Many students would find themselves a lot less in debt if they could pay for college at the tuition price in the early 1980s. Now, however, this concept may be possible for today’s children. Eastern Mennonite University has recently announced that it is joining a tuition savings plan program involving over two hundred schools all across the country. “Independent 529 Plan,” as the program is called, has been in official operation since the beginning of the year at EMU, although the number of people taking advantage of the perceived benefits reflects its recent initiation here.

Independent 529 plans are a type of savings account for school. Open to any U.S. residents, the money in such an account can be used for tuition and mandatory fees at any participating school. The crux of the benefits is that according to the official Independent 529 Plan website, “Participating colleges will provide guaranteed future tuition, in proportion to the percentage purchased, to beneficiaries at a price below today’s tuition.” What this means is, when money is deposited into this account, the bearer is awarded a certificate for that amount of tuition at today’s rates (actually at least one-half of one percent lower).

One can participate in the program for as little as twenty-five dollars a month, though there is a penalty if a refund is required because the beneficiary does not end up attending a school that participates in the program. The coalition of private universities participating in this plan includes a few Ivy League schools such as Yale University and Princeton.

However, the 529 Plan is an intriguing opportunity for many parents who are frustrated by the fact that college tuition rates are skyrocketing at paces far exceeding inflation. Since certificates must be held for at least thirty-six months before being redeemed, this new program may have few ramifications on EMU students who are attending school now, save for the fact that they might someday parent children who will attend a university, forseeably at rates far above those found today. The potential savings of locking into today’s tuition rates for tomorrow’s generations is quite the alluring prospect to some.

The plan, however, is not without controversy. For instance, when determining financial aid, any money that might be in these savings plans is considered, and almost invariably will reduce one’s award. Therefore, it ultimately is a tool to be implemented by individuals in a higher income bracket who are wealthy enough not to worry about financial aid because they have a high personal income. One critic, Money Magazine’s Penelope Wang, says, “529 Plans are absurdly complicated.” Because of this, she points out that many families are turning to financial advisors in order to help them wade through the complexities.

Financial advisors can pose another potential threat, however, and so she warns, “Be sure your advisor is well versed and knowledgeable in this plan. Financial advisors can pose another potential threat, however, and so she warns, “Be sure your advisor is well versed and knowledgeable in this plan.”

And remember that you’ll be paying a sales charge or higher annual expenses or possibly both.”