

STATE HOUSE NEWS SERVICE

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BABY IN HAND, GOLDBERG ANNOUNCES COLLEGE SAVINGS EFFORT

By Chris Triunfo

STATE HOUSE NEWS SERVICE

STATE HOUSE, OCT. 16, 2018.....Starting Jan. 1, 2020, every child born or adopted as a Massachusetts resident will be eligible for a free \$50 deposit into a college savings account, state officials announced Tuesday.

According to Treasurer Deborah Goldberg, the deposit will be made through the Massachusetts Educational Financing Authority (MEFA) and financed by a state Treasury trust fund she oversees, with support from private donors. One of those donors, Inversant founder Robert Hildreth, joined Goldberg and Boston Mayor Martin Walsh at a press conference as Hildreth committed \$300,000 to SeedMA Baby.

"This program is designed to empower families from Boston to the Berkshires, all over the state, to save for their child's higher education," Goldberg said. "With the price of education increasing each year, we must ensure that individuals of every background and income level are equipped with the resources to finance their higher education and enter the workforce debt-free."

Goldberg's office said that there are an estimated 70,000 births in Massachusetts every year. About \$3.5 million would be required if 70,000 children were signed up, but Treasury officials say only 10 percent are expected to actually sign up for the \$50 deposit in the first year.

The deposit would go into a 529 college savings account through MEFA, a tax-advantaged plan designed to encourage savings for higher education. The accounts provided by the program will come from MEFA's UFund, which is sponsored by state government and managed by Fidelity Investments.

Fifty dollars will make a tiny dent in the cost of a college education, but the program is designed to help families begin to save. According to the College Board, the average cost of tuition and fees for four years at a private college is \$129,640 and \$95,560 for a public college.

Mayor Walsh connected the impact of the college savings program to a deadly shooting Monday night, the eighth murder in Boston in 10 days.



"In a few minutes, I'm going to be asked about what happened in Boston last night, about the violence that happens in the city," Walsh said during Tuesday's press conference. "The answer to a lot of what's happening here long-term is education, is giving people the opportunity to get to college."

A Goldberg aide said that Robert Hildreth's \$300,000 donation from the Hildreth Stewart Charitable Foundation would be sufficient to fund the first year of the program. Afterwards, the state plans on using donations and numerous public-private partnerships to fund the program.

"We are going to raise good money, and we are not going to dip into taxpayers' pockets," said Chandra Allard, director of communications at the Treasury.

While the program relies on private funds, those monies are funneled to families by the treasurer's office through its trust fund.

Before presenting Walsh and Goldberg with an oversized check, Hildreth told the cameras that this new plan represents hope.

"Last week was a tough one for Boston," Hildreth said. "But this plan, this idea of a children's savings account, it gives me hope. Hope for parents, for single moms, knowing that their kid will be safe, that they will have a future."

A three-year pilot program at the Treasury to help families in Worcester and Monson save for college is currently in its final year, and Republican Keiko Orrall, who is running for treasurer this year, panned that program's progress and the salaries paid to its overseers by the Treasury.

"Everyone agrees it's important for families to save for college, but the Treasurer's attempts so far have been a waste of taxpayer money," Orrall said in a statement.

When asked if she would end the program if elected, Orrall said she would look into the program's management.

"The intent of this program is good, but I want to make sure the taxpayers aren't hurt," Orrall told the News Service. "I would look into the management and marketing of the program, because that is the problem now."

Her campaign said the deputy treasurer who runs the program has earned \$260,000 over two years, or 20 times the amount saved, and cited news accounts saying that 100 low-income Worcester families have saved only \$12,000 in aggregate.



Mayor Martin Walsh and Treasurer Deborah Goldberg on Tuesday announced the launch of a new college savings program, funded by Robert Hildreth (far left). [Photo: Chris Triunfo/SHNS]

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Pennsylvania, Nevada, Rhode Island, Connecticut and Maine all have established similar college savings programs. The treasurer's office cited them as a jumping-off point for the development of SeedMA Baby.

Near the end of the press conference, Hildreth invited his company's director of programming Rochelly Araniz and her sleeping baby, Abigail, to the podium.

"This is who the program is for," he whispered as he handed the baby to a smiling Treasurer Goldberg.

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