



November 13, 2018

Joint Legislative Audit and Review Commission

Mary G. Morris, CEO
Virginia529

Virginia529/ABLEnow Snapshot: Accounts and Assets Under Management as of 6/30/2018

Programs	Accounts	Gross Account Growth in fiscal 2018 (Percent)	Assets Under Management (\$ Billions)**	Percent of National 529 (and 529A) Market****
College Savings				
Prepaid529	63,083	6.1%	\$2.71	10.8%
Direct-Sold Savings Programs				
Invest529	283,154	*19.3%	\$4.53	*2.6%
CollegeWealth	11,829		\$0.05	
Advisor-Sold Savings Program				
CollegeAmerica	2,325,571	***3.1%	\$64.22	46.6%
Totals**	2,683,637		\$71.50	21.4%
Disability Savings				
ABLEnow	3,299	N/A	\$0.01	*****7%

*Includes both Invest529 and CollegeWealth. Growth figures adjusted to exclude 3,350 Invest529 accounts setup during March 2017 to facilitate the Union CollegeWealth Transition.

**Figures may not foot due to rounding.

***Net Account Growth in Fiscal 2018 (Percent) through June 30, 2018.

****Market shares shown by program represent share of industry AUM for the corresponding product or sales channel (i.e., prepaid, direct-sold savings and advisor-sold savings). Total market share represents total VA529 assets as a percent of total industry 529 assets.

*****Industry data obtained from the Strategic Insight Quarterly Update, as of 3/31/2018.

Advantages of a WAT Benefit Structure

- ✓ Significant reduction in cost of getting started – enhance **AFFORDABILITY**;
(Proposal: *100 Units = 1 Year WAT v. 1 unit = 1 semester*)
- ✓ Reduced cost versus existing program structure (400 units v. 8 semesters);
- ✓ Eliminate wide disparity of benefit payments to different Virginia public institutions (2018-19: Range \$9,056 to \$23,400);
- ✓ Increase **FLEXIBILITY** of use – available for all qualified higher education expenses (tuition and fees, books, room and board, and equipment)
- ✓ **CERTAINTY** of benefit, whether Virginia public, in-state private or out-of-state
- ✓ Eliminate issues related to different tuition and fee models (differential tuition; other course/major/program specific fees and charges; credit hour pricing)
- ✓ Increase **SIMPLICITY** in account opening, funding, benefit calculation and benefit use
- ✓ Eliminate contracts with required monthly payments and interest charges;

Flexibility

AO in charge of how and when to use units

Simplicity

Single benefit, single price, no payment plan, no required monthly payment

Certainty

Value of a unit always set and transparent

Affordability

Lower cost to start: one unit (= set % of annual WAT)



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