



FOR IMMEDIATE RELEASE

Media Contacts:

Abby Berman

646.695.7044

abby@rosengrouppr.com

Maggie Beaudouin

646.695.7050

maggie@rosengrouppr.com

College Savings Plans Network Statement on President Obama's Tax Proposal for 529 College Savings Plans

LEXINGTON, Ky. (January 20, 2015) – In his State of the Union address, President Barack Obama is expected to announce a proposal which would roll back tax-free earnings for 529 plans that were enacted in 2001 for new contributions.

Betty Lochner, chair of the [College Savings Plans Network \(CSPN\)](#)—the nation's leading objective source of information about Section 529 College Savings Plans and Prepaid Tuition Plans—issued the following statement regarding the President's new proposal:

“Making college more financially attainable is a worthy endeavor and families should continue to be encouraged to make a responsible choice to save for higher education. With 12 million accounts open, 529 college savings plans are helping American families save for future higher education costs. Research shows children with a college savings account are six to seven times more likely to attend a four-year college, compared to children with no dedicated account.¹ Taxing college savings is detrimental and will have a chilling and resounding effect on the future of college savings, leaving families with an even greater reliance on student loan debt, which is currently at \$1.3 trillion. Loans and tax credits alone are not the solution to making college more affordable, so we should be doing all we can to encourage, not stifle, savings. CSPN and the College Savings Foundation are united in our opposition to this proposal as it will negatively impact American families and their ability to save for higher education.”

President Obama will release his Fiscal Year 2016 budget on February 2. The College Savings Plans Network will share more information on this issue when made available.

About College Savings Plans Network (CSPN)

Founded in 1991, the [College Savings Plans Network \(CSPN\)](#) is a national non-profit association and the leading objective source of information about Section 529 College Savings Plans and Prepaid Tuition Plans—popular, convenient and tax-advantaged ways to save for college. An affiliate of the National Association of State Treasurers (NAST), CSPN brings together administrators of 529 savings and prepaid plans from across the country, as well as their private sector partners, to offer convenient tools and objective, unbiased information to help families make informed decisions about saving for college. For more information, visit the CSPN website at [CollegeSavings.org](#); and follow CSPN on [Twitter](#) and [Facebook](#).

¹ The College Savings Initiative, the Center for Social Development at Washington University in St. Louis and the New America Foundation in Washington, DC., 2010.