

SENATE COMMITTEE SUBSTITUTE FOR
SENATE CONCURRENT RESOLUTION NO. 11

Whereas, a college education provides students with a significant advantage in achieving the American Dream; and

Whereas, individuals with higher levels of education regularly benefit from lower unemployment, better jobs, increased chances for career advancement, and higher earning potential; and

Whereas, college graduates age 25 and over earn nearly twice as much as workers who stopped with a high school diploma; and

Whereas, the median earnings gap of graduates of a four-year college versus high school graduates has been increasing since the 1970's and continues to increase; and

Whereas, the pathway to a better life goes directly through college, but only if college is affordable for the student and the family;
and

Whereas, the cost of a college education has increased twelve-fold over the last thirty years; and

Whereas, in 2012 63% of students graduating from a four-year institution in Missouri had student loan debt; and

Whereas, the average student loan debt for students graduating from a four-year institution in Missouri in 2012 was over \$24,000;
and

Whereas, nearly 99,000 Missourians are currently making student loan payments; and

Whereas, 12.6% of students default on their student loan payments; and

Whereas, individuals who are not making student loan payments will be more active participants in a free-market economy; and

Whereas, 529 plans are a powerful investment tool for families and individuals to save funds for their children's future education expenses; and

Whereas, 529 plans are used as the "Pathway to College" for individuals who could not otherwise attend college; and

Whereas, 529 plans are readily available to any Missouri citizen; and

Whereas, minimum contributions can be as little as \$10, making it accessible for any person to save a little at a time, which will add up significantly once the student enters college; and

Whereas, by saving for college through a 529 plan, families can reduce their reliance on student loans, earn interest instead of paying interest and help their student leave college debt-free; and

Whereas, 529 plans can be used at almost any college or university in the country, giving every student the opportunity to attend the school that fits their needs; and

Whereas, 529 plans are an attractive investment tool because the funds invested grow deferred from federal and state taxation; and

Whereas, families which save with 529 plans can save an average of \$15,000 more over a 18-year period than if they were to save through a taxable account; and

Whereas, the number of 529 plans accounts have increased by over 700% since 2001, when qualified distributions became tax-free;
and

Whereas, the President of the United States proposed a budget which would tax earnings accrued from a 529 plan, only to subsequently retract such proposal as a result of negative reaction:

Now, Therefore, Be It Resolved that the members of the Missouri Senate, Ninety-eighth General Assembly, First Regular Session, the House of Representatives concurring therein, hereby urge the United States Congress to protect and strengthen the tax-deferred treatment of 529 college savings plans to promote students' chances of fulfilling the American Dream; and

Be It Further Resolved that the Secretary of the Senate be instructed to prepare a properly inscribed copy of this resolution for each member of Missouri's Congressional delegation.

Resolution

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