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Media Contact:

Erin Hughes

erin@marathonstrategies.com

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College Savings Plan Investments Remain Steady

529 Plan Leaders Continue Stressing The Importance Of Saving What You Can

Washington, DC – American families continue to take advantage of 529 college savings plans to save for education, with national investment reaching \$373.5 billion according to the mid-year data collected by the College Savings Plans Network (CSPN). The steady rate of investment reveals that, even with the evolving economic impacts of COVID-19, saving for continued education remains a priority.

“When it comes to 529 college savings, staying the course is an essential component of a successful long-term savings strategy,” said **Michael Frerichs, Chair of CSPN and Illinois State Treasurer**. “The spending flexibility and low contribution requirements built into 529 accounts help enable Americans to continue saving for their futures despite the current economic challenges.”

Since 1994, the 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, 2020, approximately 14.56 million 529 savings accounts exist and the average savings in each of those accounts is \$25,657. Moreover, 36 percent of accounts nationwide received contributions either through ACH, payroll deduction, or some other form of automatic funding, proving that account holders are continuing to make saving for education a part of their everyday life.

“The continued commitment to 529 college savings shows that Americans have developed a sustained commitment to planning for continued education and reducing student loan debt,” said **Rachel Biar, Vice Chair of CSPN and Assistant Nebraska State Treasurer**. “We continue to encourage account holders to stay the course and adopt a ‘do-what-you-can’ savings mantra.”

As [College Savings Month](#) continues, CSPN and its members are continuing their efforts to boost awareness of 529 college savings plans and their ability to reduce student debt through a variety of plan incentives, sweepstakes, and informational webinars. Please visit [here](#) for more information on 529 College Savings Plans and COVID-19.

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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 provides 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.