

COLLEGE SAVINGS

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2011 Summer Newsletter

Kids with dedicated savings accounts are six times more likely to attend college.

According to a new study in the *Journal of Children and Poverty*, researchers at the Center for Social Development (CSD) at Washington University found that children with a savings account in their name—such as a 529 college savings plan—were approximately six times more likely to attend college than those with no account.

This and similar studies are evidence that “the positive effect of savings may be more than economic—[they] are related to changing the college expectations of parents and children,” notes Margaret Clancy, policy director and College Savings Initiative director at CSD. In other words, demonstrably believing in your child’s potential can give him or her higher educational aspirations. And as rising college costs make saving more challenging, even a small savings goal can have a big impact.

Explore the flexible and affordable savings options of Maryland’s two 529 plans at **CollegeSavingsMD.org**. You could reduce the need for student loans and inspire big dreams.



Build your college savings with Automatic Monthly Contributions.

Make saving for your child’s education automatic! With our Automatic Monthly Contributions payment option, you can have a fixed amount of your choosing automatically transferred from your bank account to your College Savings Plans of Maryland account each month. Or, find out if your employer participates in our payroll deduction program to have contributions deducted from your pay. You’re never locked in—the amount and dates can be changed at any time, or cancelled altogether.

Don’t want to commit to regular automatic contributions? Simply add your banking information to your account to make one-time contributions any time you wish.

To add either option to your current account >> Simply visit **CollegeSavingsMD.org** and log into your account.

To open a new account >> Download the enrollment kit at **CollegeSavingsMD.org**. You can set up either contribution option when you enroll.

To learn more >> Call **1.888.4MD.GRAD (463.4723)** and a service representative will be happy to answer your questions.

“ The Prepaid College Trust payments were not easy, but we started early. Now we know the money is there, and that gives us a peace of mind. It was the right choice for us. ”

Glenn Lieu
MPCT account holder

Three smart reasons to invest in both plans.

The College Savings Plans of Maryland offers two options to save for future education costs—the **Maryland Prepaid College Trust (MPCT)** and the **Maryland College Investment Plan (MCIP)**—each offering a distinct strategy and features. But you're not limited to just one or the other. In fact, here are three reasons to consider adding both to your portfolio:

1. **More advantages now.** With the MPCT, you'll lock in tomorrow's tuition at today's prices and enjoy the security of a Legislative Guarantee, while the MCIP offers you a variety of investment portfolios, flexible contribution amounts, and no sales loads, commissions or enrollment fees.
2. **Greater flexibility later.** When it's time to send your child off to college, you can use the MPCT towards tuition and the MCIP towards room and board, books, or additional tuition at a private or out-of-state college.
3. **Additional tax savings.** By investing in both plans, you may also be eligible for an additional Maryland State income deduction.

Questions about saving in both plans?
Call **1.888.4MD.GRAD (463.4723)**.

Existing Customers:

New online password requirements!

Next time you log on to your online account, you may be required to change your PIN number to a Password as part of our enhanced security measures.

Give the gift that lasts a lifetime: Education.

As more and more families turn to loans to pay for rising college costs, you can help your loved ones reduce or even eliminate their reliance on future student loans by making a gift contribution. There are two ways to do it:

- **Open your own account** and receive a Maryland income deduction of up to \$2,500 per year for each account or beneficiary.
- **Contribute to an existing account** with as little as \$25. We offer a selection of gift contribution slips and gift certificates to match every special occasion and holiday.

Regardless of your gifting method, the account can grow tax-deferred, and any earnings will be tax-free as long as the funds are used for qualified education expenses. You'll also have a variety of contingency options if your recipient receives scholarships or doesn't attend college. Visit CollegeSavingsMD.org/gifting for full details and income deduction information.

“ Now that I have children attending college, I am very happy that I started saving with the Maryland College Investment Plan. I was able to start saving with as little as \$25 a month per child. Each time I have called with questions, I have spoken with knowledgeable and friendly representatives who are always willing to help. ”

Steve Spieker
MCIP Account Holder

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Please carefully read the Enrollment Kit, available online, 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. Also, if you or your beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary's state offers state tax or other benefits for investing in its 529 plan.

College Savings Plans of Maryland, Administrator and Issuer.

T. Rowe Price Associates, Inc., Program Manager and Investment Adviser, Maryland College Investment Plan.

T. Rowe Price Investment Services, Inc., Distributor/Underwriter, Maryland College Investment Plan.

**Legislative Guarantee - Maryland law provides that in the event that funds in the Prepaid College Trust are insufficient to pay full Benefits in any given year, the Governor is required to include an amount in the following year's State budget to fully pay Benefits. As with the entire State budget, the Maryland General Assembly determines the final amount of the appropriation.*