

Savingforcollege.com: 529 Fee Study Shows Ohio is Cheapest

ROCHESTER, N.Y., May 11, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- Ohio's CollegeAdvantage 529 college-savings plan is the lowest-cost, nationally-sold 529 plan according to Savingforcollege.com's newest 529 Fee Comparison Study. The report, available online at www.savingforcollege.com/529_fee_study, examines direct-sold 529 plans from 48 states and the District of Columbia. Plans sold through financial advisors are not included in the report due to their complex and varied fee structures.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040122/FLTHLOGO>)

Other states with inexpensive plans include Kansas, Illinois, North Carolina, and Virginia. Louisiana's 529 offers rock-bottom costs but does not permit Louisiana nonresidents to participate. Utah's 529 plan has also been long-recognized for its low costs, but offers better pricing for residents than for nonresidents. The study found that, among all direct-sold 529 plans, total ten-year costs for a \$5,000 investment ranged between zero and \$2,444.

"Costs have continued their downward trend in many plans even as total assets declined due to market losses," remarked 529 "guru" Joseph Hurley, founder of Bankrate-owned Savingforcollege.com. "It's still a competitive marketplace and every state wants to be seen as offering low-cost plans for families."

Fees and expenses can have a significant impact on a college-savings fund. If the annual return of the underlying investments in a particular 529 plan is 7 percent, and the plan manager charges a fee of 20 basis points (0.20%), an investment of \$5,000 today will grow to be worth \$16,340 in 18 years. That amount is \$542 (3.4%) more than another plan with the same investments that charges 40 basis points (0.40%) in management fees. Expenses can also be minimized by using low-cost index funds as underlying investments in the 529 portfolios.

However, Hurley warns that fees are not the only factor in selecting a particular 529 plan. "The more important figure is the net performance on your 529 account after all costs. I might pay more if I felt I could get better net returns without taking on more investment risk," stated Hurley. State tax and other benefits are also important factors.

About Savingforcollege.com LLC

Savingforcollege.com is an independent research, consulting, and publishing company providing financial professionals and consumers with comprehensive and objective information about Section 529 plans, Coverdell education savings plans, and other college investing strategies. The firm is headed by Joseph Hurley, the "529 Guru," whose book, *The Best Way to Save for College - A Complete Guide to 529 Plans*, was the nation's first and is still the most comprehensive assessment of 529 and other college-savings plans.

In December 2007, Savingforcollege.com was acquired by Bankrate, Inc.

About Bankrate, Inc.

The Bankrate network of companies includes Bankrate.com, Interest.com, Mortgage-calc.com, Nationwide Card Services, Savingforcollege.com, Fee Disclosure, InsureMe, CreditCardGuide.com and Bankaholic.com. Each of these businesses helps consumers make informed decisions about their personal finance matters. The company's flagship brand, Bankrate.com is a destination site of personal finance channels, including banking, investing, taxes, debt management and college finance. Bankrate.com is the leading aggregator of rates and other information on more than 300 financial products, including mortgages, credit cards, new and used auto loans, money market accounts and CDs, checking and ATM fees, home equity loans and online banking fees. Bankrate.com reviews more than 4,800 financial institutions in 575 markets in 50 states. In 2008, Bankrate.com had nearly 72 million unique visitors. Bankrate.com provides financial applications and information to a network of more than 75 partners, including Yahoo! (Nasdaq: YHOO), America Online (NYSE: TWX), The Wall Street Journal and The New York Times (NYSE: NYT). Bankrate.com's information is also distributed through more than 500 newspapers.

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