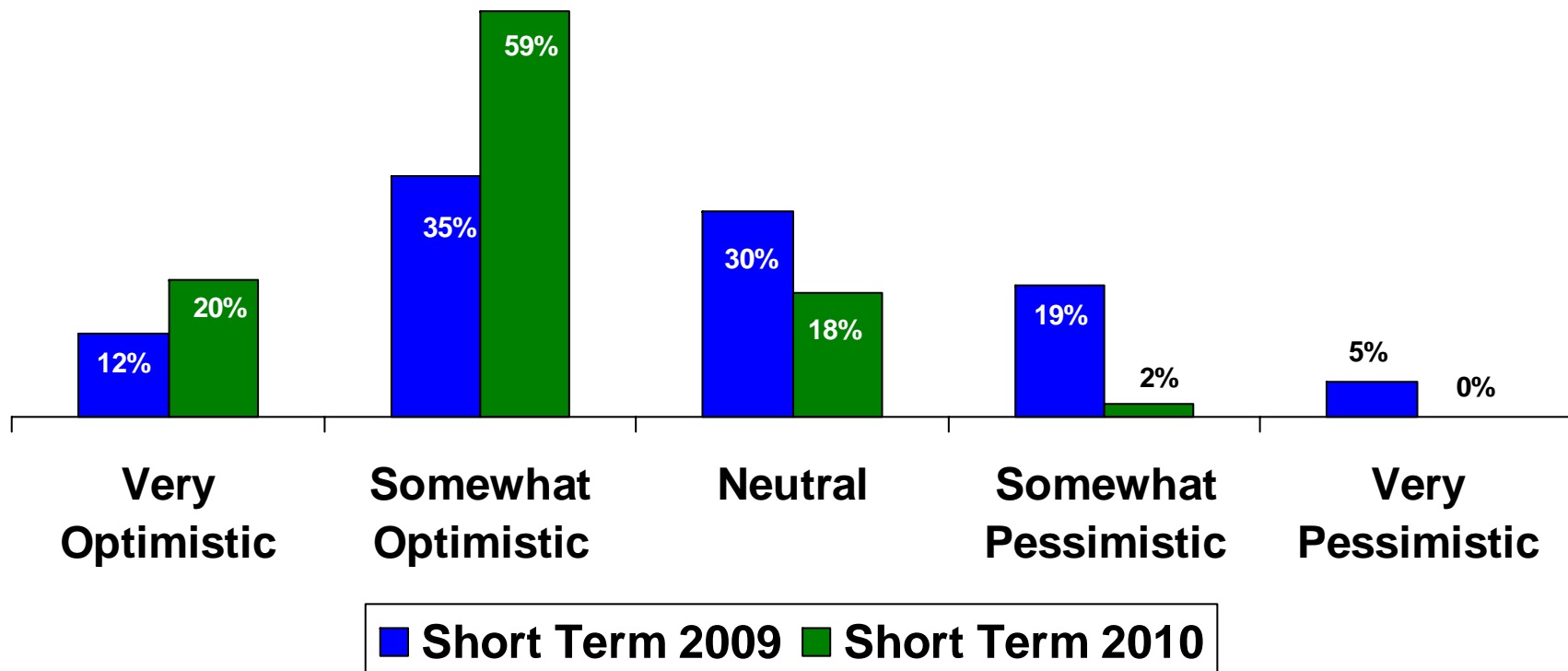
Field Sales Level Of Commitment to 529

Our Program Manager's FIELD SALES organization's level of commitment to college savings is:



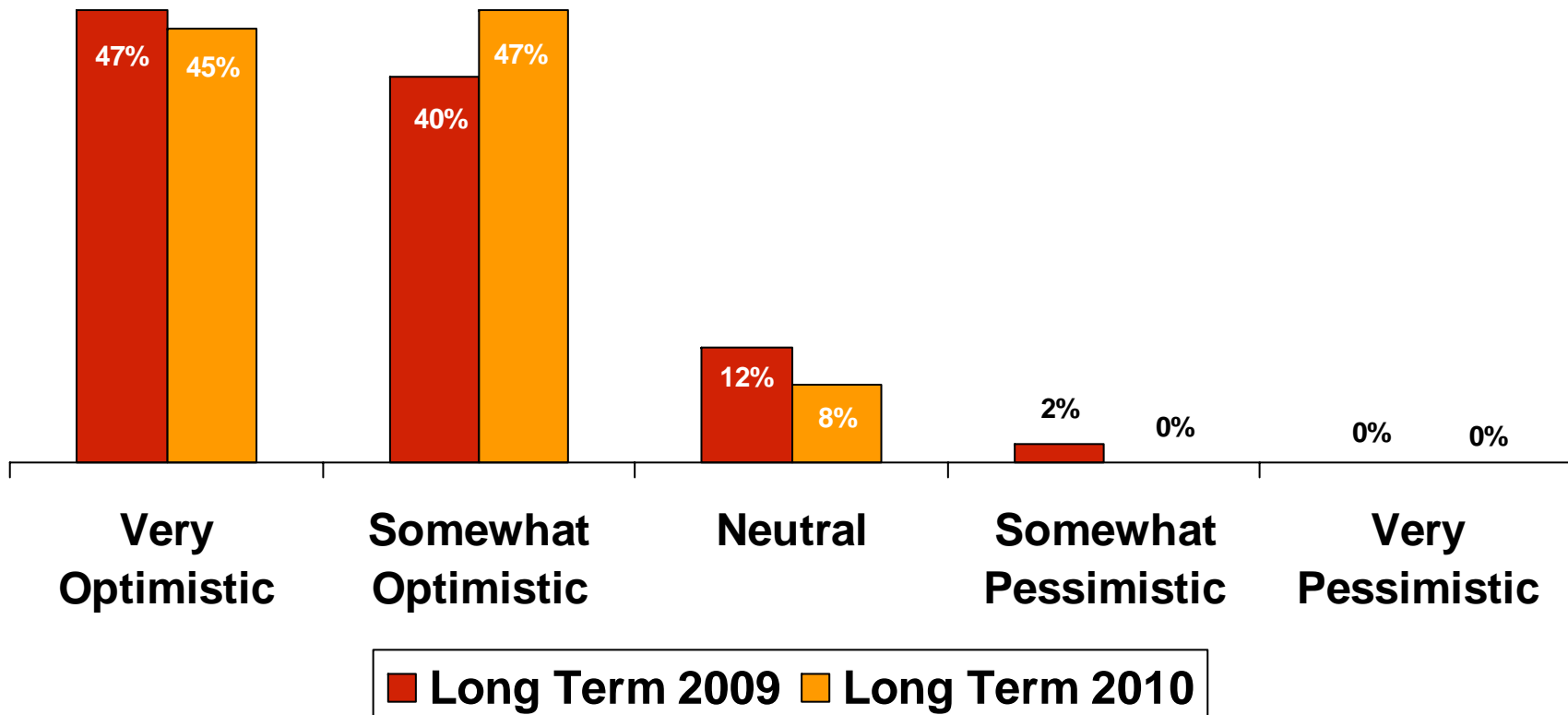
Future Growth of 529 Assets & Accounts (Short Term)

Concerning the future growth of 529 assets and accounts in the short term (i.e. 2010 and 2011), I am personally:



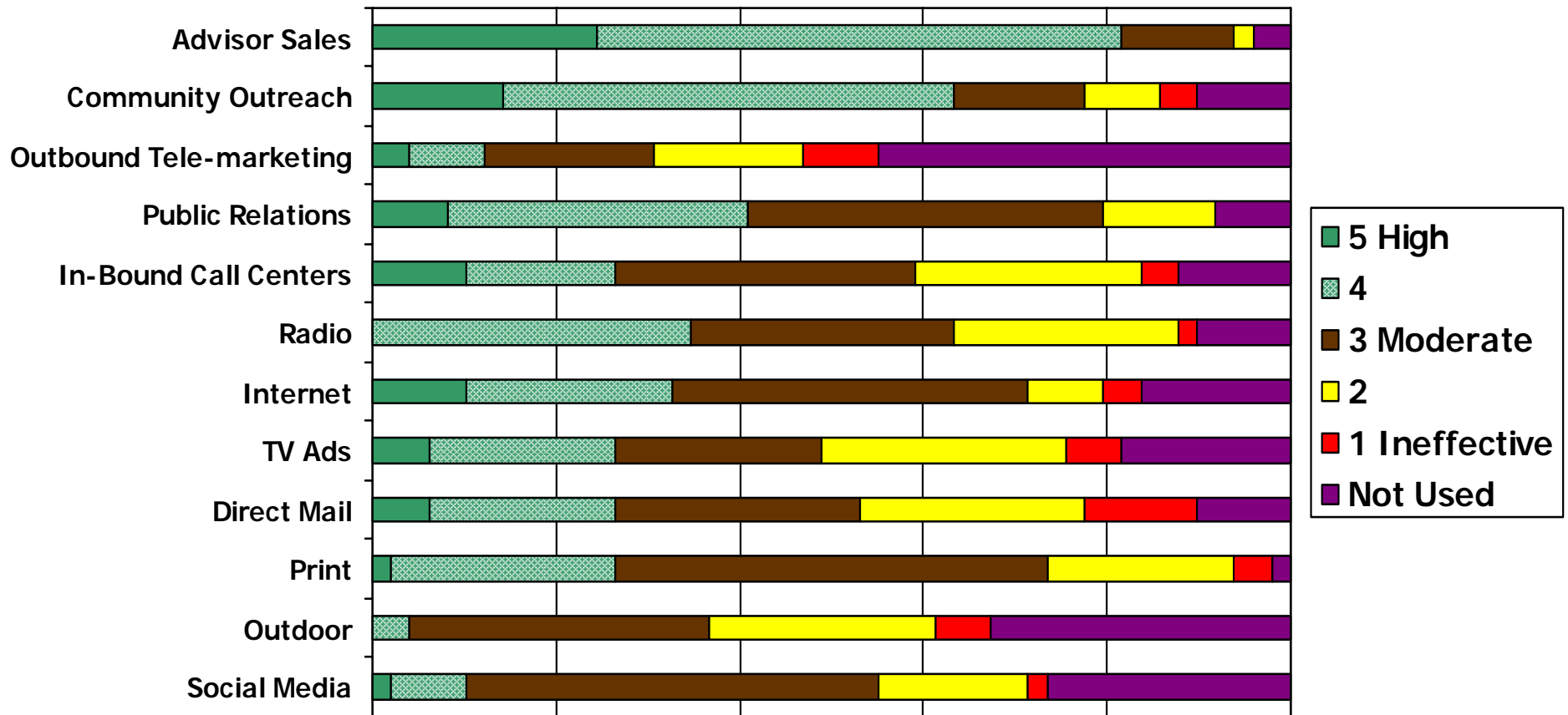
Future Growth of 529 Assets & Accounts (Long Term)

Concerning the future growth of 529 assets and accounts in the long term (i.e. beyond 2011), I am personally:



Marketing Program Effectiveness

What promotional techniques are most effective at generating new 529 accounts and assets?



Marketing Program Effectiveness

Additional Comments

- **Advisor Sales** – “Advisors are critically important to selling and servicing this product.”
“Advisors are best equipped to incorporate this enormous financial goal into an effective overall plan.” “The advice and guidance provided by financial professionals is a tremendous value-add to investors, especially in times of uncertainty.”

- **TV** -- “Particularly good at branding and developing general awareness.” “Expensive but a great way to reach a mass audience.”

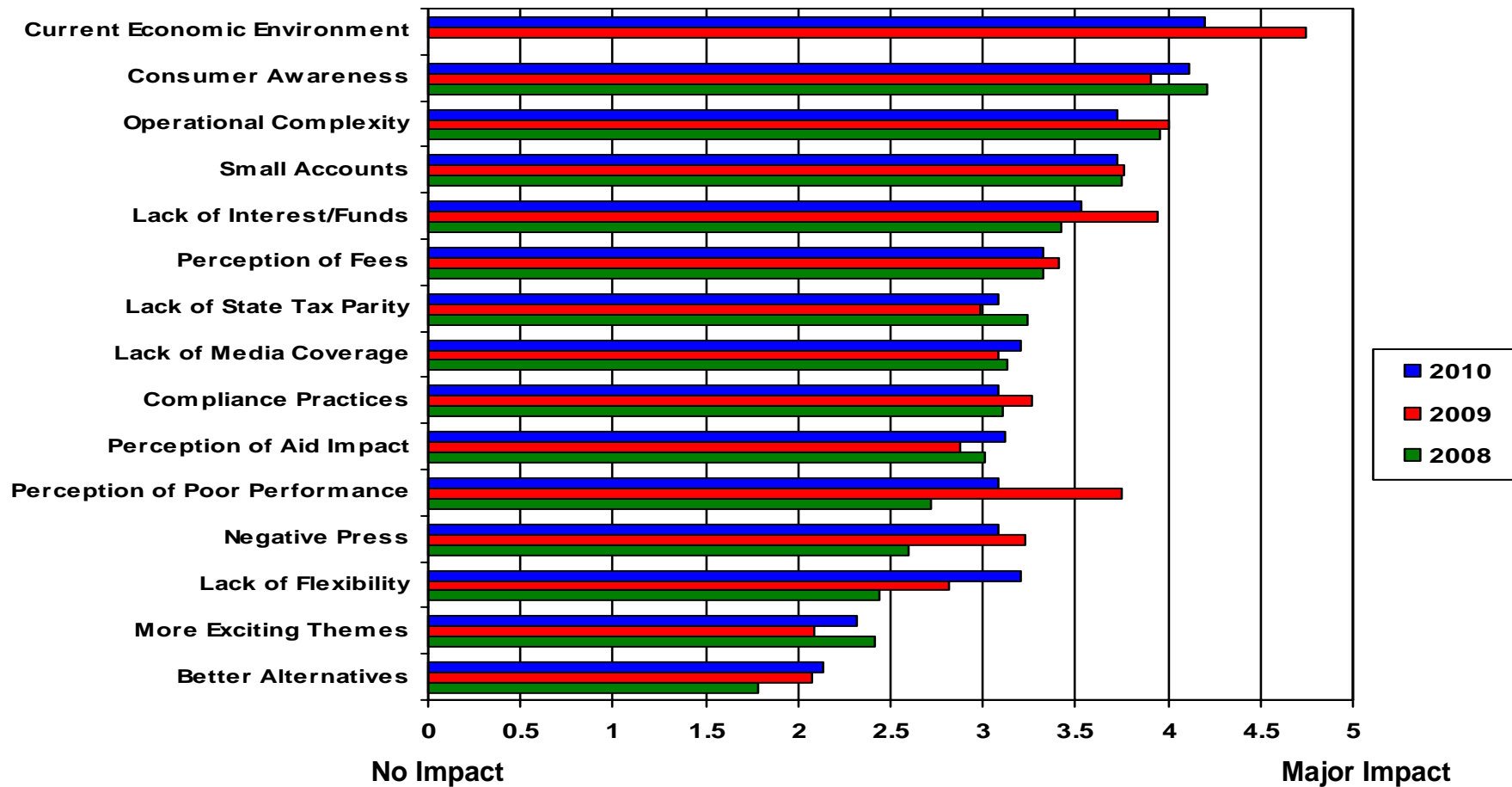
- **Social Media** – “Still in early stages, probably more potential than currently realized.”
“Exploring the opportunity. A great conference topic.” “Not seeing immediate impact but optimistic that this will be a relevant way to market and advertise.”

- **Community Outreach** – “Effective if properly focused, especially for direct programs.”
“Extremely effective to get people started but heavy demand on human resources.”

- **Internet Advertising** – “Email advertising to direct consumers is very effective for the cost.”

Factors Holding Back 529 Savings Growth

What are the major factors holding back 529 savings growth?



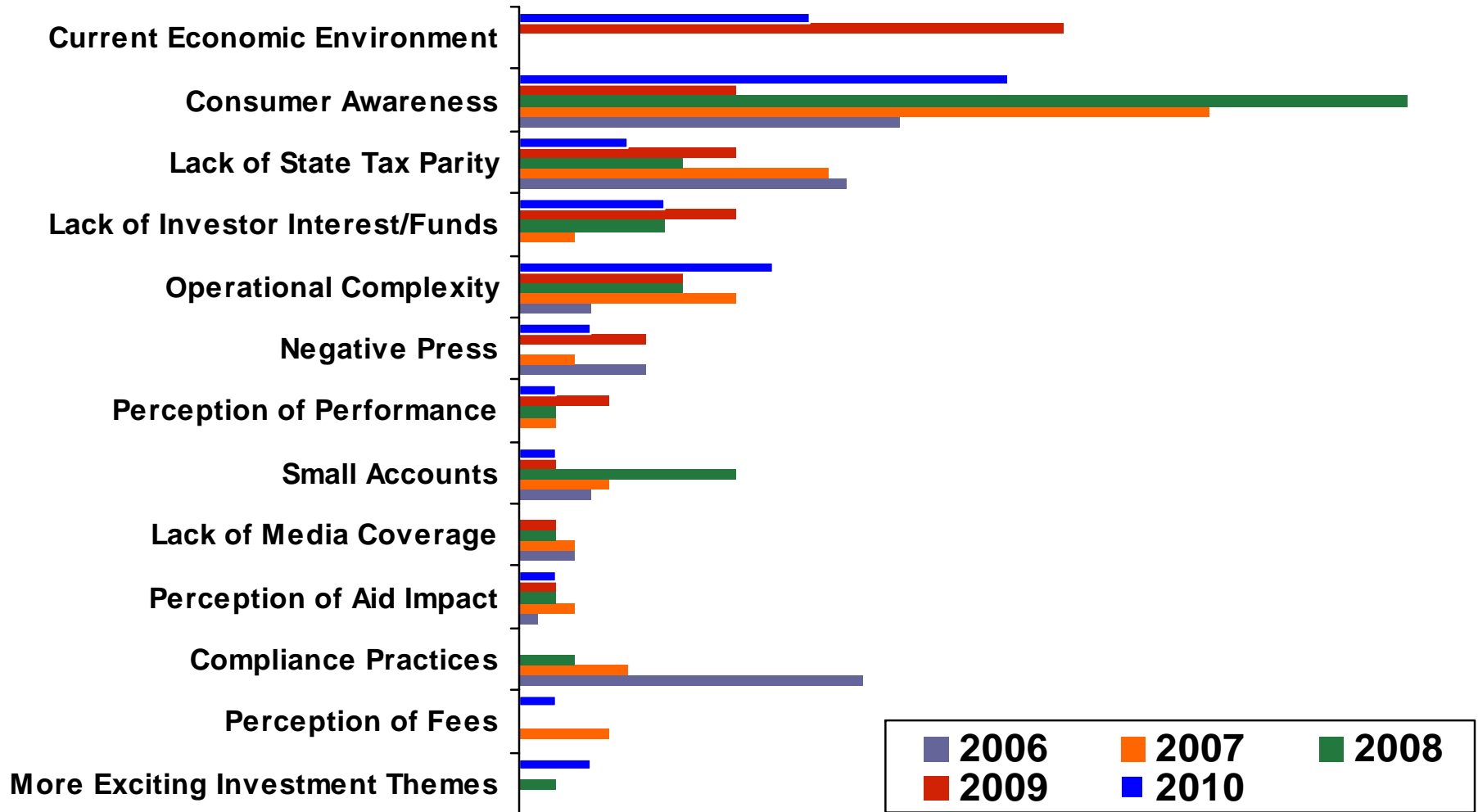
Factors Holding Back 529 Savings Growth

Additional Comments

- **Current Economic Environment** -- “If anything, in some ways, this has helped. People are thinking more about saving and investing.” “Articles that focused on the market did not help as some information was not accurate and has served to frighten people.” “As it relates to investors simply not having enough money available to invest, this is a big barrier.”
- **Poor Consumer Awareness** – “People have a general awareness but often not specific enough to stimulate action. We are working on messaging around the ease and affordability of programs to hit that perception.” “The problem is not a lack of awareness, it is a lack of understanding of 529 products.”
- **Lack of investor interest and/or available funds for college savings** – “Inertia and struggling to make all ends meet is a big factor. Planning [for college] can seem like too much of a task to even start.” “Keeping the job, the house, paying the essential bills is #1 financial priority. College savings is still essential, but in many cases the available money is not there.”
- **Operational Complexity** – “This is the single biggest roadblock to asset growth.” “Operational complexity especially seems to be a factor for the advisor sold market.”
- **Negative Perception of impact of 529s on Financial Aid** – “A significant negative, particularly for moderate income families. This perception keeps many families from opening accounts.”
- **Lack of State Tax Parity** – “Creates confusion which impacts sales.”

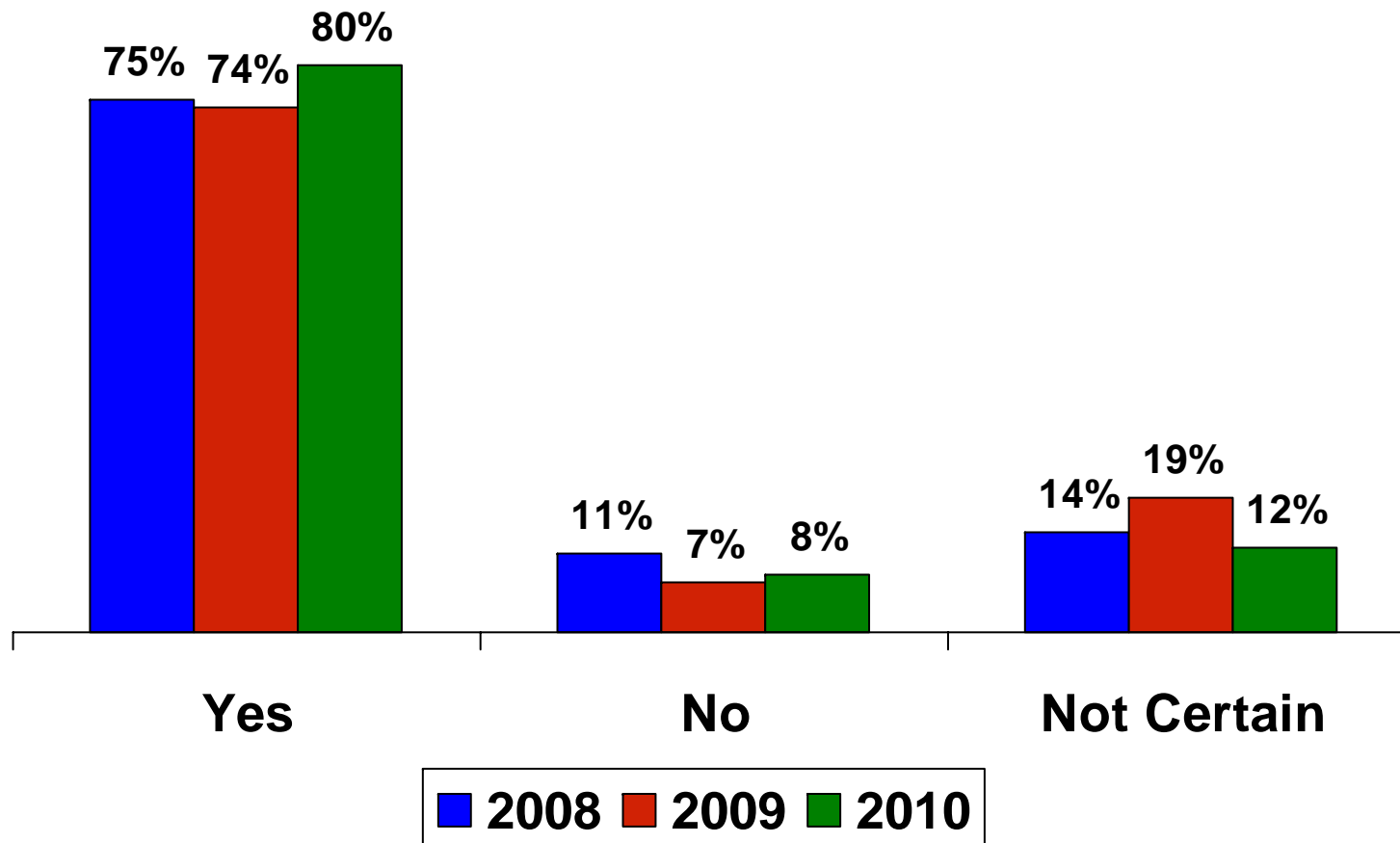
#1 Factor Holding Back 529 Savings Growth

I believe the #1 factor holding back 529 savings growth is:



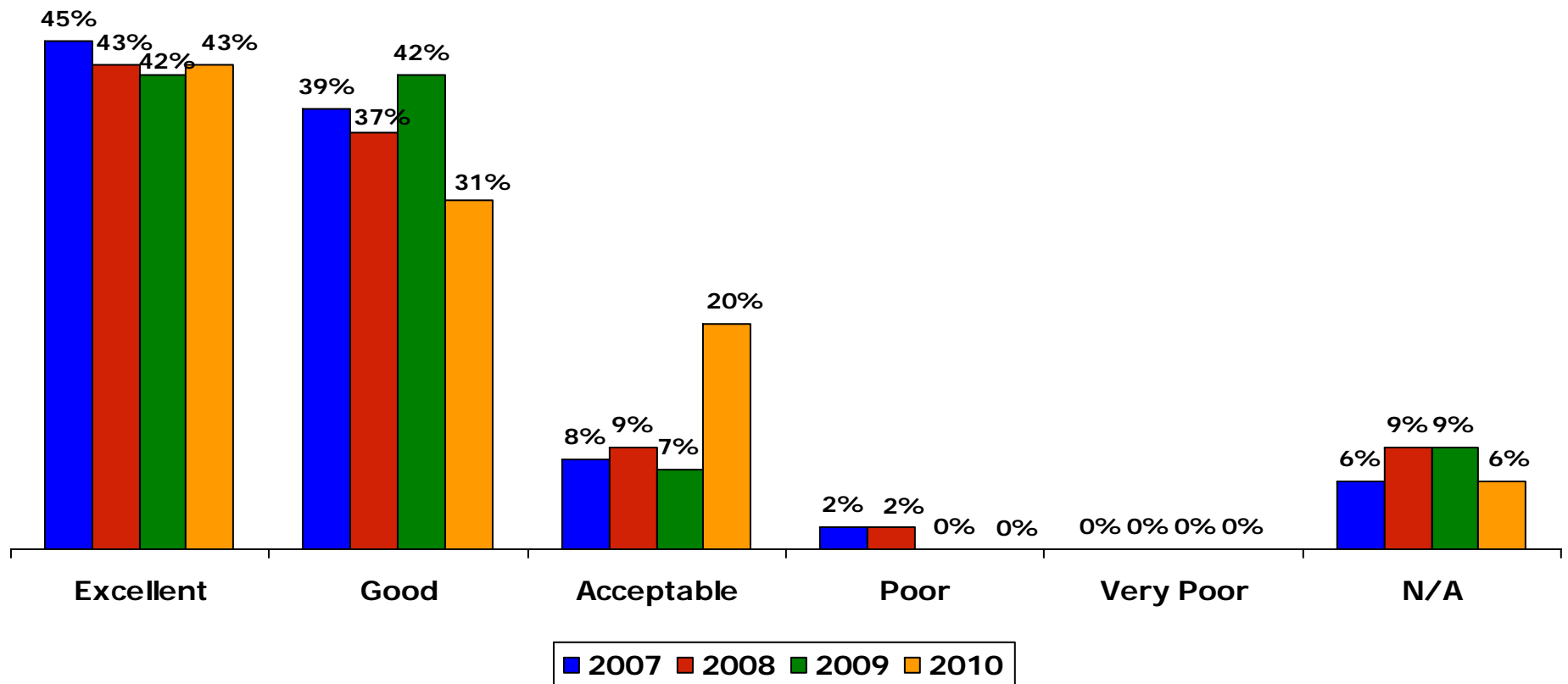
Would Ad Campaign Increase Consumer Awareness?

Do you feel that a national, generic 529 advertising campaign is needed to increase consumer awareness?



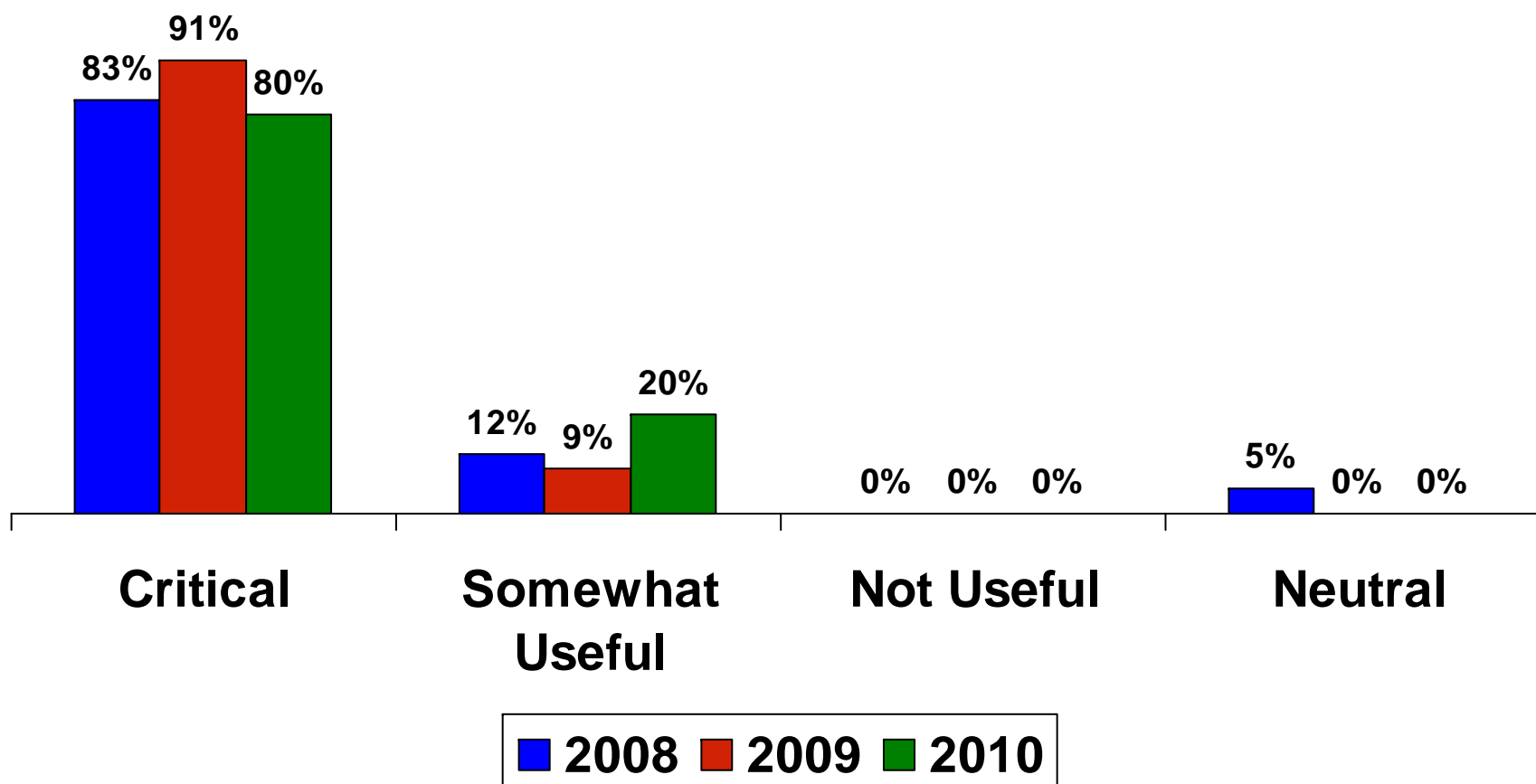
Rating of Private/Public Sector Working Relationships

How would you rate the working relationship between your organization and your private or public sector partner(s)?



Importance of College Savings within Financial Plan

How do you view the importance of integrating college savings into a broad/overall financial plan?



Importance of College Savings within Financial Plan

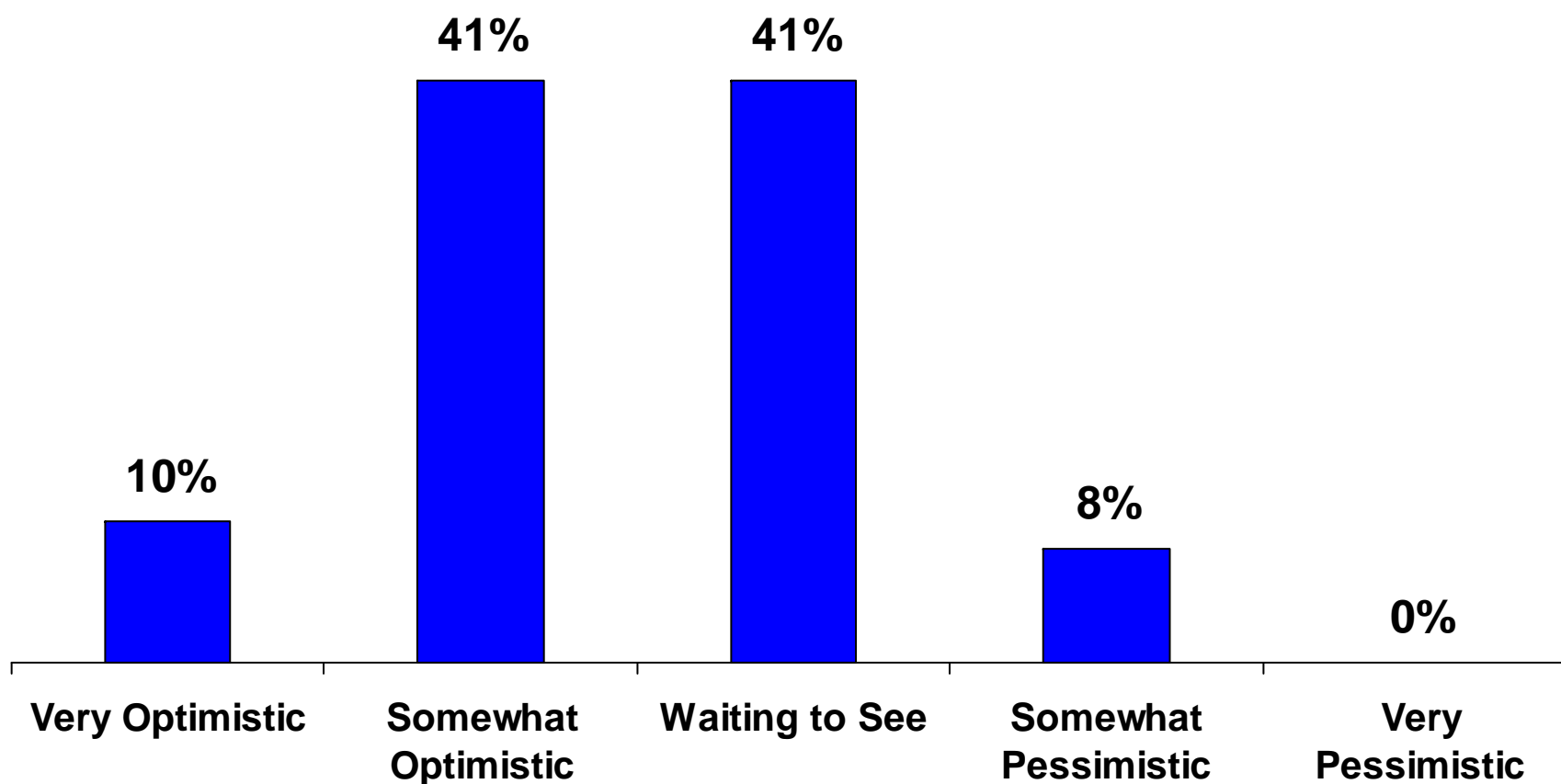
Additional Comments

- “Most families (even some financial advisors) miss this important point. An all too common pitfall is viewing college savings in isolation. “
- “529s need to be positioned as a means of helping advisors build their TOTAL business. That is the way some of the most successful advisors use them.”
- “Without this important discussion, retirement will be impacted.”
- “Must be part of an overall plan, assuming children/grandchildren are in the picture.”
- “It seems irresponsible for advisors to omit this major objective/expense in implementing an overall financial plan for clients.”
- “Program managers who have positioned 529s from this holistic perspective have been successful in opening new accounts and gaining new client relationships (including referral advocates such as CPAs and attorneys)”

Outlook under the current Presidential Administration



How would you describe your outlook for the future of 529 plans under the current Presidential Administration?



Current Economic Environment & Investors' Behavior



In what ways do you think the current market and economic environment will affect investors' behavior going forward?

- “The current economic turmoil has made people aware that to obtain or retain a job, it is important to hold a college degree.”
- “People will proceed more cautiously.”
- “Hopefully the dramatic swing over the past 18 months will highlight the effectiveness of consistent, regular contributions to a 529 program and a long-term strategy.”
- “I believe customers will look for conservative investment options to the detriment of their longer-term objectives.”
- “The market environment will always affect investors' behavior good or bad – the key is to inform consumers about the long-term benefits of regular savings and ‘staying the course’.”
- “Families will be more apt to pay attention to ways to mitigate debt in the future and to recognize that saving is one way to reduce a potential burden down the road.”
- “Parents who previously may have planned on relying on home equity to pay college costs or who may have been counting on significant progress in their careers and earnings by the time their children reached college age may be realizing there is no assurance of what the future holds and thus, they may realize the time is NOW to start saving”
- “A better market will spur funding.”

Changes or Initiatives

What types of changes or initiatives are you contemplating in reaction to investors' behavior to current market and economic environment?

- “Service clients more completely. Encourage prospects to put away as little or as much as they can and to not be concerned with paying in full.”
- “Consider existing investment line up and whether addition of a more conservative option makes sense.”
- “Remind folks that every bit helps defer debt down the line.”
- “Provide better holistic planning to help consumers manage expenses, which in turn may help them redistribute monies to savings and investments.”
- “We are enhancing our involvement with financial literacy programs while looking to partner with key programs which provide career and college search info.”
- “We are increasing consumer awareness so that consumers don’t have the notion to put their money under their mattress out of fear.”
- “Continue to research products that may appeal to investors in current times.”
- “Focus message on saving early and often.”
- “Remind people about dollar cost averaging. Also, make note of the value of buying at a discount.”
- “Positioning 529 as a total practice builder for FAs, not just a stand-alone ‘college savings product option’.”
- “Institute measures to make it easier to invest.”

Best Ideas to Expand 529 to More Families

Give us your best ideas to expand 529 savings plans to more American families.

- “State and federal legislation that eliminates 529 funds from consideration for financial aid.”
- “Political leaders and others who are well-known should encourage all Americans to save for college.”
- “Friends and family and word of mouth are still the best way to reach people. This is why I think social media will become a bigger factor in expanding 529 programs.”
- “Employer match for corporate 529 plans. Encourage key broker dealers and independents to “network” 529s into existing platforms to eliminate check + app process – all in the name of delivering better service to families trying to achieve a critical financial goal.”
- “Have a joint national effort of program managers and states to increase consumer awareness.”
- “Use charts to explain the power of early investing in funding education versus the ever increasing costs of higher education.”
- “Assist FAs in doing the business. Simplify their work by implementing tax parity. The concern of which plan to recommend often winds up with well-intended advisors making no recommendation at all.”
- “More active media outreach to get accurate information to the public.”
- “Stress the importance of higher education as a way to a better life. Also stress that there’s more than one way to obtain a degree.”
- “More matching incentives for moderate and low income families. More states should match contributions as some are already successfully doing.”
- “An info-mercial may help explain the many overlooked facets of these valuable programs.”

Additional Thoughts

Comment on any issue on 529 that you feel is important.

- “WE need to do a better job of telling the story of what 529 plans are accomplishing around the country in terms of helping people realize their children’s educational goals.”
- “When advisors can drop 529 trades just like mutual fund business, our industry will grow exponentially. We should be advocating for these changes and having a louder voice to help push it forward.”
- “It is tremendously satisfying to collectively be helping so many families in such a significant way.”
- “We are making progress with raising awareness and understanding of parents and grandparents. Let’s see what we can do to reach future college students at a fairly young age.”