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529 COLLEGE GIFT CARDS AND ONLINE GIFTING TOOLS POPULAR WITH PARENTS

College Savings Foundation Members Cite Increase in Use, Contributions

Washington, DC – This holiday and year-end giving season, 529 college savings plans are offering American families a variety of ways to make college savings easier through customized gifting websites, e-gift cards, online registries and gift certificates. New data from the College Savings Foundation (CSF) 2016 survey found that 90% of parents said that online and other gifting options would make college savings easier, and increasingly CSF members who are 529 plan sponsors, managers and innovators are delivering those options to them.

“Online 529 college giving has gone mainstream, and parents, friends and family are embracing the chance to give a gift of lasting, long-term benefit,” said Mary Morris, CSF Chair. “This sends a strong message to children of all ages about the importance of saving.”

41% of parents across the country said that 529 Gift Cards or Gift Certificates – both general or for a specific plan – would make college savings easier; 32% said they would opt for online gifting tools, and 17% for a 529 Gift Registry.

CSF members report significant increases in 529 college saving gifting contributions in the past few years as the availability and ease of use of these gifting tools has improved. Interest in gifting options is not limited to holidays, as CSF members indicate increasing interest in college savings gifts for birthdays, baby showers and graduations.

Increasingly, 529 plans are offering customized web pages with information about the family or child, including quotes, photos and even avatars. In addition, social media sites such as Facebook and Twitter help parents get the word out about the 529 college savings plans they own for their children. These provide a link to a website where friends and family can contribute directly to a 529 college savings plan. CSF members also offer gift certificates or coupons that can be downloaded, printed and used in a gift card or box. All are geared to encourage family and friends to contribute to a child’s higher education by providing 529 account information and eliminating administrative steps.

“In addition to holiday gifts, year-end is also a time when grandparents, friends and other family may want to take advantage of Federal gift tax rules,” Morris added. Federal gift tax rules allow up to \$14,000 for an individual and \$28,000 for a joint gift by spouses – and up to five years’ worth of up front gifting totaling as much as \$140,000 for a couple under the gift tax exemption. In addition, 34 states provide a state income tax deduction or credit for contributions to a 529 account. Most plans allow the deduction/credit to the account owner and five states allow the deduction for contributions to any state’s 529 plan.

CSF member programs offering gifting options include the Ohio CollegeAdvantage Direct 529, the 529 plans administered by Fidelity Investments (New Hampshire, MEFA/Massachusetts, Arizona and Delaware), The New Jersey advisor and direct plans administrated by Franklin Templeton, the Learning Quest 529 Education Savings Program, the NEST Direct and NEST Advisor College Savings Plans of Nebraska, the 529 plans administered by OppenheimerFunds (New Mexico – The Education Plan and Scholar’s Edge, State Farm College Savings Plan, Illinois Bright Start and Private College 529), the California ScholarShare 529 Plan (both direct and in partnership with GiftofCollege.com), the Utah Educational Savings Plan (UESP) and the Virginia529 Plan. In addition, GiftofCollege is a college savings gift registry which may be used for gifts to any state’s 529 plan.

The following provides detailed information on the gifting options available in the CSF 529 plans and gifting platforms making it easier for family and friends to contribute to 529 accounts:

CollegeAdvantage Direct 529 College Savings Plan (Ohio) offers a variety of ways for friends and family to contribute, all of which can be accessed through the “Give The Gift Of Savings” section at <https://www.collegeadvantage.com>. Contributions can be made by check, recurring contributions, or online using Ugift. Through Ugift, account owners can provide family and friends with a unique Ugift code that can be used by the gift giver at any time to make online gift contributions as well as contributions by mail to a specific account beneficiary. Individuals can order one of special greeting cards <https://www.collegeadvantage.com/give-the-gift-of-savings/order-greeting-cards> to announce a completed online gift or to deliver a gift check to the recipient. Savings continues throughout the year with a dramatic increase during December and into January. Knowing the important role grandparents play in helping families reach their college savings goals, CollegeAdvantage launched a site specifically for grandparents on November 3, 2016, www.collegeadvantage.com/grandparents.

Fidelity Investments and its state 529 partners* make it easy to gift to a 529 college savings account. Investors who maintain a Fidelity-managed 529 college saving plan account can invite friends and family to make online gifts through a personalized college gifting page. Invitations to the page can be sent via Facebook, Twitter, or by sharing a link. Once they click, visitors are able to see the beneficiary’s photo – including a quote on the child’s dream for the future – and can make a contribution via an electronic check that is processed directly from their bank account to the 529 account. Account owners can manage activity on their private dashboard, where they can edit the gifting home page, track the gifts received, and send invitations. Parents with a Fidelity-managed retail 529 college savings account, which includes the UNIQUE College Investing Plan, the MEFA U.Fund® College Investing Plan, the Delaware College Investment Plan and the Fidelity Arizona College Savings Plan, can sign up for the 529 Online Gifting Service at <https://www.fidelity.com/529-plans/college-gifting> and create the online gifting page.

*New Hampshire, MEFA/Massachusetts, Arizona and Delaware.

Franklin Templeton offers online gifting certificate notices for family or friends who wish to contribute to either its advisor or direct-sold plan. Gift givers can download, fill in and mail the form or set up a contribution with the bank’s bill pay services using a printed Gifting Announcement matched to the occasion, such as Holiday, Graduation or Birthday. They can then share the customized gift announcement certificate with the account holder of its advisor or direct-sold plan. <https://www.franklintempleton.com/investor/products/investment-goals/education-savings/gift-contributions> or www.njbest.com/gifting

GiftofCollege.com is a college savings gift registry whose membership has expanded threefold over last year. It enables friends and family to contribute directly into any existing or newly started 529 plan and student loan account. Parents can share their GiftofCollege.com profile via Facebook, Twitter, and email or contributors can search the registry for the parent's name to give a gift easily using a debit/credit card, or a Gift of College gift card. Gift cards are available at Toys 'R' Us and Babies "R" Us stores or can be purchased online at <https://giftofcollege.com/purchasegiftcard> New this year is the ability for employers to offer Gift of College gift cards as a benefit to their employees for contributions toward college savings or student loan payments.

Learning Quest 529 Education Savings Program allows LearningQuest account holders to invite friends and family to make gift contributions via Ugift®. Through Ugift, account owners can provide family and friends with a unique Ugift code that can be used by the gift giver at any time to make online gift contributions as well as contributions by mail to a specific account beneficiary. With consistent upticks in purchases in May and December, Learning Quest 529 Education Savings Program will be sharing the gift of messaging this December with an integrated holiday campaign consisting of social, paid media, email and a great online holiday spot. Be sure to watch it early December at <https://www.learningquest.com>

Nebraska's plans - the NEST Direct College Savings Plan, NEST Advisor College Savings Plans enable friends and family to go online at NEST529.com and click the "Give the best gift ever" or in the Grow tab, click on friends and family gifting. Individuals can send in a check and download a gift card or sign up for the Ugift® free online giving service that can be done completely online. Through Ugift, account owners can provide family and friends with a unique Ugift code that can be used by the gift giver at any time to make online gift contributions as well as contributions by mail to a specific account beneficiary.

<https://www.nest529direct.com/home/grow/friends--family-gifting.html>

For the plans see <https://www.nest529direct.com/>

<https://www.nest529advisor.com> or

<http://collegesavings.tdameritrade.com/index.asp>

OppenheimerFunds offers consumers of several 529 College Savings Plans options for giving: Private College 529 - <https://www.privatecollege529.com> , New Mexico (The Education Plan & Scholar's Edge)

<https://www.theeducationplan.com> and <https://www.scholaredge529.com> , State Farm

College Savings Plan <https://www.statefarm.com/finances/education-savings-plans>

and Illinois (Bright Start) <https://www.brightstartsavings.com>. For each, consumers log in to their account online, click a tab specifically for gifting and enter the email addresses of those individuals that they would like to contribute and then submit. Emails are sent to those individuals and then they can contribute via check.

Private College 529 has seen an increase in gifting contributions during the months of May and June, when individuals are taking advantage of lower rates before tuition/fees increase, and in December. The Bright Start Advisor program administered by the State of Illinois experiences upticks in December and January. The New Mexico (The Education Plan & Scholar's Edge) and the State Farm College Savings Plan have also experienced increases in gifting contributions.

ScholarShare and GiftofCollege.com have teamed up to offer friends and family a unique way to contribute directly to a child's educational dreams through physical and electronic gift cards, eGifting and gift certificates. Beginning in October 2016, physical gift cards became available at all Toys R Us and Babies R Us retail stores throughout California. Electronic gift cards are available through the ScholarShare.com website. www.scholarshare.com

Gift Cards: Recipients of Gift of College/ScholarShare gift cards can use them to fund their existing ScholarShare 529 College Savings Plan account via the ScholarShare.com and GiftofCollege.com websites. Gift card recipients who have not yet opened a 529 account can take that step on the ScholarShare.com website as well. Any increment between \$25 and \$500 can be loaded on both the physical gift cards purchased in retail stores and electronic gift cards purchased online. For gift cards purchased in retail stores, there is a flat fee of \$5.95 fee that is added to the cost of the card. Online electronic gift cards have an adjustable fee depending on the value of the card.

eGifting: eGift is a secure, electronic way to ask friends and family for gift contributions. The service is available to all account owners and is free of charge. The account owner can create an invitation for a birthday or holiday, including a personalized message, and send it through email to their family and friends with customized salutations. eGifting participation has increased 29% year over year through September.

The Utah Educational Savings Plan's (UESP) Gift Program is a free service that allows an account owner to invite family and friends to contribute to a UESP 529 college savings account. UESP's Gift Program has experienced a 33% increase in usage over 2015. When the account owner enrolls in UESP's Gift Program at <https://gift.uesp.org/>, he or she will receive a unique gift code and a link to a personal gift page, ensuring the proper deposit of any gift contributions without disclosing personal account information. The account owner may share this gift code or link by email, in person, by phone, or by mail. UESP also provides links and default messages so the gift page can be shared on social media sites such as Twitter and Facebook. Only those who are invited by the account owner can access a personal gift page, and the account owner decides with whom to share the link. Account owners also have the option to turn off access to the personal gift page in the UESP Gift Program dashboard. <https://www.uesp.org/>

Virginia529 offers online gift certificates for those who wish to contribute to either its Virginia529 inVEST or Virginia529 prePAID programs. Gift Givers can complete and mail the top portion of the gift certificate – for Holidays Birthdays or Special Occasions – to the address listed on the certificate, or give it directly to the recipient. Contributors need to provide only beneficiary's name and date of birth; information on the account owner is optional. www.virginia529.com/gift

*CSF *State of College Savings* Survey of over 800 parents across the country. For more information on CSF, see www.collegesavingsfoundation.org