

RESOLUTION

Regarding Federal Initiatives to Establish Children’s Savings Accounts (CSA) Programs

- Whereas** The rising cost of a higher 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** The total outstanding student loan debt in the United States as of 2023 is \$1.8 trillion and 45 million borrowers hold student loans; and
- Whereas** Higher education 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** Congress created Section 529 of the Internal Revenue Code to encourage and enable more people to obtain postsecondary education, and explicitly established the control, administration, and public policy decisions of Section 529 College Savings Programs with the states; and
- Whereas** Section 529 College Savings Programs are a tool already at Americans’ disposal that have helped improve higher education access and affordability for lower- and moderate-income families by encouraging savings and decreasing reliance on debt, and by providing financial education and empowerment, scholarship, matching grant and children’s savings account initiatives; and
- Whereas** Section 529 College Savings Programs across the country endeavor to increase participation in the plans by families of all income levels and research has shown that lower-income children with savings accounts dedicated for their education are significantly more likely to attend and complete postsecondary education; and
- Whereas** Children’s Savings Accounts (CSAs), also called Child Development Accounts (CDAs), are long-term savings or investment accounts administered by states, localities, or private entities which provide children an initial deposit early in life to help families build assets for their child’s future, typically covering postsecondary education expenses, and often provide families additional targeted deposits and opportunities for financial education; and

Whereas As of 2022, approximately 5 million children across the United States have a CSA, with exponential growth in recent years coming from statewide programs that utilize the existing infrastructure of 529 College Savings Programs for account administration; and

Whereas Though state and local CSA programs ensure children in those communities have an account for education savings, there is currently no comparable national program or initiative to provide access to all children across the United States; and

Whereas CSPN is comprised of industry experts who have established the 529 and education savings infrastructure across the country, and CSPN has supported and continues to support federal policies that expand the use of 529 accounts in order to provide more flexibility for American families saving for education;

NOW, THEREFORE BE IT RESOLVED, that the National Association of State Treasurers, and its affiliate the College Savings Plans Network, encourages Congress to advance federal policies that strengthen and increase broader, more diverse access and participation in Section 529 College Savings Programs, including Children’s Savings Account programs that utilize the 529 infrastructure, and;

BE IT FURTHER RESOLVED, that the National Association of State Treasurers, and its affiliate the College Savings Plans Network does not support or oppose any specific proposals that allocate federal dollars to Section 529 College Savings Programs or any programs that utilize the 529 infrastructure that operate independent of existing State 529 programs.

*This resolution shall remain in effect until amended or rescinded.