

Treasury Notes

Office of the State Treasurer Lynn Fitch

Issue 7 • March 2015

• Lynn's Ledger •

Planning for the Future with College Savings

Did you know that a child is seven times more likely to attend college if someone invests in their future? Why? Because someone believed in that child. This year student loan debt reached an all-time high of \$1.3 trillion in our country, with the 2014 graduating class finishing college with an average of \$30,000 in loans. The average student loan debt for a graduate of a four year program in Mississippi is \$28,000. After working so hard to earn degrees, these students are graduating with a mountain of debt. Preparing for higher education is so vital to families and the state. If we can break the cycle of debt, we can be better stewards of our state's economy, leading to business investments and job opportunities. That's why I've taken such an interest in College Savings Mississippi, a program administered through the State Treasurer's Office that offers two college savings plans. The two 529 programs are the Mississippi Affordable College Savings (MACS) Plan and the Mississippi Prepaid Affordable College Tuition (MPACT) Plan.

MACS makes giving the gift of college easy and affordable. This state-sponsored savings program helps Mississippi families save for future college expenses such as tuition, books, supplies, and certain room and board expenses. You can start saving for as little as \$25. If your employer offers MACS contributions through payroll deduction, you can deposit as little as \$15 per month.

MPACT is Mississippi's prepaid tuition plan that locks in current tuition rates. MPACT offers tuition plans for universities, community colleges or a combination of the two. MPACT also offers flexible payment plans including lump sum, annual payments, monthly payments, or a partial down payment followed by monthly or annual payments. The flexibility in payment options makes MPACT a solid option for Mississippians who want to ensure that tuition is covered when their children or grandchildren enroll.

I encourage you to find the right plan for your student and family. No matter how much you put away, the important thing is to save. We have been taking this message across the state and I hope you enjoy reading about the various ways we are reaching Mississippi families.



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Lynn Fitch
STATE TREASURER



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ART CONTEST

College Savings Mississippi is hosting a scholarship opportunity for any Mississippi resident Pre-Kindergarten through 12th grade. A \$529 Mississippi Affordable College Savings (MACS) Program scholarship will be awarded to the winner of each age division through an Art Contest. For the Contest, Mississippi students are asked to create a work of art that reflects “What do you want to be when you grow up?” Parents and legal guardians must submit the Art Entry Form for a chance to win \$529 towards a MACS account for the benefit of the child. The age divisions are: Pre-K through 2nd grade; 3rd – 5th grade; 6th-8th grade; 9th-12th grade. Each entry must be postmarked by March 31, 2015.

For official rules and registration information, visit www.treasurerlynnfitch.com.

College Savings Mississippi
ART CONTEST

Age Divisions:

Pre-K	3rd	6th	9th
2nd Grade	5th Grade	8th Grade	12th Grade

1st place winner in each age division wins a **\$529 MACS Scholarship**

Open to any Mississippi resident Pre-Kindergarten – 12th Grade.
One entry per artist.
Entries must be postmarked by March 31, 2015.

March 1st - 31st 2015

For Official Rules & Registration Information, visit: www.treasurerlynnfitch.com

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STATE TREASURER

SAVINGS SHOOTOUT

COLLEGE STUDENT AND FATHER WINNERS OF SCHOLARSHIPS

College Savings Mississippi offered a scholarship opportunity on March 13, 2015 at the Mississippi High School Activities Association (MHSAA) State Basketball Tournament at the Mississippi Coliseum in Jackson. Two contestants were chosen from entrants to participate in the College Savings Shootout. There were two opportunities to participate in the Shootout events, one during the 5A girls’ game and another during the 5A boys’ game. Each participant had 60 seconds to shoot and the contestant with the highest number of shots won a \$529 Mississippi Affordable College Savings (MACS) Program scholarship. This year, the winners were Jeff Jordan and Dewayne Lewis, Jr.





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PARTNERSHIP WITH INGALLS SHIPBUILDING

TREASURER FITCH PARTNERS WITH INGALLS TO PROMOTE PAYROLL DEDUCTION

On March 18, Treasurer Lynn Fitch and Ingalls Shipbuilding partnered to promote college savings through payroll deduction. Ingalls hosted a Mississippi Affordable College Savings (MACS) Program Payroll Deduction Kick-Off Event in Pascagoula. For the first time, Ingalls has offered their employees the option of payroll deductions to a MACS account. The Treasurer, along with College Savings Mississippi staff, answered questions and handed-out information to employees throughout the day. Employees had an opportunity at multiple locations to open a MACS account, begin payroll deduction, and to enter into a drawing for one of four \$50 MACS scholarships.



“I am so grateful to Ingalls Shipbuilding for allowing us to speak with their employees about college savings,” noted Treasurer Fitch. “With partnerships like these, we can continue to help families across the state of Mississippi take advantage of every opportunity to save. Together, we can help these parents and guardians prepare for their child’s future.”

2014 FINDINGS ON 529 COLLEGE SAVINGS PLANS

The College Savings Plans Network (CSPN), a leading non-biased and non-profit voice for Section 529 College Savings Plans, has presented findings from its 2014 year-end *529 Report* which is designed to provide the latest 529 plans to parents, financial advisors, and other key stakeholders. CSPN, which is affiliated with the National Association of State Treasurers, aggregated the data which includes assets held in 529 accounts, the average size of 529 accounts, and the percent of contributions and distributions in 529 accounts for the time period of January 1, 2014, through December 31, 2014. Here are the major findings from the 2014 data collection effort:

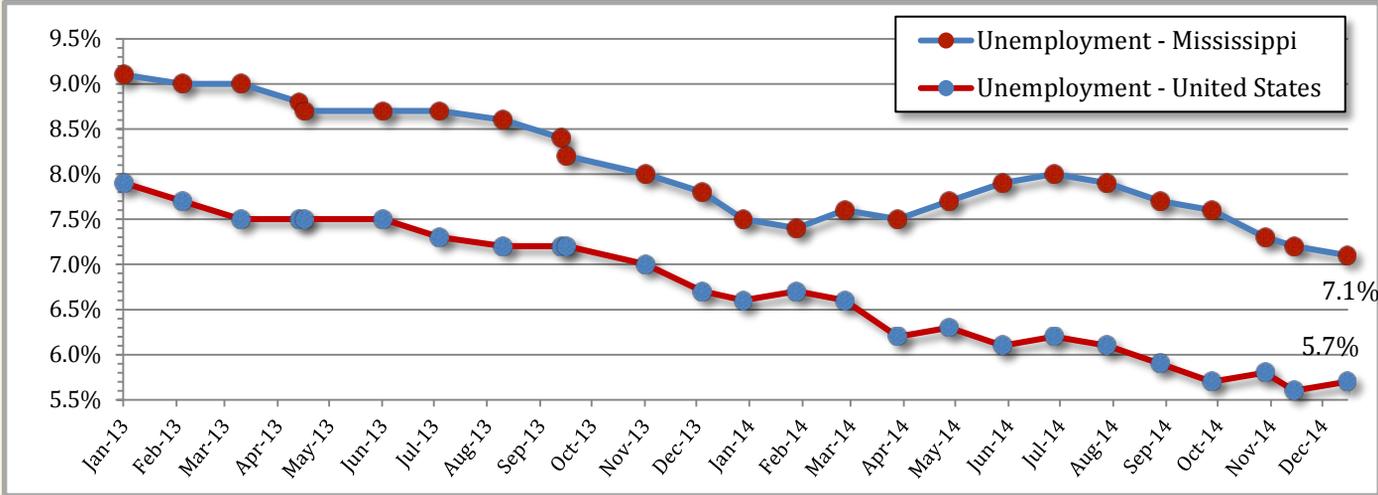
- Total investment by American families in 529 plans has reached a record level of \$247.9 billion. In 2014, total assets in 529 plans grew by \$20.8 billion dollars.
- The total number of 529 accounts increased 4.1% over the past 12 months, going from 11.6 million in December 2013 to 12.1 million as of December 2014.
- The average 529 account size continues to grow, reaching an average account size of \$20,474 as of December 31, 2014, a 4.5% increase over the past twelve months. This indicates a continued commitment by American families to save for the cost of a college education.
- Including growth from contributions and investment returns, total assets in 529 plans grew by 9.1% in 2014.
- The report also demonstrates that saving for a college education continues to be a priority for parents and grandparents as more than 53% of all 529 accounts received contributions in 2014.

To read more of the *529 Report* [click here](#) or visit www.CollegeSavings.org.



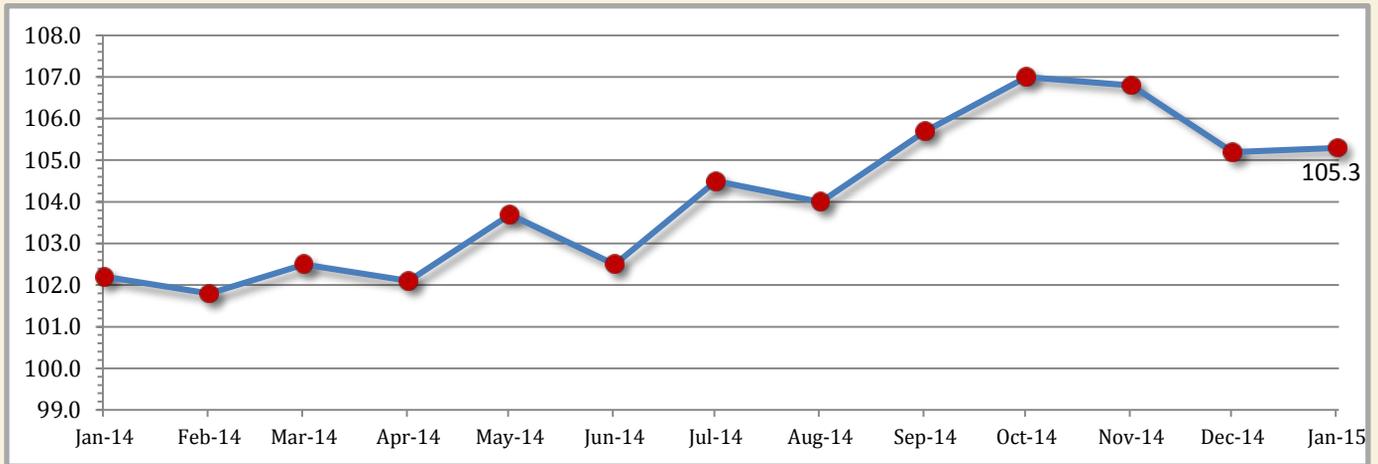
ECONOMIC STATISTICS

MS UNEMPLOYMENT RATE (JANUARY 2013 - JANUARY 2015)



The Unemployment Rate is the percentage of the total labor force that is unemployed, but actively seeking employment and willing to work. According to the January "Mississippi Business" newsletter published by the University Research Center (Mississippi Institutions of Higher Learning), "Mississippi more than gave back their increase from December, declining 15.3%. The January level of initial claims was 10.5% lower than 1 year ago." Seasonally adjusted unemployment claims in Mississippi fell for the 5th consecutive month in January.

LEADING INDEX (JANUARY 2014 - JANUARY 2015)



Components of the Leading Index include average weekly manufacturing hours, average weekly initial claims for unemployment insurance, manufacturers' new orders for consumer goods and non-defense capital goods, building permits and stock prices. Other components are indexes of supplier deliveries and consumer expectations, M2 money supply and the interest rate spread between 10-year Treasury bonds and federal funds. In January, the MLI rose slightly, gaining 0.1% in value and was 2.9% higher compared to January 2014. (Source: Mississippi's Business: A Publication of the University Research Center, Mississippi IHL)

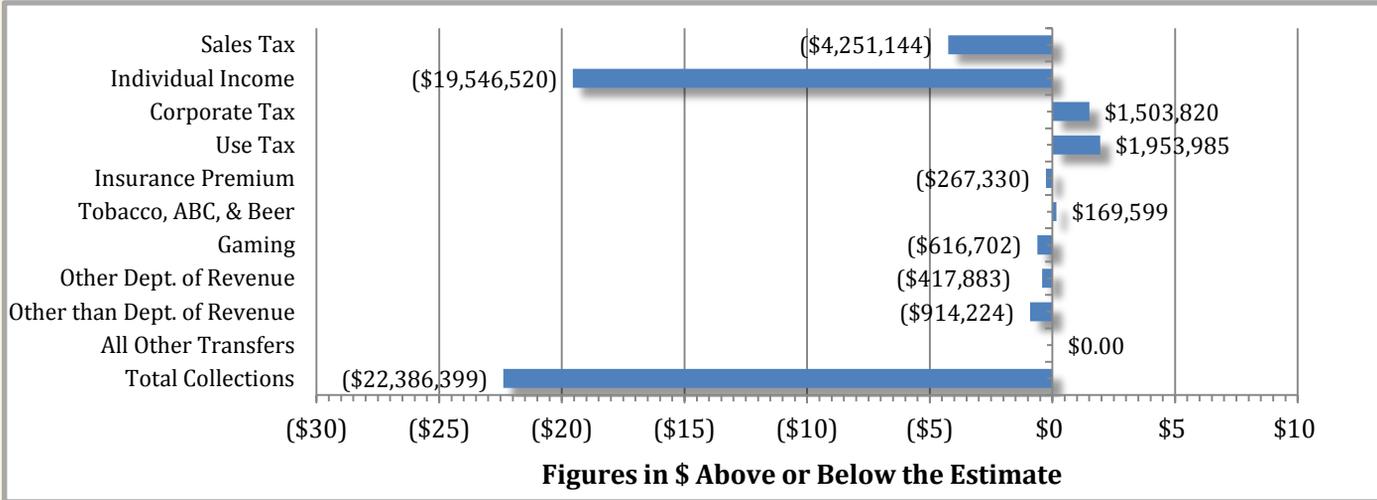
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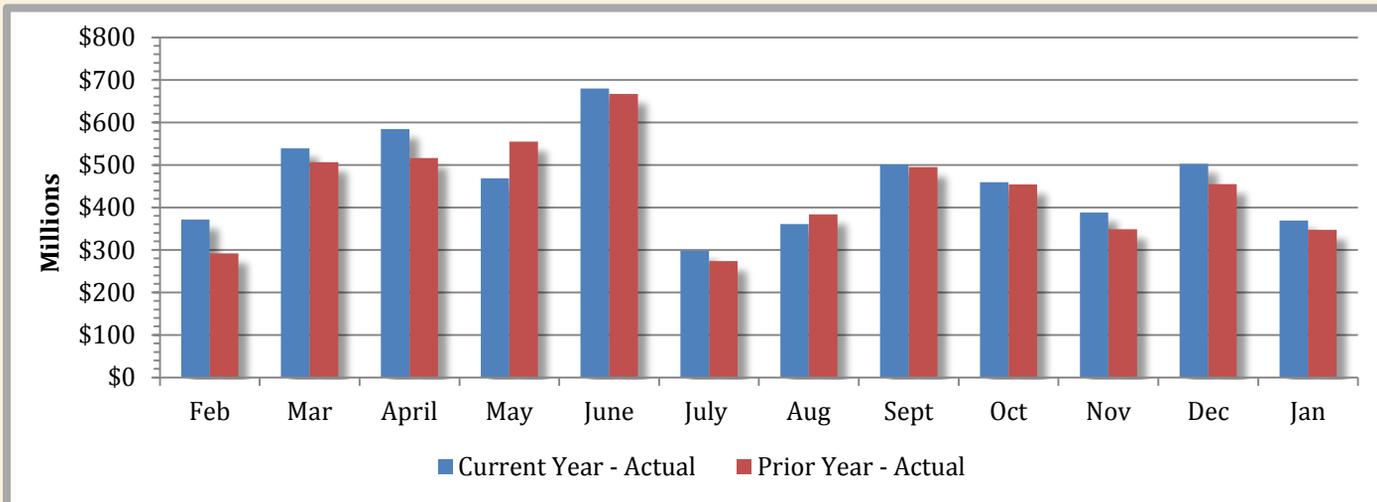
REVENUE COLLECTIONS

REVENUE (ACTUAL - OVER OR UNDER MONTHLY ESTIMATE)



Total collections for January FY 2015 were (\$22,386,399) below the sine die estimate. Department of Revenue sources were (\$21,472,175) below the estimate and Other Than Department of Revenue collections were below the estimate by (\$914,224). The major revenue sources were above or below the estimate in January (Source: LBO)

REVENUE (ACTUAL - CURRENT YEAR VS. PRIOR YEAR)



The above chart illustrates the General Fund revenue collections by month as compared to the prior year.