

COLLEGE INVESTMENT PLAN 2019-2021 STRATEGY

March 5, 2019

Plans Management Board



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State Treasurer

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College Investment Plan Strategic Planning Accomplishments

Key Milestones

- Plans Management Board Created / College Plan Transitions to OST (July 2016)
- Morningstar upgraded plan to “Bronze” (October 2016)
- Delaware Children’s Museum Legacy Agreement (July 2017)
- Modification to Fidelity Agreement October 2017 (extends term from 2018 to June 2021)
- Redeploy Fidelity marketing budget to support regional events (2018)
- Eligible expenses now include up to \$10,000 per year in K-12 tuition expenses (January 2017)
- Investment Committee Reporting Package Revisions (March 2018)
- Amendment of 529 Plan Trust - Administrative Fund (March 2018)
- Fidelity strategic planning proposal (March 2018)
- Board approval of mission statement (June 2018)
- Fidelity survey introduction and Aloysius Butler & Clark discussion (September 2018)
- Fidelity and Sallie Mae Survey Review and College Readiness Discussion (December 2018)
- Cammack Agreement as Investment Consultant for 529 Plan (December 2018)

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Key Learnings

- 72% of Americans are unaware of 529 plans⁺
- 38% of Delaware parents say they are familiar with 529 plans^{*}
- Over 70% of college students graduate with student loan debt^{**}
- 18% of children in America have a 529 plan^{**}
- Delaware college students rank third in the nation for debt[^]
- Delaware State University average debt per borrower \$36,812[^]
- University of Delaware average debt per borrower \$34,144[^]

⁺529 Awareness Plan Survey by Edward Jones

^{*}2018 Fidelity College Savings Indicator

^{**} Savingforcollege.com

[^] LendU 2018 Student Debt Report



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Key Learnings (continued)

- 61% of Delaware parents report that they have a financial strategy in place to help them reach their college savings goals*
- 59% of families that have a financial strategy in place also own a 529 account*
- Families with income over \$100k are more likely to pay for college with resources from a 529 account+

*2018 Fidelity College Savings Indicator

+How America Pays for College Study by Sallie Mae



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Key Learnings (continued)

- Delaware high school graduates
 - 43% will enroll in a Delaware institution
 - 18% will enroll in an out of state institution
 - 39% will not enroll in college upon graduation

Source: Delaware Department of Education



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Delaware Resident Participation in Fidelity Plan

- 9,078 accounts
- \$203 million in investments
- \$22, 438 average balance
- 50% of accounts opened before 2009
- 40% of 529 account holders have another Fidelity account

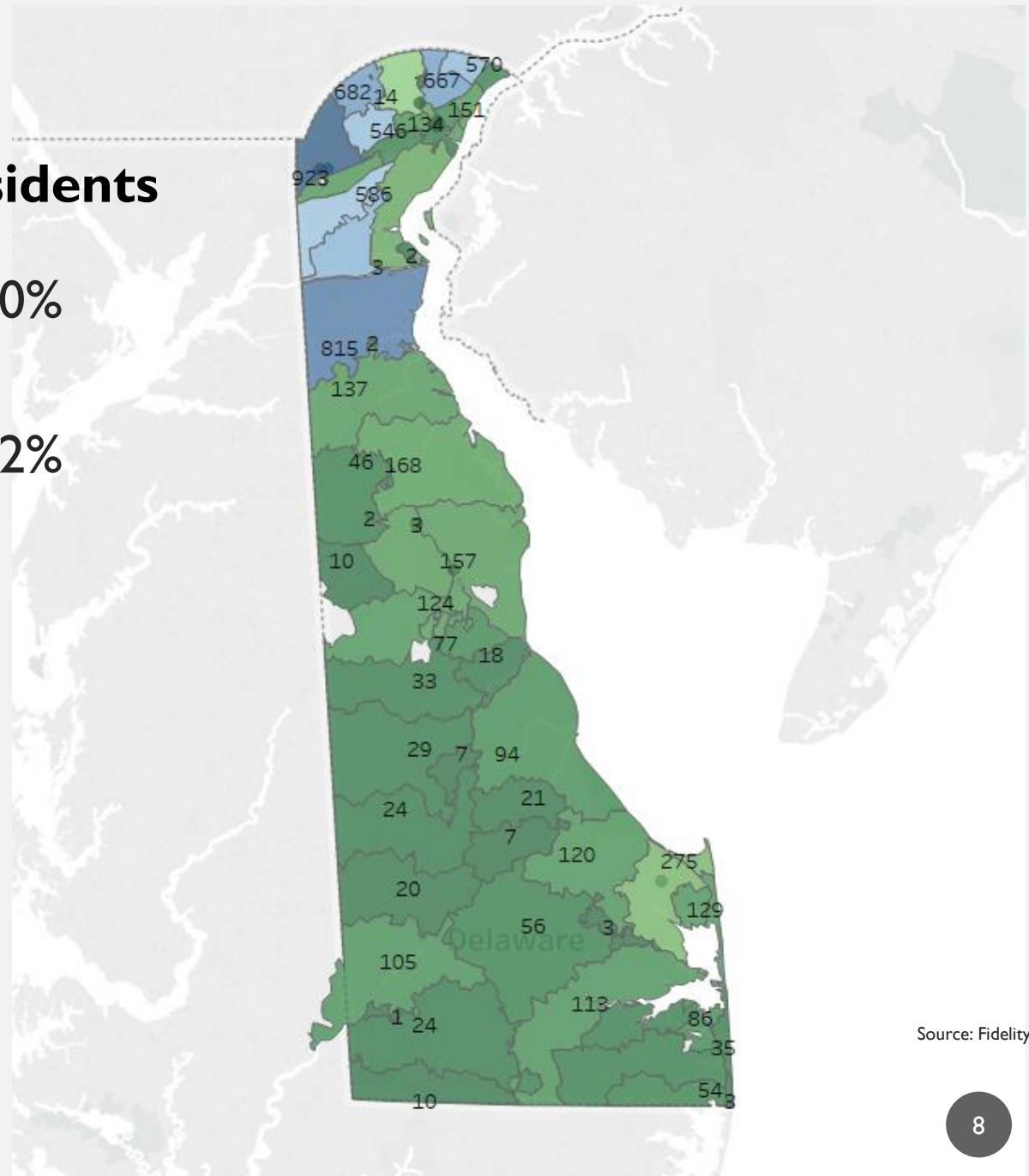
Source: Fidelity



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Fidelity Delaware Residents

- 10 zip codes generate 60% of the accounts
- 15 zip codes generate 72% of the accounts
- Fidelity has one retail branch location in Delaware (Greenville)



Source: Fidelity



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Mission Statement



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



Goals

1. Provide effective and efficient administration and oversight for the Delaware College Investment Plan
2. Build awareness in Delaware for the need to develop a personal financial strategy on how to fund a college education
3. Educate Delaware residents on the benefits of 529s and the Delaware College Investment Plan



Provide effective and efficient administration for the Delaware College Investment Plan (DCIP)

Strategies



- Strategic use of national-level investment advisor to provide program specific data and analysis to the Board, Committees and Staff
- Processes are in place to ensure the interest of the state and Delaware, residents, and participants are being met
- Design request for proposal (RFP) for Delaware College Investment Plan
- Engage in professional associations to assess best practices and successes of other state programs
- Prepare and participate in annual interview with Morningstar

Performance Measures



- Conduct quarterly meetings with investment advisor and program managers; reports are prepared and distributed to committee members
- Program administration, operating procedures, and offering material comply with regulatory and College Savings Plan Network standards, reflecting best practices of the industry
- Design and launch RFP in 2020

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Build awareness in Delaware for the need to develop a personal financial strategy on how to reach college savings goals

Strategies



- Staff, with a marketing/public relations firm, develop and implement an ongoing public awareness/marketing plan to inform and encourage Delaware residents to prepare for the expenses of post secondary education
- Partner with Fidelity to redeploy marketing resources in a more targeted, and localized fashion in 2020
- Consider hiring or redeploying staff to promote initiatives in key regions within Delaware
- Partner with organizations to host workshops on college savings

Performance Measures



- Public awareness of funding strategies for a post secondary education are increased through public awareness programs
- The number of Delaware families benefitting from the DCIP increases annually by a predetermined annual goal
- The number of Delaware high school graduates enrolling in college increases by a predetermined goal by 2024



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Educate Delaware residents on the benefits of 529s and the Delaware College Investment Plan

Strategies



- Develop and implement an on-going public awareness/marketing plan to inform and encourage Delaware families to prepare for the expenses of postsecondary education through a tax-advantaged 529 plan
- Partner with Fidelity to redeploy marketing resources in a more targeted, and localized fashion in 2020
- Arrange, schedule, and promote workshops within Delaware to promote 529 (i.e. Delaware Children's Museum)
- Utilize social media channel and OST Director of Communications

Performance Measures

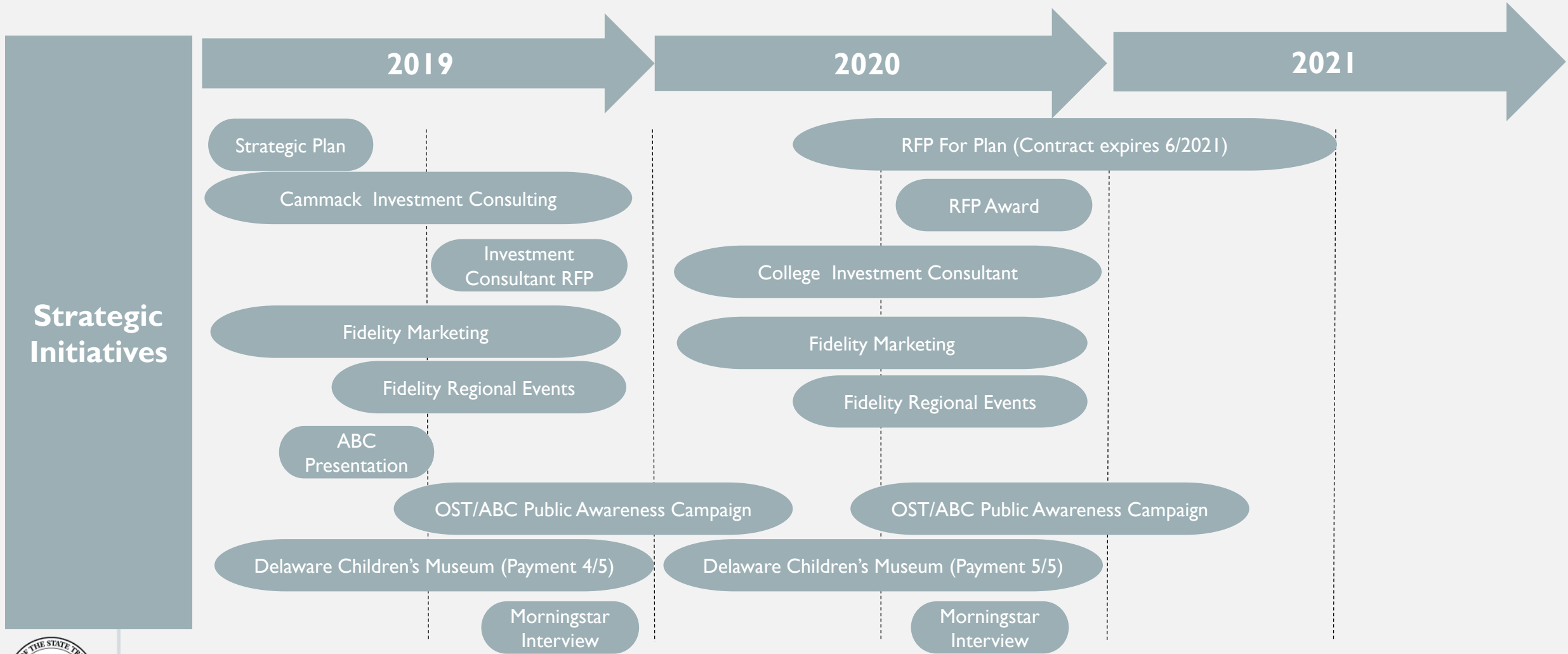


- Public awareness of 529 plan benefits are increased through public awareness efforts (measured by Fidelity's College Savings Indicator Survey)
- Number of Delaware families benefiting from the DCIP

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College Investment Plan Milestones



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APPENDIX



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Fidelity Marketing Spend – Not Including Local Events

2019 Media Flowchart - DE														Imps	\$(000)
MEDIUM	January	February	March	April	May	June	July	August	September	October	November	December	(000)		
(Mon Start)	31 7 14 21 28	4 11 18 25	4 11 18 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	(000)	\$(000)	
PRINT	\$0	\$2	\$0	\$2	\$0	\$2		\$2	\$3	\$2	\$0	\$10	180	\$22	
<u>Magazine</u>													180	\$22	
Delaware Today													48	\$7	
MetroKids DE													132	\$10	
Budget Remainder														\$4	
DISPLAY	\$13	\$13	\$18	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	\$14	10,835	\$169	
<u>STRATEGIC DISPLAY</u>													1,324	\$42	
YouTube													423	\$17	
Pandora													865	\$14	
Saving for College													33	\$6	
Pinterest*													3	\$5	
<u>DIRECT RESPONSE</u>													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	
<u>DISPLAY AD SERVING</u>													N/A	\$3	
SEARCH	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	4	\$44	
Google													(clicks)	\$24	
Bing														\$12	
Ad Marketplace														\$8	
<u>SEARCH ADSERVING</u>														\$0	
OUTDOOR	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$4	\$11	\$0.4	\$4	\$8	305	\$30	
Newborn Channel													106	\$4	
Wilmington Station													199	\$26	
Total	\$17	\$18	\$22	\$20	\$18	\$20	\$18	\$24	\$33	\$20	\$22	\$35	11,324	\$265	

*Bought on CPC



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Fidelity 2019 - Local Events

Activity	Date	
Delaware Children's Theatre	May	\$5,000
Delaware Museum of Natural History	June - September 2019	\$5,000
Rockwood Ice Cream Festival	June 2019	\$3,000
Brandywine Zoo	October	\$500
Giveaways	Annual	\$1,500
Total		\$15,000



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