



2012
ASSETS
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**Key Children's Savings
Design Questions**

September 19, 2012

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Today's Session:

1. **Key Elements of a Successful CSA Program**
2. **Examples from the Field**
3. **Program Design Options and Considerations**
4. **Question and Answer Period**



What are the Components of a CSA?

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



Different Models



Key Elements of a Children's Savings Initiative

1

Networks or systems connected to large numbers of children and youth

2

User-friendly savings account product

3

Account incentives to encourage positive savings habits and help build assets

4

Account custodian to oversee and manage accounts

5

Provision of financial education

6

Committed leader or champion

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Networks or Systems Connected to Children and Youth

Outcomes

- What are the behaviors you are trying to encourage?

Scale and Reach

- How can you create an equitable program that reaches as many children and youth as possible?

Communication Channels

- How can you effectively communicate to families about the opportunity to save?

Connecting to Families

- What resources can you leverage to provide kids and families with the right financial supports?

Sustainability

- How will you manage the program and accounts over the long term?



Examples from the Field

1. **Leigh Phillips** – San Francisco’s Kindergarten to College (K2C) Program
2. **Ernestine Bilbrew** – Mississippi Children’s Savings Account Program
3. **Angie Main** – Native American Community Development Corporation “Mini Bank” Program



User-Friendly Savings Account Product

Strong Bank Partnership

- Which banks or credit unions in your area have championed similar programs in the past?

Access

- How will children and families make deposits and view account balances?

Restrictions

- Will withdrawals be restricted for a specific use, like tuition?

Flexibility

- How do you design a flexible program to accommodate your cohort's unique needs?

Supportive Services

- What other financial services do families need to save regularly in the account?



Account Incentives

Encouraging Behavior

- What behaviors are you trying to encourage? Academic, college-going, regular savings?

Building Savings

- Do families have the opportunity to accumulate meaningful account balances?

Restrictions

- Are there restrictions on how the incentives will “vest” or how they will be redeemed?

Easy to Understand

- Do you have a simple explanation for how families earn incentives?

Sustainability

- Is your incentive model sustainable in the long-run?



Account Incentives

Example: using \$500 in incentives to encourage...



Academic Behavior

Attendance
Grade improvement
FAFSA completion



Savings Habits

Savings match
Direct deposit
Consistent account activity



Asset Accumulation

Large initial deposit
"Top ups" after certain benchmarks



Custodianship and Management

Capacity

- Which organizations has the ability to serve as the account custodian?

Custodial Account

- Will your bank partner allow a third-party organization to serve as a custodian on the account?

Trusted Authority

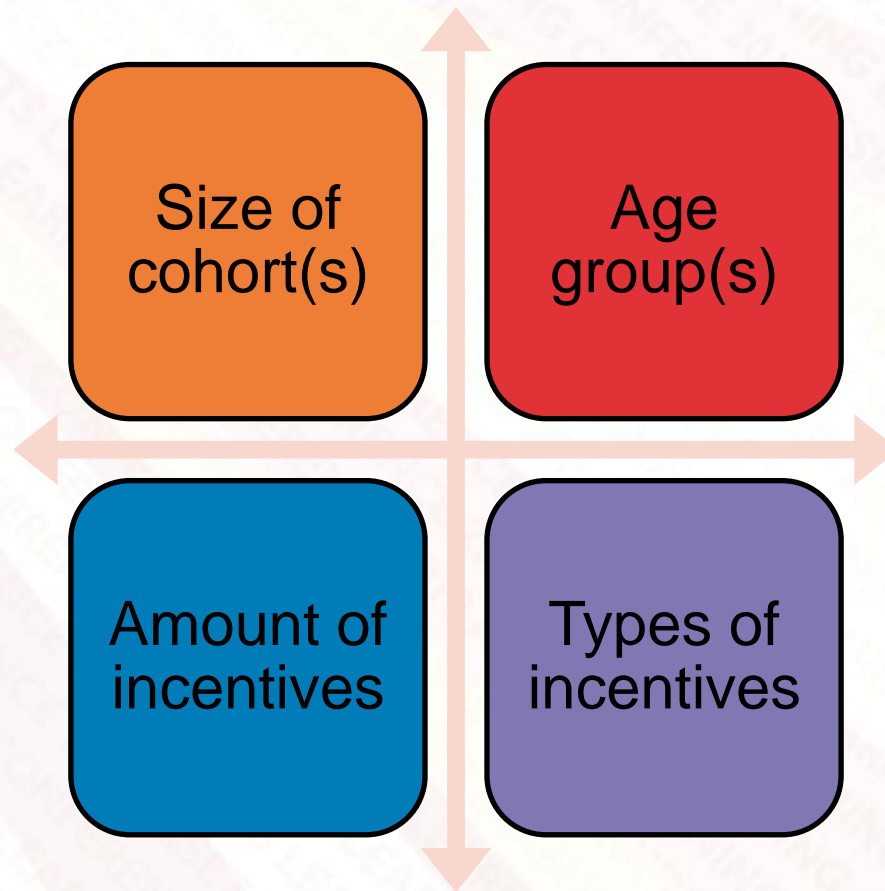
- Is the custodian a trusted and recognizable authority in the community?

Sustainability

- Will the organization be able to serve as the account custodian for the long-term?



Other Considerations: Scale, Impact and Cost Variables



Other Considerations: What Do Families Want and Need?

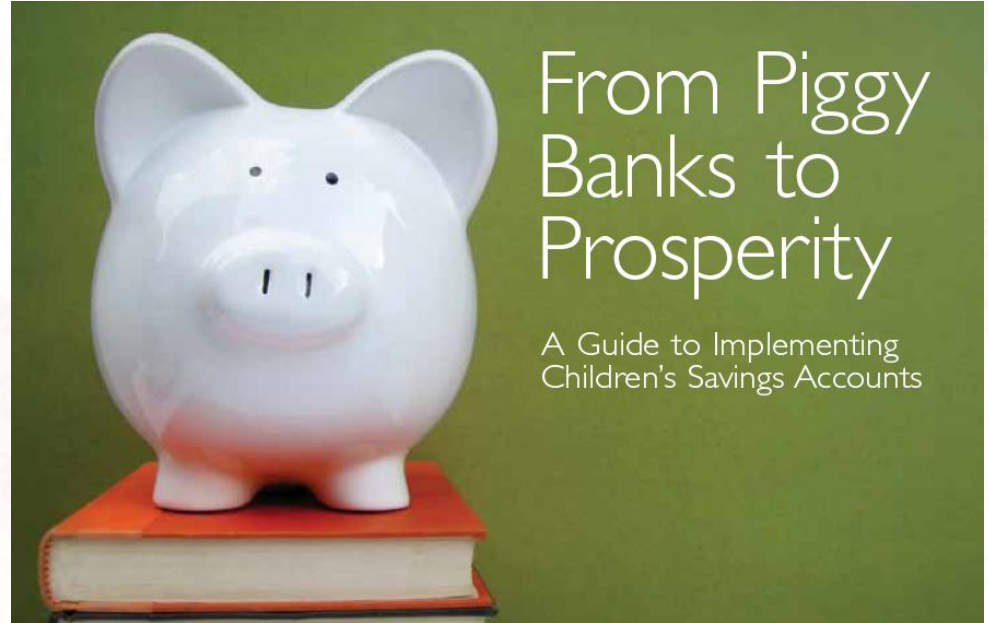


1. Understand Your Cohort's Financial Behaviors
2. Consult Community Leaders
3. Conduct Focus Groups
4. Create Buy-In



Resources

- [Piggy Banks to Prosperity](#) (CFED)
- [Kindergarten to College Case Study](#) (New America Foundation)
- CFED Staff



Any Questions?

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