

**Minutes of AZ529, Arizona's Education Savings Plan  
Advisory Committee Meeting  
September 10, 2024**

The quarterly meeting of the AZ529, Arizona's Education Savings Plan Advisory Committee (Committee) was held on September 10, 2024, in-person and via WebEx. Treasurer Yee called the meeting to order at 10:08 a.m.

**Members Present:**

The Honorable Kimberly Yee, Chair, Arizona State Treasurer (in-person)  
Susan Bitter Smith, Maricopa Community Colleges (via WebEx)  
Christine Burton, Co-Founder, Burton Family Foundation (via WebEx)  
Susan Ciardullo, Executive Director, Life Long Learning, Inc.(in-person)  
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District (via WebEx)  
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix (via WebEx)  
Charlie Shields, Shields Company Inc./480 Endowment Consultants (via WebEx)

**Members Absent:**

Keith Alexander, Special Assistant to the President for Community & Government Relations,  
Eastern Arizona College  
David Eaker, Campus President, The Refrigeration School  
President Brian Mueller, Grand Canyon University  
The Honorable Shaandiin Parrish, Council Delegate, Navajo Nation  
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services,  
Arizona State University  
Chris Schoenleb, North Valley Christian Academy

**Others Present:**

Jeffrey Ong, AZ529 Plan Administrator, ASTO  
Alyssa Koury, Public Information Officer, ASTO  
Nick Barnhiser, Financial Systems Administrator, ASTO  
Christine Korecki, Davidson Belluso  
Heather Austin, Davidson Belluso

**I. Treasurers Welcome and Opening Remarks**

Treasurer Yee called the September 10, 2024 AZ529 Plan Advisory Committee Meeting to order at 10:08 a.m. and welcomed committee members as well as extended a special welcome and introduction to Susan Bitter Smith.

**II. Roll Call of Committee Members**

Treasurer Yee asked AZ529 Plan Administrator, Mr Jeffery Ong, to do a formal roll call of the Committee members.

**III. Approval of Minutes of June 25, 2024, Committee Meeting**

Ms. Ciardullo moved that the June 25, 2024, Committee meeting minutes be approved as distributed. Seconded by Ms. Burton. Motion carried unanimously.

**IV. FY25 AZ529 Media and Marketing Plan**

Treasurer Yee asked Heather Austin and Christine Korecki of Davidson Belluso to review the FY25 Marketing and Media Plan.

Ms. Austin shared her target goals for the marketing efforts for fiscal year 2024-2025. The goals consisted of raising awareness and enrollment in the AZ529 plan, promoting the importance of opening an account, and addressing the opportunity for children/students to be educated on financial literacy.

Additionally, she covered the target audience for the current Fiscal Year (2024-2025) which would include parents, grandparents, extended family members, educators and statewide media.

Ms. Austin then referred back to the Essay, Art, and Photo contests the Treasurer hosted to be used as leverage to expand statewide media coverage. Winners sharing stories would garner more local coverage as well as allowing us to focus more on groups with lower participation.

She then discussed how we can use striking visuals integrated into kids' activities to capture attention in the media and further references the Treasurer's appearance on ABC 15 Arizona news as well as Boys and Girls club appearances.

To build on the attempts and plans to increase media coverage, Ms. Austin discussed leveraging holidays and special events (National Savings Day, 529 Day, College Savings Month) to increase social media presence.

Ms. Korecki then discussed the digital advertising efforts. She explained how their efforts have increased this year, with digital ads being split, 60% English and 40% Spanish. Ms. Korecki talked about the goal of always being in the market through digital ad campaigns and leveraging events and holidays. She referred to the current AZ529 Essay contest running at the time of the meeting as well as College Savings Month.

Ms. Korecki then discussed the radio advertising efforts citing that they select specific stations based on their county. Madam Treasurer proceeds to ask Ms. Korecki to play one of the radio advertisements as an example. She then shifts the focus to a specific news paper known as “Bear Essential News” and how it is differentiated from other publications and that they purchased spots in their paper as well. She also mentioned that they are expanding the advertising effort to Jewish newspapers as well.

In addition, she discusses current partnerships such as ones with AZfamily.com (Phoenix Suns, Mercury), Univision (KTVW-TV, KHOT-FM) and Arizona Media Association.

Ms. Austin then discusses the importance and difference in paid media versus unpaid media (digital versus editorial) and how important a presence in both of them is. She then goes on to say these worked in conjunction with each other to maximize outreach as that is the goal of the media efforts.

Susan Ciardullo asked if they track click through rates or if it prompts someone to open an account when these ads are viewed. Ms. Korecki says they do track impressions and clicks and although they aren't at the point where they can't get it to prompt someone to open an account, they track media pressure vs accounts opened and gauge metrics from there. Treasurer Yee adds that her and her team will work with Fidelity and Goldman Sachs to try and implement this suggestion and see how feasible it would be.

Karen Mensing then follows up with another question asking if we have tried incentivizing teachers to get student participation in the 529 contests. She suggests that after a teacher hits a certain participation threshold, they are entered into a drawing to win \$529 for their classroom. Treasurer Yee adds that they have used said strategy in the past as a part of the financial literacy task force to incentivize teachers to teach financial literacy but is open to expanding this to 529 efforts as well. She then suggests Ms. Mensing draft some official bullet points for this suggestion. The DB Team added that they do outreach to teachers in counties with low participation to remind them to push it in their classroom. Treasurer Yee adds as a way of incentive perhaps a prize could be \$529 to their own 529 plan with a beneficiary of their choice. The PR team added that they could streamline this effort by aligning it with standards that way participation is required as it's written into the program.

Charlie Shields then asks how Goldman Sachs outreach efforts have been performing. Treasurer Yee responds that they have been fantastic and will take a deeper dive later. Ms. Austin then adds a call to action explaining that a caring adult has the most impact and sway on what a child does and sometimes just mentioning the contest is enough for a child, so she asks that we talk about it to any eligible participants.

**V. AZ529 Plan Performance Update**

Treasurer Yee shared that there have been 44,486 new accounts opened in the past 46 months with a total portfolio value of all the accounts amounting to over \$2.3 billion. She added that we are seeing an increase in not just parents but aunts, uncles and grandparents opening accounts for kids as well. She discussed how important it is to emphasize outreach to those who don't intend to pursue college as well as the accounts can be used for apprenticeships, vocational schools and so much more. The Treasurer then goes on to address parent concerns over amounts that may be too much or go unused in a 529 account. She adds that as of the last 8 months, up to \$35,000 can be rolled over from a 529 account to a Roth IRA retirement plan for that same beneficiary

She then asked 529 administrator Jeffrey Ong to provide an update on the plan and its efforts as of August 31, 2024. Mr. Ong announced that the total assets under management was \$2.36 billion and the number of total accounts opened is 111,646. He then explains the allocation of said assets and accounts. He also adds that we are seeing a 16.6% increase in assets year to year and a 7.4% increase in accounts year to year showing steady growth. Mr. Ong shared that Fidelity controls about 69.6% of assets and Goldman Sachs controls about 30.2 % while for accounts, 71.8% of accounts are under Fidelity while 27.7% of accounts are under Goldman Sachs.

Mr. Ong dives further into specific statistics surrounding the plan as well as county specific statistics as well. He uses it to show how widespread the plan is throughout the state with Maricopa having the highest concentration of accounts with 48,003 Fidelity accounts and 1,020 Goldman accounts. The county with the lowest concentration being La Paz County with 27 Fidelity accounts and 1 Goldman account.

Additionally, he then takes a deeper dive into the statistics that separate Fidelity accounts from Goldman accounts. The average age of a beneficiary for a Fidelity account is 12.4 years old while the average age for a Goldman account is 15.45 years. The average In-state account balance for Fidelity is \$18,409 while for Goldman it's \$22,439. The average account balance for out of state Fidelity accounts is \$28,005 while for Goldman out of state is \$23,064.

Mr. Ong then goes on to announce that the Arizona Board of Investment has approved to increase the AZ529 account limit to \$590,000 starting October 1, 2024 and will go to September 30, 2025. He then goes on to explain why there is an account limit and that it gets reviewed annually by the Board.

In person outreach efforts are being made as well with a table being set up at the Children's Learning and Play Festival at Westworld and a monthly table at Beat the Heat summer Playdate, Superstition Springs, Mesa. These opportunities are geared towards parents with activities for children.

Mr. Ong reported that in July, Treasurer Yee announced the 10 winners of the AZ529 photo contest and 5 winners joined her at the state capitol for the awards ceremony. She also joined one of the winners who couldn't make it on Channel 3 news Phoenix to congratulate him and present him with his check.

Treasurer Yee also spoke on KYMA-TV in Yuma to discuss the contest and speak with the Yuma winner, who desires to be a rancher.

Also, the Treasurer was a keynote speaker at the Prescott Chamber of Commerce's Women in Business luncheon. She discussed the necessity for the AZ529 plan to encourage a more educated workforce.

In addition to that she attended the Tri-City luncheon hosted by Chandler, Gilbert and Queen Creek Chambers of Commerce where she provided economic updates as well as how the AZ529 plan can help communities across the state.

In August, Treasurer Yee participated in an interview with Channel 12 to discuss how families can leverage the AZ529 plan to save money.

She also spoke at the Arizona Young Credit Union Professionals summit where she discussed the 44,486 new accounts opened as well as the all-time high assets under management for said accounts. She also discussed the importance of credit unions in Arizona and promoted her financial literacy program.

At the League of Cities and Towns Conference, Treasurer Yee met with local government leaders and mayors to discuss the record performance of investments of local governments.

In West Phoenix she visited the Boys & Girls Club to talk with kids about their career goals and encourage them to write about it in the upcoming essay contest.

With it being September Treasurer Yee issued a proclamation recognizing September as 529 College Savings Month. The purpose is to draw attention to the need for a well educated workforce as well as to increase educational access to families in need.

The Treasurer also made an appearance on Univision Despierta to reach out to Spanish speaking communities regarding the plan. The Spanish speaking audience remains our most engaged audiences as well.

Admin Jeffery Ong asks the committee if there are any questions to which Charlie Shields asks him to go back to the slide displaying the AZ529 statistics between Fidelity and Goldman.

He asks about the massively disproportionate number of accounts between Fidelity and Goldman to which Mr. Ong talked about the time difference each provider has had with them and that Goldman is much newer than Fidelity and that Fidelity has been a big player in this plan for a long time, even prior to when the current office took it over.

Mr. Ong then discussed the difference between the two pointing out that one can open a Fidelity account directly through them while through Goldman it has to be through a financial advisor.

## **VI. Committee Discussion & Next Steps**

The Treasurer reminded members about the ongoing AZ529 Essay Contest and reminded members we had 883 entries last year and this year are expecting a similar number this year. She asked members to consider being volunteer judges to help select 20 winners across all counties and various school types.

Treasurer Yee then discusses the current effort to add financial literacy as a required half credit for graduation and follows it up with how she is in current talks with the State Board for further steps. She emphasized the importance of learning budgeting skills while still in high school and invited the 529 committee members to join her in this effort as it ties in closely with the AZ529 plan.

The Treasurer opened the floor to the committee for open discussion.

## **VII. Call to the Public**

Treasurer Yee opened the floor for public comment via the Webex chat feature. There was no public comment.

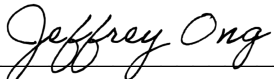
**VIII. Treasurer's Closing Remarks and Notice of Next Meeting**

Treasurer Yee announced the next quarterly meeting is tentatively scheduled for Thursday, December 5, 2024 at 10 a.m.


**IX. Adjournment**

With no further business to discuss, Ms. Ciardullo made a motion to adjourn the meeting. Seconded by Mr. Shields. The meeting was adjourned at 10:59 AM.

Respectfully Submitted by:

  
\_\_\_\_\_  
Jeffrey Ong  
AZ529 Plan Administrator

Approved by:

  
\_\_\_\_\_  
Kimberly Yee  
Chair

12/5/24  
\_\_\_\_\_  
Date