



## Office of the State Treasurer

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### Georgia's Path2College 529 Plan Now One of Lowest Cost 529 Plans in the Nation

Just six months ago, after doubling assets under management in only five years, Georgia's **Path2College 529 Plan** announced it had reached the \$2 billion milestone. That achievement, combined with renegotiated contract terms, resulted in lower fees for those saving in the plan. This month, Path2College once again lowered its fees to become one of the lowest cost 529 college savings plans in the country.

"Ensuring Georgia citizens are able to attain a college degree or professional certificate is a crucial step in developing a highly-skilled workforce, continuing to grow our already robust economy and making sure we remain the number one state in which to do business," said Governor Nathan Deal, Chairman of the Georgia Higher Education Savings Plan Board which sponsors the **Path2College 529 Plan**. "Georgia's Path2College 529 Plan was already an excellent choice for funding higher education expenses, with no sales charges or enrollment fees. This latest reduction in the management fee will allow Georgia families to save even more toward their college savings goals. The reduced fees are a direct result of the overall success of the plan."

Since last year, management fees for the plan have been reduced 33 percent, from 0.12 to 0.08 percent. This change, together with reductions to certain investment fees, reduced total annual asset-based fees from 0.25-0.38 percent to 0.19-0.33 percent (fees vary by investment option selected). This significant fee reduction was the result of contract negotiations approved by the Georgia Higher Education Savings Plan Board and are expected to save **Path2College 529 Plan** account owners approximately \$1.8 million annually. These new terms are expected to provide even further cost savings to account owners as the Path2College 529 Plan grows.

"These cost savings reflect excellent teamwork between the State and TIAA-CREF Tuition Financing, Inc., program manager of the Path2College Plan," said Steve McCoy, State Treasurer.

"Georgia's public universities and colleges are some of the most affordable in America, our technical college system is second to none and our private institutions are the envy of much of the rest of the nation," said Shawn Ryan, President of the Georgia Student Finance Commission, which partners with the Office of the State Treasurer to administer the **Path2College Plan** for the state of Georgia. "Georgia's 529 Path2College Plan is a great way for families to save toward education expenses, with earnings growing tax-deferred. Students who use the plan can graduate with less debt and be better prepared financially for life after their education is complete."

During 2016, the **Path2College 529 Plan** continued its run of double digit percentage increases in annual contributions for seven consecutive years and nine out of the last 10. The average percentage increase in annual contributions during 2007–2016, excluding the recession of 2009, was 15.5 percent. The **Path2College 529 Plan** has almost 140,000 beneficiaries, of which 83 percent are under the age of 18.

Since the launch of the **Path2College 529 Plan**, more than \$578 million has been withdrawn to pay for higher education-related expenses on behalf of almost 35,000 students (as of 2/28/17). With over 2.5 million children under the age of 18 in Georgia only 4.0 percent currently have a **Path2College 529 Plan** (as of 12/31/16), meaning there is still tremendous room for growth.

[Go to Path2College 529 Plan Information](#)