



## MEMORANDUM

To: Stephen Saville, Chair of the Plans Management Board  
From: John Meyer, Director of Contributions and Plan Management  
Date: September 5, 2018  
Re: College Investment Plan –Strategic Direction

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### Background

The Plans Management Board (the “Board”) held meetings on March 6, 2018 and June 12, 2018. During those meetings, Fidelity outlined a strategic plan framework for the Delaware College Investment Plan (the “Plan”) and the Board reviewed potential mission statements and goals. The Board acknowledged similarities between the mission statements and goals for both the deferred compensation and college investment plans. The following includes the mission statement, goals, potential strategies, several discussion items for the Board to consider, and a recommendation that will help guide the Plan’s future direction.

### Mission Statement

The Board agreed upon the following statement: *Provide State of Delaware residents with a tax-advantaged voluntary savings program that promotes college readiness.*

### Goals

- Grow the number of new accounts from Delaware residents by x % per year
- Increase the number of plan participants that would qualify as “college ready” by x % per year
- Manage investment offerings to ensure overall performance meets or exceeds respective benchmarks each year

### Potential Strategies

- Further refine Fidelity’s annual \$15,000 sponsorship budget dedicated to regional events (i.e. Delaware Museum of Natural History, New Castle County Ice Cream Festival)
- Increase marketing budget from the administrative fund to complement Fidelity’s existing efforts
- Partner with Delaware-based agency to locally promote the Plan
- Leverage existing and identify new distribution partnerships such as schools, large employers, youth organizations
- Determine need for an investment consultant

### Discussion Items

1. **What business are we in?** The Board can focus on growing new accounts by Delaware residents in the Plan or to take a broader view of promoting college savings to all Delaware residents regardless of the savings vehicle. Marketing funds from the administrative account can be used

if focused on attracting new participants to the Plan (participation) or educating existing Plan participants on the need to save for college (readiness).

2. ***What is our target audience?*** Fidelity’s marketing efforts focus on households with income of \$75,000 or more and children under the age of six.
3. **College or secondary schools?** Fidelity recently published a viewpoint article regarding using a 529 account to pay for K-12 tuition expenses. In the article, Fidelity recommends prioritizing college savings over K-12 in your 529 account.
4. **Should the Plan be Rebranded?** The current brand of the Delaware College Investment Plan originated with the launch of the Plan in 1998. Would a rebrand of the Plan help to attract new participants and should this be a priority of the Board?

### **Recommendation**

The State of Delaware works with several approved marketing agencies. One of the approved agencies is Wilmington-based Aloysius Butler & Clark (“AB&C”). The firm focuses on marketing campaigns that aim to change personal behaviors such as anti-smoking and enrolling in the health care exchange. Discussions were initiated in July with AB&C to explore a marketing relationship with the Delaware College Investment Plan.

With the Board’s direction, AB&C will begin the development of a creative brief at an expense not to exceed \$5,000. The creative brief will include an initial study of marketing opportunities and strategies. AB&C will be invited to present at the fourth quarter Board meeting.

**Action Item:** Motion to approve the Delaware College Investment Plan to engage with AB&C to develop a creative brief at an expense not exceed \$5,000.