



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

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# NEWS

**FOR IMMEDIATE RELEASE**  
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## **COLLEGE SAVINGS PROGRAM OPENS 10,000<sup>TH</sup> ACCOUNT, NAPPIER REFORMS ATTRACT RECORD NUMBER OF NEW FAMILIES**

### *Record for New Accounts Opened in One Month Set in December*

The Connecticut Higher Education Trust (CHET), the state-sponsored college savings program, opened its 10,000<sup>th</sup> account today (January 12). The milestone came only 10 months after substantial changes were made to the CHET program, which has resulted in new college savings accounts being opened at an impressive, unprecedented rate.

The revisions to the CHET program were designed to make the program more accessible and affordable for Connecticut families. Following through on a commitment she first made during her campaign for Treasurer, Nappier hired a new program manager for the savings plan and 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 54% since the re-opening in March, 2000.

"Our goal from day one 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 before, and we appreciate that one's ability to pay for college tomorrow depends on the quality of the investment program begun today. That's why these changes to CHET are so important for Connecticut families. We are very encouraged by the response, because the ultimate beneficiaries will be Connecticut's children."

**The CHET program currently has just over \$74 million in assets, up from \$47 million when the program was re-opened in March, and also an all-time high for the program. The 10,000 account total reached today represents an increase of 54% above the 6,500 account total in March, 2000. In the month of December 2000, a total**

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**of 548 new accounts were opened – the largest one-month total in the program’s history. That includes 72 new accounts opened on December 27, the highest one-day total ever.**

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.

Recently, 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 includes a series of television commercials, print advertisements, and informational brochures distributed through local school districts, promotes the CHET college savings program in a series stressing the importance of saving for college.



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

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 will not incur cost to Connecticut taxpayers or effect the low management fees for account owners.

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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