



**2012**  
**ASSETS**  
**LEARNING CONFERENCE**

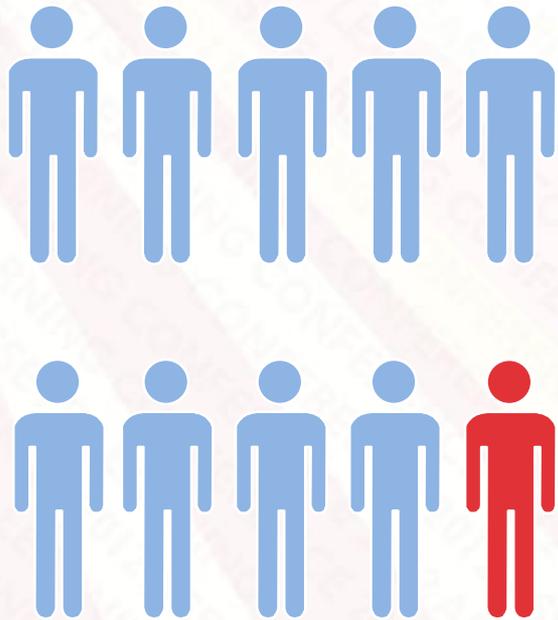
**Children's Savings Account Institute**

**September 19, 2012**

[WWW.ASETSCONFERENCE.ORG](http://WWW.ASETSCONFERENCE.ORG)

#ALC2012

# Our Challenge Today



**<10%**

of students from low-income families graduate from college by their mid-20s

Source: The Pell Institute for the Study of Opportunity in Higher Education (Mortenson, December 2008), [www.postsecondary.org](http://www.postsecondary.org).  
Based on original data from Census Bureau and National Center for Education Statistics



# The Backstory

- **Higher ed costs are skyrocketing.** Average in-state tuition at 4-year schools shot up more than 300% in the past 30 years.
- **Financial aid doesn't fill the gap, especially for low-income students.** One study finds that these students experience unmet need between \$5,000 and \$7,000 annually.
- **Students are less likely to believe that higher ed is achievable if it's not affordable.** 45% of low-income families experience a drop-off between college expectations and actual college attendance.
- **Low-income families lack user-friendly savings options and incentives.**



# The Big Idea:

**Savings and financial education,  
designed to address the financial barriers  
to college completion,  
can help children and youth achieve their  
higher education goals.**

**IDEAS INTO ACTION**

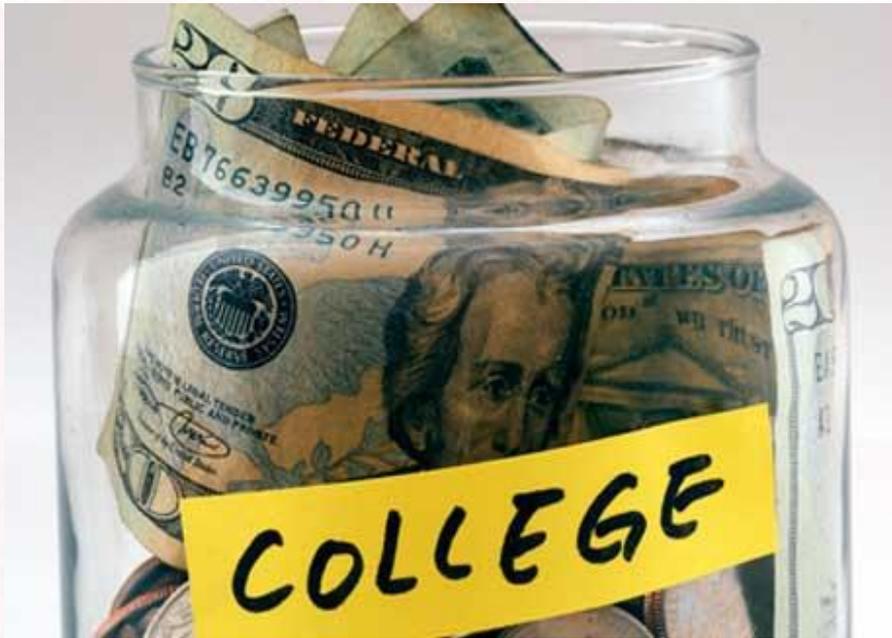
[www.assetsconference.org](http://www.assetsconference.org)

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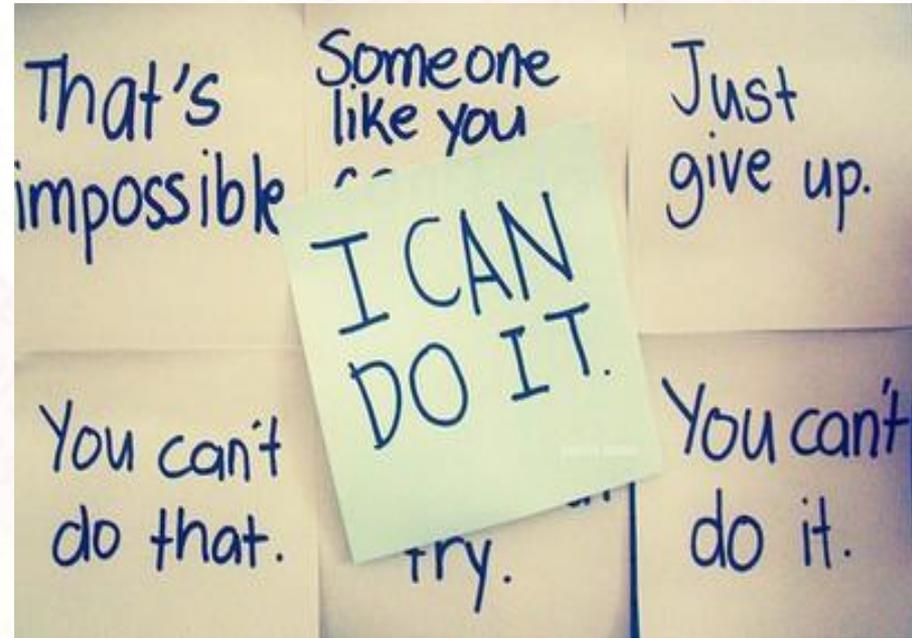


# The Benefits of Child Savings

## The Financial Value



## The "Asset Effect"



# What Research Tells Us

**Academic  
achievement  
and preparation**

**Likelihood of  
entering and  
completing  
college**

- Kids with accounts are more likely to get **better grades** and complete **more years of education**, regardless of income level.
- They are **more likely to graduate from high school**, even with as little as \$3,000 in savings.
- Among youth who expect to attend college, those with a college savings account are **four to six times more likely to actually attend**.
- Students with college savings are more likely to achieve their degree.



# Savings and Financial Savvy: One Piece of the Higher Ed Puzzle



# Defining “Children’s Savings Accounts”

Established for children at a critical stage of development

Seeded with an initial deposit and built by contributions from family, friends and children themselves

Augmented by savings matches and/or other incentives and age-appropriate financial education

Used for higher education, including 2- or 4-year college or vocational training



# Pioneering Child Savings Models



**SEED Initiative:** First national test of CSAs. Served more than 1,400 children in 12 communities across the country and demonstrated critical “proof of concept.”



**Partnership for College Completion:** Linking accounts, scholarships, financial education and academic counseling with CFED, KIPP schools and UNCF in five regions.



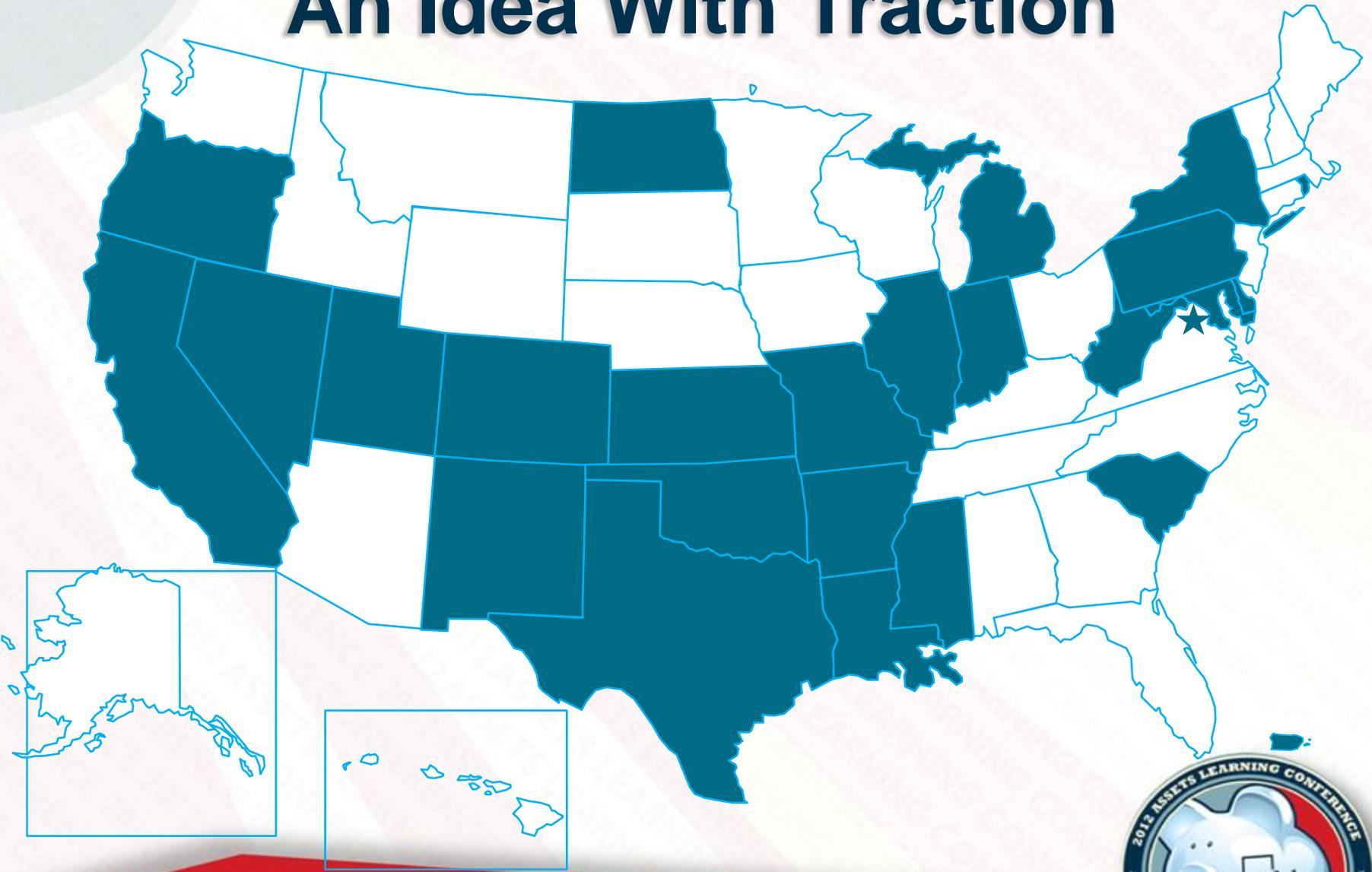
San Francisco’s **Kindergarten to College:** First universal CSA program; every public-school kindergartener receives an account. Similar models being explored in many other cities.



Kellogg Foundation-supported **Asset Building for Children:** Building scalable CSA models in Michigan and Mississippi.



# An Idea With Traction



# The Growing Role of the Public Sector

## Federal

- HHS
- Dep't of Ed
- HUD
- Treasury
- FDIC

## State

- Treasurers
- Attorneys General

## Regional/ Local

- Cities
- Counties
- School Districts
- Local Head Starts



# Going to “Scale”: What Does That Mean?

- Every child ...
  - born in a neighborhood, city, county, state
  - participating in a program (Head Start, after-school, college mentoring)
  - entering a grade or school system (pre-K, kindergarten, middle school, high school)
- In numbers large enough to ...
  - Reach a substantial proportion of children
  - Encourage a culture of saving
  - Create interest from private markets



# Going to Scale: The Opportunities

- Embedding savings programming into systems already serving large numbers of children and families
- Leveraging the public sector wherever possible
- Automating enrollment – opt-out, not opt-in
- Building on existing infrastructures to help families save – tax time, direct deposit, etc.



# Going to Scale: The Tasks Ahead

- Securing long-range funding
- Making the business case to financial institutions
- Developing needed infrastructure – custodial capacity, data and account management
- Removing public policy barriers



