



COLORADO
Governor Jared Polis

FOR IMMEDIATE RELEASE

December 31, 2019

CONTACT

For CollegeInvest:
Susan Hagar
720.935.1777
hagarcomm@comcast.net

For Governor Polis:
Conor Cahill
303.866.6324
conor.cahill@state.co.us

FIRST STEP BY COLLEGEINVEST WILL PROVIDE \$100 FOR THE COLLEGE SAVINGS OF EVERY NEW BABY BORN OR ADOPTED IN COLORADO

Denver, CO– Colorado Governor Jared Polis, and CollegeInvest announced the launch of First Step, a new program that gives every child born or adopted in the State of Colorado, beginning on January 1, 2020, a \$100 contribution to their CollegeInvest 529 college savings account. The program will be funded and administered by CollegeInvest without the expense of any taxpayer dollars.

First Step was created as a catalyst to help Colorado families save for their children's postsecondary education, nurture aspirations for higher education and develop essential financial literacy skills. CollegeInvest is Colorado's not-for-profit state agency charged with helping working families prepare for the cost of postsecondary education and reduce student loan debt, especially for lower- and middle-income families.

In announcing the launch of First Step, Angela Baier, CollegeInvest's CEO, commented, "Every dollar saved counts when it comes to paying for education, and First Step will help Colorado families get their college savings plans off to a strong start, right from the beginning. Opening a CollegeInvest 529 college savings account for a child at birth allows more time for savings to accumulate and interest to accrue. And, we know that having a college savings account has significant impact on the development of college-bound identity, especially among children of limited opportunity."

The legislation was passed with bipartisan support and signed into law by Colorado Governor Jared Polis in May 2019.

"My administration is committed to investing in education, and focused on driving down costs. CollegeInvest is a critical tool to help parents and guardians save for their child's education. This new law will incentivize the use of these tools by providing birth or adoptive parents with \$100 to kick start their child's savings," said Governor Polis. "We know that students with some college savings from low- and middle-income families are three times more likely to enroll in college and four times more likely to graduate than those without a 529 plan. I appreciate the support of Representative Herod, Senator Fenberg, Speaker Becker and other state legislators as well as their efforts to get this important bill passed."

--MORE--

Dr. Angie Paccione, Executive Director of the Colorado Department of Higher Education added, “The vast majority of Colorado’s future jobs require an education beyond high school. This early investment ensures our students have a head start in saving for that future. By knocking down yet another barrier, we ensure more students reap the benefits of a postsecondary credential.”

State Representative, Leslie Herod, the primary sponsor of the legislation commented, “I am so proud to have sponsored this exciting opportunity for Colorado. First Step makes a down payment on the future of our state with an early investment in the education of our next generation. Along with CollegeInvest’s Matching Grant and 529 Scholarship programs for lower- to middle-income families—both of which are also privately funded—Colorado is taking bold steps to break down the financial barriers that limit educational equity.”

The co-sponsor of the legislation, Senate Majority Leader Steve Fenberg, added "As tuition rates increase, we have to ensure we're setting our students up to thrive when it's time for college. That means focusing on economic security to set them up for success, and this bill helps to put that in motion. Giving children and families a strong start with a dedicated college fund they can grow throughout school accelerates their path to higher education."

Based on the principle that saving for higher education is a vastly more effective strategy than borrowing, contributing to CollegeInvest 529 college savings accounts can cut the cost of college nearly in half by implementing the simple principle of earning interest through long-term savings, rather than paying interest on student loans.

“The crushing financial burden of student loan debt is a real threat to Colorado’s economic sustainability,” added Colorado State Treasurer, Dave Young, “Saving is the best way to avoid costly student loans, and with the added benefit of a State income tax deduction, CollegeInvest offers the most effective tools for Colorado’s hard working families to maximize their savings. First Step will be a huge asset for families to get started with a long-term plan.”

The one-time First Step contribution is available for all children born or adopted in the State of Colorado starting on January 1, 2020. Parents or legal guardians of newborns or newly adopted children can find more information online by visiting www.collegeinvest.org/first-step.

About CollegeInvest

CollegeInvest is Colorado’s foremost resource designed specifically to help break down the financial barriers to attaining a higher education or vocational training. By providing expert information, easy-to-use planning tools, and an exceptionally diverse menu of tax advantaged college savings plans, CollegeInvest works to help Coloradans maximize their potential to save for college. CollegeInvest currently represents \$8.8 billion in savings, the majority of which are held by Colorado residents. Money saved in a CollegeInvest 529 savings plan can be used at any public or private college, university, community college or vocational school, anywhere in the country. For more information, visit collegeinvest.org or call 1-800-448-2424, or contact your financial advisor.