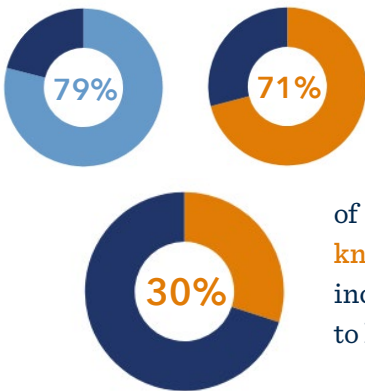


529 Accounts

Opportunity for Every Student

Summary

Congress has transformed 529 accounts into tax-free savings vehicles that can be used for college, job training, K-12 education, and even retirement savings. But few Americans from low-income households can afford to benefit from these accounts. Policymakers have an opportunity to help families invest in their children's future.



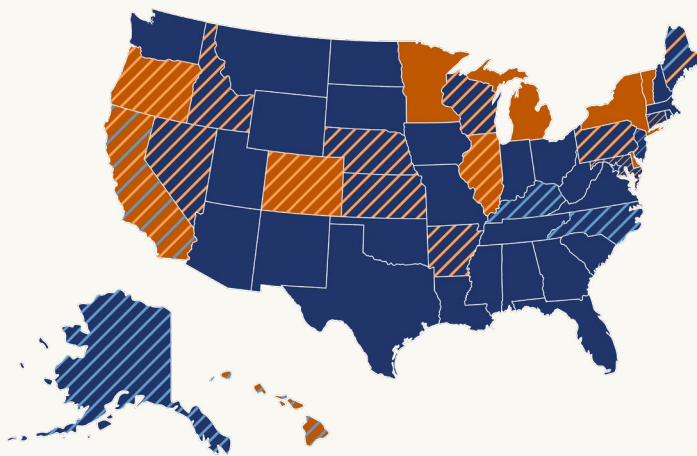
Percent of **parents** and **adults** that support 529s when provided with information about the plans.

of **families making under \$50k did not know about 529s**, meaning that lower income families were unaware of a way to help lift their children out of poverty.

17 million active 529 accounts in America, **exceeding \$500B**.

Significant gaps in funding depending on **socioeconomic status**.

31 jurisdictions provide **tax benefits** for 529 account contributions, **8** do for **employers**. Other states with income taxes should do the same.



529 Plans Across the States

- K-12 tuition is a qualified expense
- K-12 tuition not a qualified expense
- ▨ Contributions not state tax deduction eligible
- ▨ Employer matching or incentive program

Policy Recommendations

1. Allowing seed investments from charities, organizations, and governments would help lower income families **lift their children out of poverty**.
2. Employers should help employees **establish and contribute** to employees' 529 accounts.
3. **Remove state taxation** on after-tax dollars saved in 529 accounts.

