



May is 529 Month: Five action steps every family should take



May is recognized as 529 Month—a timely reminder for families to take a closer look at how they're saving for education. The momentum builds throughout the month and culminates on May 29 (5/29 Day), a natural point to celebrate the role these plans play in helping families prepare for future education costs.

This year's observance is especially meaningful, as 529 plans celebrate 30 years of helping families save in tax-smart ways for college and other education goals.

With college costs continuing to rise and 529 plans offering more flexibility than ever, taking a fresh look at your approach can be especially valuable.

Here are five practical actions to consider:

1. Review and adjust your contributions

If you already have a 529 plan in place, start with a quick check-in. Are your contributions on track with your goals? Even a small increase in your monthly contribution can have a meaningful compounding impact over time.

Consider directing a portion of your raises, bonuses or tax refunds into your plan. Market performance and life changes can also affect your progress, so it's worth revisiting your contribution level periodically to keep it aligned with your overall plan.

2. Revisit your investment allocation

As your child gets closer to college age, your investment mix should typically become more conservative. Many 529 plans offer target-year portfolios that automatically adjust over time as you get closer to using the savings.

If you're not using one, this may be a good opportunity to revisit your allocation. The goal is to balance growth potential with risk as your time horizon shortens.

3. Take advantage of tax benefits

529 plans offer valuable tax advantages, including tax-deferred growth and tax-free withdrawals for qualified education expenses. Depending on your state, you may also qualify for a state tax deduction.

A quick review can help ensure you're making the most of available benefits and timing contributions effectively.

4. Involve family and simplify gifting

529 plans make it easy for grandparents, relatives and friends to contribute toward a child's education. With gifting links and contribution portals, others can support your savings goals for birthdays, holidays or special occasions.

This can be a powerful way to accelerate savings while helping loved ones give a meaningful, long-term gift. It can also be helpful to coordinate gifting within your broader estate or financial planning goals.

5. Rethink what a 529 plan can do

529 plans have evolved well beyond their original purpose of covering traditional college expenses. Today, qualified users can include K-12 tuition, certain apprenticeship programs, credentialing and trade school expenses, and even the ability to transfer unused funds into a Roth IRA (subject to specific rules and limits).

As a result, many families are starting to view 529 plans less as a single-purpose college savings vehicle and more as a flexible tool that can support a range of education and long-term planning needs. Taking the time to understand these expanded uses can help you make more informed decisions and potentially unlock value that might otherwise go overlooked.

Connect with an advisor

529 Month is a simple but important reminder: Education planning isn't a one-time task. It's an ongoing process that benefits from regular attention and small, intentional adjustments.

Taking a few minutes to connect with your financial professional to review your plan can help put your family on a stronger path toward meeting future education costs with confidence.

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