

Harold Alfond College Challenge - Information Sheet

➤ History

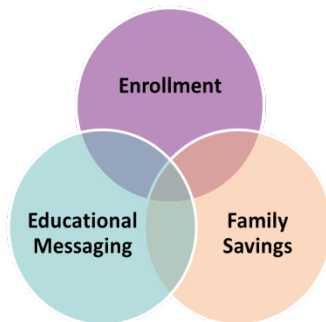
Harold Alfond's vision was to provide every Maine resident baby a \$500 grant for college to encourage Maine children in their college aspirations, and to support their ability to access a college education. He believed that every child born in Maine should have an opportunity for higher education. Thanks to his hard work and generosity, all Maine resident babies now have a \$500 Alfond Grant to help pay for college, trade school or other post-high school education.

The Harold Alfond College Challenge (HACC) is the program through which these "Alfond Grants" are made. The Alfond Scholarship Foundation (ASF) is the non-profit organization which manages the Harold Alfond College Challenge. The Harold Alfond Foundation (HAF) is the private foundation which provides the funding for both ASF and HACC in fulfillment of Mr. Alfond's vision of the program.

➤ Program/Progress to Date

To date, close to \$11.5 million has been awarded to nearly 23,000 Maine children for college.

The program does its work through three core areas of focus: Enrollment, Educational Messaging and Family Savings. *Enrollment* has been focused on encouraging parents of Maine resident babies to open a 529 college investing account before the child's first birthday in order to receive the \$500 grant. *Educational Messaging* is about providing information to families that may improve financial literacy, that encourages family savings, and that supports greater educational aspirations for Maine children. *Family Savings* uses partnerships and other outreach efforts to encourage families to open their own college savings accounts and to make additional contributions as they are able.



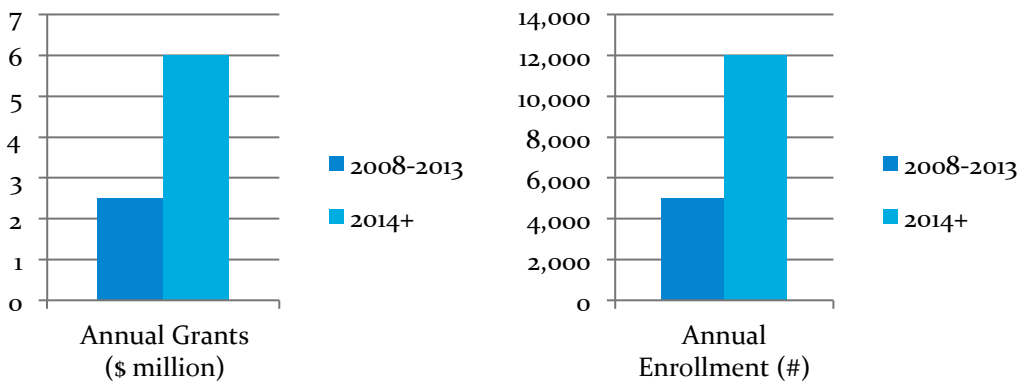
Working in close partnership with FAME and the NextGen 529 college investing program, the Alfond Scholarship Foundation deposits the \$500 grants into accounts on behalf of the program's participants. Parents who want to make their own contributions to their child's college savings can do so by opening their own account. Every quarter, each participating child receives a Quarterly Summary – a one-page overview that provides highlights of the child's account (starting balances, any contributions, changes in the value of the account, and final balance). These Quarterly Statements also include information and resources that encourage future aspirations, as well as a contribution coupon for those who have their own account. To date, nearly 30% of Maine families with Alfond accounts have made their own contributions.

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➤ What's new in 2014

The Harold Alfond Foundation is announcing a strategic initiative to **automatically enroll all Maine resident babies** in the Harold Alfond College Challenge. This means that, going forward, all Maine newborns will automatically receive \$500 in a college investment account.

As a result of removing all barriers to participation – including the prior requirement that parents open a 529 college savings account by the child's first birthday in order to receive the grant – the Foundation expects to provide in excess of \$6 million to more than 12,000 Maine babies annually from this year forward. The Foundation will also fund accounts for Maine resident babies born since January 1, 2013 who are not already enrolled in the program.



Under the original or “Opt In” model, in which families needed to affirmatively sign up for the program by opening their own 529 college savings account, the vast majority of resources and energy of the program was devoted to Enrollment. With the advent of Automatic Enrollment – what essentially amounts to an “Opt Out” model – we will now be able to shift resources to our other two core program elements: Family Savings and Education Messaging.

The Alfond Scholarship Foundation manages these strategies in close partnership with the Finance Authority of Maine (FAME).

*For more information about the Harold Alfond College Challenge please visit www.500ForBaby.org.
For more information about the Alfond Scholarship Foundation, please visit www.alfondscholarshipfoundation.org.
For more information about the Harold Alfond Foundation, please visit www.haroldalfondfoundation.org.*