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ONE OUT OF FOUR PA PARENTS AREN'T SAVING FOR THEIR CHILDREN'S HIGHER EDUCATION

But 77 percent of those that are saving start early – when children are 3 years old or younger

HARRISBURG, PA (August 20, 2010) — Despite the fact that 100 percent of polled Pennsylvania parents say their children are likely to attend some form of higher educational institution, one-fourth are not currently saving for their child's higher education.

Pennsylvania State Treasurer Rob McCord commissioned the survey of 257 Pennsylvania parents with a child under the age of 12 to gain a better understanding of the college saving habits of Pennsylvanians – and to shape the way Treasury develops Pennsylvania's 529 Guaranteed Savings Plan (GSP). According to the survey, of the 26 percent who are not currently contributing to a higher education fund for their child, 68 percent of parents said difficulty finding extra money was an important factor preventing them from saving.

“Although families may not be able to contribute large amounts of money to a college savings fund, it is crucial that families put away what they can for their children's future,” said Treasurer McCord. “In these tough and volatile economic times, the PA 529 Guaranteed Savings Plan remains one of the best ways for families to save for college, since it offers parents an easy and reliable way to save and get protection against tuition inflation.”

Sponsored by the Commonwealth of Pennsylvania and administered by the Pennsylvania Treasury, the PA 529 GSP allows parents to contribute whenever – and in whatever amounts – their finances allow and has no income restrictions. The PA 529 GSP helps parents save for tomorrow's college expenses at today's lower costs by guaranteeing that their savings will keep up with the rising cost of college tuition.

McCord said he was “tremendously encouraged” to learn that of the nearly 75 percent who are saving, over three-quarters started early – when their children were 3 years old or younger. This is up from the 50 percent reported in a Treasury-commissioned Gallup Study from 2006.

“Families can take comfort in the fact that every dollar saved in their child's PA 529 Guaranteed Savings Plan account will decrease their future financial burdens, but the earlier you start saving, the better. And unlike some other savings plans, having a PA 529 GSP account does not affect eligibility for financial aid provided by Pennsylvania towards higher education,” said Treasurer McCord.

The 2009-10 cost (in-state tuition, fees, room, and board) of a public, four-year education in the State System of Higher Education ranges from \$13,598 (Bloomsburg University) to \$16,858 (California University of Pennsylvania). Treasurer McCord reported that 66 percent of polled parents typically save less than \$3,000 annually, and 78 percent of respondents have saved less than \$20,000 in total.

“We know Pennsylvanians want to help their kids go to college, and they are trying to save. Our recent survey data, however, tells us that families need to save more. The GSP is a superb way to do that, and through September 30, enrollment is free. So get started today!” said Treasurer McCord.

Families who open a new PA 529 GSP account before September 30 will also receive free enrollment – a \$50 savings. Visit PA529.com or call 1-800-440-4000 today.

Pennsylvania Treasurer Rob McCord is committed to increasing the economic security and prosperity of all Pennsylvanians. Before winning the statewide elected job of State Treasurer, McCord was a successful business leader. He is now focused on strengthening the state's economy, managing investments to get strong returns for taxpayers, and helping to create good jobs and retirement security for Pennsylvanians. To learn more about Treasurer McCord's initiatives, please visit the Pennsylvania Treasury at www.patreasury.org.

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The guarantee of the PA 529 Guaranteed Savings Plan (GSP) is an obligation of the GSP Fund, not the Commonwealth of Pennsylvania or any state agency. Please read the PA 529 GSP Disclosure Statement (available at www.PA529.com or by calling 1-800-440-4000) to learn more about the plan, limitations of the guarantee, risks, fees, and tax implications of the PA 529 GSP.