

RESOLUTION

Inclusion of Section 529 Plans in the Saver's Credit to Encourage More American Families to Save for the Rising Cost of Higher Education

- WHEREAS,** The rising cost of a college education continues to outpace inflation and, without proper planning, those costs can jeopardize a family's ability to ensure their children have access to higher education; and
- WHEREAS,** College is an investment that will pay off given that the earnings gap between those with a high school diploma and those with a bachelor's degree or beyond exceeds \$1 million over a lifetime; and
- WHEREAS,** Over the past decade, education loan volume increased by more than 150 percent to over \$75 billion, and at the end of the period, loans constituted approximately 54 percent of total funds used to finance postsecondary expenses; and
- WHEREAS,** The "tax-free" treatment of Section 529 plan earnings has encouraged a record number of parents to start saving for their children's college expenses, accumulating assets in these programs nationwide that have grown from \$13 billion in 2001 to more than \$112 billion today; and
- WHEREAS,** In 2001, as part of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), Congress created the Saver's Credit to encourage middle- to low-income individuals to save for retirement.

NOW, THEREFORE BE IT RESOLVED, that the National Association of State Treasurers and its College Savings Plans Network urges the President and the Congress of the United States to enact legislation to include contributions to Section 529 qualified tuition programs to the list of deferrals or contributions that qualify for the Saver's Credit.

Approved this 15th Day of July, 2007 by
The National Association of State Treasurers



Hon. Tate Reeves
NAST President and Mississippi State Treasurer