

# How to save for college, trade school or retraining programs

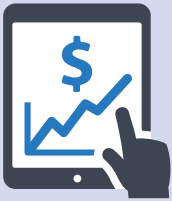


Ever heard of a 529 college savings account? If not, you're not alone.

These accounts have been around since 1996, but many Americans still don't know about them.

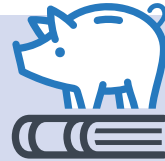
A 529 account — named for the tax code section that defines it — is a way to save and invest for educational expenses for yourself, your children, grandchildren or other kids in your life.

## Here are 9 things you should know:



### 1. How it works:

You open an account and make contributions. Then those contributions are invested so that the account generates more money. That money grows tax-free.



### 2. What it can be used for:

College, university, vocational or apprenticeships programs, K12 private school tuition or up to \$10,000 in student debt loan repayment.



### 3. What's the advantage:

Unlike a regular savings account, money in a 529 account is invested, giving your money more potential to grow. Wisconsin also offers tax breaks for contributions.



### 4. When to open one:

The earlier you start saving, the better, but it's never too late.



### 5. Wisconsin's 529 platforms:

Edvest requires a \$25 initial deposit and can be set up online at edvest.com by anyone. Tomorrow's Scholar is an adviser-sold plan, which means it is accessed through a financial planner, and requires a \$250 initial deposit.



### 6. Fees or penalties:

Edvest has no monthly or annual fees to keep the account open. If you withdraw money for non-qualified expenses, you can face penalty taxes on the earned money.



### 7. Other benefits:

Among kids who expect to go to college, those with a savings account are six times more likely to attend. The same study found having an account was a better predictor of whether those children would attend college than race or their parents' net worth.



### 8. What if my kid doesn't go to college?:

You can change the beneficiary so the money can be used for educational purposes by a sibling, parent or other immediate relative.



### 9. City program:

If you have a K5 student in Milwaukee, your child may be eligible for a 529 account with a \$25 seed deposit through Fund My Future Milwaukee. To find out if your school is participating, go to [fundmyfuturemke.org](http://fundmyfuturemke.org).



A project of Listen MKE, a collaboration between the Milwaukee Journal Sentinel; WUWM 89.7-FM, Milwaukee's NPR; Milwaukee PBS; and the Milwaukee Public Library.

### To read our full report:

What is a 529 college savings account and how do you open one in Wisconsin? Go to:

<https://tinyurl.com/5j37ypse>

Or scan the QR code with your mobile device.

