

# DE 529 EDUCATION SAVINGS PLAN

## 2021 Q2 BUSINESS UPDATE

PLANS MANAGEMENT BOARD

SEPTEMBER 2021 MEETING



### Program Summary:

Delaware's 529 Plan, also known as DE529, is sponsored by the State of Delaware and managed by Fidelity Investments. The Plan provides tax-advantaged accounts designed to help parents, grandparents and others pay for education expenses, reducing the possibility of debt. Contributions can be invested in portfolios tailored to a person's age or the investor's ability to identify an asset allocation strategy.

### DE529 goals:

- TBD at September Board meeting

### Target audience:

Parents with kids 0-12 years + Grandparents, in the state of Delaware

### Second Quarter (2021) Highlights:

- **New accounts grew by 12%** in Q2 2021 vs Q2 2020 while the industry was up 21%
- 68% of new accounts in Q2 were opened by an **existing Fidelity customer**, versus 71% in Q1 of 2021
- 45% of new accounts opened in Q2 2021 **were for children under age 5** which was flat compared to Q1
- There was a **17% increase in new accounts for Delaware residents** versus Q2 2020 while the industry was up 21%
- **Total contributions in the quarter were up 47%** vs Q2 2020 while the industry increased by 29%
- **New account contributions increased by 33%** vs Q2 2020 also outpacing the industry
- **Overall assets in the plan** were up 5% from Q1 2021 at \$767 million which trailed the industry which was up 6%
- **Distributions from the plan increased 53%** over Q2 2021 resulting in net sales of \$5.2 million

### Upcoming Initiatives:

- Fidelity event sponsorships at Winterthur Museum (October)
- Finalize new contract with Fidelity
- Submitted trademark filing for new name and rebrand of plan in September
- Explore partnerships with three birthing hospitals and three large employers in Delaware
- Plans Management Board strategic discussion at September Meeting for goals and objectives (i.e., Match program)

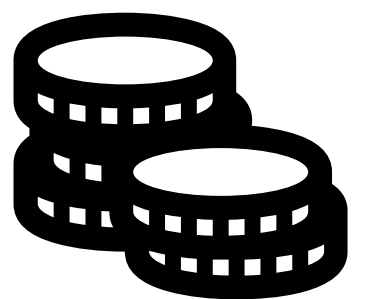
## Q2 2021 vs Q2 2020



**New accounts**  
**+ 12%**

- 45% of new accounts opened in Q1 2021 were for children under age 5

**Contributions**  
**+33%**



**Distributions**  
**+ 53%**

- 74% of assets are for beneficiaries older than 14 years old
- Distributions in Q2 2020 were below average due to pandemic