



**LEGISLATIVE TASK FORCE RECOMMENDS PUBLIC DEPOSITS IN 529 COLLEGE SAVINGS PLANS:**  
*Expanding Access, Building Assets, Creating Opportunities*

**TASK FORCE RECOMMENDATIONS**

A state task force, composed of public and private stakeholders, has offered a bold proposal to address the following challenges:


- *Increasing Oklahoma’s number of college graduates to make the state economically competitive, and*
- *Making college more affordable and accessible, in particular for children in low-income and moderate-income families which may have no experience and habits of saving and building assets that can help cover college costs.*

**The task force recommended that “the State of Oklahoma make an automatic deposit at the birth of children to start an Oklahoma 529 College Savings Plan account.”** In order to provide effective *targeting of resources* for those in greatest need, eligibility for public deposits will be limited to moderate-to-low income families. In addition, qualified households would be eligible for a *public match* of individual deposits to their child’s 529 Savings Plan up to a defined amount. The state would also incorporate information about Oklahoma 529 College Savings Plans into financial literacy education curricula in schools and elsewhere.

**TASK FORCE FINDINGS**

- **College attainment is positively related to state economic growth and family success;**  
 Encouraging savings in 529 plans will help increase the number of Oklahomans attending college and make Oklahoma more attractive to businesses.
- **The cost of college is a barrier to earning a degree for children from low-income families:**  
 Savings in 529 plans will make college more affordable.
- **College savings, particularly 529 college savings plans, can help families save for college and expand college choices:**  
 529 Plans are an **existing and proven mechanism** for promoting savings, providing maximum flexibility.
- **Most low-income families are not currently taking advantage of 529 college savings plans:**  
 Data shows that families earning under \$40,000 represent only 10% of current 529 plan account-holders in Oklahoma. Initial public deposits and public matches will make 529 Plans **accessible and beneficial to more families.**
- **Low-income families can save for their children’s college education if expected to do so and provided appropriate incentives to save:**  
 Growing research shows that matched savings programs can establish savings habits that **build assets, transform expectations and change lives.**

**LEGISLATION WILL BE INTRODUCED IN 2007 TO BRING ABOUT THE TASK FORCE RECOMMENDATIONS.**

<p><b>www.OKSEED.org</b></p>	<p>For More Information, contact  <b>David Blatt, Public Policy Director, Community Action Project</b>          Phone: (918) 382-3228   Email: <a href="mailto:dblatt@captc.org">dblatt@captc.org</a></p>	
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