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Contact: Bryn Ramjoue', Marketing Director, 801.321.7110, press@my529.org

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Tuition withdrawals show confidence in higher education

Utah's educational savings plan sent over \$1.1 billion of families' savings to pay for qualified education expenses.

(Salt Lake City) my529, Utah's higher education savings plan, reports over \$1.1 billion paid for qualified education expenses in the past year.

my529 is Utah's official 529 educational savings plan. 529 plans were specifically designed by Congress to motivate families to save for college, trade school, technical college, or even K-12 schools.

"It's easy to find news about tuition debt, or to debate about the value of a higher education," said my529 Marketing Director Bryn Ramjoue, adding, "We see families using their savings for education, as planned. The more they save, the less families borrow and incur debt."

"In the past 12 months, more than \$1.1 billion has been sent to pay for tuition, books, fees, computers and other qualified costs associated with higher education," said my529 Executive Director Richard Ellis.

Ellis, unlike other business leaders, smiles when money leaves the organization. "We were designed for saving and then using the funds," he said.

How do 529s work?

Families saving money for future college-going children invest their post-tax dollars in 529 plans.

Funds with my529 are managed by firms, such as Vanguard, Dimensional and U.S. Bank. Some investment options automatically become more conservative as the child gets closer to age 18. Other investment selections are based on aggressive or conservative investment strategies. The family chooses their preference from among a variety of options. Any earnings realized at the time funds are used are not taxed as income when the money is used for qualified education expenses.

"August is a busy time for us. Funds are being sent directly to account owners and campuses in Utah, across the United States, and, even to other countries," said Ramjoue'.

To find out more, visit my529.org or call 800-418-2551.

For an interview or Q&A, feel free to call Bryn Ramjoue at 801-209-4910 bramjoue@my529.org or Richard Ellis at 801-321-7134 or rellis@my529.org.

About my529

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my529, Utah's official nonprofit 529 educational savings plan, is highly rated by Morningstar Inc.

Accounts are free to open, and my529 requires no minimum deposit or account balance. my529's user-friendly website, my529.org, makes it easy to open, manage and contribute to an account online.

To learn more, visit my529.org, call toll-free at 800.418.2551, or email info@my529.org.

Important Legal Notice

Investing is an important decision. The investments in your account may vary with market conditions and could lose value. Carefully read the Program Description in its entirety for more information and consider all investment objectives, risks, charges and expenses before investing. For a copy of the Program Description, call 800.418.2551 or visit my529.org.

Investments in my529 are not insured or guaranteed by my529, the Utah Board of Higher Education, the Utah Education Savings Board of Trustees, any other state or federal agency, or any third party. However, Federal Deposit Insurance Corporation (FDIC) insurance is provided for the FDIC-Insured investment option. In addition, my529 offers investment options that are partially insured for the portion of the respective investment option that includes FDIC-insured accounts as an underlying investment.

The state in which you or your beneficiary pay taxes or live may offer a 529 plan that provides state tax or other benefits, such as financial aid, scholarship funds and protection from creditors, not otherwise available to you by investing in my529. You should consider such benefits, if any, before investing in my529.

my529 does not provide legal, financial, investment or tax advice. You should consult your own tax or legal advisor to determine the effect of federal and state tax laws on your particular situation.

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