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**SEPTEMBER 29, 2016**

**AGENDA ITEM 5  
ACTION ITEM**

**SCHOLARSHARE INVESTMENT BOARD**

*Resolution to Approve Changes to the ScholarShare Outreach and Public Education Plan*

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***Recommendation***

Staff recommends that the ScholarShare Investment Board (SIB or Board) adopt Resolution No. 2016-05, approving changes to the ScholarShare Outreach and Public Education (SCOPE) Plan.

***Background***

In June 2008, the SCOPE Plan was adopted by the Board and was developed in response to the Board's desire to expand outreach efforts to California families, while complementing marketing efforts by the ScholarShare program manager. Although the ScholarShare College Savings Plan (Plan) has shown tremendous growth, there continues to be a need to promote the importance of attending and saving for college. The main goal of the SCOPE Plan is to outline SIB's strategy for raising awareness of and educating families about the benefits of investing in the Plan and attending institutions of higher education.

As part of its annual review, SIB staff is proposing changes to the SCOPE Plan. The changes, which are incorporated (in redline) into the revised SCOPE Plan (Exhibit A), are updates to the current landscape, metrics, Plan data, sponsorship selection criteria, partnership list, and current targeted initiatives. SIB staff continues to take into consideration its learnings when further developing its existing and future efforts and partnerships.

***Presenter***

Julio Martinez, Executive Director, ScholarShare Investment Board

**RESOLUTION NO. 2016-05**

**RESOLUTION OF THE SCHOLARSHARE INVESTMENT BOARD  
APPROVING CHANGES TO THE SCHOLARSHARE  
OUTREACH AND PUBLIC EDUCATION PLAN**

**WHEREAS**, the ScholarShare Investment Board (the “Board” or “SIB”) was created under Education Code section 69980 et seq. (the “Golden State ScholarShare Trust Act” or “Act”);

**WHEREAS**, Section 69992 of the Education Code provides that the Board shall aggressively market this program to the citizens of the State of California, and that the Board shall include in its marketing efforts information designed to educate citizens about the benefits of saving for higher education, and that the Board shall also develop a mechanism to keep participants in this program motivated about their current and future academic endeavors;

**WHEREAS**, the Board adopted the ScholarShare Outreach and Public Education Plan (the “SCOPE Plan”) at the June 19, 2008 Board meeting and recognized that the SCOPE Plan’s goals and criteria, were the first large-scale effort in furthering ScholarShare outreach, and as such will be amended from time to time; and

**WHEREAS**, as part of its annual review, SIB staff has reviewed the SCOPE Plan and proposes updates to the current landscape metrics, sponsorship selection criteria, types of partnerships, and recent targeted initiatives to provide a more defined outline of the marketing and outreach in which SIB participates;

**NOW, THEREFORE, BE IT RESOLVED** that the Board approves changes to the SCOPE Plan, as proposed by SIB staff and as shown (in redline) in the revised SCOPE Plan (Exhibit A).

Attest:

\_\_\_\_\_  
Chairperson

Date of Adoption: \_\_\_\_\_

## EXHIBIT A



# SCHOLARSHARE

CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

## SCHOLARSHARE OUTREACH & PUBLIC EDUCATION (SCOPE) PLAN

~~(October 2015~~September 2016)

ScholarShare is California's 529 college savings plan, a state-sponsored, tax-advantaged investment vehicle designed to help and encourage families to save for future higher education expenses. ScholarShare and the ScholarShare Investment Board (SIB or Board) were established in 1997 under California Education Code Sections 69980-69994. Earnings in ScholarShare accounts grow tax-deferred, and disbursements are federal and state tax-free when used for tuition and other qualified higher education expenses. SIB administers the ScholarShare College Savings Plan (ScholarShare) currently managed by TIAA-CREF Tuition Financing, Inc. (TFI).

Per California Education Code Section 69992, SIB is statutorily mandated to aggressively market ScholarShare to California families, to educate them about the benefits of saving for college, and to develop a way to keep ScholarShare participants motivated about their current and future college savings endeavors. The ScholarShare Outreach and Public Education (SCOPE) Plan was developed by SIB staff and originally adopted by the Board in 2008. It is updated and reviewed by the Board annually. The SCOPE Plan was developed in response to the Board's desire to expand outreach efforts to California families, while complementing marketing efforts by the ScholarShare program manager.

### Current Landscape

As of June 30, 20~~16~~15, there were more than ~~265,800~~277,135 open ScholarShare accounts with nearly \$~~6.75~~ billion in assets under management and an average ScholarShare account size of \$~~24,497~~341. ~~In~~ Through the second quarter in 2015~~6~~, the average contribution per account was \$~~2,291~~2,242.<sup>1</sup> The percentage of accounts with a beneficiary aged eleven and under is ~~46~~45%, with ~~60~~61% of account owners under the age of 50.<sup>2</sup>

During the last few years, there has been a trend toward younger families opening accounts. Of the new ScholarShare accounts opened since June 30, 2013, a significant number of the beneficiaries are aged 10 or under. ~~To that end~~, SIB staff continues to evaluate marketing and outreach efforts and make adjustments to ~~increase focus on~~reaching families with young children thereby maximizing the savings and investment returns time horizon.

In 201~~5~~4, SIB staff participated in more than ~~600~~650 outreach and community events statewide with an attendance of over ~~846~~930,000 people, including many families with ~~low to moderate~~low to moderate incomes, non-English speaking populations, and other underrepresented communities. ScholarShare has shown tremendous growth, however, there continues to be a need to promote the importance of attending and saving for college. ~~The U.S. Bureau of Labor Statistics demonstrates the importance and value of attending college, stating that in July 2015, the seasonally adjusted unemployment rate for Americans with~~

<sup>1</sup> Data for the period January-June ~~2015~~2016

<sup>2</sup> Data as of June 30, ~~2015~~2016

a high school diploma was 5.5%, which is more than double the 2.6% unemployment rate for those with a bachelor's degree.

Although many parents believe it is important to save for college, according to the 2015-Sallie Mae Study "How America Pays for College 2016," only 42%~~two in five~~ of families have a plan in place to save for college. ~~Among the parents who feel that college is important, 59% have some trepidation about being able to save for college, 29% feel overwhelmed, and 28% are frustrated that savings will not be enough for the cost of college. Further, according to the annual "529 Plan Awareness Survey" from financial services firm Edward Jones, "3 out of 4 Americans still don't know what a 529 college savings plan is." While the cost of a college education remains a top concern for families the Edward Jones survey reports a continuing downward trend in 529 awareness, citing a 6% drop in awareness compared to the same survey conducted a year earlier. Furthermore, the 2015 Sallie Mae study shows that one of the main obstacles to parents deciding to save for college is a lack of awareness, not only about the importance of saving for college, but also about the tools available to them, such as a ScholarShare 529 college savings plan. Among those not utilizing 529 plans, only four in ten parents (39%) report being aware of these plans, while parents who are aware of 529 plans but are not using them cited a lack of knowledge about them as the second most frequently cited reason for not utilizing a 529 (14%) after not having enough money to save in that type of account (26%). It remains clear that more needs to be done to educate families about 529 plans like ScholarShare.~~

~~Californians value the importance of a college education. According to the California College Savings Survey conducted for ScholarShare in 2013, 92% of parents say that a college degree is worth the money and time involved, with 60% arguing that a degree is definitely worth it. Four in five California parents say that getting a higher education is more important today than it was 10 years ago, but most fear they will not be able to afford it and have not started saving to help pay for the costs. Nearly three-quarters (73%) of California parents tell us they are very (55%) or fairly (18%) concerned about being able to pay for their kids' higher education, up slightly from the 2012 survey, and 54% of parents do not have a college savings account at all. Over the past year, parents have become slightly more likely to save through a 529 or stocks and mutual funds outside of a 529, and slightly less likely to rely on savings accounts, money markets or bonds. California parents with a 529 are twice as likely to have a ScholarShare account than another state's 529. The proportion of California parents reporting to have saved for college increased from 43% in 2012 to 46% in 2013, and other data points suggest that California may be poised to see a long-term expansion in college savings. In both 2012 and 2013, younger parents were more likely than older parents to have money set aside for college.~~

~~The cost of attending college continues to rise above the rate of general inflation. The escalating cost of college is also a very challenging issue. According to The College Board, the average cost (tuition, fees, room and board) of attending a four-year program in the 2014-15~~2015-16~~ school year was \$18,943~~\$19,548~~ at a public institution and \$42,419~~\$43,921~~ at a private institution, which was representing an increase of 3.2% of \$560 and \$1,464 3.5% respectively from the 2013-14~~2014-15~~ school year. Rising college costs continues to be a challenge and a concern for families. While college costs are rising considerably above the rate of general inflation, the 2015 despite less than 50% of families planning to save for college. However, the Sallie Mae Study also shows reports that half (48%) of families with children under the age of 18 are saving for college. Families who created a plan are were significantly more confident they made the right financial decisions about paying for college than families without plans (92% were either completely or somewhat confident). three times more confident that they will be able to meet the future costs of college than families who have not created a plan. Furthermore, families who are both planning and saving have saved 46% more dollars in their college savings fund (average amount: \$11,102) compared to the amount saved by families who do not yet have a plan (average amount: \$7,610). The planning payoff is significant: families with plans save more for college, have the means to spend more on college, and borrow less. With the rising costs, increased reliance on student loans, and the financial difficulties families are currently experiencing, it is more important than ever for California families to begin saving early and systematically.~~

The mission and vision statements and core values below will continue to serve and further guide SIB in its efforts to promote the benefits of saving for college with a ScholarShare 529 plan.

### **Mission Statement**

To help Californians achieve their higher education goals and a better future by investing in a ScholarShare 529 college savings plan.

### **Vision Statement**

ScholarShare: Investing for college and in California's future.

### **Core Values**

- Integrity
- Dedication
- Enthusiasm
- Innovation
- Collaboration
- Diversity

### **Goals**

The primary goal of the SCOPE Plan is to raise the public's awareness of ScholarShare by participating in resource fairs and events, working with organizations that are involved with promoting higher education access and affordability, and providing resources to parents, public policy makers, and schools about the importance of saving for college with a ScholarShare 529 college savings account. Below is a list of the specific goals of the SCOPE Plan.

1. **Raise awareness** of ScholarShare to families of all income levels and make product improvements to facilitate growth of assets and accounts.
2. **Promote the benefits of saving** for higher education and provide excellent customer service for current and potential ScholarShare participants.
3. **Promote the benefits of attending** higher education institutions.
4. **Partner** with organizations and agencies that **promote education, financial literacy and/or child development**, and also **provide educational opportunities to California families and children**.
5. **Partner** with organizations whose target audience complements the ScholarShare audience in order to leverage resources and maximize efficiency of marketing resources.
6. **Collaborate** with businesses, non-profit organizations and community-based youth-serving agencies that provide families and young adults with resources and tools needed to **pursue a higher education**.

### **Partnership Selection Criteria**

In order to guide the efforts and meet the goals of the SCOPE Plan, SIB has developed the following criteria for partnership opportunities:

1. **Importance and/or relevance and applicability of the proposed partnership to the SCOPE goals**
  - a. Does the proposed partnership promote the SCOPE Plan goals?
  - b. Does this partnership work with SIB's targeted audience?
  - c. How will awareness of ScholarShare and saving for higher education be advanced?
  - d. What type and size of audience will be exposed to ScholarShare?
2. **Qualifications of the organization**
  - a. Does the organization possess the necessary resources and/or facilities to promote the SCOPE Plan goals?
    - i. What is the physical environment?
    - ii. What are the attendance rates (daily/weekly/monthly/yearly) and how many individuals will be reached?
    - iii. What are the demographics of the audience?

- iv. Does the organization have a record of reaching underrepresented groups and what are their efforts in this area?
- v. Does the organization have other partnerships that can be leveraged?
- vi. Does the organization employ useful collaborative arrangements with outside entities that provide an opportunity to spread ScholarShare’s message (i.e., if ScholarShare signage is included in partnerships, does the organization have other events where the ScholarShare signs will be viewed)?
- vii. Is the organization capable of gathering and analyzing data and results to measure the success of their efforts?

**3. Budget**

- a. Is the proposed budget realistic to accomplish the stated partnership goals?
- b. Are the marketing benefits commensurate with the proposed cost?
- c. Are there “in-kind” offerings or “added-value” opportunities?

**4. Outreach and education**

- a. Does the partnership provide a focused and effective education and outreach strategy regarding SIB’s mission to promote saving for higher education and attendance at institutions of higher education?
- b. How will the success of the partnership be measured and communicated to SIB to ensure it has met objectives?

**Types of Partnerships**

~~As part of the SCOPE Plan,~~ SIB collaborates with agencies and organizations that share similar goals to maximize efforts and raise the public’s awareness of ScholarShare, saving for higher education, and the importance of attending higher education institutions. These agencies and organizations have established programs, events or other outreach efforts that provide California families with information about education, child development and learning, and/or financial planning literacy. They also have access to an audience that correlates with the target audience SIB seeks, allowing ScholarShare to take full advantage of reaching its partners’ built-in audience while leveraging its existing structure, network and relationships, and established programs and events. SIB evaluates each opportunity, taking into consideration a number of factors, including the goals of the SCOPE Plan and the prescribed sponsorship selection criteria ~~that SIB developed~~, to determine if the opportunity would be an effective effort to pursue. These established efforts each reach SIB’s target audience through various avenues that include, but are not limited to, direct marketing through e-newsletters and emails, print and online advertising, social media integration, on-site participation through resource booths and signage at events, and on-air campaigns such as television and radio. Partnerships and relationships with these agencies and organizations are continually evaluated to ensure that the outcomes and opportunities are consistent with the goals of the SCOPE Plan.

**Educational Partnerships**

*Audience:* Parents, grandparents, students, educators, alumni, families with low to moderate income

*Strategies:* Online (website presence, e-newsletters, direct emails, social media), print (magazines, direct mail, newsletters, flyers), on-site (workshops, resource booths, signage)

*Examples:*

- Partnerships with organizations that support education and assist families in preparing for college such as college access programs, child savings account advocates, and parent empowerment organizations. ~~the South County California Student Opportunity and Access Program (Cal-SOAP) in Gilroy, College OPTIONS in Shasta and Tehama county, Intersegmental Coordinating Committee, and Parent Institute for Quality Education, Inc.~~

- ~~Partnerships with California public and private university alumni associations, at University of California (UC), California State University (CSU), and private California college campuses, such as UC Los Angeles, UC Berkeley, UC Santa Barbara, Fresno State, and the University of Southern California (USC).~~
- ~~Partnerships with California institutions of higher education systems (universities and community colleges) and event programming that promote college access and success, that include the UCs and CSUs such as College: Making It Happen events at CSU campuses, and the California Community Colleges.~~
- Development of programs and partnerships with K-12 public and private schools and organizations that reach parents, students, and educators.

### **Public Outreach Initiatives**

*Audience:* Parents, grandparents, students, educators, governmental employers and employees, families with low to moderate income, ethnically-diverse populations

*Strategies:* Online (website presence, e-newsletters, banner advertising, social media), print (magazines, direct mail, newsletters, flyers, state calendars, employee benefits directories, ads), on-site (resource booths, signage, event title sponsorship opportunities), media (radio, print media, television)

*Examples:*

- ~~Partnerships with education-promoting institutions such as museums, zoos, aquariums, and science and learning centers. Pretend City Children's Museum in Irvine, Zimmer Children's Museum in Los Angeles, The Lawrence Hall of Science in Berkeley, Kidspace Children's Museum in Pasadena, the Natural History Museum of Los Angeles County, Bay Area Discovery Museum in Sausalito, The Tech Museum of Innovation in San Jose, Fresno Chaffee Zoo, and the Los Angeles Zoo and Botanical Gardens.~~
- ~~Partnerships with athletic associations at various CSU campuses including Fresno State, Sacramento State, San Diego State, and San Jose State, as well as Stanford University, UC Berkeley, and University of the Pacific.~~
- ~~Partnerships with various Minor League Baseball teams such as the Bakersfield Blaze, Rancho Cucamonga Quakes, and Stockton Ports.~~
- Partnerships with health and wellness agencies and organizations and participation in programs that reach families and new and expecting parents.
- Participation in events promoting child development and learning such as children's book festivals, baby expos, and new parent and mommy clubs, fairs, and events. the Parents Education League of Los Angeles, ~~Fairytale Town's ScholarShare Children's Book Festival in Sacramento, the Orange County Children's Book Festival in Costa Mesa, the Sacramento Play Summit, the Children's Fairyland in Oakland, and various Mom's Clubs fairs and events.~~
- Participation in events, educational workshops and webinars, and employee benefits fairs held by organizations and government agencies through partnerships with public and private employers. such as the California Departments of Human Resources, Education, Social Services, Motor Vehicles, Public Health, and the California Public Employees' Retirement System..
- Partnerships with media organizations that reach California's diverse ethnic populations, ~~such as Telemundo of Northern California and Univision.~~
- Development of programs and Ppartnerships with organizations who that reach California's low to moderate income populations.

## Other Initiatives

In the past year, ScholarShare continued various initiatives in an effort to reach an even wider audience throughout the state, while continuing to meet its statutory requirements to market the ScholarShare Plan, educate Californians about the importance of attending and saving for college, and motivate ScholarShare participants in their current and future academic endeavors. These marketing initiatives include ~~the ScholarShare Speaks series~~, the enhancement of ScholarShare's social media channels, the annual Summer Reading Program, the free school supplies program offered to California elementary schools, and various promotions held at specific times of the year (such as National 529 College Savings Day and National College Savings Month) to bring awareness to the importance of college savings.

~~**ScholarShare Speaks**— In 2015, ScholarShare continued its ScholarShare Speaks series with four events held, allowing ScholarShare to align itself as a thought leader of important topics that would serve as an educational resource and appeal to its target audience, which include parents with young children, grandparents, and caregivers. Topics may include, but are not limited to, education, health, and parenting.~~

- **Social Media** – In 2015~~6~~, ScholarShare continued to develop its social media channels by offering various resources and promotions on its Facebook and Twitter pages, and interacting with the blogger community. There continues to be a strong indication that it is effective to engage its target audience at places where they seek information, which include online and mobile social media sites and through discussion amongst their community of fellow parents and caregivers. By being present in these interactive channels, ScholarShare is able to continually increase its brand awareness and increase participation in the Plan, while also serving as a resource to its target audience.
- **Summer Reading Program** – In ~~2015~~2016, ScholarShare ran its annual summer reading program which encourages students throughout the state to read over the summer. California families with children in grade 8 or below participating in a California Public Library summer reading program were offered the chance to win \$500 toward a ScholarShare college savings account, plus \$500 for their local library. Participants entered their information on the ScholarShare website, and at the end of the summer, 40 winners were randomly selected (one winner from each of the 40 senatorial districts). The contact information provided by the entrants was also used to send ScholarShare marketing material, such as brochures and enrollment kits to the participants.
- **Free School Materials and ScholarShare Information** – In 2015~~6~~, ScholarShare continued to offer all California elementary schools free school supplies. Principals, school administrators, and families were encouraged to order online a free shipment of folders as well as educational materials promoting the importance of going to college such as posters and brochures for students in kindergarten through grade 3. Additionally, the online order website offered schools the opportunity to request ScholarShare webinars and presentations about college savings.
- **National College Savings Awareness Initiatives** – Each year, the 529 industry as a whole develops specific initiatives to increase awareness and education about college savings. Two initiatives that occur annually include National 529 College Savings Day on May 29<sup>th</sup> and National College Savings Month in September.
  - In May 2015~~6~~, ScholarShare collaborated with Assemblymember ~~Ed Chau's~~ Jose Medina's office ~~who passed with the adoption of~~ Assembly Concurrent Resolution (ACR 16847), establishing May 29<sup>th</sup> as National 529 College Savings Day. To generate interest and awareness, ScholarShare held a special one-day matching promotion supported by traditional marketing channels (online, social media, email, etc.) and outreach efforts that included two 529 college savings workshops, one in Sacramento and one in Los Angeles, allowing attendees to open accounts on-site, and an informational resource booth. This initiative resulted in nearly more than 1,000-500 accounts opened on 529 Day.
  - In September 2015~~6~~, the Governor declared September as College Savings Month in California. ScholarShare launched a "College Savings Pledge" month-long promotion in September to commemorate National College Savings Month and to increase awareness and education to California families about saving for college, encouraging them to "take a pledge" to learn more about saving for college, ~~to make~~ develop a plan, and ~~to take the initial steps to begin the planning process~~ put the plan into action. This initiative was supported by traditional marketing channels (online, social media, etc.) and outreach efforts through the school systems, employers, and ScholarShare's partners.

## **Summary**

Due to California's large and diverse population and geographic size, developing partnerships with other organizations is essential to maximize SIB's efforts to increase the awareness of ScholarShare and to promote the importance of attending and saving for college. By partnering with a variety of organizations, SIB will leverage existing relationships to create a larger outreach impact and maximize resources. All partnerships and sponsorships are evaluated by SIB on a continual basis to ensure that the outcomes and opportunities are consistent with the goals of the SCOPE Plan. In an effort to accomplish these goals and to meet our mission, SIB will continue to perform outreach to all California families to raise awareness about ScholarShare and the importance of saving for and attending college.