

Group to give money, study college savings plan

The success of Oklahoma's College Savings Plan will be studied by a group giving \$2 million to Oklahomans to begin higher education savings accounts.

The money from the Center for Social Development at Washington University in St. Louis will be used to match contributions in 1,000 new accounts in Oklahoma. Over time, each family, chosen randomly, could get up to \$2,000 in matching funds.

Researchers will compare the savings patterns of those recipients to other families enrolled in the 529 plan, which gives tax breaks to Oklahomans who start college savings accounts.

The savings can be used for college expenses at nearly all colleges and universities in the United States.

State Treasurer Scott Meacham said the program will be administered through his office to measure the impact of matching funds on individual investments.

"We start with children when they are infants and try to get a pattern of savings established," he said. "If it's successful, it certainly gives the policymakers something to think about."

He said the plan is still being developed, but that families of newborns likely would be chosen randomly. No date has been set for implementation.

The study was lauded by Tulsa-based Community Action Project, a public policy group urging lawmakers to provide matching funds to any low- or moderate-income family.

David Reisdorph, coordinator for the CAP initiative, said the state could match as little as \$200 for families starting an account.

"Matches don't have to be large," he said. "There would be a start date and children born after this date would be eligible for the match."

Reisdorph said a match will encourage more participation among lower income families.

"The match is more important than the amount," he said. "They begin to realize they have an incentive to save."

The group also wants lawmakers to consider offering incentives for employers that match dollars their workers put into 529 accounts, much like they do 401k accounts.

Reisdorph said CAP is still developing its legislative proposal and hasn't recommended an income threshold. He said the state's Oklahoma Higher Learning Access Program provides tuition to qualifying children from families earning \$50,000 or less annually.

While that has helped prepare students for college, the learning access program alone isn't enough for some families to afford college, Reisdorph said, because the scholarships don't include housing, fees or books.

Lawmakers already are concerned about paying for growing participation in the learning access program.

Costs, now at about \$27 million a year, are expected to increase to more than \$44 million by 2009.