Sample Op-Ed

The start of a school year brings so much excitement but also so many nerves! It is a time for expanding educational horizons and new opportunities. Along with those new opportunities comes the back-to-school checklists to make sure children are equipped with the tools to succeed for the school year. How are you doing with your list? You might have forgotten one of the most important items and you didn’t even realize it!

While it can be easy to get bogged down with the needs of today and tomorrow, it is vital that families also plan for the next five, ten and even fifteen years. Is there a checklist for that? Maybe not, but I would offer that if there was, a 529 plan would be at the top of the list.

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 education expenses. Savings in a 529 plan grow free from federal income tax, and withdrawals remain tax-free when used for qualified education expenses. 529s are designed to encourage early and consistent savings efforts by offering an easy, affordable, and convenient way for families to save for college.

Money can be used to pay for a variety of education expenses, including tuition, fees, room, board, books, supplies, and required equipment. Does your child already have a dream school? Great! If not, you don’t have to worry because 529 funds can be used at virtually any accredited college in the United States and in some foreign countries.

This isn’t a new concept. The opportunity for families to save in 529 accounts has been around for over 30 years. 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). The development 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 begin to save for the rising costs of higher education. Now, 49 states, Washington, D.C. and a consortium of private colleges and universities offer 529 plans to US residents.

{INSERT STATE SPECIFIC PROGRAM INFO AND DATA}

So, as you are caught up in the hustle and bustle of back-to-school season checking off all of those shopping lists, don’t forget to think long-term and consider a 529 plan for the expenses coming in the future.