

# DCIP Business Results – Q2 2019

September 4, 2019



# Scorecard – Q2 2019

## Mission Statement:

***Provide State of Delaware residents with a tax- advantaged voluntary savings program that promotes college readiness.***

Scorecard	Q2 2019 Actual	Q2 2019 Goal	Variance from Goal	2019 YTD Actual	2019 YTD Goal
Participation Rate (New Accounts)	307	-	-	666	-
Participant Readiness (2K Rule of Thumb)	18%	-	-	18%	-

*FINALIZED GOALS TO BE APPROVED BY PLANS BOARD*

# 529 Industry Update

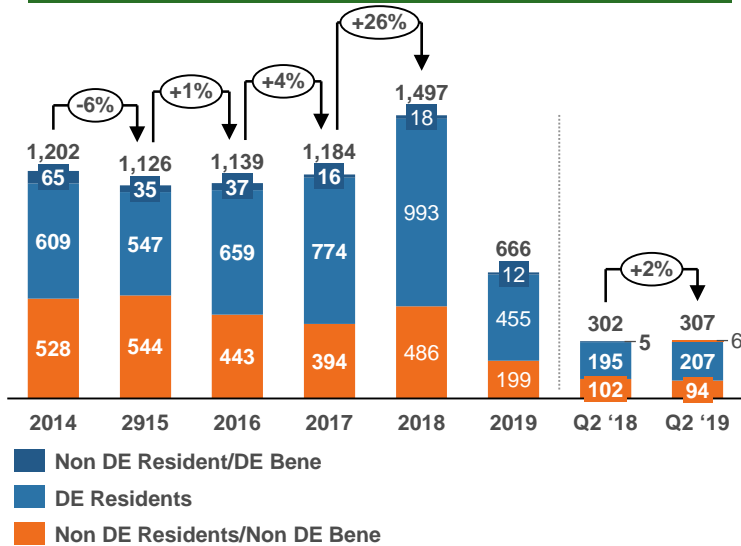
Direct Sold Program	Program Manager	Assets (\$M)	% Growth (Q1 2019 to Q2 2019)	Market Share
1. New York	Ascensus	\$26,802	4.7%	14.2%
2. Nevada	Ascensus	\$20,429	5.1%	10.8%
3. Utah	State of UT	\$14,145	4.6%	7.5%
4. New Hampshire	Fidelity	\$13,683	4.5%	7.2%
5. California	TIAA-CREF	\$9,359	4.2%	4.9%
6. Ohio	Ohio Tuition Trust Authority	\$6,643	4.9%	3.5%
7. MA	Fidelity	\$6,511	4.6%	3.4%
8. Illinois	Union Bank & Trust	\$6,409	5.1%	3.4%
9. Maryland	T. Rowe Price	\$6,324	4.6%	3.3%
10. Michigan	TIAA-CREF	\$5,857	4.1%	3.1%
<b>36. Delaware</b>	<b>Fidelity</b>	<b>\$686</b>	<b>3.5%</b>	<b>0.4%</b>
<b>529 Industry</b>		<b>\$189,181</b>	<b>4.6%</b>	<b>N/A</b>

- The 529 Industry Direct Sold plan assets increased by 4.6% from Q1 '19 to Q2 '19
- U.S. Equities increased by 4.1% for the quarter and 8.9% year over year while Investment Grade Debt increased by 3.1% and 7.9% respectively during the same time periods. ^
- Assets in the Delaware plan increased 3.5% from Q1 '19 to Q2 '19 and increased by .7% year-over-year ending June '19

^ You cannot invest directly in an index. Past performance is no guarantee of future results.  
 U.S. Equities - DJ U.S. Total Stock Market Index  
 Investment Grade Bonds -Bloomberg Barclays U.S. Aggregate Bond Index

# Participation Rate

## TOTAL NEW ACCOUNTS



## COMMENTARY

- In Q2 '19, there was a 2% increase in new accounts over Q2 '18. This outpaced the industry (-8.1%) over the same time period
- 63% of new accounts were opened by an existing Fidelity customer while 37% were new to Fidelity
- 43% of new accounts opened in Q2 '19 were for children under age 5, in line with the previous quarter (45%)

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Execute digital marketing plan
- ✓ Drive engagement through Social Media

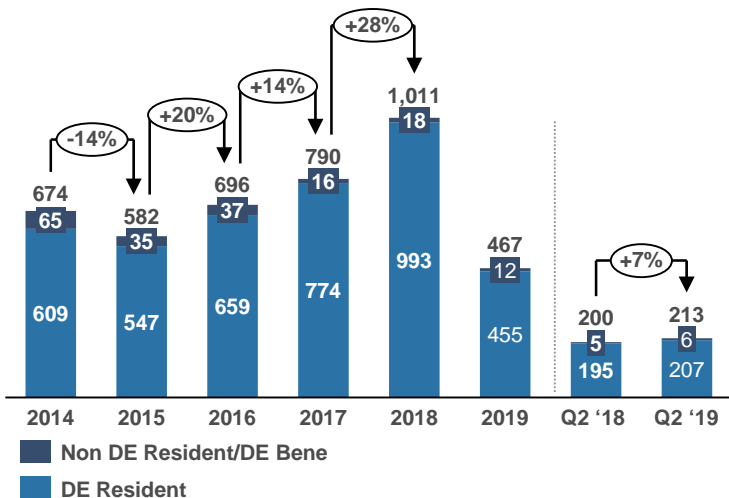
### Completed Activities

- Launched new test with Pinterest (May)
- Hosted 529 Day Twitter chat (May 29)

### What's Next?

- Delaware Museum of Natural History event sponsorship (June – Sept)
- New testing opportunities include Pandora streaming radio
- Improvement to the overall 529 digital experience on Fidelity.com

## DELAWARE NEW ACCOUNTS



## COMMENTARY

- In Q2 '19, there was a 7% increase in new accounts for Delaware residents over Q2 '18
- With overall new accounts in the industry down 8.1% over the same time period, DE resident account opening continued to outpace the industry

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Execute digital marketing plan with geo-targeting for Delaware residents
- ✓ Targeting new/expecting parents with Newborn Channel in local hospitals
- ✓ Continued engagement on local development plan

### What's Next?

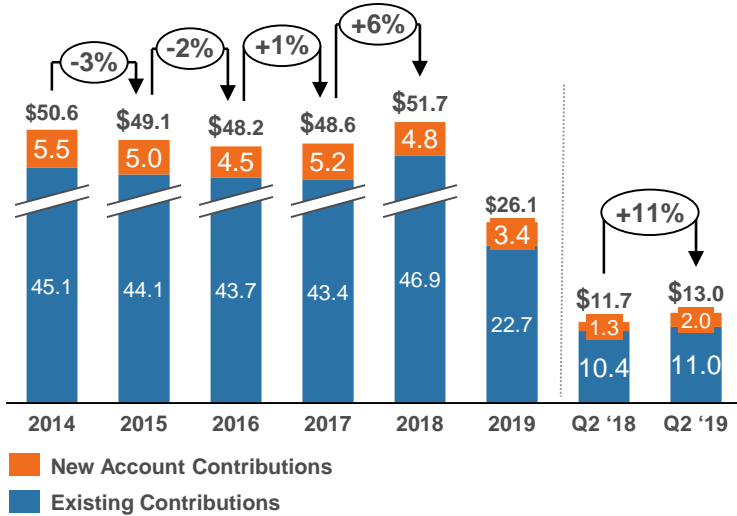
- Delaware Museum of Natural History event sponsorship (June – Sept)

# Readiness

2K RULE					COMMENTARY	STRATEGIC LEVERS
Age Bands	<1x	1-1.5x	1.5-2x	>2x	<ul style="list-style-type: none"> <li>The 2K Rule of Thumb defines readiness as having \$2K x beneficiary age saved</li> <li>As of Q2 '19, 18% of accounts were meeting the 2K Rule of Thumb, in line with Q1 '19</li> <li>For beneficiaries 5 years old and younger, 20% were meeting the 2K Rule of Thumb, up from 16% in Q1 '19</li> </ul>	<p><b>Ongoing Marketing</b></p> <ul style="list-style-type: none"> <li>✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more</li> </ul> <p><b>Completed Activities</b></p> <ul style="list-style-type: none"> <li>New Viewpoint article focused on how to ask family members for gifts launched – Q2</li> <li>Hosted 529 Day Twitter chat (May 29)</li> </ul> <p><b>What's Next?</b></p> <ul style="list-style-type: none"> <li>☐ Improvement to the overall 529 digital experience on Fidelity.com – Q3/Q4</li> <li>☐ Continued improvement of social gifting experience – 2019 Ongoing</li> </ul>
< 5	66%	9%	6%	20%		
5 -9	71%	9%	5%	15%		
10 -13	65%	10%	6%	18%		
14 -17	59%	11%	7%	23%		
<b>Total</b>	<b>65%</b>	<b>10%</b>	<b>6%</b>	<b>18%</b>		

# Readiness – Contributions

## CONTRIBUTIONS(\$M)



## COMMENTARY

- In Q2 '19, total contributions were up 11% vs. Q2 '18, outpacing the overall industry which increased by 8.4% over the same time period
- In Q2 '19, new account contributions were up 54% vs. Q2 '18 and existing account contributions were up 6% vs Q2 '18
- Through Q2 '19, with \$26.1M in contributions, the plan is tracking to improve upon 2018's total

## STRATEGIC LEVERS

### Ongoing Marketing

- ✓ Use digital advertising to target existing DCIP customers and encourage them to contribute more

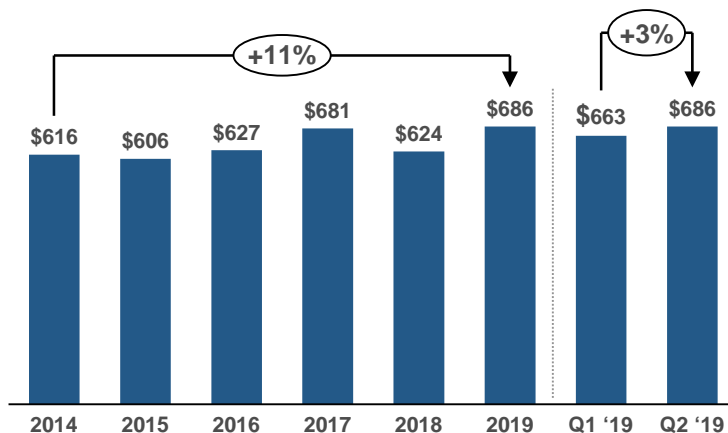
### Completed Activities

- New Viewpoint article focused on how to ask family members for gifts launched – Q2
- Hosted 529 Day Twitter chat (May 29)

### What's Next?

- ❑ Improvement to the overall 529 digital experience on Fidelity.com – Q3/Q4
- ❑ Continued improvement of social gifting experience – 2019 Ongoing

## ASSETS UNDER MANAGEMENT (\$M)



## COMMENTARY

- In Q2 '19, overall assets under management were \$686M, up 3.5% for the quarter while the overall industry was up 4.6% over the same time period
- Distributions in the plan were up 22% in Q2 '19 vs. Q2 '18 resulting in net sales of \$3.6M

# DCIP Marketing Update

## Q2 Results

### Digital Advertising

DCIP account starts and completes are up YOY (+4% and +9% respectively)\*. Our Cost per account complete (CPAC) is down 13% overall. Display advertising starts and completes are trending downward due mainly to challenges with a SFC.com site redesign and Google audience targeting.

In Paid Search we're seeing completes up 32% YOY, but costs are increasing going from \$148 to \$243 per complete (up 64%). Increased competition in is from VA 529 and Edward Jones.

\*Data as of 6/30/19

## Q2 Activities

### Digital Advertising

Launched new test with Pinterest (mid-May)



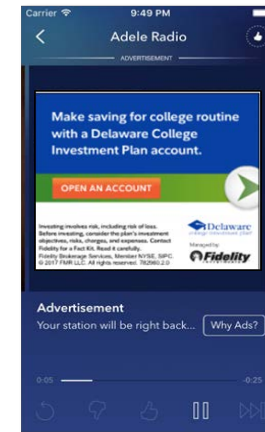
### PR/Social Media

Hosted Twitter chat on 5/29 Day and distributed a 529 mat article to reinforce the importance of college savings. Fielded annual College Savings research in early June.

## Q3 2019 Preview

### Digital Advertising

New testing opportunities in 2019 include Pandora streaming radio (August)





# Appendix

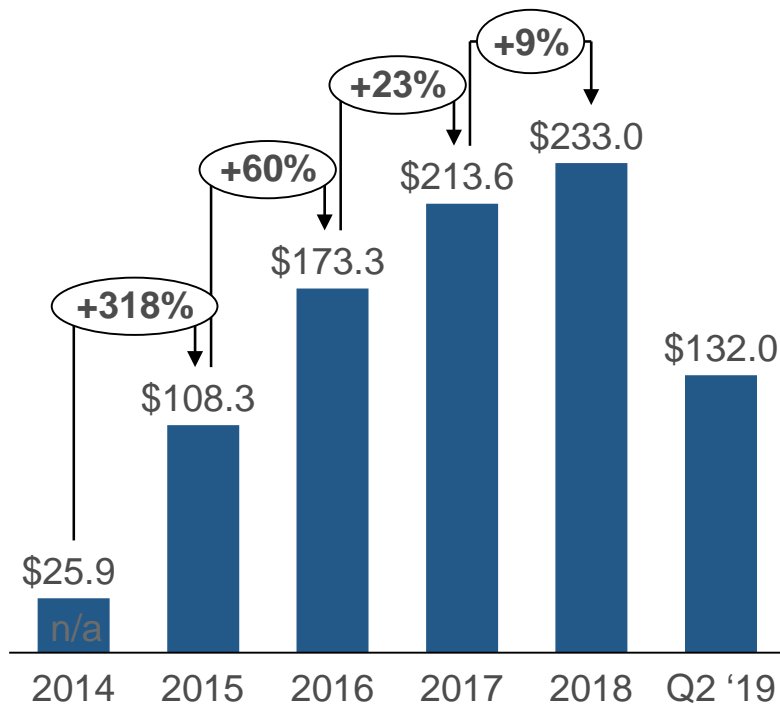


# DCIP Business Results YTD and Historical

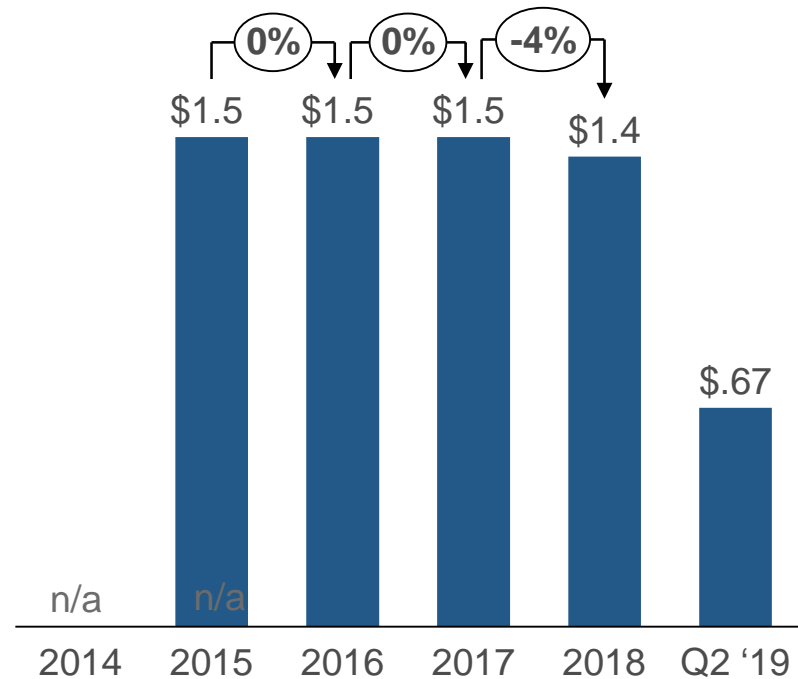
 Delaware college investment plan	Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019	% Change (2019 vs. 2018)
<b>Total Accounts (since inception)</b>	31,416	32,563	33,655	35,060	36,507	+4%
<b>Total Accounts with Balances</b>	22,222	22,115	22,003	21,967	21,831	-
<b>New Accounts</b>	249	241	224	302	307	+1%
<b>New Account Contributions</b>	\$.67M	\$1.3M	\$.89M	\$1.3M	\$2.0M	+54%
<b>Existing Account Contributions</b>	\$9.2M	\$10.0M	\$9.6M	\$10.4M	\$11M	+6%
<b>Total Contributions</b>	\$9.9M	\$11.2M	\$10.5M	\$11.7M	\$13M	+10%
<b>Distributions</b>	\$6.6M	\$6.3M	\$7.3M	\$7.7M	\$9.4M	+22%
<b>Net Sales</b>	\$3.3M	\$4.9M	\$3.2M	\$4.0M	\$3.6M	-10%
<b>Assets</b>	\$633M	\$630M	\$670M	\$681M	\$686M	+1%

# Readiness: Contributions from Gifting and Rewards Card

CONTRIBUTIONS – FROM GIFTING (\$K)

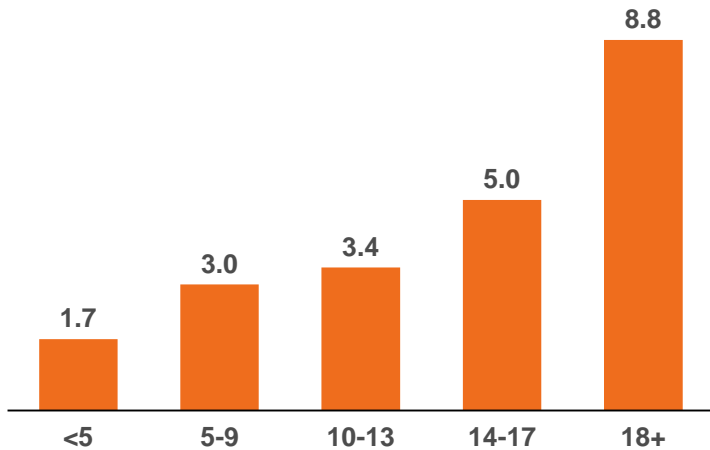


CONTRIBUTIONS – FROM REWARDS (\$M)



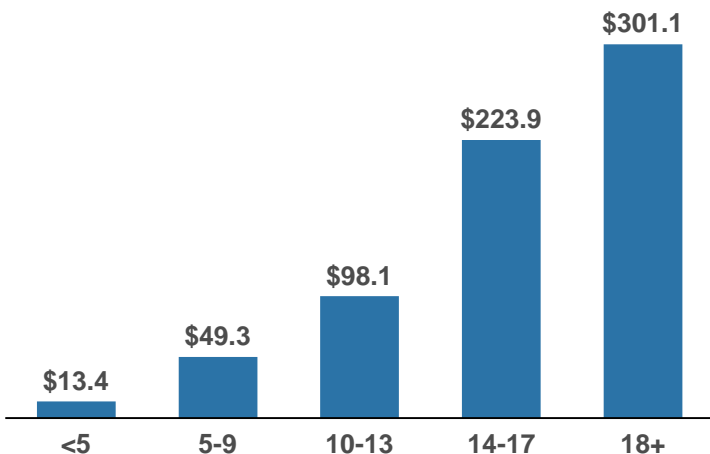
# Readiness: The Age Wave

## ACCOUNTS\*(K)



\*active accounts with balances

## Assets Under Management (\$M)



## COMMENTARY

- In Q2 '19, the average account size for accounts with balances was up 3% from Q1 '19 to \$31,400
- 43% of new accounts opened in Q2 '19 were for children under age 5
- Assets Under Management continued to be significantly concentrated toward the older age bands (>14 years old)

## STRATEGIC LEVERS

### Ongoing Marketing

- Use digital advertising to target existing DCIP customers and encourage them to contribute more

### Completed Activities

- New Viewpoint article focused on how to ask family members for gifts launched – Q2
- Hosted 529 Day Twitter chat (May 29)

### What's Next?

- Improvement to the overall 529 digital experience on Fidelity.com – Q3/Q4
- Continued improvement of social gifting experience – 2019 Ongoing

# 2019 Marketing Details

## 2019 Media Flowchart - DE

MEDIUM	January	February	March	April	May	June	July	August	September	October	November	December	Imps (000)	\$(000)
(Mon Start)	31 7 14 21 28 4 11 18 25	28 4 11 18 25 1 8 15 22 29 6 13 20 27 3 10 17 24	25 1 8 15 22 29 6 13 20 27 3 10 17 24 1 8 15 22 29 5 12 19 26 2 9 16 23	30 7 14 21 28 4 11 18 25 2 9 16 23	28 4 11 18 25 2 9 16 23	25 1 8 15 22 29 6 13 20 27 3 10 17 24	22 29 6 13 20 27 3 10 17 24 1 8 15 22 29 5 12 19 26 2 9 16 23	19 26 2 9 16 23 30 7 14 21 28 4 11 18 25 2 9 16 23	26 2 9 16 23 30 7 14 21 28 4 11 18 25 2 9 16 23	30 7 14 21 28 4 11 18 25 2 9 16 23	28 4 11 18 25 2 9 16 23	25 1 8 15 22 29 6 13 20 27 3 10 17 24		
<b>PRINT</b>	\$0	\$2	\$0	\$2	\$0	\$2		\$2	\$3	\$2	\$0	\$10	180	\$22
<b>Magazine</b>													180	\$22
Delaware Today													48	\$7
MetroKids DE													132	\$10
Budget Remainder														\$4
<b>DISPLAY</b>	\$13	\$13	\$18	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	10,835	\$169
<b>STRATEGIC DISPLAY</b>													1,324	\$42
YouTube													423	\$17
Pandora													865	\$14
Saving for College													33	\$6
Pinterest*													3	\$5
<b>DIRECT RESPONSE</b>													9,511	\$124
Amazon													4,172	\$54
DBM Retargeting													1,350	\$27
DBM 1st Party Data													1,083	\$13
DBM Audience Targeting													2,600	\$13
Saving for College													306	\$17
<b>DISPLAY AD SERVING</b>													N/A	\$3
<b>SEARCH</b>	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	4	\$44
<b>Google</b>													(clicks)	\$24
<b>Bing</b>														\$12
<b>Ad Marketplace</b>														\$8
<b>SEARCH ADSERVING</b>														\$0
<b>OUTDOOR</b>	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$4	\$11	\$0.4	\$4	\$8	305	\$30
<b>Newborn Channel</b>													106	\$4
<b>Wilmington Station</b>													199	\$26
<b>Total</b>	<b>\$17</b>	<b>\$18</b>	<b>\$22</b>	<b>\$20</b>	<b>\$18</b>	<b>\$20</b>	<b>\$18</b>	<b>\$24</b>	<b>\$33</b>	<b>\$20</b>	<b>\$22</b>	<b>\$35</b>	<b>11,324</b>	<b>\$265</b>

\*Bought on CPC

# 2019 DICP Local Market Development Plan *(as of 6/20/2019)*

Activity	Expense	Details
<b>Delaware Children's Theatre, Frog and Toad Performance</b> <i>May 4-19, 2019</i>	\$5,000	<ul style="list-style-type: none"> <li>• approx. 2500-3000 patrons/show</li> <li>• DCIP logo included on all marketing materials, show program, lobby signage and website</li> <li>• Brochure placed in lobby during show duration for all show dates</li> <li>• Prominent mention in weekly eBlasts with special section detailing DCIP</li> <li>• Social Media: Facebook posts during exhibit</li> <li>• Ad in program book</li> <li>• One scholarship to summer workshop donated in DCIP's name</li> <li>• May 18 Fidelity branch staff onsite at DCIP table</li> </ul>
<b>Delaware Museum of Natural History</b> <i>June 22-September 2, 2019</i>	\$5,000	<ul style="list-style-type: none"> <li>• Onsite June 22 Family Fun Day to kick off exhibit opening (650 expected)</li> <li>• DCIP Logo included on: highway sign, exhibit entrance wall, Museum's website in all sections related to exhibit, sponsor "thank you" homepage scroll, rack card (5,000 dist. to area attractions, hotels, etc.)</li> <li>• Social Media to 14,000 followers on Facebook, Twitter, Instagram during exhibit</li> <li>• Mention/Article in eNewsletter sent to 5,000 subscribers, Discovery magazine mailed 3x per year to 2,000 Members</li> </ul>
<b>New Castle Ice-Cream Festival at Rockwood</b> <i>June 29, 2019 CANCELLED</i>	\$3,000	<ul style="list-style-type: none"> <li>• <del>Onsite with branch inclusion to engage directly with attendees, hand-out brochures, giveaway</del></li> <li>• <del>DCIP logo included on onsite materials, online website</del></li> <li>• <del>Inclusion in any additional marketing items such as e-newsletters</del></li> <li>• <del>Inclusion in Social Media</del></li> </ul>
<b>Brandywine Zoo</b> <i>October 18 – 20, 2019</i>	\$500	<ul style="list-style-type: none"> <li>• Onsite DCIP table to giveaway cinch bags, brochures and logo'd lollipops</li> <li>• DCIP Logo included on on-site signage – map, welcome sign, thank you to our sponsors</li> <li>• Logo on website – special boo event page</li> </ul>
<b>Activation Giveaway items</b>	\$1,500	<ul style="list-style-type: none"> <li>• cinch bags, logo'd lollipops,</li> </ul>
	<b>\$15,000</b>	

# Important Legal Information

**Please carefully consider the plan's investment objectives, risks, charges and expenses before investing. For this and other information on any 529 College Savings Plan managed by Fidelity, contact Fidelity for a free Fact Kit, or view one online. Read it carefully before you invest or send money.**

**The Delaware College Investment Plan is offered by the state of Delaware and managed by Fidelity Investments. If you or the designated beneficiary is not a Delaware resident, you may want to consider, before investing, whether your state or the beneficiary's home state offers its residents a plan with alternate state tax advantages or other state benefits such as financial aid, scholarship funds and protection from creditors.**

**Units of the Portfolios are municipal securities and may be subject to market volatility and fluctuation.**

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