

# Serenity Wealth Management Unveils the Pitfall of 529 Plans

*How 529 Plans can potentially increase the cost of college.*

LONG BEACH, CA, UNITED STATES, June 24, 2025 /EINPresswire.com/ -- As families across America strive to save for their children's college education, many have turned to 529 plans for their perceived tax advantages and growth potential. However, recent insights from Serenity Wealth Management raise critical concerns about the hidden costs associated with these plans, especially how they might inadvertently increase college expenses through FAFSA calculations. Curtis Hill and Irina Hill, co-founders of Serenity Wealth Management, emphasize a more strategic and informed approach to college savings, focusing on financial planning that truly supports students and their families.



529 Plans Can Increase The Cost Of College



Serenity Wealth Management Logo

**\*\*Understanding the Pitfalls of 529 Plans\*\***

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Families should be aware of how these plans affect their financial aid potential and explore alternative savings options that offer both flexibility and protection”

*Curtis Hill*

529 plans are often promoted as a prudent savings vehicle due to their tax-free growth benefits. However, contributions to these plans can lead to a higher Expected Family Contribution (EFC) on the Free Application for Federal Student Aid (FAFSA), effectively reducing eligibility for financial aid. Serenity Wealth Management brings this to light, noting that schools assess families' ability to pay based on the assets disclosed through the FAFSA form. The misconception that higher balances in a 529 plan will reduce college expenses can mislead families about their

financial aid potential.

### **\*\*Curtis Hill Highlights Financial Strategy Alternatives\*\***

Curtis Hill, Certified Financial Planner® and founder of Serenity Wealth Management, asserts, "While 529 plans are well-intentioned, they can be counterproductive if not aligned with a comprehensive financial strategy. Families should be aware of how these plans affect their financial aid potential and explore alternative savings options that offer both flexibility and protection."

Some strategies suggested involve leveraging cash-value life insurance policies, such as Indexed Universal Life (IUL), which are not considered in FAFSA calculations. By contributing towards an IUL policy, families can benefit from tax-deferred growth and potential tax-free withdrawals. This approach offers the dual advantage of safeguarding future education funds and preserving financial aid eligibility.

### **\*\*The Role of Life Insurance and Annuities\*\***

Irina Hill, a Certified Public Accountant and co-founder, discusses how the incorporation of life insurance and annuities can be advantageous for college planning. "Cash value in life insurance and certain annuity products are not counted in the FAFSA's asset evaluation, which can significantly impact financial aid outcomes. This is especially beneficial for families aiming to maintain their EFC at manageable levels while still preparing effectively for college costs." Additionally, restructuring assets before college expenses occur can further optimize financial aid outcomes. Options like converting excess savings into annuities or making strategic investments in one's business can alter the FAFSA's asset calculations.

### **\*\*Empowering with Knowledge: The Serenity Approach\*\***

Serenity Wealth Management firmly believes in educating clients about the comprehensive landscape of college savings options to make informed financial decisions. Through personalized planning, the firm aims to align clients' financial pathways with their broader life goals, ensuring stability and support during crucial life stages.

"Our mission is to provide clarity and direction amidst the complexity of financial planning," Curtis Hill affirms. "We're here to guide families in making strategic choices that uphold their financial objectives while securing their children's educational futures."

### **\*\*[About Serenity Wealth Management](#)\*\***

Serenity Wealth Management is an independent financial advisory firm recognized for its commitment to informed, personalized client service. Led by Curtis Hill, CFP®, and Irina Hill, CPA, MBA, the firm specializes in providing integrated wealth management services that prioritize clients' personalized planning needs. By leveraging their expertise, the Hills ensure that Serenity

Wealth Management remains a pillar of support and guidance in navigating the complexities of financial planning and asset management.

**\*\*Please Note:\*\*** The information provided in this press release is for educational purposes only and should not be considered as financial advice. Families should consult with a financial professional to tailor strategies to their individual financial situations.

Irina Hill

Serenity Wealth Management

+1 310-467-2277

[irina@serenitywealthmanagement.com](mailto:irina@serenitywealthmanagement.com)

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