Exploring Children Savings Accounts: A Baltimore City Perspective
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INTRODUCTION

Children’s Savings Accounts (CSAs) are long-term savings or investment accounts that provide incentives to help children build savings for their future, particularly for postsecondary education and training. Currently, more than 382,000 children have accounts through 54 CSA programs across the country, including city-wide programs in St. Louis, San Francisco, Oakland and Boston. CSAs are built on the premise that low-to-moderate income people can save and that a match provides both an incentive to save more as well as a path towards higher savings amounts.

CSAs’ popularity as a policy solution for college and career access and completion was bolstered by research released in 2013. Dr. William Elliott found that low- to moderate-income children with $1-$499 in college savings are three times more likely to attend college and four times more likely to graduate from college. College attainment and completion lead to over $1 million in higher lifetime earnings and is an important strategy to help close the racial wealth gap. Nationally, 55% of high school graduates complete a college degree within 6 years, yet only 25.6% of Baltimore City Schools graduates do so. While lower college completion rates for Baltimore City students are, in part a result of high remediation rates, the cost of college, including taking remedial classes, also creates a barrier to completion. These statistics provide a compelling reason to examine the feasibility of CSAs in Baltimore City and to determine the critical success factors that would be needed.

Completed in partnership with Junior Achievement of Central Maryland and Prosperity Now, this report stems from a sequence of local and state developments around Children’s Savings Accounts. First, from 2013 to 2014, the CASH Campaign of Maryland (formerly Maryland CASH Campaign) and Junior Achievement of Central Maryland worked with University of Maryland School of Social Work to conduct community-based research to assess the feasibility of implementing a CSA program in Baltimore City. Second, in 2016, Maryland’s General Assembly passed the College Affordability Act, which included an appropriation for match funding in 529 accounts. Third, during the 2017 Legislative Session, the State also appropriated funds to support a savings program for foster youth.

CSA PROGRAM GOALS & OUTCOMES

Generally, CSA programs aim to increase the number of children who attend postsecondary education as one of their primary goals. Beyond that broad goal, CSA programs differ in what they are trying to accomplish.

Examples of other objectives of CSA programs include:

- **Academic outcomes**, such as ensuring children are on track to enroll in and succeed in college and career by promoting educational achievement in elementary and secondary school. In 2011, 72% of Baltimore City Public School graduates entering into college required remedial math classes, 38% needed remedial writing, and 35% needed remedial reading. CSAs can play a role in improving educational outcomes by providing incentives throughout a child’s academic career.
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- **Increasing child and family financial capability** (i.e., their capacity—based on knowledge, skills and access—to manage financial resources effectively). A recent study showed that parents and students in Baltimore City need more information about financing college and how to build wealth and manage finances for college and beyond.

- **Developing savings habits in children and parents.** Savings can allow families to access quality housing, employment, and education. However, nationally, 52% of families with children are "liquid asset poor", meaning they do not have enough savings to survive three months at the poverty level if they were to face a loss of income, and 55% of Baltimore’s families are living in liquid asset poverty. CSAs provide an opportunity for low-income families to save for their children’s future.

It is important that programs are clear on their goals upfront, and that all elements align with those goals. Long-term goals of increased college attainment and completion can be a strong motivator for jurisdictions to develop CSA Programs, but interim goals are equally important to make sure students and families are meeting their savings goals. Students face complex challenges to staying in school and thriving, which must be addressed in addition to providing an incentivized savings product. For example, the primary goals of Oakland Promise’s Brilliant Baby program are to support the healthy development of babies in the most economically vulnerable families and to put them on track to graduate high school with the expectations, resources, and skills needed to complete college and be successful in the career of their choice. To achieve these goals, the program takes a two-generation approach, focused both directly on the babies and on their guardians. Babies receive $500 invested in a 529 account toward their postsecondary education. Since family financial stability is so critical to babies’ development, caregivers can participate in financial coaching and earn rewards in a separate account for shorter-term expenses.

In general, savings accounts have been shown to improve health, economic and social outcomes for low- to moderate-income people. CSAs benefit families with children in similar ways as standard savings accounts, but improve additional outcomes, as well. Current research demonstrates that CSAs have interim and long-term positive impacts on postsecondary education access, health and well-being, wealth equity (including by race), and economic mobility.

**Postsecondary Education**

The oldest CSA program in the U.S. is the Kindergarten to College (“K2C”) Program in San Francisco, which started in 2011. Since most CSA programs are too new to have participants who have reached college age, the research into postsecondary education outcomes of CSA participants focuses on interim outcomes that correlate with postsecondary attendance. One interim research finding indicates that CSAs may help improve academic outcomes in elementary and secondary school, such as improving standardized test scores and grades. Youth are also more likely to attend their classes in high school when they have a CSA and a plan to pursue higher education. In addition, research indicates that having college savings in a CSA helps create a “college-going mindset” or “college-bound identity” in participating children and youth, meaning that they see themselves as someone who will go to college. As a result, they are more likely to plan to attend college after high school graduation.
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Other research shows that children enrolled in universal, automatic CSA Programs are more likely to have college savings accounts and have higher account balances. Parents of children enrolled in these programs are also more likely to open and contribute to their own college savings account. In addition, parents also experience increased expectations for their children’s postsecondary education, place more importance on pursuing higher education, and are more supportive of their children’s academic efforts.

As mentioned earlier, little direct research exists yet on the long-term effects of CSAs on postsecondary education, since most children in CSA programs are below college age. However, analysis of secondary data shows that low-income children with $1-499 in college account are 3 times more likely to enroll in and 4 times more likely to complete college. Among children who expect to go to college, those with an account experience less “wilt” between expectations and college enrollment. This data has become a rallying point for the field, but needs to be tracked over time to determine if the success rate holds and if there are any other variables that impact outcomes.

Health and Well-being

Interim research on CSA programs indicates improvements to parent and youth health and well-being. For example, in one study, mothers with CSAs for their children experienced decreased symptoms of depression, an increased “sense of security”, and a “better outlook.” The effects were even stronger for mothers with lower educational attainment and incomes. Youth also see improvements in their psychological well-being with enrollment in the CSA, such as improved self-perception including feelings of being “proud, confident, and happy”. On the contrary, youth with less savings, can experience lower self-esteem with higher anxiety. Having an account increases a sense of security for youth and allows them to worry less.

CSAs also impact child development and social-emotional functioning, with a similar effect size to Early Head Start. This includes lessening the impact of material hardship on child development by 50%. Essentially, CSAs can help mitigate the harms associated with growing up in poverty. Research also reveals that CSAs improve parents’ communication with their children.

Currently, there is no direct data from existing CSA programs on the long-term impact of CSAs on youth and parental health and well-being. However, preliminary evidence can allow for a theoretical link to long-term health outcomes (e.g., lower health risks, increased life expectancy) based on evidence from the public health field. This is an emerging set of programmatic work and research on the health and wealth connection. More study is needed to determine how these two fields can work in tandem to support early childhood development and longer term financial stability.
Equity

CSA Programs that include deposit accounts (similar to standard savings accounts) allow low-income families to be more engaged in college savings. Low-income families are participating in CSA programs (both opt-in and opt-out) at higher rates than 529 accounts. In 2013, only 0.3% of households in the bottom half of the wealth distribution had 529 accounts. Across the U.S., CSAs are not currently progressively structured to reduce inequities; for example, earnings are greater in Maine for higher income families due to growth of investments at market rates. For CSA programs to address racial disparities in college savings, the program must be designed to target communities traditionally left behind. Modeling the effect of a national CSA found that a universal, progressive design could close the Black/white and Latino/white wealth gaps by 23% and 28%. CSAs that are universal and progressive (target low-income families and communities of color) are more likely to close the racial wealth gap. The balance between universal access and equity has been a struggle for some CSA programs. Funder and legislators often want to strike a balance between those who need the most and providing a benefit for everyone. A progressive or targeted universal approach could be the middle ground. In these approaches, everyone gets something, but those who earn less, get higher matches and/or additional incentives or supports.

Economic Mobility and Financial Capability

Parental savings for college leads to lower student loan burdens. This is particularly important as student loan debt has grown significantly and students of color are more likely to have higher student loan debt than their white counterparts. Further, pairing CSAs with financial education increases financial capability among elementary school students. CSAs also boost connections with mainstream financial institutions. Because CSA Programs are relatively new, and have not yet graduated their first classes, there is no direct evidence that CSAs impact economic mobility and financial capability in the long-term. However, programs which increase access and completion of postsecondary education often improve economic mobility. Additionally, analyses of secondary data suggest that account ownership in childhood is associated with increased account ownership and higher savings amounts in young adulthood. More research is needed to determine the long-term effects.

CSAs & THE BALTIMORE CITY CONTEXT

The challenges and opportunities facing Baltimore play an important role in determining whether a Children’s Savings Account Program makes sense for the City. Baltimore’s significant overall income gap, along with the racial wealth and educational gaps, motivated this research into the feasibility of creating a Children’s Savings Account Program for Baltimore.

Baltimore City faces multiple challenges including wealth and educational disparities, particularly along racial lines. Nationally, 52% of families with children are “liquid asset poor”, meaning they do not have enough
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savings to survive three months if they were to face a loss of income. Among families living in asset poverty, the average amount of savings is only $400. In Baltimore, the number is higher than the national average, with 55% of families living in asset poverty. Savings is often a crucial tool to obtain better housing, employment, and education. Unfortunately, households of color, particularly Black families in Baltimore face significant barriers to asset building as the result of a history of segregationist policies. Baltimore, like other cities across the U.S., has battled with housing and lending, criminal justice, voting, and educational access policies, which created tremendous barriers to financial security for its Black communities. The results of these policies, some of which are (in some form) still in place, persist today.

In terms of college access, 51% of white individuals living in Baltimore have at least a Bachelor’s degree, while only 13% of Black residents do. Additionally, the unemployment rate for white residents is only 4%, which is significantly lower than the Black unemployment rate of 14%. Educational attainment and employment have major impacts on wealth creation, yet it is clear that current programs and policies struggle to repair historical disenfranchisement of Baltimore’s low-income, Black communities. Fortunately, research shows that savings can play a role in reducing the racial wealth gap, and can lead to crucial asset-building opportunities.

Organizations and programs already work across the City to close the college-attainment gap for low-income students and students of color. One example is CollegeBound, which provides “Last Dollar” gap funding to help students afford the gap between financial aid and what their family is expected to pay. The organization also places “College Access Program Specialists” in Baltimore City Public Schools and assist students year-round with the college application process. Baltimore City Public School System has a “Getting Ready for College Checklist” that outlines what students and parents need to do in order to make college attainable. Building STEPS is a program dedicated to improving college access and completion.

51% of White Baltimore residents have at least a Bachelor’s degree, while only 13% of Black residents do
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This year, nearly 100 juniors from across Baltimore City Public High Schools will be guided to and through college. An impressive 80% of their graduates earn a college degree through this free program. Efforts like these are necessary to eliminate the college-going gap across class and racial lines. However, a Children’s Savings Account Program would introduce a new product to the field of college readiness, supplementing existing programs and policies.

From 2013 to 2014, CASH Campaign of Maryland, Junior Achievement of Central Maryland, and the University of Maryland School of Social Work led a College Savings Feasibility Study that sought to identify what it would take to launch matched savings programs at two elementary/middle schools in Baltimore City (Lakeland and Commodore John Rodgers). The study included focus groups and surveys with students, teachers, and parents, an environmental scan of programs nation-wide, and an asset inventory of each neighborhood. The College Savings Feasibility Study contained recommendations for Baltimore City to move forward with the implementation of a CSA Program. There were several key insights, which serve as the foundation for the Baltimore CSA Program:

- Matched savings paired with education and support is appealing to parents, teachers, and students.
- The program must focus on the financial needs and goals of the parents at the same time as the student. Parent engagement needs to be built into the program from the outset.
- The program must pay for a variety of education and career needs post-high school. Some programs only focus on college; although, many are moving away from using “college” in their name in order to embrace other postsecondary options.
- Program infrastructure (staffing, account administration, payment systems) is expensive to build and should be leveraged from other programs or existing platforms.
- Design of the program must allow for integration into the larger ecosystem of student achievement and college and career readiness.

Since the release of the Feasibility Study, Maryland’s General Assembly passed the College Affordability Act in 2016, which provides either $250 or $500 in match funding for contributions into the state’s 529 program, named the “Save4College” Program. Save4College carries an appropriation of $5 million for fiscal year 2018, and $3 million for fiscal year 2019. This could be a potential vehicle for both a pilot and scalable infrastructure; however, the program requires analysis to determine its viability for best serving low-income and low-wealth families in Baltimore. Additionally, during the 2017 legislative session, the Maryland Department of Human Resources received $1.2 million to create an asset-building program for foster youth, and received the same appropriation in 2018. This presents an immediate opportunity for a pilot and requires thoughtful analysis about the unique needs of foster youth.
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From 2017 to early 2018, the CASH Campaign co-hosted a series of convenings and interviews with stakeholders as part of the CSA research process. This allowed CASH to gather information, propose ideas, and receive feedback from community stakeholders and potential partners. This process led to a strong set of final recommendations, as well as an educated and motivated group of stakeholders to move forward with a pilot.

**Baltimore’s Community and Stakeholder Feedback**

**A. Focus Groups**

The CASH Campaign of Maryland hosted two focus groups in the first quarter of 2018. The focus groups provided helpful community feedback to be incorporated into the design of Baltimore’s CSA program. In January 2018, CASH held its first focus group at a meeting with Baltimore City Intergenerational Initiatives for Trauma and Youth (B-CITY). The group consisted of thirty participants, ten of whom were between the ages of 18 and 24. In March 2018, CASH hosted a focus group with parents at Eutaw-Marshburn Elementary School’s Head Start program. This group consisted of ten parents, including three fathers and seven mothers.

At each focus group, CASH sought general feedback related to college savings products, investment products, financial institutions, as well as assessed each group’s familiarity with Maryland 529 accounts and the Save4College Program. We also shared Maryland 529 enrollment kits and Save4College Program applications, and talked through the enrollment process. The focus groups revealed little opposition to the idea of saving for their children’s education. However, many parents expressed concern related to investment accounts. Many viewed them as “risky”. While very few parents were familiar with 529 accounts, and no parents were familiar with Maryland’s Save4College Program, they did express broad interest in learning more about each. Parents also favored the idea of working with a navigator to help them enroll. Below are the themes that emerged from these conversations.
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| Trust                                     | Trust was a recurring theme in both focus groups. Parents stressed the importance of trusting the institution that holds the accounts, and expressed distrust in particular institutions. Individuals from both focus groups claimed that family and friends were their primary sources for financial education. | “We don’t even have heat in our kids’ schools. Why would I give my money to the government so they can gamble with it?”  
“The issue isn’t the banks, it’s Congress and the laws they’ve passed over the past 10 years to charge them for just anything to access to your money.” |
| Financial Institutions/Public Account Management | Each group provided their reactions to different financial institutions. A personal connection helped build rapport with different institutions. For example, two participants expressed approval of certain banks because they know family and/or friends employed there. | “I like T. Rowe Price, I feel like my money is more secure there than with the government.”  
“My first reaction to hearing about T. Rowe Price is that their client base is the top 5%.”  
“I like Bank of America. My brother works there, and he’s who I go to for advice on money.” |
| Investment v. Deposit Accounts            | Both groups generally expressed comfort with deposit accounts, for fear of losing money through investments. One parent shared that she would open an investment account only if her contributions are protected against any drops in the market. | “I don’t like investments. I want my money to be safe and secure.”  
“Doesn’t [a 529 account] lock you into the state. Like, don’t your kids have to go to a school in Maryland?” |
| Deposit Method                            | The majority of participants noted that in-person deposits work best for them. Some shared that they struggle to understand online deposit methods, and others were concerned about security. | “I like in person. I would bring my daughter to show her the process, and let her know, ‘This is for your future.’” |
| Enrollment Process                       | During the first focus group, participants received enrollment kits for Maryland 529 accounts, along with Save4College program applications. Nearly all participants found the applications confusing, and struggled to complete them independently. Despite explanation, many were unsure about the difference between | Responses from participants when provided with an enrollment kit for 529 along with an application for the Save4College program:  
“Which is 529?”  
“What’s this application for?”  
“Is this another account?” |
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<td>the Maryland 529 Prepaid Trust account, and the Investment account. Additionally, parents were confused about the Save4College application. Some thought it was a separate savings or investment account; others did not understand why it required a separate application.</td>
<td>“Which one is the account?”</td>
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B. January 2018 Stakeholder Meeting

On January 16, 2018, CASH, Junior Achievement and Prosperity Now brought a diverse set of local stakeholders together to discuss the possibility of implementing CSAs for Baltimore City. Stakeholders included grassroots organizations, representatives from local and national banks and credit unions, Baltimore City agencies and leadership, T. Rowe Price Foundation, and Maryland 529. The group exhibited strong enthusiasm around the concept of CSAs and provided robust feedback about considerations to move forward.

- **Challenges and Opportunities in Baltimore** - The group identified various unique challenges and opportunities related to CSAs for Baltimore City. According to the stakeholders, emergency needs, such as housing and healthcare, might need to be addressed prior to, or concurrently with, discussing CSAs with families. Additionally, working with undocumented or mix-documented families requires discretion, rapport-building, and special consideration regarding whose name goes on the account. Incentives also should be culturally relevant for youth who are struggling to remain engaged in school due to complications related to poverty. Trust is also a barrier for community members when working with financial and government institutions.

- **Program Purpose** - Some stakeholders expressed concern over having the CSA program focus exclusively on postsecondary education. While some called for CSA funds to be restricted to higher education, others noted that low-income youth could potentially benefit from being able to use the funds on a broader range of purchases (i.e. transportation, housing, etc.). Those hoping the accounts would remain specific to postsecondary education spoke to the value of fostering a “college-going mindset” among children and youth, which is the focus of many CSA programs. The group expressed the need to build this as a complementary approach to current “free” community college discussions. The cost of college extends beyond just tuition.

- **Key Partners** – Stakeholders agreed that key partners should include schools with strong community connections, including community schools, non-profit partners, faith-based organizations, and Baltimore City Head Start.

- **Site Locations** - Stakeholders recommended that the sites to focus on should be either a school, zip code, or neighborhood where community buy-in is strong. Their reasoning was that it would be easier to gain access to information and measurement if the community exhibits strong buy-in and participation.
EXISTING CSA PROGRAMS: OVERVIEW & ENVIRONMENTAL SCAN

A. Existing Program Models

While existing CSA programs share common elements, their program models vary based on local needs and resources. CSA programs share the same general elements, including providing long-term savings or investment accounts for children (ages 0-18), offering incentives that help boost savings and restricting those incentives to pay for postsecondary education or another designated asset, such as business start-up or home purchase. Beyond these basic elements, program models vary based on the needs of participants and available resources. For example, some programs start when children are born, while others start when they reach kindergarten or middle school. Some programs provide just an initial deposit to start accounts, while others offer opportunities to earn incentives by completing activities or meeting certain milestones. In setting up a CSA program, designers take into account a range of considerations in making the design choices that comprise the program model. The sections below describe each of these key design choices.

Program Coordinator

The program coordinator is the organization or agency responsible for managing the overall implementation and operations of a CSA program. The program coordinator carries out all key managerial responsibilities of the program, either directly or through partner organizations. A wide variety of organizations can serve as CSA program coordinators, including state and local government agencies and nonprofit organizations. The key attributes program coordinators need are:

- **Mission alignment** – The CSA program fits with and helps further the organization’s core mission.
- **Capacity** – The organization has the resources and experience needed to implement and manage a complex program and work with multiple partners.
- **Sustainability** – The organization has the capacity to raise or manage the resources needed to support and sustain this program over the long term and is able to commit to supporting the program until participating children reach adulthood.
- **Trust** – The organization is well known and trusted in the community the program will serve.

Among existing CSA programs, 33% have a government agency serving as the program coordinator, and 65% are run by nonprofit organizations. Trust is a critical factor to consider when deciding who will administer a CSA program. It is important to understand the needs, concerns, and experiences of those likely to benefit from the program prior to determining how it will be executed and by whom.

Population Served

- **Age at Enrollment** — CSA programs enroll children anywhere from birth to high school. Some programs offer only one point of enrollment (e.g., kindergarten), while others allow children to enroll at multiple ages (e.g., throughout elementary school). Among programs that enroll children at just one point in time, kindergarten is the most common (40% of programs); at birth and high school are tied as the second most common at 24% each.
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- **Eligibility** — Eligibility can either be universal—meaning that all children of an identified age in a specified city or school are eligible to participate—or be targeted to a specific subset of a population (e.g., children in a school district receiving free or reduced-price lunch). For public CSA programs, it may be easier to “sell” and sustain a program to policymakers and the public if all children receive it and all families have a stake in the program. At the same time, a universal program offering incentives to all children is more expensive than a limited-eligibility program, and resources are not specifically targeted to children who need the support the most. A potential compromise is to have a universal program in which all children receive an initial deposit, but then target additional incentives to children from low-income households.

**Enrollment Method**

Enrolling participants in a CSA program can be done using an opt-in or an opt-out structure. Opt-in (also known as self-enrollment) requires children—or more often their parents—to take steps to sign up for the program and open an account. In an opt-out approach (also known as automatic enrollment), all children in the program’s target population receive an account unless they or their parents opt out of the program. Automatic enrollment optimizes participation, since people are much more likely to accept the default option than to make the active choice to sign up for something.  

Overall, 74% of programs have opt-in enrollment, while 26% utilize the opt-out approach. As programs increase in size, an opt-in structure can become more challenging and expensive, as it requires significant resources to reach out to thousands of families and ensure that they complete the steps needed to enroll. That is why among large programs—those that enroll at least 2,000 new children per year—the percentages are flipped. Seventy-one percent of large programs have opt-out enrollment and 29% are opt-in.

**Account Type**

In determining the account vehicle for a CSA program, designers need to consider both where incentives will be held and into which account participating children and their families will make deposits. Some programs commingle these funds, but most hold incentives in a separate account and only disburse them at the time when the child is ready to attend postsecondary education.

The most common types of account vehicles used by CSA programs are 529 college savings accounts (including both those owned by a third-party custodian and those owned by parents) and third-party custodial savings accounts. Fifty-four percent of programs hold incentives in 529 accounts, and 35% use custodial savings accounts. The remaining 11% use other types of accounts, such as certificates of deposit and investment accounts. Among large CSA programs—those that enroll at least 2,000 children per year—71% use 529s, while only 29% of large programs use custodial savings accounts.

There are advantages and disadvantages of using deposit accounts and 529 plans as CSAs. Deposit accounts are typically more flexible and more accessible for low-income accountholders. Deposit accounts benefit college applicants because, unlike with 529s, institutions exclude deposit accounts when calculating financial aid. Deposit accounts might be more accessible, but they are challenging to create since banks are less inclined to take on numerous, small dollar accounts with low engagement rates.
On the contrary, 529 plans typically benefit higher-income families, as they are less accessible for low-income communities. Additionally, 529 plans have not been shown to increase educational opportunity, which might be attributed to the fact that children whose parents enroll in 529 plans are more likely to attend college than their low-income counterparts regardless of the existence of a 529 savings plan. Most 529 plans also require a higher level of intermediation as states typically hire private financial institutions to administer the accounts. Fortunately, 529 plans come with tax incentives, which could disproportionately benefit low-income families.49

**Incentives**

The primary types of incentives offered by programs to help build account balances are:

- **Initial deposits** – Deposits (often called “seed deposits”) provided by the program automatically upon account opening.
- **Savings matches** – Matches on the deposits made into the account by participants and/or their families (e.g., matching one dollar for every dollar deposited up to $100).
- **Benchmark incentives** – Extra program contributions that participants and their families can earn for reaching milestones or achieving goals (e.g., completing financial education or attaining certain grades).

Most CSA programs (67%) offer more than one type of incentive. The most common type of incentives offered by CSA programs is initial deposits (70%), with $50 being the most common amount (42% of programs that offer an initial deposit). Fifty-two percent of programs offer savings matches and 43% have benchmark incentives. In addition, 19% of programs offer prize-linked savings in which participants earn entries into a raffle drawing by making deposits in their accounts. In order to be successful, incentives must be relevant to the community they intend to reach. One way to test an incentive to ensure that it is effective is to run an “incentive campaign”. Schools or programs can test an incentive for a specified period to determine whether it effectively encourages both savings and a particular behavior (i.e. increased attendance, improved grades).

**B. Implementation Approaches**

CSA program coordinators have taken different approaches to implementing their programs, ranging from rolling out the program to all eligible children in a city or state immediately to starting with small pilot programs. Here are examples of the approaches programs have used, along with considerations around choosing each approach.

**Phased Rollout**

A phased rollout is one in which a CSA program is intended to be universal from the start, but it is implemented in stages, generally over several years. Over time, the program ramps up to include all children in the target age group. For example, a program using a phased-in rollout may commit from the launch of the program to serve all kindergarten students in a school district with 50 elementary schools. The program
may enroll children from 10 schools in the first year, 25 schools in the second year and all 50 by the third year.

One advantage of a phased rollout approach is that it provides the opportunity to work through any early challenges in implementation before rolling the program out to a larger group of children. At the same time, it can be tricky to decide how to phase in the program, as it means that decisions will need to be made on which children receive accounts in the early phases and which do not. If the program decides to go back later to provide accounts to the children in the age cohort who were not a part of the initial rollout, it can be administratively challenging to track down those children, especially if children change schools or families move into or out of the jurisdiction.

**Full Rollout**

In a full rollout, a universal program is implemented for children in the target age range at once. Using the example above, all kindergarten students across the 50 schools would be enrolled in the program in the first year. This approach can help to avoid thorny questions about which schools or communities to select for the first phase of the rollout. At the same time, it is also the most expensive; as it requires raising sufficient funds upfront to cover all children before having the chance to demonstrate impact among a smaller group. Rolling out to an entire city or state at once is also a substantially bigger administrative lift and does not provide an opportunity to work out any logistical challenges with a smaller group of children.

**Pilot Program**

In a pilot program approach, the program is tested on a small-scale with no upfront commitment to eventually scale the program to serve all children in the particular city or state. Using the example from the phased rollout section, the program could be offered to children in five schools and then tested over several years before any decision is made on whether to expand the program to more schools.

As is the case with a phased rollout approach, piloting a CSA program provides the opportunity to work through implementation challenges. It also allows for testing and potentially tweaking program features before implementing the program on a wider scale. In addition, this approach allows time to demonstrate the program and attract additional funders before making a larger commitment.

As with the phased rollout approach, it can be tricky to decide which community or communities to choose for the pilot. The decision might be even more fraught, since there is no guarantee that all children will eventually be enrolled in the program. In addition, testing a CSA program may be an unnecessary extra step as there is a great deal of information available about other programs to inform decisions about program design. If the program coordinator's ultimate intention is to create a universal program, using this approach runs the risk of getting stuck in a long pilot and testing cycle, rather than moving in a quick fashion towards full enrollment through a phased rollout approach.

**C. Funding Sources**

Since CSA outcomes can cross over several issue areas, funders and donors with varying interests may be attracted to these programs. This includes funders with an interest in:
Exploring Children’s Savings Accounts: A Baltimore City Perspective

- Children’s issues
- Supporting access to postsecondary education
- Financial capability
- Promoting financial security
- Two-generation strategies for addressing the needs of vulnerable children and parents simultaneously

CSA programs draw funding from a variety of sources, including city, county and state governments; foundations, especially community foundations; corporations and local businesses; and individual donors. Half of CSA programs (50%) rely on multiple types of funding. The most common type of funding received by CSA programs includes foundation funding (69% of programs). In addition, 46% of programs receive individual donations, 33% receive some type of government funding (local, state or federal), and 35% receive corporate or business funding. An important note on this data is that while the survey captures the types of funding CSA programs receive, it does not capture the relative amounts that programs receive of each type of funding.50

D. Existing Municipal CSA Programs

Currently, seven cities – Boston, Lansing, Louisville, New York City, Oakland (two CSA programs), San Francisco and St. Louis – have eight CSA programs.51 Appendix A provides an overview of each of these programs, and Appendix B provides an overview of each program’s funding sources.

Program Models

Though the eight CSA programs differ, some features are prevalent across the municipal programs:

- **Program coordinator**
  - Five out of eight programs are run by city agencies, and the other three programs are run by nonprofit organizations, though generally in close partnership with city agencies and schools.

- **Population served**
  - Seven out of eight programs start in kindergarten.
  - Seven out of eight programs are universal, while one program (Oakland Promise’s Brilliant Baby) is limited to children who are Medicaid-eligible.

- **Enrollment method**
  - Six out of eight programs use an opt-out approach. This is much more common than for CSA programs overall (26% are opt-out). In part, this may reflect the fact that it is easier for government entities, or organizations working closely with government agencies, to obtain participant information from government or school records than for nonprofit organizations that run many of the other CSA programs. In addition, given that many municipal programs are either large-scale or plan to scale up, opt-out is a more scalable approach to select.
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- **Account type**
  - The account types used by programs to hold incentive funds run the gamut — three programs use third-party custodial savings accounts; two programs use omnibus or custodial 529s; and one program uses parent/guardian-owned 529 accounts. The other two programs use less common account types — a third party (non-529) investment account and a custodial certificate of deposit (CD).

- **Incentives**
  - All eight programs provide initial deposits. Four programs provide $50, two programs provide $100, one program provides $500, and one program provides $5.
  - Five programs offer benchmark incentives for activities such as good attendance, completing a financial education course, signing up to view the child’s account online and monthly savings.
  - Three municipal programs offer savings matches.

**Implementation**

Most municipal programs used a phased rollout approach. For example, San Francisco implemented its Kindergarten to College program in 2011 in select schools, with 1,000 children enrolled in the first cohort. The next year, the number of enrollees increased, until reaching full rollout (approximately 4,500 children/year) within two years. The program also subsequently went back to open accounts for children who were at other schools during the phased rollout period and did not have accounts opened as part of the first and second cohorts.

Only one municipal program, St. Louis’s College Kids, used a full rollout approach. When launching the College Kids program in 2015, the St. Louis Treasurer’s Office decided to forgo a phased rollout. Instead, the program enrolled all kindergartners in St. Louis public schools and participating charter schools (approximately 3,100 children) in the first year. However, it is important to note that St. Louis has a relatively small number of kindergartners compared to other larger cities, so this approach may not be feasible in other places.

**Funding**

Seven of eight municipal programs receive more than one type of funding, and six of these programs receive funding from four different types of sources. (The chart in Appendix B shows the type of funding received by each municipal program.) NYC Kids RISE, which has one large grant from the Gray Foundation is the only program that is fully funded by one source. For all the other municipal programs, fundraising is a multi-pronged effort including:

- **City and county funding** – Six out of eight programs receive city or county funding, though no program receives all of its funding from city or county government.
- **Community and other foundations** – Community foundations and other types of foundations are the most common source of funding for municipal programs. All but one program receives funding from community foundations, other types of foundations, or both.
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- **Corporate/business** – Five programs receive corporate or local business funding.
- **Individual donors** – Five programs raise money from individual donors using Prosperity Now’s 1:1 Fund. The 1:1 Fund is an online platform that helps CSA programs collect donations from individuals throughout their communities and across the country.

**KEY RECOMMENDATIONS FOR BALTIMORE CITY**

In general, savings provide low-income families with needed security during emergencies, and help them avoid accruing risky, high-interest debt. Additionally, savings contribute to long-term wealth building by allowing savers to purchase assets that improve their circumstances. For example, a family that is able to purchase a vehicle allows them greater access to vital resources, and higher paying jobs outside of their public transportation system. Psychological and physical health also improve for individuals or families able to move to safe, well-resourced neighborhoods, or to invest in their existing communities.

Below are recommendations related to the creation of a CSA Program in Baltimore City. These recommendations stem from community and stakeholder feedback, an analysis of the current CSA field, as well as community-based research.

1. **Understand the Needs and Wants of Baltimore’s Low-income Families and their Children**
   
   Any efforts to generate college or career savings within families need to recognize the importance of also creating emergency savings and the very limited ability of parents/guardians to contribute into a CSA. This means that providing program incentives and third-party deposits to build account balances is essential and that identifying other ways to foster parent/guardian engagement in the program, beyond saving in the account, will be critical.

2. **Develop Relevant Design Features**
   
   a. **Account type** – Municipal programs have been able to use both custodial savings and 529 accounts as their account vehicles. However, some of the municipal programs using savings accounts are smaller than the eventual possible size of the Baltimore program. Overall, larger CSA programs use 529 accounts at a much higher rate. These findings point to 529s being a more scalable platform given the possible size of the Baltimore program. At the same time, 529s are generally less accessible for low-income families. Each type of account has advantages and trade-offs, so it is important to explore these before settling on an account vehicle. 529 accounts could effectively serve moderate-income communities within Baltimore, so it is important to find ways to engage moderate-income parents, and consider ways to make 529 plans more accessible for low-income communities.
   
   - Alongside this process should be further examination of developing a deposit account program with a bank or credit union partner, which is commonly the most accessible for low-income families.
b. **Target population** – Municipal programs overwhelmingly favor *kindergarten as the age of enrollment for CSA participants*. This may be the best option for Baltimore as well, since the program coordinator could work with Baltimore City Public Schools to obtain enrollment information for all students and reach out to parents. Working with children and their families at birth would be more challenging, since there is no central system that most families participate in, as they do with the school system.

c. **Enrollment method** – Most municipal programs use an *opt-out enrollment approach*, which helps ensure more inclusivity than an opt-in approach. In addition, the majority of large CSA programs use an opt-out approach, because it is more scalable. Since the Baltimore program may grow to a larger number of children over time, an opt-out approach will make the program easier to scale. Participants may need a navigator in order to ensure a smooth enrollment process if Baltimore’s CSAs take the form of 529 accounts. One way to make the enrollment process easier is to engage with our partners at Maryland 529 to assist enrollees.

d. **Incentives** – Having an *initial deposit* to jumpstart the children’s accounts is a critical element for a municipal program. However, the amount is flexible. Since $50 and $100 are common in CSA programs, program designers may want to consider these amounts for Baltimore. For other types of incentives, the environmental scan shows that programs have taken many different approaches, and there is no set path. The best approach for Baltimore is to have an *inclusive design process* that brings in multiple stakeholders, particularly parents, to ensure that the incentives will resonate with the people the program will serve. For example, a high percentage of the families the Baltimore CSA program reaches may be low-income, therefore, savings matches based on family contributions might not be the best way to build account balances. In addition, cost and administrative burden for different types of incentives are also important considerations. One method, which ensures incentives are relevant to students and their families, as well as helpful to the Baltimore City Public School System, is to run “incentive campaigns”. Incentive campaigns are shorter-term test periods for particular incentives (i.e. attendance, grade improvement).

e. **Navigators** – Focus group research revealed that parents and youth alike would like assistance with navigating the enrollment process, particularly for 529 accounts and the Save4College Program. Navigators can help increase access to a Baltimore CSA Program by assisting with marketing and enrollment.

3. **Be Intentional in Selecting a Program Coordinator**
   Certain factors must be taken into account when determining whether a private, public or nonprofit institution is suitable to run a CSA program in a particular jurisdiction. The key is to determine which entities in the city have the attributes needed to be successful in this role—*mission alignment, capacity, sustainability and trust*. If a nonprofit organization serves as program coordinator, it will need significant cooperation from the city and the school district to be able to carry out its responsibilities.
4. Utilize Existing Partnerships and Buy-in
While this project seeks to increase financial resources for college and career, this must be done in the context of both families’ financial situations and the existing ecosystem for student achievement and college and career readiness in Baltimore City.

There is a foundation of public and private sector interest in Baltimore City. The Baltimore City Public School System is engaged in the development of CSAs for Baltimore youth. Maryland’s Department of Human Services is also actively working on developing a Foster Youth Savings Program, and has already placed funds with the local departments across the state for foster youth to draw from when they leave care. Philanthropic organizations have demonstrated their support for the creation of a CSA Program in Baltimore City, by offering technical assistance, data analytics, and funding. Local nonprofits and other community-based organizations have also shared their support and willingness to participate in the development process through various stakeholder meetings. Finally, and perhaps most importantly, Baltimore City parents and youth involved in this research have expressed nearly unanimous interest in the creation and maintenance of a Baltimore City CSA Program. Such public, private, and community buy-in show Baltimore City could be home to a successful CSA Program.

5. Make it Sustainable
Another important design consideration is identifying or developing sustainable infrastructure to deliver and manage a Children's Savings Account program in Baltimore City. There are serious structural deficits within both the Baltimore City budget ($60 million) and the City Schools budget ($129 million). No singular non-profit has the capacity to run a scalable CSA Program. While multiple sectors may collaborate on planning and implementation, one sector needs to own the program and embed it into its future operations. Government agencies have played this role in other large-scale CSA Programs in San Francisco, St. Louis, and others.

6. Acknowledge the Need for Broader Policy Measures to Achieve Equity
A strong CSA Program needs to help students and families to access supports for financial planning and savings over their lifetime, as recent studies have shown that a college degree alone is not sufficient to protect the wealth of African Americans, particularly during economic downturns.

If Baltimore’s CSA Program seeks to improve racial equity in postsecondary education, it must be implemented in conjunction with other policies. Examples of such policies include those, which promote banking access, particularly for low-income communities of color, who are more likely to be deprived of adequate banking options, and allowing for individuals with Individual Tax Identification Numbers (ITINs) to open CSAs. With an inclusive, equity-based approach, CSAs can serve as successful investments in the futures of Baltimore’s low-income families and children of color.

Baltimore CSA Program Funding
As other municipal program examples show, it will be important to have a multipronged approach to fundraising in Baltimore; it is very unlikely that one type of funder will provide all the money needed for the
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It may be helpful to secure some initial support from the city and supplement it with foundation grants. For example, San Francisco receives an annual appropriation for its Kindergarten to College program, which covers administrative costs and initial deposits. It raises funding for additional incentives from foundations, corporations and individual donors. Baltimore also has a number of large corporations, which may be another potential source of funds. While many municipal programs raise donations from individuals, it takes a lot of work to develop and cultivate donors. If the program coordinator does not already have a list of potential individual donors, it may be best to reserve this fundraising strategy until the program is more established.

Fortunately, for Maryland, the General Assembly has already appropriated funds to support college savings. As outlined previously in this report, in 2016, the General Assembly passed the College Affordability Act, which included a $5 million appropriation for fiscal year 2018 and $3 million for fiscal year 2019. Additionally, the Maryland Department of Human Resources received $1.2 million in 2017, and again in 2018, to support its development of a Foster Youth Savings Program. These funding amounts can serve as a foundation for a Baltimore-based CSA infrastructure.

Below is an estimated budget for a Baltimore CSA Program that reaches 500 children in Year 1, 1,000 in Year 2 and 5,000 in Year 3. Program Delivery costs are based on estimations of local salaries, with an assumption that staffing needs will increase over the course of three years. As for benchmark incentives, the first is a common incentive among other programs — $50 for families opening their own accounts, though this is a bit on the high side for a new program. As an alternative, this could be an incentive for making a first deposit. For the second incentive, we calculated for a basic milestone that most children could reach and receive extra funds in their account. Though no other programs are using this particular incentive, our calculations allow for kindergarten completion as an incentive point. The take-up rate is drawn from an estimation based on kindergarten completion rates.

The following cost estimates hold the number of children, program delivery and incentive costs steady, while measuring the different costs associated with various initial deposit amounts.

<table>
<thead>
<tr>
<th>Baltimore CSA Program Cost Calculator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scenario 1 - $50 Initial Deposit</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Program Delivery</strong></td>
</tr>
<tr>
<td>$122,500</td>
</tr>
<tr>
<td>$233,945</td>
</tr>
<tr>
<td>$249,479</td>
</tr>
<tr>
<td><strong>Total Cost per Category</strong></td>
</tr>
<tr>
<td>$605,924</td>
</tr>
<tr>
<td><strong>Initial Deposit ($50)</strong></td>
</tr>
<tr>
<td>$25,000</td>
</tr>
<tr>
<td>$50,000</td>
</tr>
<tr>
<td>$250,000</td>
</tr>
<tr>
<td>$325,000</td>
</tr>
<tr>
<td><strong>Additional Incentives</strong></td>
</tr>
<tr>
<td>$29,500</td>
</tr>
<tr>
<td>$59,000</td>
</tr>
<tr>
<td>$295,000</td>
</tr>
<tr>
<td>$383,500</td>
</tr>
<tr>
<td><strong>Total Cost/Year</strong></td>
</tr>
<tr>
<td>$177,000</td>
</tr>
<tr>
<td>$342,945</td>
</tr>
<tr>
<td>$794,479</td>
</tr>
</tbody>
</table>


### Exploring Children’s Savings Accounts: A Baltimore City Perspective

<table>
<thead>
<tr>
<th>Scenario 2 - $250 Initial Deposit</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total Cost per Category</th>
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<tbody>
<tr>
<td>Program Delivery</td>
<td>$122,500</td>
<td>$233,945</td>
<td>$249,479</td>
<td>$605,924</td>
</tr>
<tr>
<td>Initial Deposit ($250)</td>
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<td>$250,000</td>
<td>$1,250,000</td>
<td>$1,625,000</td>
</tr>
<tr>
<td>Additional Incentives</td>
<td>$29,500</td>
<td>$59,000</td>
<td>$295,000</td>
<td>$383,500</td>
</tr>
<tr>
<td><strong>Total Cost/Year</strong></td>
<td><strong>$277,000</strong></td>
<td><strong>$542,945</strong></td>
<td><strong>$1,794,479</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario 3 - $500 Initial Deposit</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total Cost per Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Delivery</td>
<td>$122,500</td>
<td>$233,945</td>
<td>$249,479</td>
<td>$605,924</td>
</tr>
<tr>
<td>Initial Deposit ($500)</td>
<td>$250,000</td>
<td>$500,000</td>
<td>$2,500,000</td>
<td>$3,250,000</td>
</tr>
<tr>
<td>Additional Incentives</td>
<td>$29,500</td>
<td>$59,000</td>
<td>$295,000</td>
<td>$383,500</td>
</tr>
<tr>
<td><strong>Total Cost/Year</strong></td>
<td><strong>$402,000</strong></td>
<td><strong>$792,945</strong></td>
<td><strong>$3,044,479</strong></td>
<td></td>
</tr>
</tbody>
</table>

### CONCLUSION

A growing number of communities are building Children’s Savings Account programs to enhance the “college-going mindset” for low-to moderate-income children. Children’s Savings Accounts have the potential to better the lives of Baltimore’s most vulnerable children. Early studies have shown that CSAs can help improve education, health, and financial outcomes for children and parents of lower-income households. Some additional positive effects of CSAs include improved socio-emotional development for children, higher expectations in parents that their children can and will attend college, and improved maternal mental health. However, in order for a CSA program to be successful, it must cater to the needs of the community it serves.

A strong CSA program in Baltimore requires input from public, private, nonprofit, and community-based institutions, but most importantly, feedback from the families likely to benefit from the program. It is also important to note that college attainment alone is not enough to eliminate the racial wealth and educational attainment gap in Baltimore City. In order for a CSA Program to achieve positive outcomes, it must be implemented in conjunction with other policies, which promote equity and inclusion, particularly by race.
### APPENDIX A: OVERVIEW OF MUNICIPAL CSA PROGRAMS (2017-18)

<table>
<thead>
<tr>
<th>City/CSA Program</th>
<th>Program Coordinator</th>
<th>Program Description</th>
<th>Year Program Started</th>
<th>Program Size by Annual Enrollment</th>
<th>Estimated Children Enrolled by 12/31/17</th>
<th>Total Incentives Accumulated</th>
<th>Total Savings Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston, MA - Boston Saves</td>
<td>Boston Office of Workforce Development</td>
<td>Boston Saves makes saving for postsecondary education and career training available to every public kindergartener and sets college and career as an expectation for all.</td>
<td>2016</td>
<td>Small (under 500 children annually)</td>
<td>800</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Lansing, MI - Lansing SAVE</td>
<td>City of Lansing</td>
<td>A partnership between the city, Lansing School District, and Michigan State University Federal Credit Union, Lansing SAVE’s goals are to increase college enrollment and completion, and to provide tools for financial well-being.</td>
<td>2015</td>
<td>Medium (500-1,999 children annually)</td>
<td>2,500</td>
<td>$700</td>
<td>$1,600</td>
</tr>
<tr>
<td>Louisville, KY - Louisville Children’s Savings Program</td>
<td>Louisville Metro Office of Resilience &amp; Community Services</td>
<td>The Louisville Children’s Savings Program engages kindergarteners, and their parents in a college savings program that includes supporting parents as they establish a plan to send their child to college.</td>
<td>2016</td>
<td>Small (under 500 children annually)</td>
<td>460</td>
<td>$23,000</td>
<td>Unknown</td>
</tr>
<tr>
<td>New York City, NY - NYC Kids RISE Save for College Program</td>
<td>NYC Kids RISE</td>
<td>NYC Kids RISE Save for College Program is a scholarship and savings program designed to make college more accessible for all NYC public school students, regardless of family income or immigration status.</td>
<td>2017</td>
<td>Large (over 2,000 children annually)</td>
<td>3,500</td>
<td>Too Early</td>
<td>Too Early</td>
</tr>
</tbody>
</table>
## Exploring Children’s Savings Accounts: A Baltimore City Perspective

<table>
<thead>
<tr>
<th>City/CSA Program</th>
<th>Program Coordinator</th>
<th>Program Description</th>
<th>Year Program Started</th>
<th>Program Size by Annual Enrollment</th>
<th>Estimated Children Enrolled by 12/31/17</th>
<th>Total Incentives Accumulated</th>
<th>Total Savings Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oakland, CA – Oakland Promise: Kindergarten to College</td>
<td>Oakland Promise</td>
<td>Through activities, field trips, parent engagement, and early college scholarships, Kindergarten to College aims to instill a college-bound mindset in all students and families.</td>
<td>2016</td>
<td>Small (under 500 children annually)</td>
<td>400</td>
<td>Too Early</td>
<td>Too Early</td>
</tr>
<tr>
<td>Oakland, CA - Oakland Promise: Brilliant Baby</td>
<td>Oakland Promise</td>
<td>Brilliant Baby partners with infant home visiting programs to support the healthy development of babies in the most economically vulnerable families and build their parents’ expectation of college success for their child, through a supportive community, financial coaching, and a college savings account.</td>
<td>2017</td>
<td>Small (under 500 children annually)</td>
<td>200</td>
<td>$30,000</td>
<td>Too Early</td>
</tr>
<tr>
<td>San Francisco, CA - Kindergarten to College</td>
<td>San Francisco Treasurer’s Office - Office of Financial Empowerment</td>
<td>A partnership of the City and County of San Francisco and the San Francisco Unified School District (SFUSD), Kindergarten to College (K2C) program's main goals are to reduce financial exclusion, increase financial literacy, and support a college-going culture.</td>
<td>2011</td>
<td>Large (over 2,000 children annually)</td>
<td>31,000</td>
<td>$2.1 million</td>
<td>$2.8 million</td>
</tr>
<tr>
<td>St. Louis, MO – College Kids</td>
<td>St. Louis Treasurer’s Office – Office of Financial Empowerment</td>
<td>College Kids’ purpose is to provide all children enrolled in St. Louis Public Schools and St. Louis City charter schools with a savings account for postsecondary education.</td>
<td>2015</td>
<td>Large (over 2,000 children annually)</td>
<td>10,000</td>
<td>$451,679.16</td>
<td>$17,157.33</td>
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</tbody>
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### APPENDIX B: MUNICIPAL CSA PROGRAM FUNDING SOURCES (2017-18)

<table>
<thead>
<tr>
<th>City/CSA Program</th>
<th>City or county funding</th>
<th>Community foundations</th>
<th>Other foundations</th>
<th>Individual donors</th>
<th>Corporate/business</th>
<th>Other</th>
<th>Total Types of Funding Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston, MA - Boston Saves</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Lansing, MI - Lansing SAVE</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Louisville, KY - Louisville Children’s Savings Program</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>New York City, NY - NYC Kids RISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Oakland, CA – Oakland Promise: Kindergarten to College</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Oakland, CA – Oakland Promise: Brilliant Baby</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>4</td>
</tr>
<tr>
<td>San Francisco, CA – Kindergarten to College</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>St. Louis, MO - College Kids</td>
<td>X</td>
<td>X</td>
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<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Total Receiving Funding Source</td>
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<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
<td>2</td>
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APPENDIX C: CSA PROGRAM SURVEY DESCRIPTION

Data Collection

- The survey was primarily fielded from August 7-September 6, 2017, though late responses were accepted through December 2017.
- 36 CSA programs, including all eight municipal programs described in this scan, responded to the survey.
- In addition, data for 18 other programs were incorporated based on their responses to Prosperity Now’s 2016 CSA Program survey, publicly-available program information and email correspondence. Data could not be obtained for all questions in the survey for these 18 programs.
- In total, 54 programs were included in the analysis. These are most of the in-operation CSA programs—and all the large programs—in the United States that were known by Prosperity Now as of December 2017. Three small programs—Greensboro (NC) child savings pilot program, Reaching Independence through Saving for Education (RISE) in Philadelphia and the Community Foundation of New Jersey’s CSA program—were omitted, because Prosperity Now was unable to verify their current status or obtain recent information.

Program Criteria

To be included in the analysis, programs had to meet the following requirements to be considered a CSA program:

- Provide long-term savings or investment accounts for children (0-18 years of age).
- Provide incentives to grow savings (such as match, initial deposits, benchmark incentives or prize-linked savings).
- Account funds are intended for an asset-building purpose, generally postsecondary education.
- Incentive funds are generally held in a restricted account.

In addition, programs had to meet one of the following:

- In operation OR
- In development and planning to enroll participants by the end of 2017.
Exploring Children’s Savings Accounts: A Baltimore City Perspective


2 William Elliott, Hyun-a Song and Ilsung Nam, Small Dollar Children’s Savings Accounts, Income and College Outcomes (St. Louis, MO: Center for Social Development, Washington University in St. Louis, 2013).


4 Durham, R.E., et. al., College Opportunities and Success, BERC, November 2015.


6 Connolly, F., et. al., Indicators of College Readiness, BERC, September 2014.


14 The Age Old Question, Which Comes First? A Simultaneous Test of Children’s Savings and Children’s College-Bound Identity. St. Louis, MO: Washington University, Center for Social Development


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Huang, Sherraden & Purnell, 2014.


Elliott, 2018.


Elliott, 2018.


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45 For more information on these design elements and the key considerations for program designers, see Investing in Dreams: A Blueprint for Designing Children’s Savings Account Programs.

46 All data on CSA programs in this paper are from Prosperity Now’s 2017 CSA Program Survey unless otherwise noted. A description of the survey is in Appendix C.

47 In behavioral economics, this concept is known as status quo bias. For more information, see http://www.ideas42.org/status-quo-bias.


50 The Asset Funders Network released a report in January 2018, Children’s Savings Account Survey of Private Funding 2015-2016, which highlights private funding data, including amounts and sources of funds, for CSA programs nationwide.

51 This overview excludes the Caldwell Saves 1st program in Caldwell, ID, due to its small size (less than 20 participants), and the Fund My Future program in Alleghany County, PA, since it just launched countywide recently.

52 The program was available to all charter schools from the program’s inception, but some charter schools did not choose to participate in the first year.


55 More information on the advantages and trade-off of these different types of accounts are in Chapter 5 of Investing in Dreams.

56 See Chapter 5 in Investing in Dreams for a list of key considerations in deciding on incentives.


60 Program will expand to entire City of Boston by fall of 2019.