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Maine's Babies to Get a Jump on College Tab

By Abby Goodnough

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BOSTON — Starting in 2009, every child born in Maine will be eligible for \$500 toward college from the fortune of a shoe magnate who died there last month.

The benefactor, Harold Alfond, who founded the Dexter Shoe Company in Dexter, Me., arranged for his philanthropic foundation to give out the grants. Parents of newborns from Kittery to Caribou will receive applications to open a tax-free college savings account with the money before leaving the hospital, officials at the Harold Alfond Foundation said Tuesday.

Mr. Alfond, who never went to college, sold Dexter Shoe to Berkshire Hathaway, Warren E. Buffett's holding company, for more than \$400 million in 1993. He was one of Maine's leading philanthropists, donating more than \$100 million to the University of Maine and other institutions around the state.

His posthumous project, the Harold Alfond College Challenge, "will serve to raise the aspirations and opportunities of countless Maine children," Gov. John Baldacci said in a statement.

About 14,000 babies were born in Maine last year. If that number holds steady, the foundation could spend as much as \$7 million a year on the effort.

The Finance Authority of Maine, which will administer the program, estimated that with no additional contribution, each \$500 account could grow to \$2,000 by 2026. But Mr. Alfond hoped that parents would contribute more, and foundation officials said adding \$50 a month to an account could increase its value to \$25,000 over the same period.

"His concept of philanthropy was that if you can encourage people to invest alongside you," said Greg Powell, the foundation's chairman, "the gift will have more meaning and a greater impact."

A pilot program will be starting next month for infants born at MaineGeneral Medical Center in Augusta. It will be extended statewide on Jan. 1, 2009.

The \$500 contribution and the money it earns can be put toward tuition at any postsecondary school that offers certificate programs, and toward study for associate, bachelor's, master's, doctoral or professional degrees. The money can be used until the recipient turns 28.

Last year, only 886 residents signed up for tax-advantaged college savings plans, known as 529 plans, that were administered by the Finance Authority of Maine, said Christen Graham, a spokeswoman for the foundation. The incentive provided by Mr. Alfond, she said, could "turbocharge" interest in the plans.