

# College Savings Accounts

	<b>529 Savings Plan</b>	<b>Coverdell ESA</b>	<b>UGMA/ UTMA</b>
<b>What is it?</b>	State sponsored college savings plan	Federal Government sponsored college savings plan	A custodial account set up by an adult for the benefit of a child
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Potential for state tax deduction</li> <li>• Very high contribution limits</li> <li>• Can change beneficiaries, if needed</li> </ul>	<ul style="list-style-type: none"> <li>• More investment options than 529 Savings Plans</li> <li>• Can be used for qualified education expenses, not solely college</li> </ul>	<ul style="list-style-type: none"> <li>• Withdrawals can be used for any reason as long as it is for the benefit of a child</li> <li>• Flexible investment options</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Limited to qualified college expenses</li> <li>• Limited number of investment options</li> </ul>	<ul style="list-style-type: none"> <li>• Low contribution limits</li> <li>• No state tax deduction</li> </ul>	<ul style="list-style-type: none"> <li>• May be subject to the “kiddie tax”</li> <li>• Child’s asset at 18</li> <li>• Financial Aid impact</li> </ul>

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