



# 2020

## Pocket Guide

 FLORIDA  
PREPAID  
COLLEGE BOARD

CELEBRATING  
**30**  
YEARS  
  
COLLEGE SAVINGS

# About

## Florida Prepaid College Board

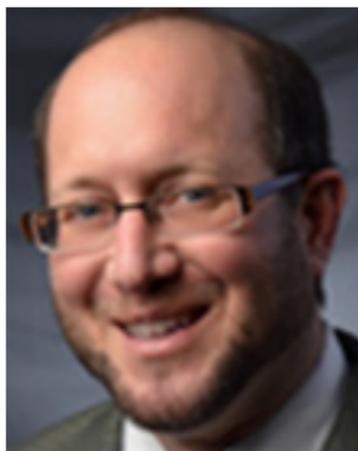
The Board manages the Stanley G. Tate Florida Prepaid College Program and the Florida 529 Savings Plan. It also oversees two 501(c)(3) direct-support organizations: The Florida Prepaid College Foundation and Florida ABLE, Inc., d/b/a ABLE United.

### The Board has seven members:

- ▶ Three members appointed by the Governor
- ▶ The Attorney General, or their designee
- ▶ The Chief Financial Officer, or their designee
- ▶ The Chancellor of the State University System
- ▶ The Chancellor of the Division of Florida Colleges



**John D. Rood**  
Chairman



**Chris Kinsley**  
Vice Chairman

**Kevin Thompson**, Executive Director  
1801 Hermitage Blvd, Suite 210  
Tallahassee, FL 32308 | 850.488.8514  
***MyFloridaPrepaid.com***

# Quick Facts

## College Savings

- Studies show that children with dedicated college savings are 2.5 times more likely to graduate from college
- Most parents believe that their children will attend a higher educational institution; however, 61% of them are not saving and planning for college
- Of the parents that are saving for college, 62% are using regular savings accounts or other accounts, not tax-advantaged savings vehicles (i.e., 529 Plans)

## Student Debt

- Student loan debt exceeds \$1.5 trillion in the U.S.—second only to mortgage debt
- In 2018, 50% of college graduates in Florida had student loan debt, averaging more than \$24,000

## Value of Higher Education

- A bachelor's degree is worth \$2.8 million on average over a lifetime
- Bachelor's degree holders earn 31% more than those with associate's degrees
- 64% of jobs by 2025 will require education beyond high school

# Florida Prepaid College Plan

## Largest, Longest-Running Prepaid College Plan In The Country

- Allows Florida families to pay for the future cost of college in advance for less
- Prepaid Plans are guaranteed by the State of Florida, so families can never lose money

## Statewide Statistics ..... (AS OF JUNE 30, 2019)

- *More than 1.1 million plans purchased*
- *Over 500k students have attended college using a Prepaid Plan*
- *More than \$15 billion in assets*

## NEW! Lower Prices

Successive years of lower than anticipated tuition and fee inflation allowed the Florida Prepaid College Board to reduce Prepaid Plan prices for many current customers, as well as new customers enrolling in 2020.

- 224,000 customers had their Prepaid Plan prices lowered by \$1.3 billion
- More than \$500 million in refunds were issued to current customers
- Lower Plan prices for the 2020 Open Enrollment period, which runs from February 1 - April 30, 2020, start at \$44/month for a newborn



**I honestly do not know how I could have done it without Florida Prepaid.**

**- Miguel Callejas, 2+2 Plan**

For information about the Program, please visit [myfloridaprepaid.com](https://myfloridaprepaid.com)

# Florida 529 Savings Plan

## Morningstar® Medal Winning Plan

- Allows Florida families to save what they can when they can for college
- Participants choose their own investment options

## Statewide Statistics ..... (AS OF JUNE 30, 2019)

- Over 80k active Savings Plans
- More than \$675 million in assets
- Average account balance is \$8,400

## NEW! Major Enhancements

Now available exclusively to Florida residents. Enhancements rolled out in September 2019 include:

- Reduced fees on all investment options, some by more than 70%
- Addition of new investment options and improvements to existing options
- Addition of well-known investment managers, such as Vanguard, Dimensional Fund Advisors and Eaton Vance



**“... a well-designed, low-cost college savings program.”**

**- Morningstar, Inc.**

For information about the Program, please visit [myfloridaprepaid.com](http://myfloridaprepaid.com)

# Florida Prepaid College Foundation

## Celebrating 30 Years Of Providing Scholarships To Florida Students

- The Foundation promotes the importance of saving for college and provides scholarships to deserving students
- Six scholarship programs are matched dollar-for-dollar by not-for-profit organizations

## Statewide Statistics ..... (AS OF JUNE 30, 2019)

- *48,000 scholarships have been purchased since inception*
- *More than 29,000 Foundation Scholarship recipients have gone to college using their benefits*
- *The Foundation partners with more than 150 donor organizations*

## PROJECT STARS .....



*Student/  
Mentor: Shelby  
Jacobs (left)  
and Janet  
Kessler (right)*

- Helps low-income students at risk of dropping out of high school create a pathway to success through mentoring and the promise of a college scholarship
- Funded jointly by the Florida Legislature and private donors, with combined funding of more than \$253 million since 1990

For information about the Program, please visit  
***[floridaprepaidcollegefoundation.com](http://floridaprepaidcollegefoundation.com)***

## Individuals With A Disability Can Now Save While Maintaining Federal Benefits

- ▶ Allows eligible individuals with a disability to save up to \$15,000 per year tax-free while maintaining their federal benefits, such as Supplemental Security Income (SSI) and Medicaid
- ▶ Earnings on funds used for qualified disability expenditures are not taxed

## Statewide Statistics ..... (AS OF JUNE 30, 2019)

- ▶ *More than 3,400 active accounts*
- ▶ *Total market value of \$16.1 million*
- ▶ *Average account balance is \$5,700*

## ELIGIBILITY .....

- ▶ Equivalent disability/severity as required for Supplemental Security Income/Social Security Disability Insurance
- ▶ Disability onset before age 26
- ▶ Florida resident

## QUALIFIED EXPENSES INCLUDE .....



Health



Housing



Education



Employment  
Training Support



Transportation



Funeral &  
Burial



Legal Fees



Oversight  
& Monitoring



Assistive Technology  
& Support Services



Financial  
Management



Other  
Expenses Approved  
by Treasury  
Regulations

For information about the Program,  
please visit [ableunited.com](http://ableunited.com)

# Benefits of Our College Plans

The Florida Prepaid College Plan and the Florida 529 Savings Plan are both authorized 529 college plans. Benefits of the plans include:

## **Tax-Free Earnings**

Earnings are tax-free when spent on qualified higher education expenses.

## **Nationwide Use**

Plans can be used at in-state, out-of-state, public or private colleges and universities around the country, including technical and vocational schools. With the Prepaid Plan, the value we pay to other schools is the same as we would have paid to a Florida school.

## **Flexibility for What the Future Holds**

Our plans include provisions that let the benefits move with the owner, be transferred to another child or be canceled for a refund at any time.

## **Others Can Help**

Friends and family can buy a plan for a child or contribute to an existing plan using our eGift portal.

**Choose a Prepaid Plan, a Savings Plan or both. 529 Plans are the smarter way to save and work great together to cover college costs!**