

529 Education Savings Plans: More Flexible Than You think.

Planning for your child's education can feel overwhelming, but a 529 education savings plan offers a powerful way to build a financial foundation for their educational future.

One in 4 parents currently invests in a 529 plan, according to 2025 research by Edward Jones and Morning Consult. Perhaps it's because of the tax benefits — earnings are generally tax free if the money is used for qualified educational expenses. Or perhaps it's because of their flexibility.

Types of education. While most people know 529 plans can help cover college and university tuition, these versatile accounts can also pay tuition for vocational and trade schools, making them suitable for students pursuing careers in skilled trades like plumbing, electrical work or culinary arts. Additionally, some apprenticeship programs qualify for these funds. And even K-12 tuition expenses are covered, up to \$10,000 per year for private, public and religious elementary and secondary schools.

Beyond tuition. Withdrawals from a 529 plan can move beyond tuition and cover the cost of room and board for students enrolled at least half-time. They can help pay for books, computers and qualified educational supplies. And a big surprise for some: A 529 plan can help with student loan repayment up to \$10,000 per beneficiary.

Who can contribute. Fortunately, 529 plans welcome contributions from anyone — parents, grandparents, other family and friends. Contributions are treated as gifts to the beneficiary, so most contributors will want to stay within the annual nontaxable gifting limit (which for 2025 is \$19,000 for individuals or \$38,000 for married couples filing jointly).

Interestingly, 1 in 5 parents would prefer for their child to receive 529 contributions as gifts from loved ones, making these accounts perfect for birthdays, holidays and other special occasions.