



**CALIFORNIA DEPARTMENT OF EDUCATION**  
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**CALIFORNIA OFFICE OF THE STATE TREASURER**  
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August 25, 2015

Dear Elementary and Middle School Principals:

### **SCHOLARSHARE COLLEGE SAVINGS PLAN**

Financial preparation is an important part of college readiness. As college tuition continues to rise, families need to be aware of all the resources and tools available to help them save so that college remains an accessible goal. In recognition of National College Savings Month this September, we are providing important information about ScholarShare, a highly successful state program designed to help families save for their children's future college expenses, and about an upcoming special month-long promotion for students and their schools. Please share this information with your students' teachers, parents, guardians, and other interested parties.

#### **Why is it so critical for a family to begin to think about college financing so early in a student's life?**

According to a 2013 survey conducted by Hart Research Associates for ScholarShare, four out of five California parents say that getting a higher education is more important today than it was 10 years ago. However, the survey also found that only 46 percent of all parents in California have money in a dedicated account to help pay for their children's higher education. It is especially critical to reach families with young children because they have the most to gain; the earlier families start saving, the longer they have to see their investments potentially grow.

#### **What is ScholarShare, and how does ScholarShare help students' families?**

Overseen by the ScholarShare Investment Board, which is chaired by State Treasurer John Chiang, ScholarShare is California's official, state-sponsored 529 college savings plan. It was established in 1999 as a tax-advantaged way for families to save for higher education costs. As a partner in education, ScholarShare also offers resources and tools for parents and community members.

Through ScholarShare, any adult legal resident of the United States can open a ScholarShare account with as little as \$25. Through regular contributions via direct deposit from a bank account or paycheck, a ScholarShare account can potentially grow

substantially over time. Earnings on ScholarShare account investments are federal and state tax-free when used for qualified higher education expenses such as tuition, books, and certain room and board costs. Funds can be used at a variety of eligible institutions nationwide, including many vocational and technical schools, and many international schools. Parents, relatives, and family friends can open a ScholarShare account for a child by calling **1-800-544-5248** (toll-free) or by accessing ScholarShare online at <http://www.scholarshare.com>. Informational Webinars are available in English and Spanish on the site, and licensed local field representatives are available for personal consultation and assistance. The ScholarShare Speaks Web site at <http://www.scholarsharespeaks.com> provides families with public forums on topics related to child development, health, and parenting skills at minimal or no cost.

### **What is National College Savings Month, and how is ScholarShare promoting it?**

Each year, California and other states throughout the country recognize September as National College Savings Month, which serves as an opportunity to raise awareness about the importance of saving for college with the help of 529 college savings plans. In California, ScholarShare will be sponsoring a special College Savings Pledge promotion in September that will allow parents and guardians to enter for a chance to **win a \$500 ScholarShare college savings account for their child as well as a matching \$500 prize for their child's classroom**. More information and promotional materials for teachers and parents, including the Official Rules, are available on the ScholarShare College Savings Pledge Web page at <https://www.collegesavingspledge.com>.

### **How else does ScholarShare help educators and others in local communities?**

In addition to assisting students' families save for college, ScholarShare helps educators by:

- Offering free school supplies such as folders, bookmarkers, and posters to California kindergarten through grade three classrooms each spring. This is a great way to promote college attendance and college savings at no cost to your school. More information is available on the ScholarShare Start Shopping Web page at <https://www.scholarshare.com/schoolsupplies/>.
- Sponsoring the Summer Reading Program, a partnership with local libraries that encourages school-aged children to read during the summer months. The program launched in late spring, and more information is available on the ScholarShare Web page at <http://www.scholarshare.com>.

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ScholarShare also participates in outreach events held by local education-focused organizations throughout California; more information is available on the ScholarShare Community Events and Webinars Web page at <https://www.scholarshare.com/stage/community/index.shtml>, by following ScholarShare on Twitter at <https://twitter.com/ScholarShare529>, and by “liking” ScholarShare on Facebook at <https://www.facebook.com/scholarshare529>.

Once again, we encourage you to share the information in this letter with all your students’ teachers, parents, guardians, and any other interested parties.

Thank you for your attention to this important topic.

Sincerely,



Tom Torlakson  
State Superintendent of Public Instruction



John Chiang  
State Treasurer

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