

# 529 TECHNOLOGY SHOWCASE

Exploring new abilities  
to gift with credit cards,  
Venmo, PayPal, Apple  
Pay and more



# Moderators



**John Mitchell**

Director, College Savings | Illinois Treasurer



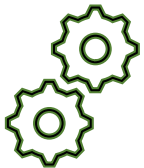
**Alyson Luszczyk**

AVP, Advisor-Sold Plan Program Manager | T. Rowe Price

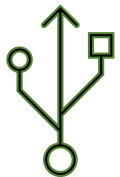
# Overview of the CSPN Data, Operations, and Technology (DOT) Committee



**CSPN data collection and studies on 529 plans and savers**



**Operational discussions and white papers on shared operational challenges and solutions**



**Reviews of technology shaping the 529 industry**

# About Our Technology Showcases



**Provide learning for CSPN states and corporate affiliates**



**Highlight advances within a focus area (such as payments)**



**NOT an endorsement or recommendation of any specific technology, vendor, or approach.**

# Today's Focus: Innovations in 529 Payments

- ① **Worldpay / Gift of College: Framework for 529 gifts**
- ② **Catalis: Digital wallet for one-time payments**
- ③ **Backer: Digital wallet solutions for 529 gifting**
- ④ **my529: Debit cards for gifts**

# Questions...



**Please post your questions to the Q&A tab**

Alyson will be collecting questions and asking them at the end of the presentation.

1

**worldpay**

 **Gift of College**.com

**Worldpay**

**Worldpay** and **Gift of College** will showcase a new framework for acceptance of 529 gifts via credit card.



Gift Of College & Worldpay

# Card Acceptance for 529 Gifts





# Agenda

1

## **American Consumers' Payment Preferences**

How Americans want to pay for their financial transactions e.g. on investment platforms, for insurance premiums etc

2

## **Landscape for 529 Plans**

The current payment landscape to fund 529 Plans and how this affects the user journey

3

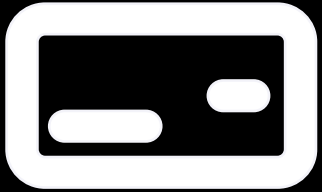
## **Worldpay and Gift of College partnership**

An overview of the partnership and some of the pain points we addressed

# American Consumers Payment Preferences



# How do Americans spend?



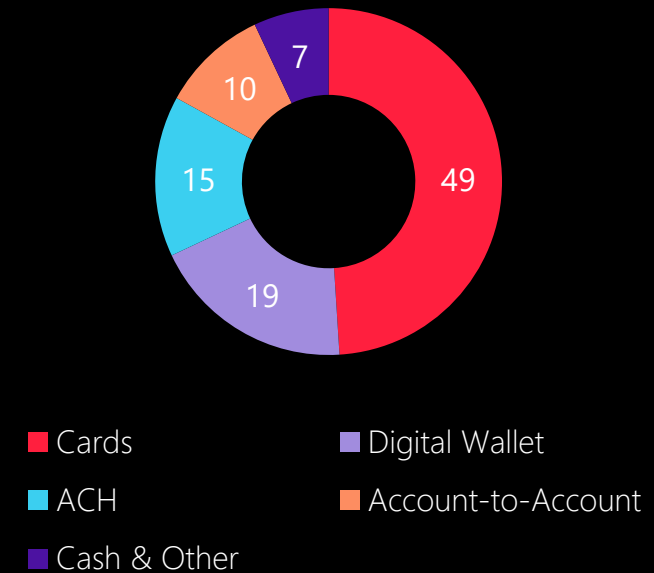
Credit cards and digital wallets are key in the US – 68% of transactions



Digital and mobile wallets are popular and 85% of these transactions are backed by credit or debit cards

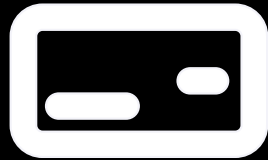
**A recent Worldpay survey of 25,000 users' payment preferences further shows the dominance of credit cards.**

Americans' Payment Preferences when paying for Financial Transactions (%)



# Why use credit cards over bank accounts for online transactions?

30% of consumers will not enter banking information online for a purchase



## Card payments

1

Tokenization protects sensitive information from data breaches

2

Credit cards offer purchase protection as standard

3

Cards offer flexibility and control when transacting online



## Bank Accounts

1

Exposed to data breaches, putting sensitive bank account data at risk

2

No purchase protection means you are exposed to fraudulent actors

3

Bank accounts have reduced flexibility and acceptance online

## Any guidance on credit card usage in 529 plans?

### 529 Plans

*As described in **Section 1. 529-2(d)**, contributions may be made only in cash and not in property, but that a program may accept payment "... in cash, or by check, money order, credit card, or similar methods."*

### ABLE

*The final regulations provide that all contributions to an ABLE account must be made in cash, and that a qualified ABLE program may accept contributions in the form of cash, check, money order, **credit card payment**, electronic transfer, or other similar method of payment.*

*Many commenters urged that the final regulations continue to allow a qualified ABLE program to accept contributions by **credit card**, and the final regulations do so.*

## Why are we doing this?

*"There continues to be an opportunity to improve the process of providing friends and extended family with the ability to contribute to 529 accounts of those they love. While over \$6.5 billion in gift contributions to 529 accounts have been made over the past 10 years, the ability to give a gift using a credit card will remove hurdles and modernize the experience, thereby, increasing contributions and improving outcomes for millions of students."*

- Paul Curley, Director of 529 & ABLE Solutions,  
ISS Market Intelligence

# Worldpay & Gift of College

Worldpay and Gift of College partnered together to make it possible to use credit cards, for the first time, when making gift contributions to 529 college savings plans



But first...

# About Worldpay

**135**

currencies

**225**

markets

**146**

countries

**2.3t**

in processed volume annually

**1m**

merchants supported  
globally

**52b**

transactions  
processed in the last year

**60+**

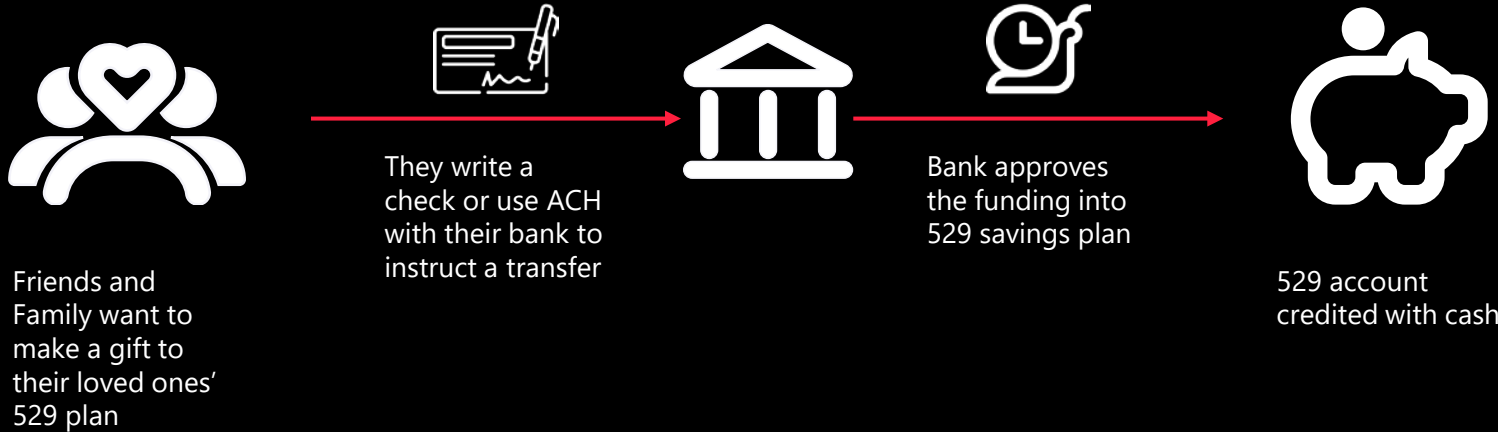
unique payment methods

**24.7.365**

dedicated customer service

# Improving the gifting journey

Previously



Slower, inflexible and less transparent process

Now with  
Worldpay and  
Gift of College



Faster and smoother contribution experience for users

## What are the main benefits of the partnership?

- 1 An easier process when contributing directly leads to more frequent contributions
- 2 Worldpay's low cost and reliable solution for credit card processing is ideal to ensure 100% of the gifts reach the recipient
- 3 Worldpay's decades of payment experience and network, combined with Gift of College's 529 expertise, makes for a winning customer experience
- 4 Using credit cards to fund 529 accounts brings security and control, minimizing the risks present when using a bank account
- 5 Worldpay and Gift of College manage the integrations and payments, so 529 programs can focus on what matters – growing their AUM and building awareness of 529 plans

2

## Catalis

**Catalis** will demonstrate its new technology to facilitate one-time payments via PayPal and Venmo.



CATALIS™ 

## Digital Wallet Feature

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 College  
Savings  
Plans



## Americans use digital wallets more than traditional payment methods:



**53%**

of Americans use  
digital wallets **more**  
than traditional  
payment methods

### MOST POPULAR:



69%

 **PayPal**



53%

 **Apple Pay**



49%

 **venmo**



56%



**Google Pay**



52%



**samsung pay**



# Digital Wallet Module

Addressing Consumer Preference

## Key Benefits



### CONVENIENT

PayPal / Venmo integrations offer easy, fast, and low-friction transactions



### CONFIGURABLE

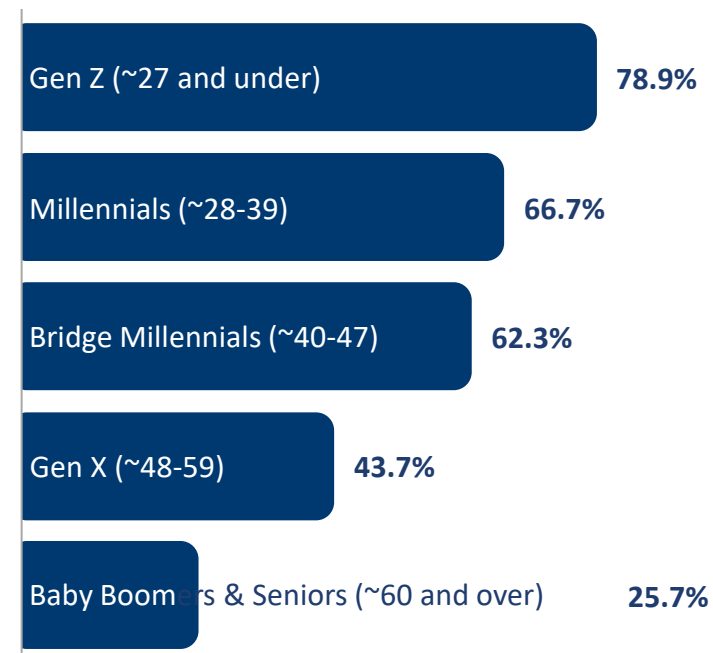
Contribution options including bank account, debit card, and credit card, as desired



### SECURE

Security-by-design and cybersecurity best practices ensure data & transactions are protected

## Digital Wallet Usage



PYMNTS Intelligence in collaboration with AWS;  
“Tracking the Digital Payments Takeover, February 2024”



# Digital Wallet Feature

HomeYour AccounteGiftFinancialsDocumentsProfileLogout

ContributionsOne-time ContributionAutomatic ContributionsRedemption / Withdrawal

### One-time Contribution

Select a Beneficiary

XXXXXXXXXXXXXXXX: Savings - XXXXXXX - Active - Individual Account

Make a deposit to your Private College 529 account(s) by creating a one-time contribution.

Your Beneficiary(s)	Account Number	Contribution Amount
XXXXXXXXXXXXXXXX	XXXXXX	\$ 529.00
Total Contribution Amount:		\$ 529.00

Select Contribution Option    ☐ ACH    ☒ PayPal/Venmo

Please note that a 2.9% convenience fee is charged when contributing via PayPal or Venmo. In order to complete your payment via PayPal/Venmo, you will be redirected to a secure third-party site. Once payment is completed, you will be redirected back to this site.

☒ I have read and agree to the [PayPal/Venmo contribution terms and conditions](#).

CancelNext

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# PRIVATE COLLEGE 529PLAN

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by CollegeWell

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## Catalis Insights On Early Experience Digital Wallet Feature

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[Y]esterday's beneficiaries are becoming today's account owners. If 529 Plans want to meet these potential investors where they are, then our landscape should demonstrate an appreciation for enhanced technology.



– AKF Insights (February 2024)

<https://akfconsulting.com/insight/deploying-529-savings-is-becoming-more-efficient/>

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# Backer

## Backer

**Backer** will share data insights from its implementation of 529 gifting via credit card, Apple Pay, and Google Pay.

# Questions and Panel Discussion



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questions to Q&A tab**

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