

529 College Savings Plans

Advisor 529 vs. Direct 529

With over 100 529 plans to choose from, how do you know which plan to invest in? This flyer will help you understand the difference between an Advisor 529 and a Direct 529. It will help answer the questions: Why would I choose an advisor-sold 529 plan over a direct-sold 529? Is it worth the extra cost?

Education Planning

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There are two types of 529 College Savings Plans, advisor-sold and direct-sold. Every state that offers an advisor-sold plan will also have a direct-sold plan. Below are key differences between the two and a few facts to consider.

ADVISOR-SOLD 529 PLANS

- Best for those families who need investment direction and advice on education funding solutions and strategies
- Only offered through licensed financial advisors
- Offer unique advantages that may be worth the extra penny including:
 - Investment advice through a licensed FA
 - A one stop shop to access industry experts and education planning resources at the B/D firm including Baird's Education Planning Consultant, Tax Strategists and Estate Tax Planning Team
 - Financial advisors can assist with paperwork, contribution planning, distribution strategies and maintenance that comes with owning a 529 plan
 - More portfolio options to choose from compared to direct-sold with actively managed funds offered
 - Opportunities for reduced sales charges if you reach a certain breakpoint (\$ amount invested)
 - Annual or bi-annual review to assure you are on track for this all-important savings goal
 - An opportunity to have all your investment accounts at a single firm
 - The 529 account will be included on your Baird statement

DIRECT-SOLD 529 PLANS

- Best for those families who feel comfortable managing their own investments, accounts and education planning
- Have lower fees compared to advisor-sold plans, but as the old saying goes "you get what you pay for", therefore you may miss out on investment advice and other benefits that you could receive by enrolling in an advisor plan
- You enroll on the 529 plan's website
- Self-directed. Any maintenance such as ownership or beneficiary changes, investment changes, trading, movement of funds between accounts that needs to be done must be done by you on the plan's website or by contacting the plan's customer service line. (i.e. Baird cannot assist you or provide advice.)
- Fewer investment options to select from compared to an advisor-sold plan

Investors should consider the investment objectives, risks, charges and expenses associated with a 529 Plan before investing. This and other information is available in a Plan's official statement. The official statement should be read carefully before investing.

Depending on your state of residence, there may be an in-state plan that provides tax and other benefits such as financial aid, scholarships and creditor protection that are not available through an out-of-state plan. Before investing in any state's 529 plan, you should consult your tax advisor.