



TREASURER OF STATE

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Treasurer of State Dennis Milligan's Quarterly Column

Little Rock, AR- It is that time of year again, and it seems to come earlier and earlier each year. The time when we start focusing on giving thanks and giving gifts. It truly is a wonderful time of year where we experience gratitude and love from our friends and family. It is also a perfect time of the year to consider giving your child or grandchild a gift they can grow with and be truly thankful for many years to come.

The Arkansas 529 GIFT College Savings Plan is a tax deferred savings program that is administered by my office and the Arkansas College Savings Program Board. You can open an account for as little as \$25 and then contribute as little as \$10 a month. Additionally, you can receive a state income tax deduction of up to \$10,000 for a couple or \$5,000 for an individual. So, as you can see if you can run through a drive-thru you, can save for your child or grandchild's education after high school.

Once your child or grandchild is ready for a post high school education they can withdraw these funds tax-free for eligible expenses, such as tuition, room and board, books, even computers. The AR 529 GIFT account can be used at any accredited two-year or four-year college, university, technical or vocational institution. That's right it can be used at colleges or vo-tech schools, which ever best fits your child or grandchild.

For my first full fiscal year (FY2016), the AR 529 GIFT plan assets under management grew from \$317.7 million to \$334 million, an increase of \$16.3 million or 5.1 percent. We saw an increase in active accounts from 23,846 to 25,510 with an average balance of \$13,300. This shows healthy growth in the program, and a program contributors trust and believe in.

Additionally, this past year we cut the administrative fees associated to the AR 529 GIFT Plan by 24 percent. This ultimately means more of your money going towards your child and grandchild's post high school education. We have been able to take a good plan and make it even better for the participants.

Higher education or technical skill training are essential for success in the economy today and tomorrow not just for the individual but for our State and our ability to continue to recruit top industries here in the future. I truly can think of no better gift this time of year than giving the gift of a post high school education and a foundation for our children and grandchildren to forever change the trajectory of their lives. This gives them the chance to build a career, and not just get a job. Take the opportunity to learn more about the AR 529 GIFT Plan and enroll today by visiting our website at arkansas529.org, or calling our office at 501-682-3817.

Now one more thing on the idea of harvest time and Thanksgiving, I recently reported to the State Board of Finance the receipted returns on the State's investments. My office was able to generate \$11.8 million for the first quarter of this fiscal year, which is an increase of \$4 million over the same time period as last fiscal year. I am diligently working to secure the safest and greatest return possible for you the hardworking taxpayers, because I believe any extra dollar I am able to earn is one less the government will need from you. It's not an easy time to be investing, as you know, and we are weathering the storms of the volatility of oil prices, impact of Brexit and even the uncertainty around our recent Presidential election.

I will say we are poised and ready to take full advantage of whatever opportunity presents itself in the upcoming months, and I look forward to continuing to report to you about the strength of your investments.

My family and I wish you the very best this holiday season and a very Merry Christmas.

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