



FOR IMMEDIATE RELEASE

Contact: [Lindsey Held](#) (202) 224-4515

April 29, 2015

Wyden Statement at Finance Committee Markup of 529 College Savings Plans
As Prepared for Delivery

Thank you, Chairman Hatch. Let me begin my remarks by saying that the Finance Committee today is marking up legislation that's useful, but very narrowly targeted. This bill will help make some of the most basic costs of a college education more affordable for a lot of students in Oregon and elsewhere, but mainly for kids from families who've been fortunate enough to put money away into 529 savings plans.

The fact is, not everybody has the means to put money aside in a 529. A lot of families are walking an economic tightrope every day, and no matter how often they're reminded to "save, save, save," it just isn't feasible. That brings me to what is, in my view, the most important fact for everybody here to recognize. When it comes to college affordability, there is a lot of wood left to chop. And it would be a mistake to leave the rest of the woodpile sitting.

For example, there's the fact that today, far too many young people look at the sticker price of a college education and decide not to go. There are a lot of different places students could turn for financial help, but the price is just too high for millions of families to afford it.

Then there's the fact that prospective college students should be getting far more information to help them make the right educational choices. A college education is an investment of potentially more than \$100,000 dollars, and for most people, it's one of the biggest investments they'll ever make. No financier or business owner would go into a life-changing investment without first getting the facts. So students should have a better idea about net costs of various schools, how many students transfer elsewhere, and how much debt they could expect to take on.

Next, most relevant to this committee, there's the fact that students and parents have to make dozens of calculations to figure out which higher ed tax incentives are the right ones to use. The official guide books for higher ed tax provisions are so dense and headache-inducing, they should come packaged with a big bottle of Tylenol.

It's no wonder those incentives are underutilized by many of the people who need the most help. The system should be simplified down to a few, easy-to-understand provisions based on key goals – saving, covering costs, and paying off loans.

And finally, there's the fact that millions of students start college and take on thousands of dollars in debt, but never make it through to graduation day. Often it's because of the cost. If tax incentives and Pell grants were more generous and easier to obtain, things might be different. But instead, millions of young people wind up without a degree and paralyzed by student loan debt for years.

The bill the Finance Committee is considering today could help many families wring a little more value out of their 529 savings plans, and that would be a valuable accomplishment for them. But I hope the committee can come together on a bipartisan basis to strengthen this legislation and then do even more, particularly for those who most need help.

For example, this legislation would allow students, for the first time, to use their 529 savings to buy computers. For the purposes of 529 plans, computers would be considered a "qualified expense." That's totally reasonable, and I think virtually everybody would agree. But there are other, more widely-used tax benefits with their own sets of rules, and they don't help students buy computers under current law. That imbalance makes no sense, and I strongly believe the committee has an opportunity today to begin to correct it.

Other senators have brought thoughtful improvements to the web of education tax incentives for the committee to consider today. I look forward to the discussion and debate, and I hope the committee seizes the opportunity on a bipartisan basis to make the code work better for millions of students and their families.

The Finance Committee is not and should not be a rubber stamp for either the Ways and Means Committee or the House of Representatives. The bill before the committee represents a small improvement on current law, but it is not enough. There's a mountain ahead that needs climbing, and it's crucially important for the committee to recognize that fact. I hope we start that climb today. Thank you, Mr. Chairman.

###