

Subsides To Spur College Savings Discussed **10/7/2006**

OKLAHOMA CITY (AP) _ Providing subsidies to help lower income Oklahomans save for college could pay dividends for the state in the future, the Oklahoma College Savings Plan Task Force was told Friday.

David Reisdorph of the Oklahoma Kids' College Savings Campaign said research shows that a little assistance can encourage low-income households to save for college.

He said existing state programs, including the Oklahoma Colleges Savings Plan, are of less benefit to low-income families who have little or no state income tax liability.

Even a modest savings plan can mean a lot if started early for a prospective college student, he said.

``Unfortunately, Oklahomans are not big savers," Reisdorph said.

He said state and federal tuition and assistance programs typically cover as little as a third of the total cost of a college education.

Reisdorph is associated with the Community Action Project of Tulsa, which has received a grant from Washington University in St. Louis to study ways to help low income families save and build assets.

James Wilbanks of the state Treasurer's Office, task force chairman, said his agency has received a \$2 million grant for a multiyear study program to gauge the success of kick starting savings accounts for low income Oklahomans with a \$200 deposit at birth.

The treasurer's office will match parent contributions up to \$100 a year for at least the first five years.

Under the college savings program, participants do not pay state income taxes on savings. Wilbanks said that does not help low-income families with no tax liability. ``It's an equity argument," he said.

The task force also heard testimony about growing student debt.

Bryce Fair of the Oklahoma Regents for Higher Education said the state has dramatically increased tuition assistance, but federal Pell grants have not risen in many years.

Now even 40 percent of students from high income families are taking out loans, he said.

Task force member Sue Lynn Sasser, professor at the University of Central Oklahoma, said one of her students reported having \$100,000 in college debt, requiring a monthly payment of \$900.

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