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529 Plan assets up 56% in past two years

By Lee Barney
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Assets in 529 college savings plans have grown 56% in the past 24 months, beating industry estimates by 30%, according research by Financial Research Corp.

"This dramatic growth of college savings plans is nearly 30% higher than previously projected," said Paul Curley, director of 529 college savings research at FRC, at the recent annual conference of the College Savings Foundation in San Diego. "It is also worth noting that new accounts opened during this same time period increased by 15%," he added.

Curley also noted that after moving a substantial portion of their 529 assets into money market funds and receiving zero returns, investors have moved more than \$1 trillion back into longer-term investment products. Further, investors have increased their contributions to 529 savings plans by 35% over the past two years, Curley adds.

Barney is the editor of Money Management Executive, a SourceMedia publication.#