



COLLEGE SAVINGS PLANS OF MARYLAND

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CollegeSavingsMD.org 888.4MD.GRAD (463.4723)

2011/2012 Winter Newsletter



College Education Pays

Did you know that according to the U.S. Department of Labor, 62% of all U.S. jobs now require a minimum of two-year or four-year degrees or special post-secondary training? Unfortunately, while higher education is becoming more important, it also continues to become more expensive. The College Board calculates that the average cost for tuition and fees at four-year public institutions has increased nearly 51% over the last 10 years after adjusting for inflation. The result: according to the Project on Student Debt, 54% of students attending four-year institutions in Maryland in 2010 had student loans with an average debt of \$21,750.

So, is college worth the cost? Yes. Despite the rising tuition, a college degree can make a significant difference in a child's future. While the current national unemployment rate for high school graduates is 9.7%, the rate for college graduates is 4.2%, according to the Bureau of Labor Statistics. Also, college graduates can expect to earn on average 66% more over 40 years than those with only a high school diploma.

There is a simple way to make higher education more accessible and affordable—start saving—even a small amount—as soon as possible. It is important to realize any amount saved can reduce the need for future debt.

The College Savings Plans of Maryland have a wide range of flexible and affordable options.

In fact, with the College Investment Plan, you can start with automatically contributing just \$25 a month and with the Prepaid College Trust, you can choose an affordable one-year Community College Plan to get started.

Use This Year's Tax Refund to Save for College

Saving for college with your tax refund is easy with the College Savings Plans of Maryland. To have your Maryland or federal tax refund deposited directly into a College Savings Plans of Maryland account, go to CollegeSavingsMD.org/directdeposit. Here you'll find a form to complete along with instructions on how to have your refund go directly into your account. Send your completed form to us, fill in the instructions on your tax return(s) and we'll do the rest. By contributing your tax refund to your College Savings Plans of Maryland account, you may qualify for a Maryland State income deduction that may reduce your Maryland taxable income in 2012. Using your tax refund to save for college today may also reduce the amount of money you'll have to borrow for college in the future.

“We have two girls, ages 8 and 6, and use both the Prepaid College Trust and College Investment Plan to save for college. We saw the value and benefits of both of the 529 plans offered by the College Savings Plans of Maryland. We feel as though we're on the right path to be able to provide our children with a college education because of our savings in these Plans.”

Michael Derr – Gambrills, MD

Maryland Prepaid College Trust Enrollment Period Open Now Through April 2, 2012!

The 2011-2012 Prepaid College Trust pricing, posted at CollegeSavingsMD.org, is now available until the enrollment deadline of April 2, 2012 for new enrollees, although initial payments are not due until August 1, 2012. The Trust offers tuition plans for as little as one semester at the university level or one year at the community college level. In addition, there are a variety of different payment options to help make the plans affordable. Prices for the University Plans have nominally increased by approximately 3% over last year, while prices for the Community College Plans have increased approximately 4% over last year.

Systematic Contributions Through Payroll Deductions

Did you know that you can set up contributions to your College Savings Plans of Maryland account(s) through payroll deductions? It is an easy way to make automatic payments and manage your budget. Both Plans offer this option when you set up your account. Or if you have an existing account, contact us for more information about getting started.



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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.

We're on YouTube!

Scan the QR code below or visit YouTube.com/CollegeSavingsPlans to check out our YouTube channel.

We have informational videos, interviews, radio ads and more to help you learn more about the College Savings Plans of Maryland.



"Top" Rating Two Years in a Row!

For the second year in a row, Morningstar, Inc. awarded the Maryland College Investment Plan a "Top" rating based on the quality of its underlying investments, modest fees, and the stability of T. Rowe Price's investment personnel. The Plan was one of only six plans to receive a "Top" rating in 2011 and one of five to receive the "Top" rating in 2010.*

**Morningstar analysts reviewed 58 plans for its 2011 survey (10/27/11), and 52 plans for its 2010 survey (10/25/10). Plans were then assigned ratings of "Top," "Above Average," "Average," "Below Average," and "Bottom." To earn a "Top" rating, a plan must be best-in-class across all areas assessed.*

Same Plans. New Look.

We recently redesigned our logo and color scheme as well as updated our enrollment materials and website to reflect our new look. The images used on our website and in our Enrollment Kit now feature actual College Savings Plans of Maryland beneficiaries and their families. **Visit CollegeSavingsMD.org to check it out.**