



**FOR IMMEDIATE RELEASE**

**MEDIA CONTACT:**

Lauren Shipley

443.769.1035

[lshipley@collegesavingsmd.org](mailto:lshipley@collegesavingsmd.org)

## **Marylanders Place a Priority on Saving for College with the College Savings Plans of Maryland**

**(Baltimore, MD)** – Many Marylanders understand the importance of saving for future higher education costs, but the task of putting aside savings has been a challenge given current economic conditions. However, the [College Savings Plans of Maryland](#), the independent Maryland State agency that offers two tax-advantaged 529 plans, has experienced positive trends in both new enrollments and contributions in both plans, the [Maryland College Investment Plan](#) and the [Maryland Prepaid College Trust](#) through December 2010.

In 2010, the [College Investment Plan](#) reached a milestone of over \$2 billion dollars in total assets under management, and the [Prepaid College Trust](#) saw an increase of 36% in enrollments for newborns and additional year purchases outside of the established enrollment period.

Other indications that Marylanders are placing a priority on college savings are demonstrated through the consistency of their investing. From December 2009 through December 2010, the College Investment Plan saw holders of more than 5,600 accounts set up Automatic Monthly Contributions. This option, which deducts money automatically from an individual's bank account on a regular basis, helps budget for savings and creates dollar cost averaging, which can level out market volatility. In 2010, over \$106 million in contributions were made to the Maryland College Investment Plan via Automatic Monthly Contributions.

Maryland State workers are also increasingly taking advantage of the ability to save for college via payroll deductions. In 2010, there was a 128% increase in payroll deductions from State employees in the College Investment Plan as compared to the previous year.

The Plans also saw an increase in the number of gift contributions during 2010. There was an impressive 87% increase in the number of gifts contribution slips received in 2010 compared to 2009. This shows that helping a child establish a savings strategy in order to reduce or even eliminate reliance on future college loan debt can be a group effort.

The rising cost of a college education nationally has given students and their families a compelling reason to focus more on saving for the future. Reportedly, student loans have surpassed credit cards as the highest amount of debt consumers carry. In addition, according to the [CNBC special report: The Price of Admission](#) aired on 12/20/2010, the cost of a college education is rising faster than the cost of medical care and as much as three times as fast as consumer prices in general.

“While we encourage families to start saving early, it is never too late to save. Even if college is just a year or two away, every dollar you save is a dollar less you may need to borrow. There are also important Maryland and federal tax benefits for saving in the College Savings Plans of Maryland,” said Executive Director Joan Marshall. “I feel our growth this past year is evidence that families understand that saving for college is important and that they notice the value of our Plans.”

Maryland is one of less than fifteen states nationwide that offers a prepaid tuition option, which allows families an opportunity to lock-in tomorrow’s tuition at today’s prices. As of 6/30/10, the [Prepaid College Trust](#) was 100% funded to meet anticipated future tuition obligations. The College Investment Plan recently lowered fees and was given a ["Top" rating by Morningstar, Inc. \(10/25/10\)](#) based on the quality of the underlying investments, modest fees and the stability of T. Rowe Price's investment personnel.\*

Both plans offer generous tax benefits for account holders. Contributions made each year qualify account holders for a Maryland State income deduction of up to \$2,500 annually per account or beneficiary depending on the plan. In addition, the investment is tax-deferred at the State and federal level, and when the funds are used for qualified higher education expenses nationwide, any earnings are free of any State or federal tax. To learn more visit [CollegeSavingsMD.org](#).

###

*Please carefully read the Enrollment Kit which describes the investment objectives, risks, expenses, and other important information that you should consider before you invest in the College Savings Plans of Maryland. The Enrollment Kit is available online or by calling 1-888-4MD-GRAD. Also, if you or your beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary’s state offer state tax or other benefits for investing in its 529 plan. Please note that the availability of tax or other benefits may be conditioned on meeting certain requirements such as residency, purpose for or timing of distributions, or other factors, as applicable.*

*College Savings Plans of Maryland, Administrator and Issuer  
T. Rowe Price Associates, Inc., Program Manager and Investment Adviser for MCIP  
T. Rowe Price Investment Services, Inc., Distributor/Underwriter of MCIP*

*\* Morningstar analysts reviewed 52 plans for its 2010 survey, of which 5 plans received a "Top" rating. Ratings for each plan are based on five factors: the quality of the underlying investment options; performance of those options; the skill of the managers of those options; the costs associated with each plan, and the stewardship practices of each plan's program manager. Plans were then assigned ratings of "Top," "Above Average," "Average," and "Below Average," and "Bottom." To earn a "Top" rating, a plan must be best-in-class across all five areas.*