



Wealthfront Launches Tax-Efficient Custodial Account with \$100 Seed Funding, Expands Family Wealth Management Offering

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New offering provides parents with a flexible, automated investing account to kickstart their child's financial growth and help lower a child's future taxes

PALO ALTO, Calif., June 23, 2026 (GLOBE NEWSWIRE) -- [Wealthfront Corporation](#) (Nasdaq: WLTH), a tech-driven financial platform helping digital natives turn their savings into wealth, today announced the expansion of its family wealth management offerings with the launch of its [Custodial Account](#). This new product provides a flexible way for parents to save for their child's future and is one of the only custodial accounts designed to automatically lower the child's future tax burden through [Tax-Gain Harvesting](#). To kickstart wealth building for the next generation, Wealthfront is offering \$100 in seed funding for clients who open and fund either a new [Custodial Account](#) or a [529 Education Savings Plan](#) by July 23, 2026.

"Compounding over time is one of the most powerful ways to grow wealth, and parents who start investing early for their kids' futures can give them a meaningful head start by taking advantage of up to an extra 18 years of market growth," said David Fortunato, CEO of Wealthfront. "Adding Custodial Accounts to our growing family wealth management offerings will allow us to deliver more value to our clients as they become parents and begin building a financial foundation for the next generation."

Wealthfront's newest family wealth management product comes as parents face a complex economic landscape. Raising a child to 18 in the U.S. is [estimated](#) to cost more than \$300,000, and is expected to continue increasing with inflation. Investing early is a smart strategy to counter rising costs and set children up for financial success. With a \$500 minimum and a low, annual 0.25% advisory fee, Wealthfront's Custodial Account provides parents with an automated way to steadily invest in a globally diversified portfolio that's designed to soften the impact of the market's ups and downs.

Designed for busy parents, this fully automated account handles the heavy lifting of portfolio construction, rebalancing, and tax optimization. It offers a simple, flexible alternative for parents whose children are ineligible for the federal seed funding currently offered through 530A Trump Accounts, as well as those saving for goals beyond education or retirement. Custodial account funds can be used for practically anything that benefits the child (with the exception of basics like food and housing) and there are no contribution caps or early withdrawal penalties. Parents manage the account until the child reaches the age of transfer (typically between 18 and 25, depending on the state), at which point control shifts entirely to the child.

Wealthfront data shows that digital natives with children are heavily focused on building wealth for their family's future. Clients identified as parents (via account usage or in-product activity) maintain an average of \$91,000 across their investment accounts, versus about \$27,000 held by those without children. This is partially driven by investments for future education expenses: clients who held a 529 account over the last five years (from June 1, 2021, to June 1, 2026) doubled their average balance from \$30,000 to \$60,000 over that period.

"Our product roadmap remains focused on expanding our offerings to support and grow alongside our clients through different life stages. The Wealthfront Custodial Account is the latest example of this focus, and we're excited to give families more options to save for their children and provide the next generation with a strong financial foundation for whatever path they choose," said Dave Myszewski, VP of Product. "As a parent myself, it's exciting to offer an automated, tax-efficient Custodial Account that will help families support their child's future, whether it's saving for a down payment, introducing them to investing, or building a nest egg."

The company's new offering is one of the only custodial accounts designed to lower a child's future taxes. Wealthfront's software automates a Tax-Gain Harvesting strategy designed to take advantage of the favorable federal tax treatment available to children, helping realize up to \$1,350 in tax-free growth each year without requiring a federal tax return filing, while also seeking to avoid triggering state tax filing requirements based on the beneficiary's state of residence. It does this by automatically selling appreciated investments annually to realize gains while the child is in a low or 0% federal tax bracket, then buying replacement Exchange-Traded Funds (ETFs) to maintain the portfolio's target risk and return characteristics. The subsequent, higher purchase price increases the investment's cost basis and thereby reduces the amount of realized gain when the investment is sold later. Thanks to this strategy, when the funds are eventually withdrawn by the child years later, they have less taxes to pay and can keep more of their returns.

This launch is the latest example of Wealthfront's focus on using technology to help digital natives earn more on their savings, borrow at lower rates, and keep more of their returns. The Custodial Account adds another smart saving option for families that complements the company's [529 Education Savings Plans as well as its Joint and Trust Cash and Investing Accounts](#). Going forward, Wealthfront plans to continue building products that grow alongside clients through different life stages, including expanding Wealthfront [Home Lending](#) and enhancing goal-based saving features in its [Cash Account](#), where cash earns up to

4.20% Annual Percentage Yield (APY) through current incentives. (The Cash Account offers a 3.30% base APY which is provided by program banks and is subject to change).

About Wealthfront

Wealthfront is a tech-driven financial platform helping digital natives turn their savings into wealth. Since pioneering the automated investing category in 2011, the company has grown into a leading consumer fintech that helps clients achieve their financial goals with innovative saving, investing, borrowing, and lending products. Wealthfront's expanding suite of high-quality, low-cost offerings helps digital natives earn more on their savings, borrow at lower rates, and keep more of their returns. To learn more and get started, visit www.wealthfront.com or download the Wealthfront app.

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Disclosures:

Investment management and advisory services are provided by Wealthfront Advisers LLC ("Wealthfront Advisers"), an SEC-registered investment adviser. Financial planning tools are provided by Wealthfront Software LLC ("Wealthfront Software").

The Cash Account is offered by Wealthfront Brokerage LLC ("Wealthfront Brokerage"), Member of [FINRA/SIPC](#). Neither Wealthfront Brokerage nor any of its affiliates are a bank, and the Cash Account itself is not a deposit account. **The Annual Percentage Yield ("APY") on cash deposits as of 01/30/26, is representative, requires no minimums, and may change at any time.** References to the APY for the Wealthfront Cash Account, including any APY increase, are to the APY paid by insured depository institutions that participate in our cash sweep program (the "Program Banks"). Wealthfront Brokerage does not pay interest. Wealthfront sweeps available cash balances to Program Banks where they earn the variable APY.

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Custodial accounts (UGMA/UTMA) come with significant limitations. Contributions to a custodial account are irrevocable gifts, meaning once assets are moved into these accounts, they belong to the beneficiary and cannot be reclaimed by the donor for any reason. You also can't rename the beneficiary or use the assets for another person. Custodians have a fiduciary duty to use funds exclusively for the beneficiary's benefit. Legal control of the assets automatically transfers to the beneficiary upon reaching the age of termination (typically 18 to 25, depending on the state), at which point they may use the funds for any purpose, regardless of the custodian's original intent. These accounts can also negatively impact financial aid eligibility because the assets are owned by the beneficiary. They are weighted more heavily than parental assets in financial aid formulas, which may significantly reduce eligibility for need-based financial aid.

From a tax perspective, Custodial accounts are not tax-deferred; they are subject to "Kiddie Tax" on unearned income above certain thresholds. For the 2026 tax year, the first \$1,350 of a child's unearned income is tax-free, the next \$1,350 is taxed at the child's marginal rate, and any amount over \$2,700 is taxed at the parents' marginal rate. Contributions must adhere to federal gift tax rules (\$19,000 for individuals or \$38,000 for a married couple in 2026). Any contributions over the gift tax exclusion may be subject to gift tax. Keep in mind, these figures can change. Wealthfront Advisers and affiliates do not provide legal or tax advice and are not liable for tax consequences of client transactions. Please consult a personal tax advisor regarding your individual situation.

Tax-Gain Harvesting is intended to help a beneficiary utilize the 0% federal long-term capital gains tax rate available under the Kiddie Tax rules to potentially reduce future federal tax liability. The effectiveness of this strategy is entirely dependent on the beneficiary's total unearned income for the tax year (this includes any unearned income outside of Wealthfront) and their current qualification under the Kiddie Tax rules (age, any earned income, and student status). For the 2026 tax year, the first \$1,350 of unearned income is tax free at the Federal level due to the beneficiary's standard deduction. Any amount over would trigger a Federal tax filing requirement for the beneficiary (in some cases, it can be included on the parents' tax return). The next \$1,350 of unearned income may be taxed at the beneficiary's own rate (this will also depend on if it's long-term capital gains and how much other income the beneficiary may have). Any unearned income above \$2,700 is taxed at the parents' marginal tax rate. The benefit achieved may be limited or eliminated by a client's specific tax situation. While the strategy aims to realize gains federal-tax-free, state and local taxes may still apply. **Wealthfront will harvest less for Clients with beneficiaries residing in states with lower unearned income thresholds to help avoid creating additional state tax filing requirements.** The transaction, which involves selling and immediately reinvesting, may result in gains exceeding the client's selected harvesting limit due to market volatility or late-arriving dividends. Wealthfront Advisers does not provide tax advice. Consult a tax professional for your specific situation.

The \$100 Seed Funding promotion is for new and existing clients of Wealthfront Advisers and requires opening a new Custodial or 529 Account during the "Account Opening Window" (June 23, 2026, through 11:59pm EST on July 23, 2026) and meeting the

minimum initial deposit by the "Funding Deadline" (11:59pm EST on August 23, 2026). Additional Terms and Conditions apply. For full details, please review the Custodial & 529 Incentive promotion at wealthfront.com/promo-terms.

The Wealthfront 529 College Savings Plan (the "Plan") is administered by the Board of Trustees of the College Savings Plans of Nevada (the "Board"), chaired by the Nevada State Treasurer. Ascensus Broker Dealer Services, Inc. ("ABD") serves as the Program Manager. Wealthfront Advisers, an SEC-registered investment adviser, serves as the investment adviser to the Plan. Wealthfront Brokerage serves as the distributor and the underwriter of the Plan. Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

You also should consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to directly contact your home state's 529 plan(s), or any other 529 plan, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision. Earnings on nonqualified withdrawals are subject to federal income tax and may be subject to a 10 percent federal tax penalty, as well as state and local income taxes. The availability of tax and other benefits may be contingent on meeting other requirements.

For more information about the Plan, download the [Plan Description and Participation Agreement](#) or request one by calling 844-995-8437 or emailing support@wealthfront.com. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Description and Participation Agreement; please read and consider it carefully before investing. An investment in the Plan is not insured or guaranteed by the FDIC or any federal or state government or agency. You could lose all or portion of your investment.

Section 530A Accounts (Trump Accounts) are not available through Wealthfront. They are offered by the US Department of the Treasury, through its designated financial agents. These accounts involve financial risks and structural limitations. For more information, please visit trumpaccounts.gov.

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