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## A Message from the NEST Team: 529 Savings Checkup

A simple checkup can go a long way toward ensuring that you are prepared for the checkpoints and milestones that will define your family's financial future. Implement these recommendations to refresh your current college savings strategy:



### Evaluate Costs

Working with a clear goal – and a calculated plan to reach it – lays an essential foundation for healthy college savings. Use the NEST 529 Savings Calculator for an up-to-date estimate of how much higher education will cost for your family, and how much you should aim to save each month.

### Automate Contributions

Relieve the burden of remembering to contribute by using the Automatic Investment Plan or payroll direct deposit. Each of these options will make a pre-determined monthly contribution on your behalf, so that you never miss an opportunity to save.



### Save with Scholarships

Savvy college savers should take advantage of everything that NEST 529 has to offer — including the numerous contests, giveaways and drawings that we sponsor throughout the year. Stay up to date on new and running scholarships by visiting [NEST529.com/scholarships](http://NEST529.com/scholarships).



## Tax Refund Spotlight

Did you know that according to the IRS, the average American typically receives a tax refund of more than \$2,000?

If you receive a tax refund from your 2019 taxes, use this opportunity to direct the extra cash where it's needed most — including into your NEST 529 account. Every additional contribution will help bring your loved one a step closer to pursuing his or her dreams for their future.



## Celebrating NEST 529 Milestones

### Message from the Nebraska State Treasurer

Among the many highlights from this past year were the successful initiatives promoting Nebraskans' access to higher education through innovative college savings incentives. My office worked with a bipartisan coalition of state senators to pass landmark legislation creating the Meadowlark Program, in which all kids born in Nebraska on or after January 1, 2020 will be enrolled in the NEST 529 program at birth. Funding will begin the year following the birth of the child and parents/guardians have the ability to opt out of the program.

Research indicates that even a small amount in an educational savings account will lead to increased college or vocational school enrollment and completion. Though there are numerous tax benefits associated with 529 savings plans, they are often underutilized, especially among lower- and middle-income families.

My legislative package also included language that provides incentive payments to employers who match their employees' contribution into a NEST 529 account and initiatives specifically designed to help low-income families. These efforts have received high praise from national organizations and in the editorial pages of the Omaha World-Herald.

I look forward to continuing to build upon the momentum and working with our partners to help NEST 529 continue to grow and succeed.

## Market Commentary



**Kurt Spieler, CFA**  
Vice President,  
Chief Investment Officer  
First National  
Wealth Management

In February, global equities fell sharply due to the spread of the COVID-19 coronavirus from China into other countries, including the U.S. The S&P 500 entered a correction, which is defined as a decline of over 10%, and is now down -8.3% so far this year.<sup>1</sup> International returns were also weak with the MSCI Europe Far East ("EAFE") return -10.9%.<sup>2</sup> We believe the cause of the selling is fear of the unknown. Coronaviruses are a large family of viruses that can cause respiratory illnesses with symptoms that include fever, cough and shortness of breath. At this point, the medical community can't tell how far this strain will spread or when a vaccine will be available. World Health Organization ("WHO") officials recently have increased the risk assessment to "very high" across the world.

We understand you may be anxious about the market downturn; here is our perspective. Investing in equities can be volatile, but history shows the odds of achieving a positive return increase with a longer time horizon. The S&P 500 return is positive 77% of the time over a one-year period. The percentage of positive returns increases to 97% over 10 years.<sup>3</sup> In addition, short-term corrections are typical with the average downturn in a calendar year -14%.<sup>4</sup>

Fear over the spreading coronavirus has sparked demand for safe-haven fixed income securities. The 10-year Treasury yield has dropped from 1.92% at year-end to 1.15% as of February 28th and declined below 1% in early March.<sup>5</sup> The Barclay's Intermediate U.S. Government/Credit return is +2.9% through February 28th.<sup>6</sup>

The economic implication of coronavirus is difficult to determine at this point. We are aware of the negative impact in industries tied to tourism, international trade and the ongoing disruption in global supply chains. Whether this global economic shock is short-term or transitory is a major question facing the global economy. On March 3rd, the Federal Reserve reduced the Fed Funds rate by 0.50% and indicated they would use monetary policy to support economic activity.

There are many historic instances that show patient, long-term investors do well whereas panic-induced trading rarely pays off. For investors with diversified portfolios and an asset allocation approach designed to meet return/risk objectives, we believe the best strategy is to stay the course. Markets may yet experience a deeper correction due to the coronavirus outbreak, but trying to time the market is rarely successful.

1 S&P 500 YTD Return as of 02.28.2020; Source FactSet

2 MSCI EAFE YTD Return as of 02.28.2020; Source FactSet

3 S&P 500 return 1937 - 2019; Source Bloomberg

4 S&P 500 Return from 1980 - 2019; Source First Trust

5 10-Year Treasury Yield History; Source Bloomberg

6 Barclay's Intermediate U.S. Government/Credit YTD Return as of 02.28.2020; Source FactSet

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Investments Are Not FDIC-insured\* | No Bank, State or Federal Guarantee | May Lose Value



## Voice of the Customer: Everyday Savings Advice to Help Conserve Cash for College Savings

The following excerpt is from NEST 529 account owner and [Lovely Little Lives](#) blogger Hannah Christensen:

*When you have a growing family, it is prudent to be budget conscientious and financially savvy. From shopping choices to college savings, being frugal as a parent is not only a good habit to form, but an important life skill to pass on to your kids. For every dollar saved on the small stuff, there's an opportunity to contribute to a NEST 529 account.*

*I have been using a few cash back apps to help me put more money back in my pocket, particularly when I'm meal planning and grocery shopping for my family. There are many free grocery apps that you can download on your phone and scan the receipts for cash back rewards and points. To be clear, I don't go out of my way to spend money in order to get money back, which defeats the purpose of smart spending.*

*A great way to use the cash back that you earn is to contribute a little extra to your NEST 529 account. This small contribution can make a big difference over time. Even though our kids are still young, we have already started to save and plan for college with our own NEST 529 account. It's never too early to take advantage of whatever opportunities you can to put money back into your wallet and into your savings!*



Interested in having your NEST 529 story featured? We'd love to hear from you at [NEST529.com/share](https://www.nest529.com/share).



## Scholarship Connection

What's better than a free NEST 529 account contribution? A free contribution plus the chance to learn and participate in the savings journey. Every year, NEST 529 offers many different scholarship opportunities to help boost account owners' savings. Each unique scholarship opens the door to possible winnings – as well as new conversations about goals, hopes and preparations for higher education.

We were delighted at the enthusiastic participation in this year's Big Dreams Giveaway, which officially closed to entries on March 31. An annual scholarship, this year we upped the total prize money to \$40,000, doubling the number of young dreamers who will be selected for a \$5,000 NEST 529 scholarship contribution.

### **OPEN NOW!**

For Nebraska families, we are currently accepting entries for the **NEST on the Farm Fun Photo \$1,000 drawing** – more information is at [NEST529.com/scholarships](https://www.nest529.com/scholarships).

**We have big plans for the rest of 2020, so stay tuned!**

Be the first to hear about new scholarships and programs by liking and following us on Facebook [@NEST529CollegeSavings](https://www.facebook.com/NEST529CollegeSavings). Keep track of new and ongoing scholarships at [NEST529.com/scholarships](https://www.nest529.com/scholarships).

# KIDS' TIME: Financial Literacy Fun

Teach your child financial literacy lessons with these fun activities.



## Piggy Bank Fun

To help instill the value of saving, have your child decorate a piggy bank and encourage him or her to put in any loose change found around the house. Regularly count the funds in the piggy bank to help improve counting skills.

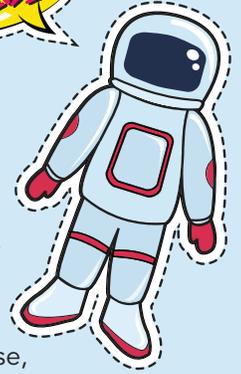
*(Recommended for children under five.)*



## Lemonade Stand

Encourage your child's creativity and financial skills by helping him or her set up a lemonade stand. Counting money to give change, interacting with members of the community and calculating how much he or she needs to sell to turn a profit are all invaluable lessons.

*(Recommended for children six to ten.)*



## Savvy Saver

Does your child receive an allowance or monetary birthday gifts? Encourage him or her to prioritize savings and budget toward a short-term and long-term purchase, such as a toy or special activity. Help map out a budget for how they can attain these savings goals and display it on the fridge as a reminder.

*(Recommended for children eight and older.)*

The NEST Direct and NEST Advisor Plans are sponsored by the State of Nebraska and administered by the Nebraska State Treasurer. The NEST Direct and NEST Advisor Plans offer a series of investment portfolios within the Nebraska Educational Savings Plan Trust, which offers other investment portfolios not affiliated with the NEST Direct or NEST Advisor Plans. The NEST Direct and NEST Advisor Plans are intended to operate as qualified tuition programs to be used only to save for qualified higher education expenses, pursuant to Section 529 of the U.S. Internal Revenue Code.

An investor should consider the Plans' investment objectives, risks, charges, and expenses before investing. The Program Disclosure Statements, at [www.NEST529Direct.com](http://www.NEST529Direct.com) or [www.NEST529Advisor.com](http://www.NEST529Advisor.com), which contain more information, should be read carefully before investing.

Investors should consider before investing whether their or their beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program and should consult their tax advisor, attorney and/or other advisor regarding their specific legal, investment, or tax situation.

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