

Creating a presentation on 529 plans

Students conduct research on 529 plans and create a digital slide presentation to inform others about how these plans can help people save for future education costs.

Learning goals

Big idea

A 529 plan can help encourage saving for future education costs.

Essential questions

- What are 529 plans?
- How can 529 plans help families save money to pay for higher education?

Objectives

- Understand what a 529 plan is
- Create a digital slide presentation on how 529 plans can help people meet their education savings goals

What students will do

- Identify what 529 plans are and their purpose.
- Create a digital slide presentation on 529 plans.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Executive function

 Financial habits and norms

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Save and invest (Saving for college), Spend (Paying for college)

School subject: CTE (Career and technical education), English or language arts, Social studies or history

Teaching strategy: Blended learning, Simulation

Bloom's Taxonomy level: Apply, Create

Activity duration: 75-90 minutes

National Standards for Personal Financial Education, 2021

Earning income: 8-3, 8-4, 12-3

Saving: 8-1, 12-1, 12-5, 12-6, 12-9

Investing: 8-1, 8-6, 12-8

Managing credit: 12-4

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

While it's not necessary, completing the "Saving for post-secondary education" or "Learning how federal financial aid can help you pay for higher education" activities first may make this one more meaningful.

Print copies of all student materials for each student, or prepare for students to access them electronically.

Visit the Consumer Financial Protection Bureau (CFPB) webpage at <https://www.consumerfinance.gov/consumer-tools/bank-accounts/answers/basics/> and review what comes up when you enter "529 plan" into the search field so you can know what your students will find.

Secure computers or tablets with Internet access and a program or application for creating presentations for students to conduct research and create their presentations.

What you'll need

THIS TEACHER GUIDE

- Creating a presentation on 529 plans (guide)
cfpb_building_block_activities_creating-presentation-529-plans_guide.pdf

STUDENT MATERIALS

- Creating a presentation on 529 plans (worksheet)
cfpb_building_block_activities_creating-presentation-529-plans_worksheet.pdf
- The Consumer Financial Protection Bureau (CFPB) webpage at
<https://www.consumerfinance.gov/consumer-tools/bank-accounts/answers/basics/>
- Computers or tablets with Internet access and a program/application for creating presentations

Exploring key financial concepts

College and other higher education options can be a major investment in a young person's future. While not everyone is in the position to do so, having a plan to save for higher education is a good practice. A 529 plan is a tax-advantaged savings plan designed to encourage saving for future education costs. Legally known as "qualified tuition plans," 529 plans are authorized by Section 529 of the Internal Revenue Code. There are two types of 529 plans: 529 prepaid tuition plans and 529

TIP

Because 529 plan rules and products change, students should be encouraged to always look for the most up-to-date information.

savings plans, also called education savings plans. These plans also can help pay education costs from kindergarten through 12th grade. All 50 states and the District of Columbia sponsor at least one type of 529 plan. Some cities and states provide incentives for enrollment and participation in savings plans. In addition, a group of private colleges and universities sponsors a prepaid tuition plan.

Teaching this activity

Whole-class introduction

- Ask students to share some ways people can save for college.
 - Answers may include setting aside a certain amount of money in a savings or investment account.
- Read the “Exploring key financial concepts” section to introduce students to the idea of a 529 plan.
- Be sure students understand key vocabulary:
 - **529 plan:** A tax-advantaged savings plan designed to help families save money for future educational costs. There are two types of 529 plans: 529 prepaid tuition plans and 529 savings plans.
 - **529 prepaid tuition plan:** A type of 529 plan that allows families to pay tuition ahead of time for specific colleges or college systems at today’s tuition rates.
 - **529 savings plan:** A type of 529 plan that allows you to invest your education savings in various types of investments, including mutual funds. Like a 401(k) or IRA retirement plan, your account could go up or down depending on market performance. This plan, also called an education savings plan, is typically sponsored by a state and may be available from a private investment firm. You also can use this plan to help pay tuition at public, private, or religious schools from kindergarten through 12th grade.
 - **Post-secondary education:** Includes all forms of schooling after high school, not just college.
- Explain that students will pretend that leaders in their community invited them to serve as student representatives on a college and career readiness committee.

TIP

Visit CFPB’s financial education glossary at consumerfinance.gov/financial-education-glossary/.

- Give them a few minutes to discuss what's required to be ready for college or a career.
 - If it's not mentioned, be sure to add that it's helpful for people to plan ahead so they're informed about how they might pay for higher education.
- Explain that as part of their role on the committee, students will conduct research about 529 plans and will create a digital slide presentation that explains some of the key ideas of 529 plans to community members, especially parents of young children who can use the plans to start saving for their children's education now.
- Ask them to brainstorm what makes a good presentation.
 - Be sure they explore such concepts as not having too much text on a slide and finding a good balance between images and text.

Individual and group work

- Distribute the "Creating a presentation on 529 plans" worksheet.
- Review the worksheet with students to be sure they understand what is expected.
- Students can work individually or in small groups to conduct basic research, but they'll work independently on their presentations.
- Have students research 529 plans by going to the CFPB webpage at <https://www.consumerfinance.gov/consumer-tools/bank-accounts/answers/basics/> and entering "529 plans" into the search bar.
- As students are researching, you may suggest that they look specifically for the answers to the questions on their worksheet (as part of the guidelines for creating their presentation).
- It may help to give them the following example of how they might organize their presentations:
 - **Part one – Introduction:** Provides information describing 529 plans.
 - **Part two – 529 prepaid tuition plans:** Includes information about prepaid tuition plans, what they can be used for, and what prepaid tuition plans are available in the student's state.
 - **Part three – 529 savings plans:** Explains 529 savings plans, what they can be used for, and what savings plans are available in the student's state.
 - **Part four – Comparing the two types of plans:** Compares and contrasts the two types of 529 plans, looking at things like investment and tax benefits.
 - **Part five – Conclusion:** Summarizes knowledge the student gained, offers an overall conclusion about why 529 plans may be a useful part of a well-rounded financial plan, and provides advice on the best way to save for post-secondary education.

Wrap-up

- Bring the group together to discuss what they've learned.
- Be sure students understand the basics of 529 plans and know where they can find this information on the CFPB website.

Optional real-world application:

- As a community service extension, you may ask students to plan an actual presentation to parents of elementary school students to help them plan for paying for higher education.
- The presentations can focus on any element of 529 plans and include more details on the plans in their state and how students and families can access the plans.

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving and investing (including saving for college) and spending (including paying for college). Suggested activities include "Talking with your family about paying for higher education", "Composing songs and verses about paying for college", and "Planning your financial path to college graduation".

Measuring student learning

Students' presentations and answers during discussion can give you a sense of their understanding. **Keep in mind that students' presentations may vary, as there may not be only one right approach.** The important thing is for students to have reasonable justification for their approach.

If you choose to use the scoring rubric below to grade this activity, be sure to share it with all students so they know what criteria matter most and they can plan accordingly.

SCORING RUBRIC

Slide presentation	Possible points	Points earned
<p>Part one – Introduction: Provides a strong, engaging introduction. May answer questions such as:</p> <ul style="list-style-type: none"> ▪ What is a 529 plan? ▪ What are the two types of 529 plans? ▪ How might someone go about researching what 529 plans are available to them? ▪ Why might somebody consider opening a 529 plan? 	15	
<p>Part two – 529 prepaid tuition plans: Includes key information about 529 prepaid tuition plans. May answer questions such as:</p> <ul style="list-style-type: none"> ▪ What is a 529 prepaid tuition plan and how does it work? ▪ What can a 529 prepaid tuition plan be used for? ▪ What 529 prepaid tuition plans are available in your state? 	15	
<p>Part three – 529 savings plans: Includes key information about 529 savings plans. May answer questions such as:</p> <ul style="list-style-type: none"> ▪ What is a 529 savings plan and how does it work? ▪ What can a 529 savings plan be used for? ▪ What 529 savings plans are available in your state? ▪ Does your city or state offer any incentives to participate in a 529 savings plan? 	15	
<p>Part four – Comparing the two types of plans: Compares and contrasts the two types of plans, looking at things like investment and tax benefits. Key ideas are supported by evidence and supporting details.</p>	15	
<p>Part five – Conclusion: Provides a strong, engaging conclusion about why 529 plans may be useful as part of a well-rounded financial plan. Leaves the audience with a few memorable takeaways and suggestions.</p>	15	
<p>Organization:</p> <ul style="list-style-type: none"> ▪ Information is placed in a logical order (both within the presentation overall and within each slide). ▪ Text is concise but still conveys key ideas. ▪ Specific evidence or examples are used to back up main ideas. ▪ A good balance is achieved between text and images on each slide. 	25	
Total points	100	