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September 26, 2019

College Savings Plans Assets Reach Record \$352.4 Billion

Growth in 529 college savings plans can be a force against student debt

Washington, DC – American families are increasingly taking advantage of 529 college savings plans to save for education, with national investment reaching \$352.4 billion. The 13.2-percent increase in assets since 2018 is promising as student debt amounts to \$1.6 trillion.

“Student debt is a challenge that State Treasurers want to alleviate through tax-advantaged college savings plans,” said Treasurer David Damschen, president of National Association of State Treasurers (NAST). “NAST and its College Savings Plans Network make it a priority to help American families learn about and invest in 529 college savings plans, which make it easier to save for education so students incur less loans.”

Since 1994, the College Savings Plans Network (CSPN) has led a national effort to encourage people to sign up for 529 college savings plans and, as part of that effort, CSPN provides data on all US plans assets, amounts, and average savings. As of June 30, 2019, approximately 14 million 529 savings accounts exist and the average savings in each of those accounts is \$25,128. Moreover, 37 percent of accounts nationwide received contributions either through ACH, payroll deduction, or some other form of automatic funding, proving that more people are making saving for education a part of their everyday life.

“The increase in automatic funding for college savings is an exciting example of the growing commitment to planning for higher education,” said CSPN Chairman Jim DiUlio. “This College Savings Month, CSPN is also pleased to see 529 savings continue to grow, which will undoubtedly pay off.”

While [College Savings Month](#) continues, CSPN aspires to boost the number of assets and college savings accounts opened through the end of 2019 through a variety of informational webinars on 529 college savings plans, college savings giveaways, and in-person events.

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About College Savings Plans Network (CSPN)

Founded in 1991, the College Savings Plans Network (CSPN) is a leading objective source of information about Section 529 college savings plans and prepaid tuition plans—popular, convenient, and tax-advantaged ways to save for college. An affiliate of the National Association of State Treasurers (NAST), CSPN brings together state officials who administer 529 savings and prepaid plans from across the country, as well as their private-sector partners, to offer

convenient tools and objective, unbiased information to help families make informed decisions about saving for higher education. For more information, visit the CSPN website at CollegeSavings.org and follow CSPN on [Twitter](#), [Facebook](#), and [Instagram](#).

About 529 College Savings Accounts

A [529 plan](#) is a tax-advantaged investment plan designed to help families save for a beneficiary's (typically one's child or grandchild) future higher education expenses and in some states; K-12 and certain technical and career college programs. While commonly referred to as 529 plans, they are formally known as "Qualified Tuition Programs," as defined in Section 529 of the Internal Revenue Code, and are administered by state agencies.

Savings in a 529 plan grow free from federal income tax, and withdrawals remain tax-free when used for qualified education expenses. Additionally, many states mirror the federal 529 plan tax advantages by offering state tax-deferred growth and tax-free withdrawals for qualified education expenses. 529 plans are offered in 49 states and the District of Columbia. Check with your home state to see if it offers tax or other benefits such as financial aid, scholarship funds or protection from creditors for investing in its own 529 plan.

About National Association of State Treasurers

The National Association of State Treasurers seeks to provide advocacy and support that enables member states to pursue and administer sound financial policies and programs benefiting the citizens of the nation. Membership is composed of all state treasurers or state finance officials with comparable responsibilities from the United States, its commonwealths, territories, and the District of Columbia. The private sector is represented through the Corporate Affiliate Program that was established to build professional relationships and foster cooperation between the public and private sectors. The association serves its members through educational conferences and webinars, a variety of working groups, policy advocacy, and publications that provide information about developments in public finance. For more information, visit www.nast.org.