



CELEBRATING 20 YEARS OF SAVERS
CREATING A LEGACY, ONE SAVER AT A TIME

EDUCATION COMMITTEE UPDATE

ANNUAL UPDATE ON CY2021

WWW.IDSAVES.ORG

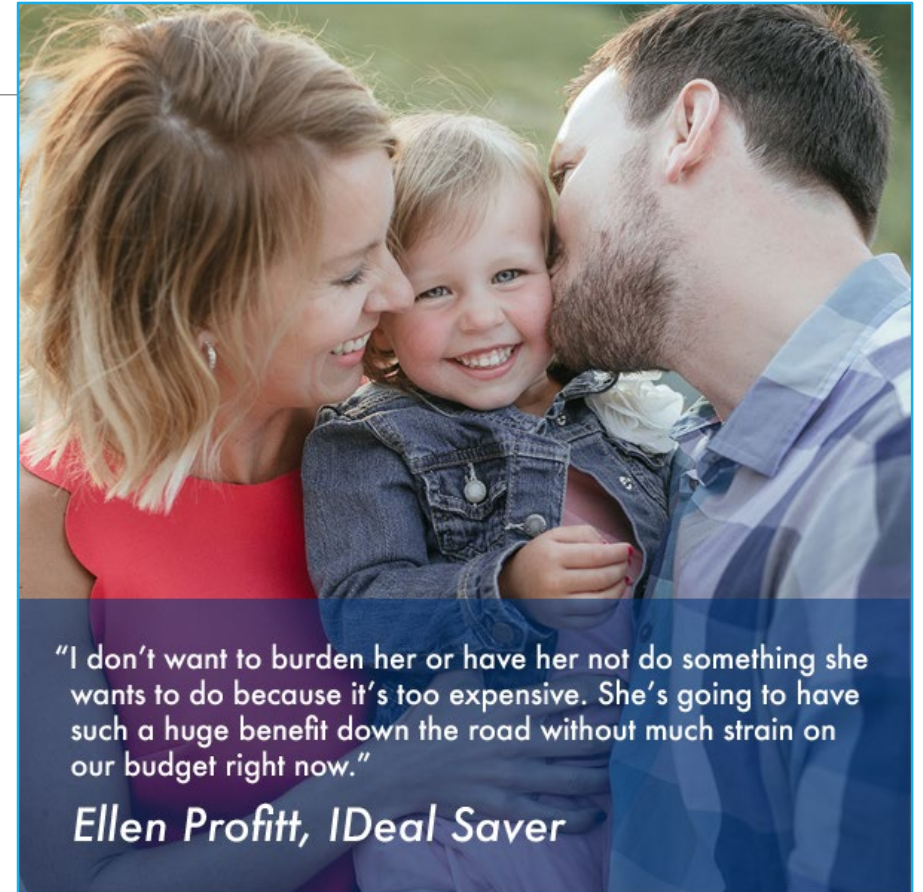


IDeal 529:

- Idaho's official 529 college savings program
 - 2000: added to Idaho code IDAPA: 33-5401-33-5410
 - 2001 opened to the public

Purpose:

- To help individuals and families save for education in a tax-advantaged way.



Program administration

- Self-sustaining, receives **no general fund** monies.
- 2.5 local staff.
- Independent entity governed by the State College Savings Program Board.
 - Board comprised of six of Idaho’s constitutional officers or their designees.

Constitutional Officer	Designee	Title	Since
State Treasurer Julie Ellsworth	Board Chair	State Treasurer	2019
Governor Brad Little	Matt Reiber	Policy Analyst for Education	2022
State Controller Brandon Woolf	Patrick Hodges	Deputy State Controller	2016
Attorney General Lawrence Wasden	Brian Kane	Chief Deputy Attorney General	2008
Superintendent of Public Instruction Sherri Ybarra	Louie Konkol	Deputy Superintendent, Finance	2020
Secretary of State Lawrence Denney	Chad Houck	Deputy Secretary of State	2018



Celebrating 20 years

“I believe that every child needs a big dream to pursue and every big dream needs a plan—that’s where Idaho’s 529 can help.

Now in our 20th year, we are proud to look back and celebrate over 60,000 students benefiting from their accounts with over \$400 million in savings applied at schools nationwide to pursue their dreams.

We are honored that Idaho families and businesses have chosen IDEal as a key partner and look forward to continuing to provide an innovative program that can help their education savings dreams become an affordable reality”.

- State Treasurer Julie A. Ellsworth

Chair, State College Savings Program Board

20th anniversary

- The program opened 800 accounts in 2001 and has since helped over 60K families save for education dreams.
- 256 accounts that were originally opened in 2001 are still active today! Cumulative, these accounts have assets over 6 million dollars in them.
- Total assets under management have now reached over \$725 million dollars
- Over \$400 million has been withdrawn and used at various institutions throughout the nation.



HELPING EDUCATION DREAMS COME TRUE SINCE 2001

Since 2001, the Ideal - Idaho College Savings Program has helped over 60,000 families save for education. That's nearly one in 10 households statewide.

Conquering education goals one account at a time

Over **44,000** and counting Active IDEAL accounts

15 New accounts opened every day

More Idahoans are becoming IDEal 529 savers

IDEal accounts opened:

2001	793
2005	1,492
2009	2,235
2013	2,672
2017	4,006
2020	4,912

Families are reducing student loans with every dollar saved.

The average IDEal account balance is **\$15,479**

42% of IDEal savers are contributing **automatically** through recurring contributions, or their paychecks

\$17 MILLION in gift contributions

It's never too early or too late to save
Current IDEal savers by beneficiary age

age 0-5	age 6-10	age 11-15	age 16-20	age 21-25	age 26+
18%	21%	24%	22%	9%	6%

20-year honorees

“Making a difference” award

The Program’s history began with a request from a grandparent in Coeur D’ Alene and great state leadership



Legislative Cosponsor
Former State Representative Donna Boe

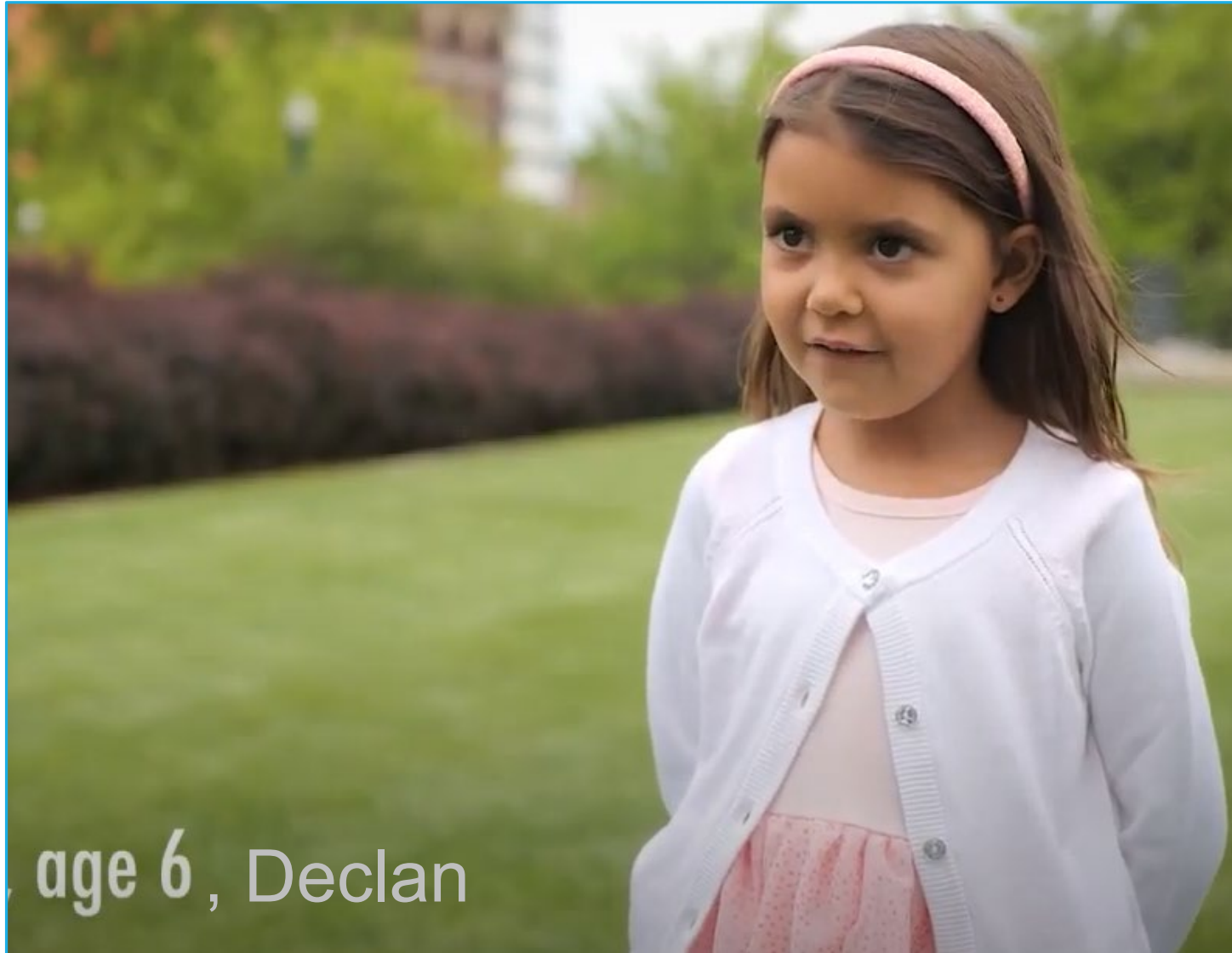


Legislative Cosponsor
Former State Representative Lee Gagner



Former State Treasurer Ron Crane

- In 2000, a letter addressed from a grandparent in Coeur D’ Alene to the House Education Committee spurred the legislation that would create the College Savings Program Board, followed by the Program. The gentleman inquired as to why he was not able to save for his grandchild’s education in a 529 like so many other states. And so it began..
- Former State Treasurer Ron Crane also worked closely with the group to bring the legislation to fruition. He further supported the Program personally and in the Office of the State Treasurer when the Program had no staff.



Big dreams start here!

20th Anniversary savers video

We heard from almost 200 families and invited a few to participate in our video.

Check out the dreams these Idaho kids have!

<https://youtu.be/90pbjcZnhjI>

<https://www.youtube.com/watch?v=mh4ImgibM0c>

20th Anniversary - Savers Stories



“We really wanted to be able to help the kids if they chose to go on to college or a technical program. We didn’t want cost to be a deterrent for them. It was really all about making sure money wasn’t a reason they don’t pursue education after high school.”

IDEAL 529 - 20 YEAR SAVER
Alexandra Lundgren, Boise



“My wife and I figured all the grandkids (9) were going to go to college and IDEal was a way that we could contribute to that and help offset some of the costs.”

IDEAL 529 - 20 YEAR SAVER
Norm Beckert, Boise



20th Anniversary - Savers Stories



“Starting early is the main thing. Put away whatever you can afford. It’s very convenient to make direct deposits and your savings will build up over time.”

IDEAL 529 - 20 YEAR SAVER
Mike Adolf, Boise



“As they got older, especially as they got in college and saw how we saved, I think they came to better understand how important that was, especially in seeing what so many of their friends were up against in terms of costs.”

IDEAL 529 - 20 YEAR SAVER
Paul Fritz, Boise



“Tell Us Your Story” Sweepstakes **ideal** IDAHO COLLEGE SAVINGS PROGRAM



The Lucero family was IDEal’s first drawn winner and received a \$529 contribution for future education. The contribution was equally split to start accounts for both her children pictured above.

198 personal stories were submitted during the sweepstakes. Stories detailed who and why they were saving. Ten stories were randomly drawn. One a week for eight weeks received a \$50 contribution and two grand prize drawings were given a \$529 contribution.

The Mileus family was IDEal’s second winner and received a \$529 contribution for their daughter’s account. Ray mentioned that he worked for the state PERSI system and had met IDEal’s field representative, Nick through presentations. He had recently set up an account for his now one-year old daughter.

Time capsule dedication

Revisiting the past in the future

Many artifacts were placed within the time capsule box including the FY'21 annual report, 20th anniversary savers stories, press releases and Op Eds, historical pictures and Program achievements.

The sealed time capsule will be held within the vault at the Office of the State Treasurer.



Time capsule dedication



State Historian, HannaLore Hein spoke about the importance of documenting actions today so that future generations can learn from our collective past. She commented on the significance of important milestones in government and beyond, that help tell the story.

HannaLore Hein, State Historian

Future program enhancements



Board member Brian Kane announced future enhancements to the Program.

“Reflecting on the Program’s milestones, inspiring saver’s stories and successes gives us a lot to be proud of. The great thing is that we are just getting started. As part of our commitment to making IDeal the best 529 for Idaho families we will be rolling out a price reduction and introducing a new “time of enrollment” portfolio that will better serve families regardless of their savings goals.” - Brian Kane, September 2021

- The program management fee was reduced from .49% to .36% - a 26% reduction.
- The reduction will save current account owners almost \$1 million dollars.
- This is the 7th price reduction in 20 years for a total of over 60% in savings since inception.
- The price reduction went into effect December 1st 2021 helping Idaho families keep more of their money for education.
- The Program is planning to release the new “Time of Enrollment” portfolios late Q1 2022.

Brian Kane, Chief Deputy Attorney General
Board designee representing Idaho Attorney General, Lawrence Wasden

Proclamation by Governor Brad Little



Governor Brad Little

It's important to have events like these to highlight the importance of proactively saving. It helps to inform parents, community members and employers about the program and its ability to positively shape the future our citizens.



Celebrating 20 years of saving

Standing left to right:

Heather Lucero – Tell Us Your Story \$529 winner
Benjamin D. – son of Heather Lucero
Bradley D. – son of Heather Lucero
Raymond Mikus – Tell Us Your Story \$529 winner
Nick Thiros – IDEal Field Representative
Laura Lantz – Executive Director of Idaho Society of CPAs
HannaLore Hein – Idaho State Historian
Julie Ellsworth – Idaho State Treasurer
Brian Kane – Chief Deputy Attorney General
Angela Phillips – Idaho Financial Literacy Coalition President
Kristy Massie – Idaho Financial Literacy Coalition Treasurer
Elleya B. – Idaho student

Sitting left to right:

Goldie Bishop – IDEal Project Coordinator
Christine Stoll – IDEal Executive Director
Chad Houck – Chief Deputy Secretary of State
Norm Beckert – 20-Year IDEal Saver





Program growth

Summary from CY'2021:

- Program assets total over **\$752 million**
- **46,449** active beneficiary accounts, **+over 8%**
- Average balance per account is over **\$16K**
- **+15% increase in assets** from 2020 to 2021.
- **\$5.4 million** in gifts from loved ones **+56%**

Highly rated program

In the top 25 programs in the nation.



<https://www.morningstar.com/articles/1062917/the-top-529-education-savings-plans-of-2021>

Tax-free withdrawals for qualified expenses

Federal and State income tax-free if used for qualified withdrawals to eligible higher education* and related to services to be used by the beneficiary while enrolled.



"To me, there are limited programs out there for tax-free growth. It's one of those things that for me is hard to ignore. I encourage people to take advantage of a program like IDeal by starting their saving as soon as possible, even if it's a small monthly amount. Keep trickling it in and let it ride."

IDEAL 529 - 20 YEAR SAVER
Chet Butikofer, Meridian



Public & private colleges / universities, 2 & 4 year, career and technical and federally registered apprenticeship programs. Foreign schools

Tuition, fees, certain room & board, books, required supplies

Computers, peripherals, software, internet access

K-12 public, private and religious school **tuition only**

Student loan repayment-limited withdrawals

*Eligible higher ed institutions = education types the listed on this slide. Earnings on nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain withdrawals are subject to federal, state, and local taxes. * K-12 tuition withdrawals allowed as of January 1, 2018 (up to 10K per child, per year only). Student loan repayment limited to an aggregate of \$10,000 over the lifetime for each beneficiary.

Idaho's 529 participation rate: under 18 years old

IDEal's Goal:

Increase participation in Idaho's college savings program to help transform the postsecondary attainment culture in Idaho creating a more educated workforce.

448,201
Idaho kids
under 18.

30,147 Idaho
students
under 18
accounts

6.73%

have accounts

Big opportunity
to change the
culture with
IDEal 529
accounts

Having a college
savings account
makes students



more likely to go on
and complete
higher education



Why 529 participation matters

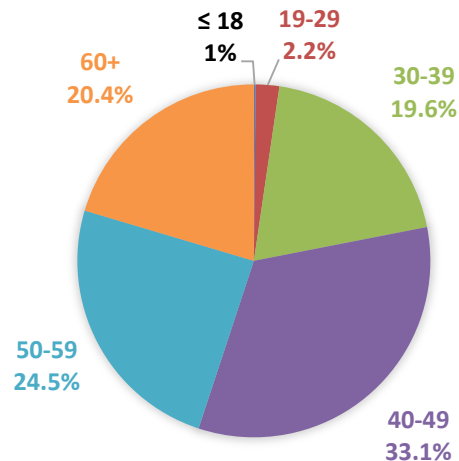
The IDeal - Idaho 529 College Savings Program is a proactive savings alternative to student loans that can be used when scholarships and grants don't cover all the costs of post-secondary education.

It can potentially help close the gap between Idahoans' dreams and their financial reality.

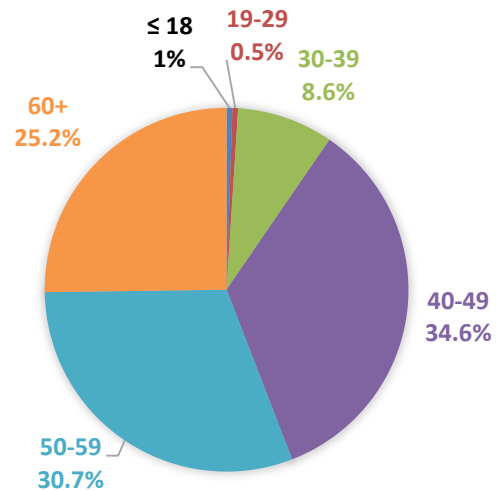
Who is saving?

Age	Account Owners Q4 2021	Assets Q4 2021	Average Assets Per Account Owner
≤ 18	37	\$3,850,700.46	\$104,072.99
19-29	500	\$3,795,009.65	\$7,590.02
30-39	4,538	\$64,338,490.64	\$14,177.72
40-49	7,671	\$259,974,155.50	\$33,890.52
50-59	5,676	\$230,601,748.95	\$40,627.51
60+	4,722	\$189,704,325.04	\$40,174.57
TOTAL	23,144	\$752,264,430.24	\$32,503.65

Accounts by Account Owner Age



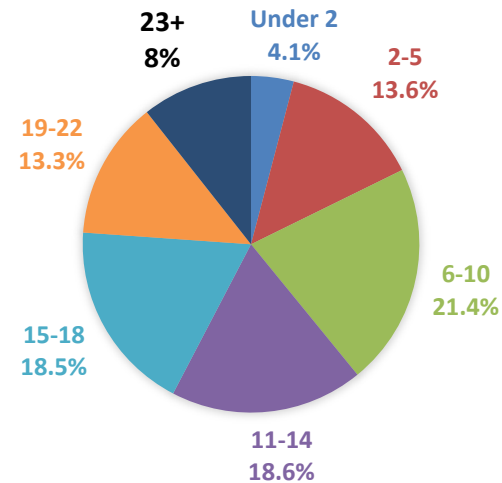
Assets by Account Owner Age



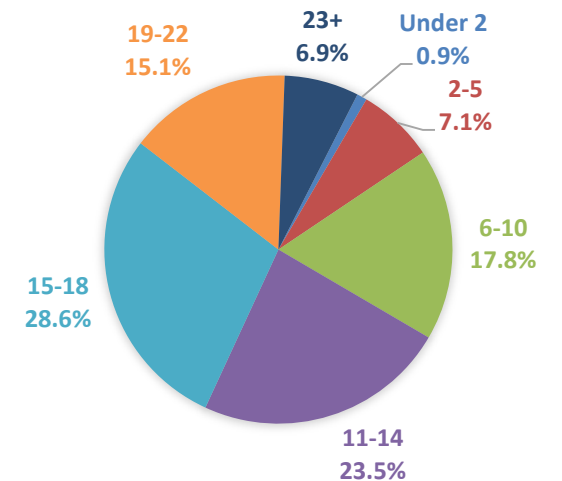
Who are they saving for?

Age	Beneficiaries Q4 2021	Assets Q4 2021	Average Assets Per Beneficiary
Under 2	1,781	\$7,065,763.62	\$3,967.30
2-5	5,932	\$53,761,387.26	\$9,062.94
6-10	9,299	\$134,234,202.69	\$14,435.34
11-14	8,071	\$176,487,497.27	\$21,866.87
15-18	8,027	\$214,903,826.10	\$26,772.62
19-22	5,768	\$113,708,711.41	\$19,713.72
23+	4,623	\$52,103,041.88	\$11,270.40
TOTAL	43,501	\$752,264,430.24	\$17,293.04

Accounts by Beneficiary Age



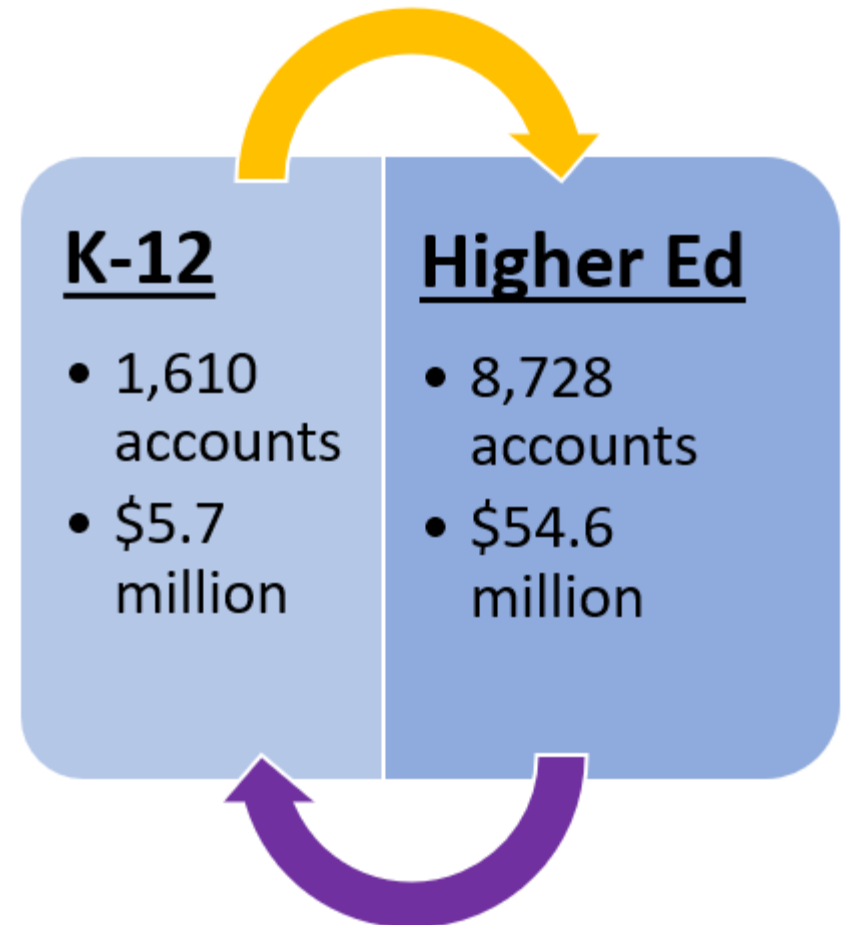
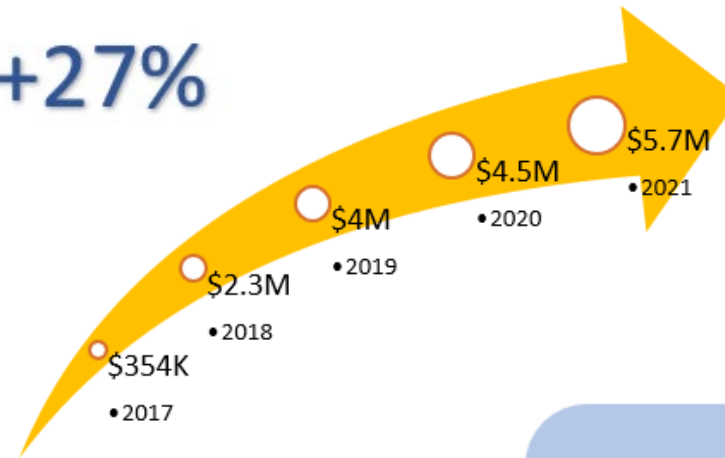
Assets by Beneficiary Age



What are they saving for?

Withdrawals for K12 2020-21

+27%





Outreach and partnerships

1. Business
2. Financial professionals
3. Community
4. Schools
5. Other partners
6. Paid advertising



Employer Program

AWARENESS, DIRECT PAYROLL DEPOSITS, DIRECT CONTRIBUTIONS, TAX INCENTIVES

529s in the workplace



IDeal 529 employer program



Please watch for a great overview of the employer program: <https://youtu.be/DU2ELWeB7x0>

Benefiting employers for helping their employees save.



Offer

Offer IDEal 529 as a payroll direct deposit.

Contribute

Contribute directly to your employees accounts & get an Idaho tax credit.

Award

Award community scholarships through IDEal.

www.idsave.org/employer

“

Employees with a 529
payroll direct deposit
save 75% more.

ISS MARKET
INTELLIGENCE 529 INDUSTRY
ANALYSIS, MAY 2019



Employer Contributions and Idaho tax credit

Direct employer contributions qualify for a 20% tax credit, up to a maximum of \$500 per employee per year.

H550 employer tax credit

Employer Tax credit

H550, signed into law March 24, 2020 provides an incentive for employers to help their employees enhance educational savings goals by contributing directly to the employee's qualified state tuition program accounts administered by IDEal.

The bill provides employers a tax credit for contributing to an employee's individual IDEal – Idaho 529 College Savings Program account. The tax credit is 20% of the total employer's contribution with a maximum of \$500 tax credit per employee, per taxable year.



529 rewards and recognition as benefits



Employer contributions could come in many forms such as:

- matched or unmatched contributions
- student loan repayment
- recruitment incentive
- work anniversary celebration
- life event (wedding, baby gift, etc.)
- bonuses

“

As we try to find ways to make our employees' lives better, certainly one of those is helping each generation move a little further in regard to education.

The benefit of the 529 program is keeping overall education moving forward. The more companies in Idaho that embrace this, the better our communities will be



529 direct employer contributions

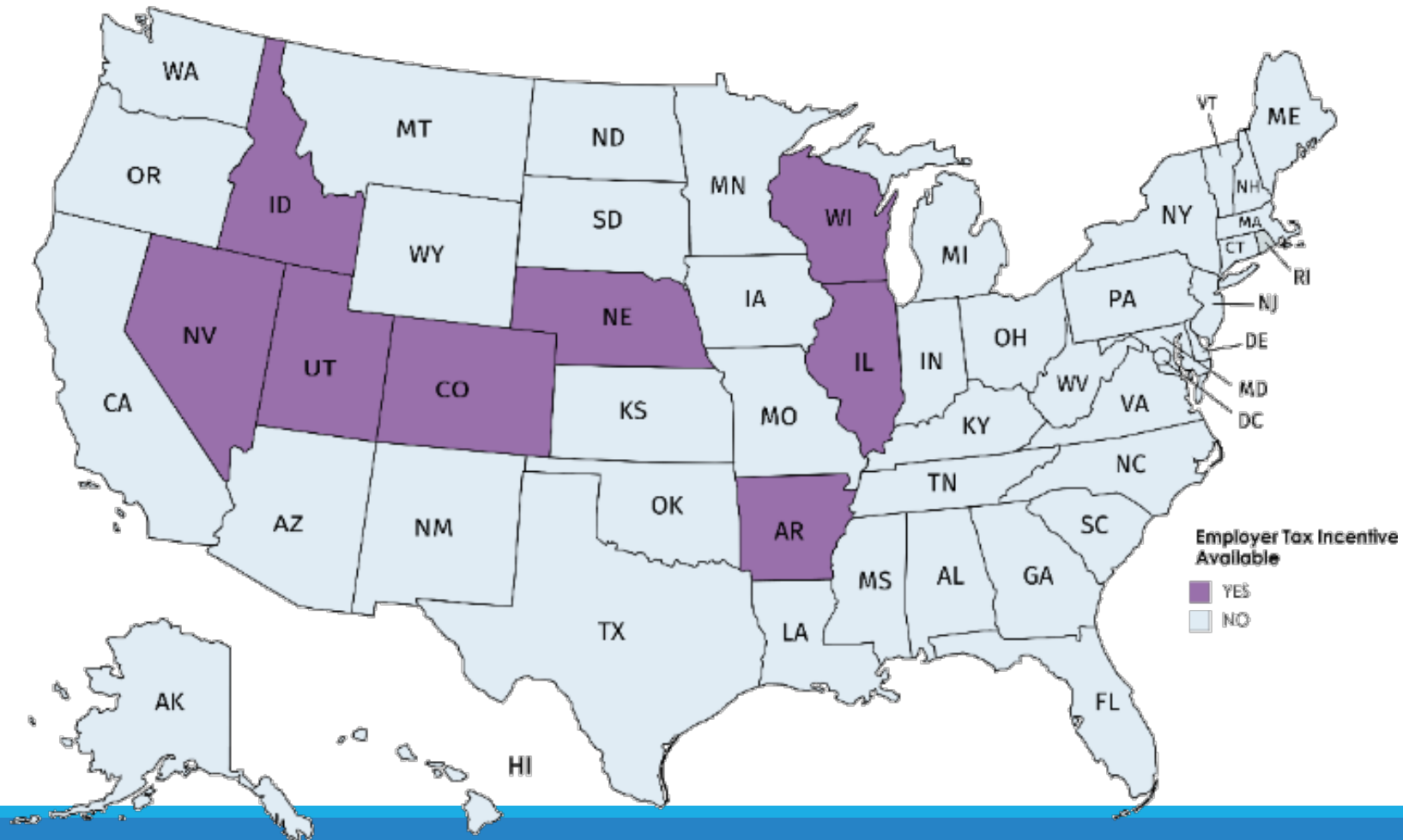
Calendar year 2020

- \$77,090 received.

Calendar Year 2021

- \$138,979 received.
 - 86% increase
 - 11 employers, 51 employees

States with employer tax incentives





CHILD SAVINGS
ACCOUNTS

**CUSTOMIZE
YOUR
SUPPORT**

SPONSORSHIPS

Award community
scholarships through
IDeal 529

Awarding community scholarships



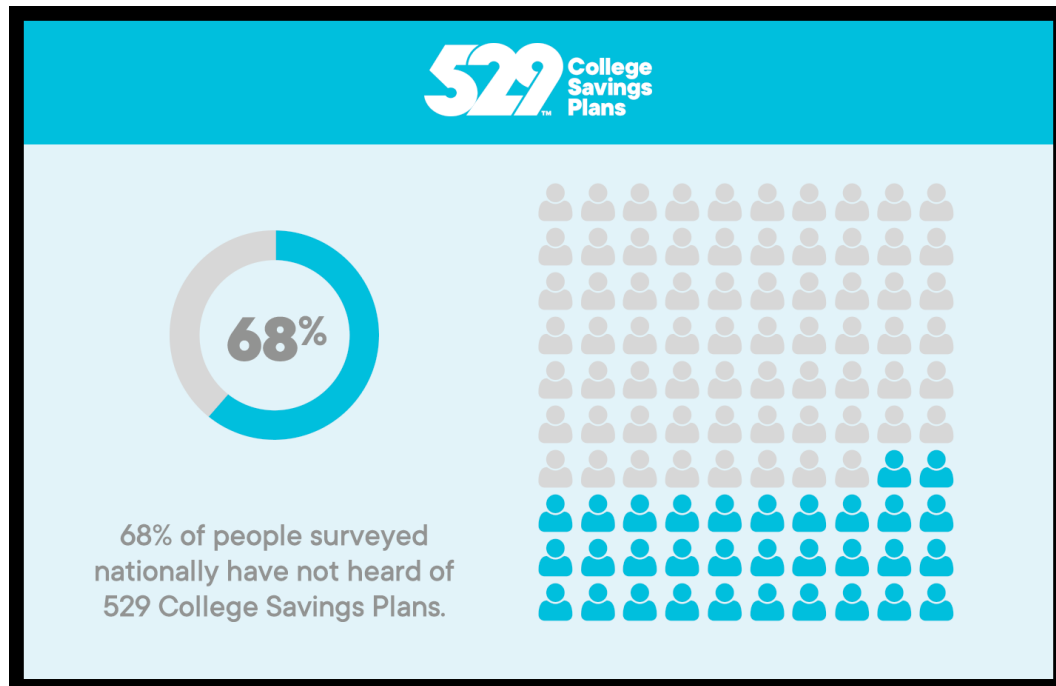
“The Success in Education Foundation and its Idaho Codes program worked with IDeal 529 to award scholarship funds for two outstanding students within our coding program.

Working with IDeal 529 was fantastic not only because the team was great to work with but having the scholarship recipients receive the funds through an IDeal account significantly promotes higher education.

Our foundation is looking to provide further programs for Idaho students, and we will definitely be working closely with IDeal regarding scholarship opportunities.”

**-Sebastian Sturdevant: Code to Success Program Manager,
Success in Education Foundation**

What you can do to help?



Source: 529 College Savings Plans, February 2019

Follow

- Opt-in for more information.
- Connect with IDEal on social media.

Partner

- Include IDEal in state education discussions
- Invite IDEal to your business or community event.

Educate business and families

- Share IDEal information with your community constituents/stakeholders.

Lead by Example

- Open an account for or contribute to a loved one's account.

Creating a legacy, one saver at a time!

Christine Stoll:
IDeal Executive Director
cstoll@idsaves.Idaho.gov
208.332.2935

www.idsaves.org

