



**OFFICE OF  
STATE TREASURER  
DENISE L. NAPIER**

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# NEWS

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## **COLLEGE SAVINGS PROGRAM SETS SECOND CONSECUTIVE RECORD FOR ACCOUNTS OPENED IN ONE MONTH, NAPIER REFORMS CONTINUE TO ATTRACT RECORD NUMBER OF NEW FAMILIES**

For the second consecutive month, the Connecticut Higher Education Trust (CHET), the state-sponsored college savings program, set a record for the number of accounts opened in one month. During January, 731 new accounts were opened, surpassing the previous record of 548, which was just set the previous month, in December 2000.

The increasing participation in the CHET college savings program comes as the program approaches the first anniversary of its re-launch, after substantial changes were made under the leadership of State Treasurer Denise Nappier. The revisions were designed to make the program more accessible and affordable for Connecticut families, following through on a commitment Nappier made during her campaign for State Treasurer.



In March 2000, the CHET program re-opened after Nappier hired a new program manager, negotiated lower management fees for account holders and reduced the minimum amount necessary to open an account from \$500 to \$25. The changes brought immediate results: an independent analysis of state college savings programs featured in *USA Today* rated CHET as one of the top programs in the country, and the number of participants has increased by 58% since the re-opening.

"Our goal was to offer Connecticut families a premier investment program for higher education," Nappier said. "Higher education is more important and more expensive than it has ever been, and we appreciate that one's ability to pay for college tomorrow depends on the quality of the investment program begun today. We are very encouraged by the response, because the ultimate beneficiaries will be Connecticut's children. We will continue to do everything we can to keep CHET as one of the top programs in the country."

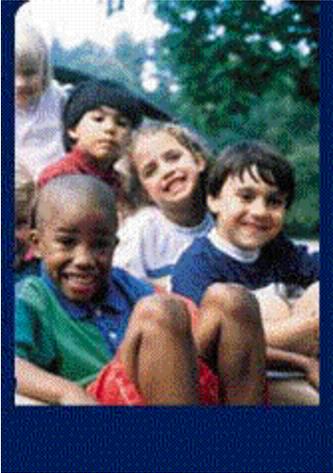
At the end of January, the CHET program had \$78.7 million in assets, up from \$47 million when the program was re-opened last March, and a total of 10,442 accounts. In

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January, total assets grew by \$6.9 million, a one-month record. Also in January, the CHET program accepted \$5.5 million in new deposits, the first time new deposits exceeded \$5 million in one month.

CHET is a higher education savings program that is managed for the State Treasurer's Office by TIAA-CREF, Tuition Financing, Inc. CHET is designed to offer investors a tax-advantaged way to save and invest for college education. Funds may be used to pay for qualified higher education expenses (tuition, books, room and board, and equipment required for college enrollment) at any eligible institution in the United States and even some overseas.



When used for qualified higher education expenses, earnings are exempt from Connecticut State income taxes, and federal income taxes are deferred until funds are withdrawn, at which time account earnings are taxed at the student's rate. The CHET program was authorized by the Connecticut General Assembly in 1997 and began in 1998.

Late last year, the State Treasurer's Office and TIAA-CREF Tuition Financing Inc., the program managers, launched a marketing and public awareness campaign to encourage families to save money for higher education. The effort, which included a series of television commercials, print advertisements, and informational brochures distributed through local school districts, promoted the CHET college savings program in a series stressing the importance of saving for college. The costs of the marketing and public awareness campaign, coordinated by the State Treasurer's Office and TIAA-CREF, are being borne by TIAA-CREF and did not incur cost to Connecticut taxpayers.

"This is a CHET program that every resident of Connecticut can be proud of and participate in – a program that offers a helping hand to families who might not otherwise be able to afford the expenses associated with a college education," Nappier said.

More information on the Connecticut Higher Education Trust program is available by calling 1-888-799-CHET or accessing the CHET website at [www.aboutchet.com](http://www.aboutchet.com).

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