



## COLLEGE SAVINGS PLANS NETWORK

A Network of the National Association of State Treasurers

### **College Savings Plans Network Celebrates the 25th Anniversary of 529 Accounts**

**Ahead of the 25th Anniversary, 529 plans see big growth and continued engagement.**

(Washington, DC, August 19, 2021) -Tomorrow, August 20th will mark the 25th Anniversary of 529 accounts being a resource for families saving for higher education. With such a momentous anniversary, the College Savings Plans Network (CSPN) is pleased to celebrate the growth and impact 529 accounts have had all over the country.

In 1996, U.S. Senator Bob Graham of Florida, where a prepaid plan was well established, and U.S. Senator Mitch McConnell of Kentucky, which had a savings trust, led a bipartisan effort to provide federal tax relief for all plans, resulting in the creation of Section 529 of the Internal Revenue Code (IRC).

As of June 30th, 2021, there are more than 15.38 million open 529 accounts nationally and over \$464.3 billion has been saved. CSPN is also proud to recognize that over 800,000 accounts have been opened in the past 12 months. This confirms that American families still value saving for education even amid a financially stressful time for many.

"We are proud to celebrate 25 years of 529 plans and how they've helped make higher education attainable for families across the country", commented **Illinois State Treasurer and Chair of the College Savings Plans Network Michael Frerichs**. "However, millions of families with children under age 18 do not yet save in a 529 account and we want to do all we can to increase that number. We will dedicate the next 25 years to expanding 529 plans and engaging millions more families in saving for their children's future education."

The creation of IRC Section 529 and the resulting federal tax benefits spurred the development of college-savings plans nationwide. From 1996 to 2000, 30 states developed and launched a Section 529 plan, dramatically increasing the opportunities for families to save for the rising costs of higher education. Today, 49 states, the District of Columbia and a consortium of private colleges and universities offer 529 plans to their constituents.

For more information about the College Savings Plans Network, visit [collegesavings.org](http://collegesavings.org).

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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](http://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](http://www.nast.org).