

Design and Implementation Considerations for a Children’s Savings Account Program in Richland County, Wisconsin

**Prepared for
Chelsea Wunnicke, Extension Richland County**

**By
Chet Edelman
Jennifer Johnson
David Singer
Craig Vruwink
Liz White**

Workshop in Public Affairs, Spring 2019



**Robert M. La Follette
School of Public Affairs**
UNIVERSITY OF WISCONSIN-MADISON

©2019 Board of Regents of the University of Wisconsin System

All rights reserved.

For an online copy, see www.lafollette.wisc.edu/outreach-public-service/workshops-in-public-affairs-publications@lafollette.wisc.edu

The Robert M. La Follette School of Public Affairs is a teaching and research department of the University of Wisconsin–Madison. The school takes no stand on policy issues; opinions expressed in these pages reflect the views of the authors.

The University of Wisconsin–Madison is an equal opportunity and affirmative-action educator and employer. We promote excellence through diversity in all programs.

Table of Contents

- Foreword..... 4**
- Acknowledgements 5**
- Executive Summary 6**
- Introduction..... 7**
 - Methodology 9
 - Structure of the Report..... 11
- Planning Section 1: Program Infrastructure..... 13**
 - Key Program Infrastructure Options..... 13
 - Considerations for Extension Richland County..... 15
- Planning Section 2: Participant Engagement..... 17**
 - Key Participant Engagement Options 17
 - Considerations for Extension Richland County..... 18
- Planning Section 3: Program Management and Evaluation..... 20**
 - Key Program Management & Evaluation Options 20
 - Considerations for Extension Richland County..... 22
- Conclusion 24**
- Appendix A: Richland County Overview 27**
- Appendix B: Cuyahoga County College Savings Account Program..... 28**
- Appendix C: Connecticut Post-Secondary Education Trust Baby Scholars 29**
- Appendix D: Wabash County Promise / Promise Indiana..... 31**
- Appendix E: Maine’s Harold Alfond College Challenge (HACC) 33**
- Appendix F: Milwaukee Fund My Future..... 34**
- Appendix G: San Francisco Kindergarten to College 35**
- Appendix H: Saving for Education, Entrepreneurship, and Downpayment (SEED) 36**
- Appendix I: SEED Oklahoma..... 37**
- Appendix J: Account Type Details..... 39**
- Appendix K: Account Ownership Details..... 41**
- Appendix L: Program Cost Categories..... 43**
- Bibliography 44**

Foreword

This report is the result of a collaboration between the La Follette School of Public Affairs at the University of Wisconsin–Madison and the Extension Richland County. The School’s objective is to provide graduate students at the La Follette School with the opportunity to apply their policy analysis skills while providing a detailed set of policy options for implementing a universal children’s savings account (CSA) program.

The La Follette School offers a two-year graduate program leading to a master’s degree in public affairs. Students study policy analysis and public management, and they can choose to pursue a concentration in a policy focus area. They spend the first year and a half of the program taking courses in which they develop the expertise needed to analyze public policies.

The authors of this report are in the final semester of their degree program and are enrolled in Public Affairs 869 Workshop in Public Affairs. Although learning a set of skills in the classroom is important, there is no substitute for doing actual policy analysis as a means of developing these abilities. Public Affairs 869 gives graduate students that opportunity.

I am grateful to Extension Richland County and its partners for giving our students the opportunity to analyze the county’s proposed universal children’s savings accounts program. The recommendations contained in this report are based on an extensive review of the literature as well as case studies of several CSA programs in operation. The policy options presented represent a series of ‘best practices’ that should be considered by Richland County or any local community interested in establishing a CSA program in Wisconsin and beyond.

Rourke O’Brien
Assistant Professor
La Follette School of Public Affairs
May 2019

Acknowledgements

We extend our sincere appreciation to numerous people who helped guide us throughout the process of completing this report. First, we would like to thank our client, Chelsea Wunnicke, with Extension Richland County. We would also like to thank Southern Bancorp Community Partners, Prosperity Now, and the Brandeis University Institute on Assets and Social Policy for their respective publications of “College Savings Accounts: Multiple Paths to a Bright Future,” “Investing in Dreams, A Blueprint for Designing Children’s Savings Account Programs,” and “Levers for Success: Key Features and Outcomes of Children’s Savings Account Programs.” We relied heavily on these reports for their in-depth guidance on how to establish successful Children’s Savings Account (CSA) programs.

We also wish to thank the individuals who took the time to meet with us and help inform our report: Terry Sebranek and DeAnna Caspers from Richland County, Wisconsin; 529 College Savings Program Director Jim DiUlio; Clint Kugler from the Indiana Youth Institute; and Professor Michael Collins.

Finally, we would like to thank Professor Rourke O’Brien and Professor Michael Collins at the La Follette School of Public Affairs at the University of Wisconsin–Madison for their personal and professional knowledge as well as their consistent feedback. It has been a pleasure to work with all those involved in the creation of this document.

The opinions and recommendations in this paper represent those of our capstone group and do not reflect current findings, recommendations, or policies of the University of Wisconsin or Extension Richland County.

Chet Edelman
Jennifer Johnson
David Singer
Craig Vruwink
Liz White

Executive Summary

A team of partners informed by Extension Richland County plans to establish a children's savings account (CSA) program for all children born at The Richland Hospital in Richland County, Wisconsin. CSA programs facilitate the creation of an account that holds funds designated for a child's post-secondary education expenses. In addition to accounts, CSA programs often include monetary incentives and educational enrichment activities. Outcomes associated with CSA programs include shaping family and children expectations about post-secondary education, encouraging savings behaviors, and developing financial literacy. City, county, or state CSA programs have been implemented in 34 states.

Extension Richland County and partners have completed several key planning activities for establishing a CSA program. However, some decisions have not yet been made. Therefore, Extension Richland County asked us to write a report that presents design and implementation considerations for a CSA program in Richland County. In this report, we aim to document current planning progress for the CSA program, identify potential next steps, and offer considerations for those next steps.

The content of the report is largely organized around three categories of planning considerations: program infrastructure, participant engagement, and program management and evaluation. The report concludes with the following five key considerations for Extension Richland County and partners as they move forward with planning efforts.

- Coordinate enrollment with primary care providers such as the Richland Medical Center.
- Leverage existing Extension programming to engage children and families.
- Formalize program team and roles.
- Focus goals on measurable outcomes rather than allow program success to be solely defined by enrollment rate.
- Consider engaging community partners to diversify funding sources and generate broader support from the community

This report is not intended to be a comprehensive overview of all possible CSA design and implementation considerations. Rather, it was written for the local context of Richland County and similar Wisconsin communities. Therefore, throughout the report we direct readers to external resources for further information.

Introduction

Children's savings accounts (CSAs) were first proposed by Michael Sherraden in his 1991 book, *Assets and the Poor*.¹ Sherraden theorized these accounts could provide a foundation for lifelong asset accumulation, facilitate the delivery of basic financial education during the school year, and create a culture of saving money.

In their most basic form, CSAs are long-term savings or investment accounts established for children and youth (ages 0-18) and allowed to grow until children reach adulthood.² To date, programs have been implemented worldwide at the national level, including in Singapore, Canada, and the United Kingdom.³ Since the early 2000s, numerous legislative efforts have attempted to establish a national CSA program in the United States. During the 109th U.S. Congress (2005–2007) two bills were proposed to establish national versions of CSAs.⁴ In 2014, Congressman Joe Crowley (D-NY) introduced a proposal for a program in which every child born in the United States would receive an account with a seed deposit of \$500, and families could deposit up to \$2,000 annually with the federal government offering a matching deposit up to \$500 per year.⁵ More recently, these accounts have become key policy proposals for presidential candidates, with Sen. Cory Booker (D-NJ) proposing the creation of savings accounts for newborns with a \$1,000 seed contribution and annual \$2,000 contributions for children in low-income households.⁶ There have also been efforts at the state, county, and city level to establish CSA programs, and 34 states across the U.S. have local or state-run CSA programs.

Policymakers see CSAs a viable tool due to their ability to generate positive outcomes in several key areas. Below we describe three primary motivations for CSA programs.

1. **CSA programs can help children and families develop a post-secondary education identity.** CSA programs can plant the idea in parents and children that obtaining post-secondary is an attainable goal. This is accomplished through anchoring and the account ownership effects. Anchoring posits that by introducing a concept to someone early in the decision-making process, this will likely influence them at some time. Research supports

¹ Michael Sherraden, *Assets and the Poor: A New American Welfare Policy* (New York, M.E. Sharpe, Inc., 1991).

² "Investing in Dreams: A Blueprint for Designing Children's Savings Account Programs," *Prosperity Now*, 2017, <https://prosperitynow.org/resources/investing-dreams-blueprint-designing-childrens-savings-account-programs>.

³ Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁴ Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁵ Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁶ Dylan Matthews, "Study: Cory Booker's baby bonds nearly close the racial wealth gap for young adults." *Vox*, February, 2019. <https://www.vox.com/future-perfect/2019/1/21/18185536/cory-booker-news-today-2020-presidential-election-baby-bonds>.

the idea that parental expectations for their children's future education influence whether their child enrolls in post-secondary education.^{7,8,9,10} The effect of account ownership, on the other hand, suggests that children as young as five understand that ownership gives them control.^{11,12} In other words, control allows children to assume an outlook of self-determination when it comes to their educational attainment.

2. CSA programs can help families save money for post-secondary expenses.

Saving money from a young age is a strong predictor of future savings.¹³ Subsequently, numerous studies have found financial savings are associated with a higher likelihood of high school graduation, college enrollment, and college graduation.^{14,15,16} With these outcomes in mind, it is not surprising that CSAs are often advertised as a vehicle to help families save for their children's post-secondary education.¹⁷

3. CSA programs can be used as a tool for developing financial literacy among children.

Existing evidence suggests that by integrating family finances into a child's life, the child can learn personal finance and money management skills.¹⁸ One proven method of increasing financial literacy is to intertwine account ownership and financial education.¹⁹ In communities where a CSA program is in place, ownership of an account adds a hands-on element for children to learn about finances in an applicable way.

⁷ Michelle Englund, Amy E. Luckner, Gloria JL Whaley, and Byron Egeland, "Children's achievement in early elementary school: Longitudinal effects of parental involvement, expectations, and quality of assistance," *Journal of Educational Psychology* 96, no. 4 (2004): 723.

⁸ Trina Williams-Shanks, and Mesmin Destin. "Parental expectations and educational outcomes for young African American adults: Do household assets matter?." *Race and Social Problems* 1, no. 1 (2009): 27-35

⁹ Yanyan Zhang, Eileen Haddad, Bernadeth Torres, and Chuansheng Chen. "The reciprocal relationships among parents' expectations, adolescents' expectations, and adolescents' achievement: A two-wave longitudinal analysis of the NELS data." *Journal of youth and adolescence*, 40, no. 4 (2011): 479-489. <https://doi.org/10.1007/s10964-010-9568-8>.

¹⁰ Youngmi Kim, Michael Sherraden, Jin Huang, and Margaret Clancy, "Child Development Accounts and parental educational expectations for young children: Early evidence from a statewide social experiment," *Social Service Review* 89, no. 1 (2015): 99-137. <https://doi-org.ezproxy.library.wisc.edu/10.1086/680014>.

¹¹ Lita Furby, "The origins and early development of possessive behavior," *Political psychology* (1980): 30-42.

¹² Russell W. Belk, "Possessions and the extended self," *Journal of consumer research* 15, no. 2 (1988): 139-168.

¹³ Terri Friedline, William Elliot., and Gina An Chowa, "Testing an asset-building approach for young people: Early access to savings predicts later savings," *Economics of Education Review*, 33 (2013): 31-51.

¹⁴ Dalton Conley, "Capital for college: Parental assets and postsecondary schooling," *Sociology of Education* (2001): 59-72.

¹⁵ Trina R. Williams-Shanks and Mesmin Destin, "Parental expectations and educational outcomes for young African American adults: Do household assets matter?," *Race and Social Problems* 1, no. 1 (2009): 27-35.

¹⁶ Michael Sherradan, "Lessons from SEED: A national demonstration of Child Development Accounts," *Washington University Center for Social Development* (2010).

¹⁷ William Elliot and Sondra Beverly, "Staying on Course: The Effects of Savings and Assets on the College Progress of Young Adults," *American Journal of Education* 117, no. 3 (2011): 343-74. <https://doi.org/10.1086/659211>.

¹⁸ Martha Henn McCormick, "The effectiveness of youth financial education: A review of the literature," *Journal of Financial Counseling and Planning* 20, no. 1 (2009).

¹⁹ Margaret Sherrard Sherraden, Lissa Johnson, Baorong Guo, and William Elliott, "Financial capability in children: Effects of participation in a school-based financial education and savings program," *Journal of Family and Economic Issues* 32, no. 3 (2011): 385-399.

The potential of these outcomes inspired Extension Richland County and community partners to begin developing a CSA program for children in Richland County, Wisconsin.

Extension Richland County develops practical educational programs tailored to local needs based on university knowledge and research. Extension Richland County is a local branch of Division of Extension, University of Wisconsin–Madison, whose mission is to provide Wisconsin communities with university resources and learning opportunities.²⁰ Since 2017, Extension has run Small Savings Build Big Dreams, a statewide campaign to promote the benefits of saving early for post-secondary education.²¹ A CSA program would complement this campaign by connecting families with a tangible tool to facilitate savings and hopefully increase the number of families in Richland County with savings specifically designated for post-secondary education.

An additional motivation was concern over a 2016 Wisconsin Department of Public Instruction student survey that found 63 percent of high school seniors in Richland County expressed intentions of pursuing post-secondary education (2-year, 4-year, or job training) compared to 73 percent of seniors statewide. Extension Richland County and partners see a CSA program as a tool to support the formation of a post-secondary education identity among children and families and reinforce a community culture of encouraging youth.

Extension Richland County and partners have completed many important planning activities for establishing a CSA program in Richland County. The current plan by Extension Richland County and its partners consists of establishing a CSA program for all children born at The Richland Hospital. Numerous private donors in the community are willing to make substantial contributions for funding the program. While much of the planning foundation is in place, several decision points have not yet been finalized. Extension Richland County asked students from the University of Wisconsin–Madison La Follette School of Public Affairs to create a report that addresses the following question:

What are the key design and implementation considerations for a children’s savings account program in Richland County?

As we answered this question, we considered Richland County’s local context. For instance, Richland County is rural county in Southwestern Wisconsin with a population of less than 20,000. Because of the county’s small size, residents have close community ties with a sense of trust between the program leaders, community organizations, donors, and community members. Additional information about Richland County can be found in Appendix A.

Methodology

As we answered our research question, we had two objectives. The first was to document current planning progress in Richland County. The second was to identify potential next steps in the

²⁰ “About UW-Extension,” *UW-Extension*, 2019, <http://www.uwex.edu/about/mission>.

²¹ “Small Savings Build Big Dreams,” *UW-Extension*, 2019, <https://fyi.extension.wisc.edu/collegesavings/>.

planning process and considerations for those next steps. We used the following methods to inform our analysis.

To gain an understanding of the decision points and alternatives in designing a CSA program, we reviewed the CSA program design guides, “Investing in Dreams: A Blueprint for Designing Children’s Savings Account Programs,” “College Savings Accounts: Multiple Paths to a Brighter Future,” and “Levers for Success: Key Features and Outcomes of Children’s Savings Account Programs.”^{22,23,24} It is important to note that this report is not intended to be a comprehensive overview of all possible CSA design and implementation options. Rather, it is written for the unique context of Richland County and similar communities in Wisconsin. Therefore, we advise readers to review these resources for additional information.

We also studied current and former CSA programs in the United States, focusing specifically on programs that included design and policy considerations relevant to Richland County or similar communities interested in starting a CSA program. A brief introduction to these programs is in Table 1: Program Case Studies. Full case studies for each program are in Appendices B-I.

Table 1: Program Case Studies		
Case Study	Summary	Appendix
Cuyahoga County College Savings Account Program	Publicly funded program cancelled in 2015 due to low enrollment rates.	B
Connecticut Higher Education Trust (CHET)	State-level program using opt-in enrollment during child’s first year of life.	C
Fund My Future Milwaukee	Launching in fall 2019, the program intends to enroll 24,000 students across 15 elementary schools in the first three years.	D
Maine’s Harold Alfond College Challenge (HACC)	The nation’s first statewide, universal CSA program launched in 2009. Switched from opt-in to opt-out enrollment in 2014 and participation increased dramatically.	E

²²“Investing in Dreams: A Blueprint for Designing Children’s Savings Account Programs,” *Prosperity Now*, 2017, <https://prosperitynow.org/resources/investing-dreams-blueprint-designing-childrens-savings-account-programs>.

²³ Karama Neal, Mindy Maupin, Tamika Edwards, Benjamin Kaufman, and Meredith Covington, “College Savings Accounts: Multiple Paths to a Brighter Future,” *Southern Bancorp Community Partners*, (2012). https://prosperitynow.org/sites/default/files/resources/sbcp_caseyChildSavings_final_screenVersion_20120328.pdf.

²⁴ Rebecca Loya, Judith Garber, and Jessica Santos, “Levers for Success: Key Features and Outcomes of Children’s Savings Account Programs”, Institute on Assets and Social Policy, Brandeis University. March 2017.

Case Study	Summary	Appendix
Promise Indiana	Community-driven CSA program implemented at the county level.	F
San Francisco Kindergarten to College (K2C)	City-wide program that integrates CSA ownership into school curriculum.	G
Saving for Education, Entrepreneurship, and Downpayment (SEED)	The first evaluative study (2003–2008) on the efficacy of CSAs.	H
Saving for Education, Entrepreneurship, and Downpayment for Oklahoma Kids (SEED OK)	Ongoing evaluative study started in 2008 focused on whether CSA ownership increases savings for young children beyond what the family would have saved otherwise.	I

Lastly, we held conversations with the Richland County design team and additional subject experts to learn about Richland County’s program design plan as well as best practices from other CSA programs. We had conversations with:

- DeAnna Caspers - Birth Center Manager at The Richland Hospital
- Professor Michael Collins - Associate Professor of Public Affairs and Human Ecology at the University of Wisconsin–Madison
- Jim DiUlio - Wisconsin 529 College Savings Program Director
- Clint Kugler - Promise Indiana Co-Founder and Vice President of College, Career and Community Initiatives at the Indiana Youth Institute
- Terry Sebranek - Richland County community member leading foundation creation efforts
- John Stevenson - Associate Director of the UW Survey Center
- Chelsea Wunnicke - Extension Educator, Richland County

Structure of the Report

Through our research, we identified the following three planning categories for establishing a CSA program:

1. Program Infrastructure
2. Participant Engagement
3. Program Management and Evaluation

The remainder of the report is organized into three sections based on these planning categories. Within each section, we provide an overview of key design elements in that planning category. Then we present decision points for each design element. Lastly, we summarize Extension Richland County and partners' current planning progress in that category and offer considerations for remaining decision points.

Within the Program Infrastructure section, we describe the design elements that form the foundation upon which the CSA program will be developed. These design elements include the account type, account ownership structures, and enrollment process. However, program infrastructure alone does not necessarily lead to CSA program participation. Therefore, in the Participant Engagement section, we present various strategies, including financial incentives and programming, that can be used to encourage enrollment and connect participants with the CSA program. Finally, because some benefits of CSA programs can take many years to be fully realized, CSA programs require long-term commitments. In Program Management and Evaluation, we discuss the necessity of establishing an administrative structure that can support a long-lasting program. Key elements of program management and evaluation include the program team, goals and evaluation, and costs and funding.

Planning Section 1: Program Infrastructure

Key elements of CSA programs include account type, account ownership structure, and enrollment. Together, these elements provide the basic infrastructure upon which a CSA program is developed.

Account type refers to the financial product used to hold funds. Common financial products used are savings accounts held by a bank or credit union or the 529 savings plan, a tax-advantaged investment account designed to facilitate saving for post-secondary education.

Account ownership determines who has authority over contributions and withdrawals. Because children usually cannot own an account, ownership tends to be structured with the child as a beneficiary and a family member or an organization as the account owner.

Enrollment method is the process by which program participants receive their accounts. The design of the enrollment process affects program enrollment rates and thus the overall reach of the program. Enrollment methods tend to take one of two forms: self-enrollment or automatic enrollment. In a self-enrollment program, participants must choose to enroll and then complete an enrollment process, often by completing an application. In automatic enrollment, participants are enrolled by default unless they choose to “opt-out.” Enrollment also presents an opportunity for the program to collect participants’ contact information and other data that help evaluate the program.

Enrollment age is the age of the child at the time of enrollment. Depending on program goals and partners, CSA programs tend to enroll participants when a child is born or when a child reaches school age.

Key Program Infrastructure Options

For the three program design elements listed above, we identified the following options as most relevant for Extension Richland County and similar Wisconsin communities. For a more comprehensive discussion of program infrastructure options, please refer to the guides mentioned in the methodology section.

Account Type: Savings or Edvest 529 Savings Plan

Savings accounts are held at a bank or credit union. In the context of a CSA program, an advantage of this approach is that participants may be more familiar with savings accounts than a 529 savings plan.

Edvest 529 savings plans are investment accounts that hold funds designated specifically for post-secondary education expenses. Edvest is Wisconsin’s state-administered 529 plan provider and offers long-term stability for the CSA program accounts. Institutional stability is important because a family may not make withdrawals from the account until 12 to 18 years later depending on the age of the child at enrollment.

For further discussion of these account types, please see Appendix J.

Account Owner: Family-Owned or Omnibus

Family-owned accounts are structured with an adult, often a parent, as the account owner and child as the beneficiary. In this structure, the family has direct control of funds. This means that funds in the account, including incentive funds provided by the program, are not protected from withdrawal for unintended purposes. This account ownership structure requires relatively fewer resources to administer because the program coordinator does not have to track account balances or authorize withdrawals.

Omnibus accounts are owned by the organization coordinating the CSA program or another partner organization. The organization opens one “master” account. Funds within the account are designated for each child, but children do not have their own sub-account. This means that the program coordinator or partner must develop a way to track the amount of funds designated for each child. Because the organization is the account owner, funds are protected from withdrawal for unintended uses. A challenge is that families cannot contribute their own funds into an omnibus account. This means that families would still have to open their own accounts to hold their savings.

For further discussion of account ownership options, please see Appendix K.

Enrollment Method: Automatic or Self-Enrollment

Automatic enrollment enrolls all eligible participants without requiring participants to take any action. Participants are afforded the opportunity to withdraw or “opt-out” of the program. Automatic enrollment can help a CSA program achieve close to 100 percent participation and can be an effective way to ensure that the CSA program reaches low-income families and/or families with less familiarity of financial systems. It is important to note that automatic enrollment is not compatible with accounts owned by families. It also requires partnering with a government entity or a school district to collect the participant data necessary to open accounts.

Self-enrollment requires participants to actively decide to enroll in the program and then complete an enrollment process, such as filling out a form. A challenge is that the families most likely to self-enroll are those that have more resources and knowledge of financial systems. Also, self-enrollment programs have lower overall enrollment rates than programs that use automatic enrollment. For example, from 2009–2013 the Harold Alfond College Challenge (HACC) in Maine used self-enrollment at birth and saw a maximum enrollment rate of 40 percent among eligible families. In 2014, the program instituted automatic enrollment at birth and now has a participation rate over 90 percent. For more information on Maine’s program, see Appendix E.

Enrollment: Age of Participant at Enrollment, Birth and School-age

Birth: This approach enrolls participants within the first year of a child’s life. Enrolling children at birth may be important for a program that aims to maximize account balances because this gives families more time to save money in their CSA.

School-age: In this approach, a CSA program partners with schools to coordinate enrollment around key school events, such as elementary school registration or other activities that large numbers of parents attend. An advantage of this approach is that it has the potential to reach many children and their families. Also, a CSA program that aims to help children and their families develop identities that include post-secondary education may align well with school registration, a time when families tend to be thinking about their child's education. At-school enrollment could be combined with enrollment at-birth to increase enrollment opportunities.

Considerations for Extension Richland County

For the CSA program in Richland County, Extension Richland County has decided to use a 529 plan offered through Edvest, Wisconsin's state-administered 529 plan provider. Families will own the accounts. They plan to use a self-enrollment strategy and present the enrollment opportunity at a child's birth. Extension Richland County and partners are exploring implementation methods for at-birth enrollment. Extension Richland County has had conversations with The Richland Hospital about enrollment and plans to begin conversations with the Richland Medical Center. One idea is to partner with The Richland Hospital Birth Center to send an enrollment form home with families after their child is born. Below are program infrastructure considerations for Extension Richland County and its partners.

Coordinate enrollment with primary care providers, such as the Richland Medical Center. We recommend this approach for several reasons. First, this approach provides several opportunities for families to enroll. Parents make about 18 visits to the Richland Medical Center, including prenatal and postnatal check-ups, before a child's first birthday. For example, if a family decides not to enroll at the six-month check-up, the parent could decide to enroll at the nine-month check-up.

Second, this approach is compatible with a high-touch enrollment strategy. A high-touch strategy utilizes ongoing personal contact with potential participants. For example, when a family comes to the Richland Medical Center for a prenatal check-up, the parents could be introduced to the program. At a postnatal check-up, a staff member or volunteer with the Richland Medical Center could remind families about the opportunity to enroll, help them complete the enrollment form, and answer questions. There is evidence that one-on-one contact from program staff or volunteers may help families decide to enroll in the program and successfully complete the enrollment process.

Third, this approach expands the reach of the program. The Richland Medical Center is a key provider for check-ups for babies not born at The Richland Hospital but whose families reside in Richland County. Between 2014 and 2018, about 300 babies were born to county residents at locations other than The Richland Hospital.²⁵ Therefore, coordinating enrollment at the site of check-ups, instead of the site of delivery, reaches families that otherwise would not have an opportunity to enroll.

²⁵ DeAnna Caspers, email to authors, April 17, 2019.

Finally, enrolling families at postnatal visits, instead of immediately after a birth, would address the issue that a child does not have a social security number until several weeks after birth. This number is required to name a child as a beneficiary of an Edvest 529 savings plan.

Remove potential barriers in the enrollment process.

To maximize enrollment, the process should be as easy as possible. One potential barrier, especially for low- to moderate-income families, is that Edvest requires an initial contribution of \$25 to open a 529 savings plan.²⁶ Extension Richland County could work with Edvest to try and waive this requirement or they could use program funds to cover this cost, making it easier for families to enroll.

Another potential barrier is a complicated enrollment form. Forms that are long and have many choices can be overwhelming and discourage participants from enrolling. For example, the Promise Indiana CSA program (Appendix D) worked with the state’s 529 savings plan provider to condense a 70-page enrollment document to four pages. In the context of opening a 529 savings plan, a key consideration is helping families navigate the numerous investment options. It may be valuable to work with Edvest and designate a “default” investment option or create another mechanism to make it easier for families to make this selection. When planning the enrollment form, keep in mind that the enrollment form will also likely need to include a waiver allowing Edvest and/or the Richland Medical Center to release contact information to Extension Richland County and/or partners for follow-up purposes. It may be helpful to include The Richland Hospital and Richland Medical Center staff in the design process because they will likely help families complete the form.

Develop a way to accept cash and in-person contributions to accounts.

Edvest does not have a way to accept cash contributions to 529 savings plans. However, having a cash or in-person contribution mechanism may be an important option, especially for low- to moderate-income families. In San Francisco’s K2C program (Appendix G), approximately half of contributions made by participants were made in person. It may be possible for Extension Richland County to create this mechanism by partnering with local financial institutions and Edvest. For example, a local bank could convert cash into a check that could be sent to Edvest. Initial conversations indicate this is an option Edvest may be willing to explore.²⁷ Partnering with financial institutions that have a physical storefront in the community could also create opportunities for educational programming related to the CSA program. For example, in San Francisco’s K2C program, teachers lead field trips to the bank where children can make contributions to their CSAs.

²⁶ “Frequently Asked Questions,” *Edvest*, <https://www.edvest.com/help/faq/>

²⁷ Jim DiUlio, conversation with authors, March 26, 2019.

Planning Section 2: Participant Engagement

Participant engagement matters. Establishing a program infrastructure does not guarantee people will enroll, so participant engagement can be used to help encourage enrollment. Also, once participants are enrolled, engagement can supplement account ownership in achieving the broader goals of a CSA program. More specifically, ongoing engagement efforts can help encourage families to make deposits or participate in enrichment activities that support the program's goals. Financial incentives and outreach are common engagement tools.

Incentives are monetary contributions made by the CSA program into participants' accounts. Incentives can be used to motivate enrollment, encourage contribution activity, reward desired behaviors, and increase participant account balances. Incentives may be especially important for increasing the account balance of low- to moderate-income families who may lack discretionary income to make consistent contributions into their accounts.

Programming and outreach includes communications and enrichment activities that help participants stay connected with the CSA program. For example, communications could be used to help families understand their account and the value of making contributions. Programming can also be a crucial part in accomplishing the program's goals such as cultivating a post-secondary-bound identity in children.

Key Participant Engagement Options

For the two program design elements listed above, we identified the following options as the most relevant for Extension Richland County and similar Wisconsin communities.

Incentives: Seed Contributions, Matching, & Benchmarking

Seed contributions are funds automatically allocated to participants' accounts immediately after they enroll in the program. This type of incentive is used to help motivate CSA program enrollment.

Matching incentives are funds awarded in proportion to the dollar amount that participants contribute to their accounts. As such, matching is often used to encourage participants to make contributions to their accounts. Common match rates range from 25 cents for each \$1 contributed by a participant to \$2 for each \$1 from a participant. A progressive matching rate structure could provide extra savings for low-income families by increasing their match rate.

Benchmark incentives are awarded to participants when they reach milestones or complete certain activities. Note that the administrative capacity to administer benchmark incentives varies. Incentives automatically awarded to all participants at milestones (such as a \$25 deposit on a child's birthday) require less administrative capacity than incentives awarded when a participant completes certain activities. These activities can be targeted to both parents and children. For example, when a child is young, the incentive may focus

on activities completed by parents, such as attending a financial literacy class. As the child ages, the incentive can shift toward activities the child completes. Because participants do not have to make contributions to their accounts to earn benchmark incentives, these incentives are useful for growing the account balances of families who may not have discretionary funds to save.

Programming: Partner with Schools or Self-Administer Programming

Partnering with schools is a common approach to providing CSA-tailored programming that reaches many children and their families. This partnership may be an especially good fit for programming related to post-secondary educational identity or financial education. For example, the Promise Indiana CSA program (Appendix D) partners with elementary schools to conduct career exploration activities in the classroom and take students on field trips to local university campuses. A benefit of this approach is that these activities reach all children in the school, even if their family is not enrolled in the CSA program.

Self-administered programming involves CSA programs designing and offering their own enrichment activities for parents and children to help achieve program goals. As part of the SEED program, however, one major difficulty noted by program managers was consistently low levels of attendance, despite great planning and promotion efforts.

Considerations for Extension Richland County

Extension Richland County and partners have decided that families who enroll in the CSA program will receive a one-time, \$100 contribution directly to their 529 savings plan after they decide to enroll in the CSA program. Extension Richland County staff members believe \$100 is large enough to help motivate enrollment. While there are not currently plans to use additional incentives, Extension Richland County and partners expressed an interest in possibly implementing them in the future. From our conversations, we learned that Extension Richland County and its partners are exploring various ways to engage with participants but have not finalized participant engagement plans. The following are participant engagement considerations for Extension Richland County and its partners.

Integrate CSA engagement with existing Extension Richland County programming.

Extension Richland County is already well-suited to implement outreach and enrichment activities. Seeking out opportunities where CSA activities could be combined with existing Extension Richland County programming could maximize the reach of these programs within administrative constraints. Extension Richland County already offers numerous programs that are appropriate for integrating with the CSA program.

Small Savings Build Big Dreams

This is the most apparent program integration opportunity because the Small Savings Build Big Dreams is administered by Extension statewide with the goal of helping families learn about saving for their children's post-secondary education.²⁸

²⁸ "Small Savings Build Big Dreams," *University of Wisconsin-Madison*, 2019, <https://fyi.extension.wisc.edu/collegesavings/>.

Health, Families and Finances

As part of this program group, Extension Richland County provides parents and children with financial education activities such as Money Smart Week Storytime and Raising a Thinking Child.^{29,30} These programs may be a good fit with the CSA program given the potential of CSA programs to increase financial literacy.

4-H Youth Development

The goals of a CSA program are consistent with 4-H's mission to "Empower youth to reach their full potential."³¹ Given that Extension Richland County has a relationship with the 4-H network, this may be a natural opportunity to help connect children and their families with the CSA program.

Use Extension's existing media channels to develop an online presence for the program.

Most CSA programs have an online presence for sharing key program information with participants and stakeholders. To minimize administrative costs, Extension Richland County could leverage its existing platforms. For example, a tab could be added to the existing Extension Richland County website, or time-sensitive content could be shared using Extension Richland County's Facebook page. Using Extension's media platforms also has the benefit of building on the trust that Extension Richland County has developed with the community.

Develop language to market the program.

Consider developing an "elevator pitch" that concisely explains why the program is a worthwhile endeavor. This could be used to help market the program to participants or convince potential donors. When developing this elevator pitch, it is important to emphasize the various outcomes that CSA programs can facilitate. When discussing outcomes related to post-secondary education, consider emphasizing the various post-secondary paths (e.g. technical training, two-year colleges) that a CSA program can support so that the audience knows that four-year college is one of many options.

Create a disbursement process for seed contributions.

We encourage Extension Richland County and its partners to work together to develop a process for how the \$100 seed contribution will be added to participants' 529 savings plans. A key consideration is developing a way to distinguish the CSA program accounts from the other accounts held by Edvest. All Richland County residents can open a 529 savings plan with Edvest, even if they are not part of the CSA program. Therefore, a mechanism is needed to indicate if a 529 savings plan was opened as part of the CSA program and thus is eligible to receive the \$100 seed contribution.

²⁹ "Richland County UW Extension's Facebook Page," August 2019.

<https://www.facebook.com/richlandcountyuwextension/posts/1866737276766303>.

³⁰ "Raising a Thinking Child," *Division of Extension*. <https://fyi.extension.wisc.edu/rteprogram/>.

³¹ "Richland County 4-H Clubs," *Extension Richland County*. <https://richland.extension.wisc.edu/files/2018/05/4-H-Clubs-2017-18.pdf>.

Planning Section 3: Program Management and Evaluation

CSA programs are a long-term commitment, especially because some goals of a CSA program take many years to realize. For example, if a child becomes part of a CSA program at birth, it will take at least 18 years before it is possible to assess the program's impact on post-secondary educational attainment. Therefore, it is important to establish a management and evaluation structure that can support a long-lasting program. Elements of this structure include the program team, goals, evaluation, and funding.

Program team includes individuals and organizations involved in making decisions about the program and/or executing its operations.

Goals serve several purposes within a CSA program. Goals can be aspirational, providing a motivating vision for stakeholders about the changes that the program will help create. Goals can also be focused on specific outcomes that the program hopes to achieve, providing a standard upon which success can be evaluated.

Evaluation allows a program to assess whether goals are being met and gauges overall success. Using evaluation measures is contingent on the stated goals and motivations of a program. Evaluation can be organized into two categories: outputs and outcomes. Outputs are a direct result of program activities, such as enrollment rate. Outcomes are changes in the conditions of participants that a program wishes to see occur.

Funding supports incentive, operation, and administration costs. Programs are funded using private, public, and grant funds or a combination of them. The specific funding combinations for CSA programs vary. For examples of costs involved in a CSA program, see Appendix L.

Key Program Management & Evaluation Options

Many decisions are needed when planning the management and evaluation of a CSA program. The options presented below are those we believe most relevant to Richland County and similar Wisconsin communities.

Goals: Short-term, Medium-term, and Long-term

Short-term goals can be evaluated or assessed within a year of a child's enrollment. Goals related to encouraging additional savings may be realized within this time frame.

Medium-term goals can be evaluated between one to five years after a child's enrollment. Goals pertaining to attitudinal shifts in parental expectations or fostering a post-secondary identity may fall within this category.

Long-term goals take five years or more to be evaluated. Goals focusing on the improvement of academic achievement or post-secondary enrollment rates are typically classified as long-term goals. It is important to note that long-term goals tend to be more

aspirational than practical. CSA programs have not been in existence long enough to say with any degree of certainty whether long-term goals are realistic.

Goals: Goal Types

Identity entails fostering post-secondary bound identities among program participants. Through CSA enrollment, programs aim to influence children's and families' attitudes and expectations surrounding educational attainment.

Savings accumulation involves building post-secondary education savings among program participants. CSAs are a means of encouraging families to begin saving earlier and more often for their child's post-secondary education.

Financial education involves strengthening program participants' financial literacy. Beyond saving for post-secondary education, a CSA program can help children and their families begin learning about and addressing other aspects of their finances.

Evaluation: Methods

Surveys are an effective means of measuring outcomes because they allow programs to evaluate shifts in attitudes and sentiments among program participants. However, collecting survey data requires resources and administrative capacity.

Enrollment rate provides a clear indication of program uptake. Calculating enrollment rate involves dividing the number of participants in a program by the total target population. As an evaluative tool, enrollment rate is useful for demonstrating public receptiveness to a program. Unlike surveying, enrollment rate is an output. It does not measure outcomes.

Savings participation rate identifies the share of account holders who engage with their accounts beyond the initial seed deposit. To calculate savings participation rate, divide the number of enrollees that make additional account contributions by total number of program enrollees. Savings participation rate is an output.

Funding: Public and Private³²

Public funding sources include city, state, and local government agencies, and quasi-governmental agencies.

Private funding sources include corporate sponsorship, foundations, and philanthropic donors.

³² Rebecca Loya and Meg Lovejoy, "2017 CSA Survey of Private and Public Funding," *Heller School of Social Policy and Management, Brandeis University*. February 28, 2019. <https://assetfunders.org/wp-content/uploads/AFN-2019-CSA-Survey.pdf>.

Considerations for Extension Richland County

Extension Richland County has had conversations with various partners about program management and evaluation, but many decisions need to be finalized. Private donors in Richland County have signaled a willingness to commit funds to the program, and community members are in the process of establishing a 501(c)3 nonprofit foundation that will hold these funds and possibly support other community initiatives. The planning efforts benefit from high levels of trust among partners and their shared dedication to Richland County residents. The following are management and evaluation considerations for Extension Richland County and its partners.

Formalize program team and roles.

While Extension Richland County and its partners have been working together to plan the program, formal partnerships and clearly defined roles for each partner are not yet established. Formally establishing the program team and assigning specific roles will help identify decision makers, increase clarity about each partner's responsibilities, and increase accountability. Responsibilities may include general program coordination; implementation of key program components, such as enrollment and programming; fundraising; and data collection and evaluation.

Establish a baseline for evaluation.

Before initiating a CSA program, it may be useful for Extension Richland County and its partners to establish a baseline to evaluate progress. For instance, the program can calculate the share of Richland County families that have Edvest 529 savings plan before the CSA program launches. While some families may have private, post-secondary savings outside of Edvest, this percentage will provide the program with a useful estimate of post-secondary education savings accounts in the community.

Use surveying to evaluate post-secondary identities.

Surveying program participants will allow Extension Richland County and its partners to benchmark progress against goals, especially those pertaining to post-secondary identities. Although surveying has challenges, namely the need for resources to create and administer a survey, other programs have conducted surveys with success. For example, the 28-question paper and pencil questionnaire used by Promise Indiana (Appendix D) is a simple, yet effective survey that demonstrates the positive effects of a CSA program on post-secondary identities.³³ By coordinating with its partners at the school district, Promise Indiana efficiently administered its survey without the expense of hiring a third-party entity.

Modify existing enrollment rate targets.

Aiming for 90 percent enrollment provides the CSA program in Richland County with an aspirational goal. While there is nothing wrong with aiming high, our research did not find any examples of self-enrollment programs reaching a 90 percent enrollment rate. In the Maine HACC program (Appendix E), accounts received \$500 seed contributions, five times the value Extension Richland County is considering, yet enrollment rates never exceeded 40 percent. Promise Indiana (Appendix D) achieved annual participation rates ranging from 30 percent to 60

³³ Emily Rauscher, William Elliot, Megan O'Brien, Jason Callahan, and Joe Steensma, "Examining the relationship between parental education expectations and a community-based children's savings account program," *Children & Youth Services Review* (2017).

percent in Wabash County with a seed contribution of \$25. Therefore, falling short of a 90 percent enrollment rate is not necessarily indicative of poor program performance.

Focus goals on measurable outcomes rather than allow program success to be solely defined by enrollment rate. Using enrollment rate as a means of evaluation is an example of measuring outputs. While it may be advantageous to strive for high uptake among the target population, enrollment rates are not indicative of whether CSAs are changing outcomes for program participants. To better capture CSA benefits, Extension Richland County and its partners may want to consider focusing evaluative efforts on measuring outcomes. For example, qualitative interviews can measure outcomes by gauging enrollee attitudes on numerous topics. These interviews can provide valuable data that point to program success beyond enrollment rates.

Create a data-sharing agreement with Edvest.

Because the 529 plans will be owned by families and not Extension Richland County or a partner organization, Extension Richland County will not have access to information about the 529 plans that could be used to help evaluate the program. This data will be held by Edvest. Extension Richland County should continue to engage in conversations with Edvest to determine which data is needed and then create a data-sharing agreement. This approach is in use by Promise Indiana, which created a data-sharing agreement with the state-administered 529 plan provider.

Diversify funding sources.

While conversations with Extension Richland County and its partners indicate that substantial funding is available from private donors, diversifying funding sources helps ensure a steady funding stream if private funding disappears. We recommend exploring beneficial relationships with community partners who want the program to succeed. Not only does this diversify funding sources, but it expands the program's reach. Extension Richland County leaders can take advantage of Richland County's small size and close community ties to connect with local businesses and build partnerships at a low cost.

Conclusion

Extension Richland County and its partners requested assistance in their design of a Children's Savings Account (CSA) program in Richland County. Research indicates these programs can help children and families develop a post-secondary education identity, save money for post-secondary education expenses, and serve as a conduit to teach financial literacy. CSAs may prove to be an effective tool in Richland County.

As part of our report, we established that some planning decisions have already been made. Extension Richland County has begun conversations with The Richland Hospital Birth Center about assisting with CSA enrollment. Community members are creating a nonprofit foundation that will raise and administer funds that support the program. Extension Richland County and its partners also have decided to use self-enrollment at birth, use the Edvest 529 savings plan for the CSA program accounts, and contribute a \$100 seed contribution for these accounts.

Many decisions still must be made before the program is ready to launch. In this report, we present next steps for the remaining decisions as well as alternatives that could be implemented in response to challenges or new opportunities that arise. The following are five key considerations to help further develop the program.

- Coordinate enrollment with primary care providers such as the Richland Medical Center.
- Leverage existing Extension programming to engage children and families.
- Formalize program team and roles.
- Focus goals on measurable outcomes rather than allow program success to be solely defined by enrollment rate.
- Consider engaging community partners to diversify funding sources and generate broader support from the community

While not an exhaustive list, we hope these considerations serve as a starting point for the next phase of planning efforts. CSA program design should be based on local needs, and while we have been mindful of local context in developing this report, Extension Richland County and its partners should consider their understanding of the local community when deciding whether to pursue alternatives. There is also opportunity to continue learning from other CSA programs. Promise Indiana may prove to be a particularly useful model for a CSA program in Richland County and similar Wisconsin communities. We encourage Extension Richland County and its partners to utilize their local knowledge and keep learning from other CSA programs to develop a lasting CSA program for their community

Table 2: Planning Summary

	Program Infrastructure	Participant Engagement	Program Management and Evaluation
Definition	<p><u>Account Type:</u> Financial product used to hold funds</p> <p><u>Account Ownership:</u> Who has authority over contributions and withdrawals</p> <p><u>Enrollment:</u> Process by which participants receive their accounts</p>	<p><u>Incentives:</u> Monetary contributions made by CSA program into participant accounts</p> <p><u>Programming and Outreach:</u> Communications enrichment activities that keep participants connected to the CSA</p>	<p><u>Program Team:</u> Individuals and organizations who are involved in decision-making and administration</p> <p><u>Goals:</u> Measurable outcomes</p> <p><u>Evaluation:</u> How to determine if goals being met</p> <p><u>Funding:</u> Supports program incentives, operation, and administrative costs</p>
Options	<p><u>Account Type:</u> Savings account vs. 529 savings plan</p> <p><u>Account Ownership:</u> Family-owned vs. omnibus</p> <p><u>Enrollment:</u> Method: Automatic vs. self-enrollment Age: Birth & school-age</p>	<p><u>Incentives:</u> Seed contributions, matching, and benchmarking</p> <p><u>Family and Community Outreach:</u> Partnership with schools vs. self-administration</p>	<p><u>Goals:</u> Timeframe: Short, medium, & long-term Type: Post-secondary education identity, savings accumulation, financial education</p> <p><u>Evaluation:</u> Methods: Surveys, enrollment rate, savings participation rate</p> <p><u>Funding</u> Public and private</p>
Considerations for Extension Richland County	<ul style="list-style-type: none"> • Coordinate enrollment with the Richland Medical Center • Remove potential barriers in the enrollment process • Develop a way to accept cash or in-person contributions to accounts 	<ul style="list-style-type: none"> • Integrate CSA engagement into Extension Richland County programming • Use Extension’s existing media channels to develop an online presence for the program • Develop language to market the program • Create a disbursement process for seed contribution 	<ul style="list-style-type: none"> • Formalize program team and roles • Establish a baseline for evaluation • Use some surveying to evaluate post-secondary identities • Modify existing enrollment rates • Focus goals on measurable outcomes • Create data-sharing agreement with Edvest • Diversify funding sources

Table 3: Program Design Comparison									
	Richland County	Cuyahoga County	CHET	Fund My Future	HACC	Promise Indiana	K2C	SEED	SEED OK
Account Type	529 savings plan	Savings account	529 savings plan	529 savings plan	529 savings plan	529 savings plan	Savings account	Varied by community	529 savings plan
Account Owner	Families	Families	Families	Omnibus	Omnibus	Omnibus and Families	Custodial	Varied by community	Varied based on account Automatic enrollment owned by state, self-enrollment owned by families
Enrollment Method	Self	Self	Self	Automatic	Automatic	Self	Automatic	Self	Automatic for state owned account Self for participant owned
Enrollment Age	0-1 years	School-age	Birth	School-age	Birth	School-age	School-age	Varied by community	Birth
Incentives: Seed	\$100 seed	\$100 seed	\$100-\$250 seed	\$25	\$500 seed	\$25 seed	\$50; extra \$50 for low-income families	\$0-\$1,000 across programs	\$1,000 in state owned account \$100 for participant owned account
Matching	TBD	No	Yes	TBD	Yes	Yes	No	Yes	Yes
Benchmarking	TBD	No	No	TBD	No	Yes	No	Yes	No
Programming	TBD	None	None	TBD	None	With schools	With schools	Self	None
Funding Source	Private	Public	Public	Public and private	Private	Private	Public	Private	Private

Appendix A: Richland County Overview

Table 4: Richland County Demographics	
Geography³⁴	
Area	586 square miles
Population Density	30 people per square mile
Population³⁵	
Population	17,500 people
Population below the age of 5	875 children
Education³⁶	
Percentage of residents with high school diploma	90%
Percentage of residents with bachelor's degree or higher	20%
Economy³⁷	
Median Household Income	\$48,234
Percentage of population below the federal poverty line (\$25,750 for a family of four)	13%
Unemployment rate	2.5%
Largest economic sectors by percentage of employment	Manufacturing (24%) Health Care/Social Assistance (15%) Retail Trade (13%)
Number of Hospitals	1 (The Richland Hospital)

³⁴ "QuickFacts: Richland County Wisconsin," *United States Census Bureau*, 2018, <https://www.census.gov/quickfacts/richlandcountywisconsin>.

³⁵ "QuickFacts: Richland County Wisconsin," *United States Census Bureau*, 2018, <https://www.census.gov/quickfacts/richlandcountywisconsin>.

³⁶ "QuickFacts: Richland County Wisconsin," *United States Census Bureau*, 2018, <https://www.census.gov/quickfacts/richlandcountywisconsin>.

³⁷ "Richland County, WI," *Data USA*, n.d., <https://datausa.io/profile/geo/richland-county-wi/>.

Appendix B: Cuyahoga County College Savings Account Program

The Cuyahoga County College Savings Account Program was established in Ohio in 2013 as a partnership between Cuyahoga County, the Corporation for Enterprise Development, and KeyBank. The program's key supporter was County Executive Ed Fitzgerald, who advocated for and pushed the County Council to adopt funding for the program. The Cuyahoga County Council set aside \$1.5 million to create accounts for the nearly 15,000 kindergarten-age children in the county.³⁸ All children entering kindergarten were eligible to receive an account with an initial seed contribution of \$100. While families could contribute additional money in these accounts, they could only retain access to the initial \$100 if they remained residents of the county.³⁹

This program was not without criticism. One major complaint was the limited engagement of the program with the school district and other community organizations despite discussions about fostering children and family engagement through financial education. Another complaint was that the program did not develop any short-term goals or performance metrics to evaluate the program. Lacking any metrics for success, County Council members and the media concentrated on the rate of families "registering" their accounts as the measure of the program's effectiveness.⁴⁰ During the second year, 10,500 accounts were created but only 400 were registered and only 55 received additional contributions. Due to low levels of participation, the program ended in 2015.⁴¹

³⁸ "Cuyahoga County Launches Nation's Largest College Savings Account Program," *Cuyahoga County, Ohio Office of the Executive*, 2012. <http://executive.cuyahogacounty.us/en-US/113012-college-savings-account.aspx>.

³⁹ "Cuyahoga County Opens First 10,000 college Savings Accounts," *Cuyahoga County, Ohio Office of the Executive*, 2014. <http://executive.cuyahogacounty.us/en-US/052714-College-Savings-Accounts.aspx>.

⁴⁰ Shira Markoff, "What We Can Learn from Cuyahoga County," *Prosperity Now*, 2015. <https://prosperitynow.org/blog/what-we-can-learn-cuyahoga-county>.

⁴¹ Karen Farkas, "Cuyahoga County ends \$100 College Savings Program as national program is launched to encourage saving for college." *Cleveland.com*. June 2015. https://www.cleveland.com/cuyahoga-county/2015/06/cuyahoga_county_ends_its_100_college_savings_program_on_same_day_national_program_is_launched_to_encourage_saving_for_college.html.

Appendix C: Connecticut Post-Secondary Education Trust Baby Scholars

Established in August 2014, the Connecticut Higher Education Trust (CHET) Baby Scholars Program is a childhood savings account run through the state of Connecticut's 529 College Savings Program. All children younger than the age of one are eligible to be beneficiaries of an account if they are Connecticut residents and possess a social security number. CHET accounts are opt-in, meaning parents must take the initiative to fill out an application online or through a paper form. Furthermore, to open a CHET account, account owners must make a minimum initial deposit of \$50. For initial deposits between \$50 and \$150, the state of Connecticut provides a \$100 seed deposit. For initial deposits over \$150, the state provides a \$250 seed deposit. Up until a child's fourth birthday, the state matches the first contribution of \$150 or more with \$150 of its own. In total, an account can receive a maximum of \$400 from the state.⁴²

The CHET Baby Scholars program was created to encourage asset building and change attitudes around post-secondary education. When the Baby Scholars program became law, the governor of Connecticut, Daniel Malloy, was in the midst of pushing several measures to increase enrollment in the state's university system and to address rising post-secondary education costs.⁴³ In legislative testimony provided by the Connecticut Association for Human Services, the main arguments laid forth in favor of establishing a CSA program revolved around asset building and changing college-bound attitudes. While the group lobbied for an "opt-out" CSA program similar to Maine's, the state legislature ultimately decided to maintain the opt-in nature of the program.⁴⁴ To fund the Baby Scholars program, the state of Connecticut reallocated \$12 million in leftover funds from the defunct Connecticut Student Loan Foundation. After those funds are used, the state plans to raise revenue by asking state residents to make a charitable contribution to the program on their tax forms.

As of August 2015, the Baby Scholars program had approximately 2,400 enrollees—a participation rate of 6.1 percent—with \$4 million in total contributions.⁴⁵ By the end of 2016, the number of enrollees increased to 4,735 people. The program made a slight alteration in 2016 by providing the option for all new mothers to ask for additional information about the CHET Baby Scholars program on the state's birth certificate application form. Previously, no such information was provided to parents during the process of obtaining a birth certificate. Approximately 45 percent of new parents selected the CHET Baby Scholars option on birth certificates since the change.⁴⁶

⁴² "CHET Baby Scholars Program," *Hartford Funds*, <https://www.hartfordfunds.com/products/college-savings/chet-advisor/chet-baby-scholars.html>.

⁴³ Jacqueline Rabe Thomas and Keith M. Phaneuf, "How Malloy wants to pay for his higher education plans," *The CT Mirror*, 2014. <https://ctmirror.org/2014/02/07/how-malloy-wants-to-pay-for-his-higher-education-plans/>.

⁴⁴ "Legislative Testimony," *Connecticut Association for Human Services*. 2019. <http://www.cahs.org/testimony>.

⁴⁵ Community Contributor. "More than 2,400 Enroll in CHET Baby Scholars." *Hartford Courant*. September 25, 2015. Accessed March 14, 2019. <https://www.courant.com/community/hc-ugc-article-more-than-2400-enroll-in-chet-baby-scholars-14-2015-09-25-story.html>.

⁴⁶ William Elliot and Melinda Lewis. *Making Education Work for the Poor: The Potential of Children's Savings Accounts*. Oxford University Press, 2018.

There are no educational or financial literacy services offered via the Baby Scholars program. The only data collected by the program appears to be account participation rates and total contributions made. While stated as a goal, evaluation metrics to measure changing attitudes toward post-secondary education are not used.

Appendix D: Wabash County Promise / Promise Indiana

Promise Indiana is a Children's Savings Account program that began in 2013 as the Wabash County Promise. The program design team included local YMCA staff and representatives from three public school districts, two private schools, and the Wabash County Community Foundation.^{47,48} The program's goals are centered on helping youth feel hopeful about their futures and supported by the adults in the community.⁴⁹ More specifically the program aims to help parents develop expectations for their children's futures; integrate college and career learning in classrooms; create a culture of saving in the community; and provide financial assets to help families address the challenge of paying for post-secondary education.⁵⁰

Families are encouraged to open a 529 savings plan through Indiana's state-sponsored 529 plan provider. New accounts receive a \$25 seed contribution from Parkview Health, the largest area employer.⁵¹ Children can earn matching funds if they secure \$25 from "champions," supportive adults who care about the child's future.⁵² Additional incentives are provided by the Wabash County Community Foundation for children in fourth through eighth grade for completing learning activities, up to \$830 in matching funds over five years.⁵³ The program incentive funds are not deposited directly into the family-owned 529 savings plan. They are held in the Promise Scholarship Account, which is managed by the Wabash County Community Foundation.⁵⁴ This account structure prevents families from withdrawing these funds for non-qualified purposes.

The program enrolls families at elementary school registration or "Meet the Teacher" events where they can receive assistance filling out the enrollment form.⁵⁵ Because there is an enrollment opportunity each year for children in grades K-3, families have several opportunities to enroll.⁵⁶ In 2013 the program enrolled 63 percent of kindergarteners.⁵⁷ Enrollment was not as high in subsequent

⁴⁷ William Elliot, and Melinda K. Lewis, "Transforming 529s into Children's Savings Accounts (CSAs): The Promise Indiana Model," *Lawrence, KS: Center on Assets, Education, and Inclusion* (2015).

⁴⁸ Carl Rist, "Promise Indiana Activates Local Communities to Help Kids Save," *Prosperity Now*, 2017. <https://prosperitynow.org/blog/promise-indiana-activates-local-communities-help-kids-save>.

⁴⁹ Christi Baker, "Leveraging the Promise of a Brighter Future with CSA Investments." *Asset Funders Network Webinar*. 2019. <https://register.gotowebinar.com/recording/3902810378431738125>.

⁵⁰ William Elliot, Benjamin Kite, Megan O'Brien, Melinda Lewis, and Ashley Palmer, "Initial elementary education findings from Promise Indiana's Children's savings account program." *Children and Youth Services Review* 85 (2018): 295-306. <https://doi.org/10.1016/j.chilyouth.2018.01.004>.

⁵¹ William Elliot, and Melinda K. Lewis, "Transforming 529s into Children's Savings Accounts (CSAs): The Promise Indiana Model," *Lawrence, KS: Center on Assets, Education, and Inclusion* (2015).

⁵² "Be a Child's Champion," *Wabash County Promise*, n.d. <https://www.wabashcountypromise.org/champions>.

⁵³ "Community Foundation Promise Scholarships Frequently Asked Questions." *Community Foundation of Wabash County*. N.d. <http://www.cfwabash.org/promiseFAQ#A>.

⁵⁴ "Community Foundation Promise Scholarships Frequently Asked Questions." *Community Foundation of Wabash County*. N.d. <http://www.cfwabash.org/promiseFAQ#G>

⁵⁵ Melinda Lewis, Megan O'Brien, Amanda Jones-Layman, Elizabeth A. O'Neill, and William Elliot, "Saving and Educational Asset Building Within a Community-Driven CSA Program: The Case of Promise Indiana," *Poverty & Public Policy* (2017).

⁵⁶ William Elliot, and Melinda K. Lewis, "Transforming 529s into Children's Savings Accounts (CSAs): The Promise Indiana Model," *Lawrence, KS: Center on Assets, Education, and Inclusion* (2015).

⁵⁷ Megan O'Brien, Melinda Lewis, Eui Jin Jung, and William Elliot, "Savings Patterns and Asset Accumulation in the Promise Indiana Children's Savings Account (CSA) Program: 2017 Update," *Center on Assets, Education & Inclusion* (2018).

years (44 percent in 2014 and 28 percent in 2015) as program leaders shifted resources toward developing the program in other Indiana counties.⁵⁸ During this time, some schools also implemented online school registration, reducing the opportunities for one-on-one enrollment assistance that had been provided at school registration events.⁵⁹

The Promise team worked with the state's 529 plan provider to remove barriers for enrollment. For example, they reduced the 529 savings plan application from 70 to four pages.⁶⁰ They also made it easy for families to make contributions. For example, Promise Indiana worked with the state-sponsored 529 plan provider to allow contributions as small as \$5.⁶¹ Partnerships allowed families to make contributions online, by check, and with cash at two locations: the community foundation office and a local bank.⁶²

In addition, the program integrates college and career discovery programming into school curriculum, beginning as early as kindergarten.⁶³ Activities include video conferencing sessions with college students and "Walk into My Future" college visits with age-appropriate activities led by faculty and students.⁶⁴ This curriculum reaches all children, even those whose families do not open 529 plans.

Before the program began, six percent of children under the age of 18 in the county had 529 plans.⁶⁵ As of 2015, more than 70 percent of children in grades K-3 and 30 percent of all youth under 18 in Wabash County were enrolled in the state's 529 plan.⁶⁶ Due to the success of the Wabash County Promise, this model has been implemented in 25 counties across Indiana.⁶⁷

⁵⁸ Megan O'Brien, Melinda Lewis, Eui Jin Jung, and William Elliot, "Savings Patterns and Asset Accumulation in the Promise Indiana Children's Savings Account (CSA) Program: 2017 Update," *Center on Assets, Education & Inclusion* (2018).

⁵⁹ Megan O'Brien, Melinda Lewis, Eui Jin Jung, and William Elliot, "Savings Patterns and Asset Accumulation in the Promise Indiana Children's Savings Account (CSA) Program: 2017 Update," *Center on Assets, Education & Inclusion* (2018).

⁶⁰ William Elliot, and Melinda K. Lewis, "Transforming 529s into Children's Savings Accounts (CSAs): The Promise Indiana Model," *Lawrence, KS: Center on Assets, Education, and Inclusion* (2015).

⁶¹ William Elliot, and Melinda K. Lewis, "Transforming 529s into Children's Savings Accounts (CSAs): The Promise Indiana Model," *Lawrence, KS: Center on Assets, Education, and Inclusion* (2015).

⁶² "Community Foundation Promise Scholarships Frequently Asked Questions." *Community Foundation of Wabash County*. N.d. <http://www.cfwabash.org/promiseFAQ#A>.

⁶³ William Elliot, and Melinda K. Lewis, "Transforming 529s into Children's Savings Accounts (CSAs): The Promise Indiana Model," *Lawrence, KS: Center on Assets, Education, and Inclusion* (2015).

⁶⁴ William Elliot, Benjamin Kite, Megan O'Brien, Melinda Lewis, and Ashley Palmer, "Initial elementary education findings from Promise Indiana's Children's savings account program." *Children and Youth Services Review* 85 (2018): 295-306. <https://doi.org/10.1016/j.chilyouth.2018.01.004>.

⁶⁵ William Elliot, Benjamin Kite, Megan O'Brien, Melinda Lewis, and Ashley Palmer, "Initial elementary education findings from Promise Indiana's Children's savings account program." *Children and Youth Services Review* 85 (2018): 295-306. <https://doi.org/10.1016/j.chilyouth.2018.01.004>.

⁶⁶ William Elliot, Benjamin Kite, Megan O'Brien, Melinda Lewis, and Ashley Palmer, "Initial elementary education findings from Promise Indiana's Children's savings account program." *Children and Youth Services Review* 85 (2018): 295-306. <https://doi.org/10.1016/j.chilyouth.2018.01.004>.

⁶⁷ Christi Baker. "Leveraging the Promise of a Brighter Future with CSA Investments." *Asset Funders Network Webinar*. 2019. <https://register.gotowebinar.com/recording/3902810378431738125>.

Appendix E: Maine’s Harold Alfond College Challenge (HACC)

Maine’s Harold Alfond College Challenge (HACC) is the nation’s first statewide, universal CSA program. Established in 2009 by the Alfond Scholarship Foundation, HACC was designed to signal to children what their futures could hold. Funding for the foundation came from a \$500 million gift left by philanthropist Harold Alfond upon his death in 2007.⁶⁸

Between 2009 and 2013, HACC offered a \$500 grant for every infant who had an account opened by their first birthday.⁶⁹ During these early years, the foundation invested heavily in outreach, partnering with pediatrician’s offices, educational institutions, businesses, and nonprofit organizations to increase awareness of the initiative. After four years, they found that despite extensive outreach, only about 40 percent of families had enrolled. Two-thirds of these families had an annual household income above the state median, \$48,000.⁷⁰ In 2014, the foundation switched from an “opt-in” model, to an “opt-out” model.⁷¹ Under this new design, the state partnered with the foundation and uses birth records to automatically establish a \$500 HACC grant to all babies born to Maine residents, unless the parents choose to opt-out.⁷² Since moving to universal enrollment, participation rates have improved to eclipse 90 percent.⁷³

The foundation holds the \$500 grant accounts on behalf of the children until they attend a post-secondary education institution.⁷⁴ If parents wish to make additional contributions, they must open a privately held account. All participants of privately held accounts receive monthly statements detailing growth and account contributions.

As of 2016, HACC had opened accounts for more than 70,000 children, accounting for more than 20 percent of CSAs nationwide.⁷⁵

⁶⁸ Megan O’Brien, Melinda Lewis, Eui Jin Jung, and William Elliott, “Harold Alfond College Challenge (HACC) 2017 Savings Report for Households Who Opted-In to the Program from 2008 to 2013,” *Ann Arbor, MI: Center on Assets, Education, and Inclusion* (2017).

⁶⁹ Megan O’Brien, Melinda Lewis, Eui Jin Jung, and William Elliott, “Harold Alfond College Challenge (HACC) 2017 Savings Report for Households Who Opted-In to the Program from 2008 to 2013,” *Ann Arbor, MI: Center on Assets, Education, and Inclusion* (2017).

⁷⁰ Megan O’Brien, Melinda Lewis, Eui Jin Jung, and William Elliott, “Harold Alfond College Challenge (HACC) 2017 Savings Report for Households Who Opted-In to the Program from 2008 to 2013,” *Ann Arbor, MI: Center on Assets, Education, and Inclusion* (2017).

⁷¹ G. Powell, “Remarks to the Portland Regional Chamber of Commerce and Announcement of 'Automatic Enrollment' for the Harold Alfond College Challenge.” 2014.
http://www.haroldalfondfoundation.org/pdf/announcements/EggsIssues3.4.14FINA_L_000.pdf.

⁷² Megan O’Brien, Melinda Lewis, Eui Jin Jung, and William Elliott, “Harold Alfond College Challenge (HACC) 2017 Savings Report for Households Who Opted-In to the Program from 2008 to 2013,” *Ann Arbor, MI: Center on Assets, Education, and Inclusion* (2017).”

⁷³ Rebecca Loya, Judith Garber, and Jessica Santos, “Levers for Success: Key Features and Outcomes of Children’s Savings Account Programs”, Institute on Assets and Social Policy, Brandeis University. March 2017.

⁷⁴ Margaret Clancy and Michael Sherraden, “Automatic deposits for all at birth: Maine’s Harold Alfond College Challenge,” *Washington University, Center for Social Development*. 2014.
<https://csd.wustl.edu/14-05/>.

⁷⁵ “A Growing Movement: The State of the Children’s Savings Field 2016,” *Campaign for Every Kids Future*, 2016. <https://prosperitynow.org/resources/state-childrens-savings-field-2016>.

Appendix F: Milwaukee Fund My Future

The city of Milwaukee is preparing to launch a Children's Savings Account program in fall 2019. The Fund My Future initiative is one part of a city-wide economic development program known as Growing Prosperity. The program is designed to investigate strategies that will increase the educational and economic attainment of Milwaukee residents. The city of Milwaukee partnered with Prosperity Now, a national nonprofit organization; Milwaukee Public Schools; the Greater Milwaukee Foundation; and the United Way of Milwaukee County to research and develop the Fund My Future initiative.

Milwaukee's Fund My Future program aims to address the educational goals of the Growing Prosperity initiative as well as increase overall financial literacy. At high school graduation, only 43 percent of students plan to attend college and this number decreases among minority populations.⁷⁶ As of 2015, 45.9 percent of white students, 36.5 percent of African American students, and 32.3 percent of Latino students had plans to attend college. This program establishes a children's savings fund with a balance for all Milwaukee Public School children upon entrance into the K-12 system, although parents may opt out. All program funding will be held within one master Edvest 529 plan, with \$25 reserved for each student. In addition, there will be opportunities to increase this balance through activities such as savings matches or rewards for academic achievement, as the children continue forward in their K-12 education.

Within its first three years, the Fund My Future program will be implemented in 15 elementary schools and more than 24,000 students are expected to participate.⁷⁷ The anticipated total cost for the first year is \$410,000, and this cost is expected to grow to \$510,000 by year three.⁷⁸ Program funding will come from the various stakeholders involved in the project. After program launch, the city of Milwaukee will monitor the program and determine its effectiveness by comparing outcomes such as attendance rate, the number of children with college savings, children's expectations of post-secondary education, standardized test scores, the overall high school graduation rate, post-secondary enrollment, and post-secondary completion.

⁷⁶ Clara Hatcher, "All MPS 5-year-olds will start school next fall with a college savings fund," *Milwaukee Journal Sentinel* (Milwaukee, Wisconsin), Feb. 12, 2018.

<https://eu.jsonline.com/story/news/education/2018/02/03/milwaukee-childrens-savings-account-initiative-implemented-across-milwaukee-public-schools-coming-ye/301223002/>.

⁷⁷ Ana Martinez-Ortiz, "City Launches Children's Savings Accounts," *Urban Milwaukee*, October 2018, <https://urbanmilwaukee.com/2018/10/24/city-launches-childrens-savings-accounts/>.

⁷⁸ "The Milwaukee Children's Savings Account (CSA) Initiative," *City of Milwaukee*, <https://city.milwaukee.gov/itmd/Fund-My-Future-Milwaukee/Childrens-Savings-Account.htm>.

Appendix G: San Francisco Kindergarten to College

The Kindergarten to College (K2C) program began in 2011 when the city of San Francisco opened savings accounts for more than 1,200 kindergartners across 18 elementary schools.⁷⁹ Each account was seeded with an initial contribution of \$50. Over the next two years, the program was expanded to enroll all 4,500 students entering kindergarten in the San Francisco Unified School District each year. Children enrolled in the National School Lunch Program received an additional \$50 contribution. As part of the K2C program, San Francisco schools are integrating financial education tied to the accounts into the K-12 math curriculum.⁸⁰

The K2C accounts are structured as contribution only, non-interest earning savings accounts owned by the city and county of San Francisco with the student named as the beneficiary.⁸¹ Under these accounts, families can make contributions in person through Citibank, online, by mail, or through paycheck direct deposit.⁸² Students can qualify for financial incentives provided by foundations, community organizations, local businesses, and individuals.⁸³ The money in these accounts is restricted for post-secondary education (undergraduate, graduate school, or professional certification) use.⁸⁴ If a student does not attend post-secondary education by the age of 25, the person may request the unspent funds from the account. The person can receive funds contributed by the family, but incentives and the original contribution in their account return to the city.⁸⁵ Students who participate in a national service program, such as the U.S. military, Peace Corps, or AmeriCorps, retain their eligibility for funding past 25. Each additional year of service allows them to retain funding eligibility for an additional year.⁸⁶

As of 2018, about one in five students' families has contributed money beyond what the city supplies. California Governor Gavin Newsom recently proposed spending \$50 million on similar pilot projects around the state as part of a "cradle-to-career education" strategy.⁸⁷

⁷⁹ Leigh Phillips & Anne Stuhldreher, "Kindergarten to College (K2C) A First-in-the-Nation Initiative to Set All Kindergartners on the Path to College," *New America Foundation*, 2011.

⁸⁰ Leigh Phillips & Anne Stuhldreher, "Kindergarten to College (K2C) A First-in-the-Nation Initiative to Set All Kindergartners on the Path to College," *New America Foundation*, 2011.

⁸¹ "Learn About K2C Accounts." *City of San Francisco Office of Financial Empowerment*.
<https://sfgov.org/ofe/learn-about-k2c-accounts>.

⁸² Leigh Phillips & Anne Stuhldreher, "Kindergarten to College (K2C) A First-in-the-Nation Initiative to Set All Kindergartners on the Path to College," *New America Foundation*, 2011.

⁸³ Leigh Phillips & Anne Stuhldreher, "Kindergarten to College (K2C) A First-in-the-Nation Initiative to Set All Kindergartners on the Path to College," *New America Foundation*, 2011.

⁸⁴ "Learn About K2C Accounts." *City of San Francisco Office of Financial Empowerment*.
<https://sfgov.org/ofe/learn-about-k2c-accounts>.

⁸⁵ Felicia Mello. "San Francisco Gives Kindergartners Free Money for College. Could it Work Statewide?" *North Coast Journal*. 2019.

⁸⁶ Felicia Mello. "San Francisco Gives Kindergartners Free Money for College. Could it Work Statewide?" *North Coast Journal*. 2019.

⁸⁷ Felicia Mello. "San Francisco Gives Kindergartners Free Money for College. Could it Work Statewide?" *North Coast Journal*. 2019.

Appendix H: Saving for Education, Entrepreneurship, and Downpayment (SEED)

Saving for Education, Entrepreneurship, and Downpayment (SEED) was a policy, practice, and research initiative in the United States between 2003 and 2008. Designed by the Center for Social Development at Washington University in St. Louis, the goal of SEED was to test the efficacy of CSAs and inform the development of CSA programs. The SEED study consisted of 10 community-based programs across the U.S and Puerto Rico.⁸⁸

Across the 10 programs, there were 1,171 participants. Each program utilized opt-in enrollment, so all participants chose to be in the program. Target recruitment ages ranged from pre-school in Oakland to high school and young people from 14 to 23 in San Francisco and Denver. Each program was allotted \$2,000 in funds per participant, which included an initial contribution, benchmarks, and matching. Initial contributions ranged from 0 to \$1,000. While each program had unique incentive structures, the feature of a 1:1 match rate was common across all programs. Additional incentives included \$50 for a caregiver attending a financial workshop, \$20 for a child making the honor roll, and \$5 for a child's birthday.

As of December 31, 2007, the participants had accumulated almost \$1.8 million in total savings. On average, each child had \$1,518 saved, while the median savings was \$1,093.⁸⁹ For participants who accumulated additional savings, the initial contribution accounted for 51 percent of total savings.⁹⁰

At the conclusion of the program, researchers conducted a qualitative study with participant parents and with parents who did not enroll their children in a SEED program. They found four significant differences between families that did and did not open accounts:⁹¹

- Level of education. Families with higher levels of education (particularly at least some college) were more likely than those with lower levels of education to accept the SEED account.
- Home ownership. Families that owned their homes were more likely to accept the SEED account than those who rented.
- Bank accounts. Families with bank accounts were more likely to accept the SEED account than those that did not have bank accounts.
- Financial education. Families that had taken any class were more likely to accept the SEED account than those that had not.

⁸⁸ Lisa Reyes Mason, Yunju Nam, Margaret Clancy, Vernon Loke, & Youngmi Kim, "SEED Account Monitoring Research: Participants, Savings, and Accumulation," *Washington University, Center for Social Development*, 2009. https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1359&context=csd_research.

⁸⁹ Lisa Reyes Mason, Yunju Nam, Margaret Clancy, Vernon Loke, & Youngmi Kim, "SEED Account Monitoring Research: Participants, Savings, and Accumulation," *Washington University, Center for Social Development*, 2009. https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1359&context=csd_research.

⁹⁰ Lisa Reyes Mason, Yunju Nam, Margaret Clancy, Vernon Loke, & Youngmi Kim, "SEED Account Monitoring Research: Participants, Savings, and Accumulation," *Washington University, Center for Social Development*, 2009. https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1359&context=csd_research.

⁹¹ Michael Sherradan, "Lessons from SEED: A national demonstration of Child Development Accounts," *Washington University Center for Social Development*, 2010.

Appendix I: SEED Oklahoma

In 2008, the Center for Social Development at Washington University in St. Louis, along with RTI International and the state of Oklahoma began an expanded study of the SEED Policy and Practice Initiative named SEED for Oklahoma Kids (SEED OK).⁹² While similar to the earlier SEED program study, SEED OK focused on asset building from birth. It tried to determine whether Children's Savings Accounts increased savings for young children beyond what the family would have saved without them.

SEED OK selected newborns from birth records and then conducted a baseline telephone survey with families that opted to participate in the study. The 2,704 participants were divided into treatment and control groups. The treatment group was automatically enrolled in an Oklahoma College Savings Plan 529 plan with a \$1,000 seed contribution.⁹³ Additionally, treatment group members were encouraged to open a private Oklahoma 529 plan and were given a \$100 seed contribution if they did so. Participating families with low- to moderate-incomes had contributions up to \$250 matched during the first three years.⁹⁴ In comparison, control group families did not receive the initial SEED contribution of \$1,000, were not offered a \$100 contribution to open a participant-owned account, did not receive the same type of encouragement to open a private account, and were not eligible for matching contributions.⁹⁵

Results from the study found that SEED OK raised the proportion of families with a 529 plan by 15 percentage points, with most of the gain coming from automatic accounts. Only 16 percent of treatment group members and 1 percent of control group members opened a private account.⁹⁶ In a post-study survey, 41 percent of families indicated that lack of affordability or financial difficulty precluded them from opening a privately held 529 plan.⁹⁷ Additionally, the results found that the average amount of money in treatment group accounts was \$1,255, including the

⁹² Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁹³ Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁹⁴ Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁹⁵ Barbara Butrica, "A Review of Children's Savings Accounts." *Urban Institute*, 2015, <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁹⁶ Ellen Marks, Gary Engelhardt, Bryan Rhodes, and Ina Wallace, "SEED for Oklahoma kids: The impact evaluation," *Research Triangle Park, NC: RTI International* (2014). https://www.rti.org/sites/default/files/resources/seed_ok_impact_eval_rpt.pdf.

⁹⁷ Ellen Marks, Gary Engelhardt, Bryan Rhodes, and Ina Wallace, "SEED for Oklahoma kids: The impact evaluation," *Research Triangle Park, NC: RTI International* (2014). https://www.rti.org/sites/default/files/resources/seed_ok_impact_eval_rpt.pdf.

initial \$1,000 seed contribution.⁹⁸ Finally, the average contribution (\$1,449) that account holders made into their accounts was disproportionately the result of contributions made by families of higher socioeconomic status.⁹⁹ These findings led the researchers to speculate that, in its current format, SEED may widen the gap between the haves and have-nots.

SEED OK is an ongoing research study, with a third round of findings expected to be published in 2020.¹⁰⁰

⁹⁸ Ellen Marks, Gary Engelhardt, Bryan Rhodes, and Ina Wallace, "SEED for Oklahoma kids: The impact evaluation," *Research Triangle Park, NC: RTI International* (2014).
https://www.rti.org/sites/default/files/resources/seed_ok_impact_eval_rpt.pdf.

⁹⁹ Ellen Marks, Gary Engelhardt, Bryan Rhodes, and Ina Wallace, "SEED for Oklahoma kids: The impact evaluation," *Research Triangle Park, NC: RTI International* (2014).
https://www.rti.org/sites/default/files/resources/seed_ok_impact_eval_rpt.pdf.

¹⁰⁰ Margaret Clancy, Michael Sherraden, and Sondra Beverly, "SEED for Oklahoma Kids Wave 3: Extending Rigorous Research and a Successful Policy Model," *Washington University, Center for Social Development*, 2019.
https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1887&context=csd_research.

Appendix J: Account Type Details

The tables in this section are not meant to be a comprehensive list of all account options and features available. Only information that is most relevant to Extension Richland County is included. For more detailed information about financial product options for CSA programs, please see Prosperity Now’s *Investing in Dreams* guide. Information specific to Edvest is online at <https://www.edvest.com/>.

Table 5: Description of Financial Products and Summary of Features		
	Savings Account	529 Savings Plan
Description	An account at a bank or credit union that earns interest	Tax-advantaged investment account designed to facilitate saving for post-secondary educational expenses
Case Studies*	Kindergarten to College (San Francisco, CA)	Harold Alfond College Challenge (Maine); Promise Indiana
Account Provider	Local bank or credit union	Edvest (Wisconsin state-administered 529 provider)
Savings Growth	Earns interest at the rate determined by the financial institution. Account cannot decrease in value.	Earns interest per the account owner’s selected investment strategy. Accounts cannot decrease in value if the interest-only guaranteed investment strategy is used. Depending on market performance, accounts may decrease in value with other investment strategies.
Tax Advantages	None. Interest accrued is taxable income.	Interest accrues tax-free. Contributions can be deducted from taxable income (maximum of \$3,140 per beneficiary per year).
Opening contribution Requirement	Requirements vary by financial institution	Yes. \$25 minimum opening contribution.
Contribution Mechanisms	<ul style="list-style-type: none"> ● Cash ● Check ● Direct Deposit ● Electronic Transfer 	<ul style="list-style-type: none"> ● Check ● Payroll Deduction (Only participating employers) ● Electronic Transfer
Withdrawal Restrictions and Penalties	May have minimum balance requirements.	Funds must be used for qualified education expenses, such as tuition, supplies, room and board. Nonqualified withdrawals are taxed, including a 10% federal tax penalty.

Table 6: Summary of Financial Product Advantages and Challenges

	Savings Account	529 Savings Plan
Advantages	<ul style="list-style-type: none"> ● Relatively familiar financial product; may be easier for participants to understand compared to the 529 plan ● Physical storefront in local community ● Accepts cash contributions ● Account balance cannot decrease 	<ul style="list-style-type: none"> ● Ready-made financial product ● Long-term stability of provider (Edvest) ● Account funds are designated for post-secondary education ● More potential for account balance growth ● Tax-advantaged
Challenges	<ul style="list-style-type: none"> ● A local institution may experience changes in organizational leadership or business ownership that could reduce the long-term stability of the organization ● No penalty for withdrawing funds for non-intended purposes ● Desired financial product may not exist - Extension Richland County may have to work with a local institution to create a new type of savings account depending on desired account features ● No tax advantages 	<ul style="list-style-type: none"> ● May be an unfamiliar financial product compared to a standard savings account; there could be confusion or mistrust among participants ● Does not accept cash contributions ● Does not have a physical presence in the community ● Families with less income and wealth will likely not benefit from the tax advantages to the same extent as families with more income and wealth ● Account balance could decrease depending on investment strategy and market performance; families may need help choosing an investment strategy

Appendix K: Account Ownership Details

Note that these Tables 4 and 5 are not intended to be a comprehensive list of all ownership options and features. Only information that is most relevant to Extension Richland County and similar Wisconsin communities is included. For more detailed information about account design options, please see Prosperity Now’s *Investing in Dreams* guide. For more details about options specific to Edvest, please visit the Edvest website: <https://www.edvest.com/>.

Table 7: Summary of Account Ownership Options		
Family Owned Accounts	An adult, often a parent, family member, or family friend is the account owner and the child is the beneficiary.	Case Study: Promise Indiana (select communities)
Entity-Owned Individual Custodial Account	An entity is the account owner and the beneficiary is the child. Individual accounts are opened on behalf of each child.	Case Study: Kindergarten to College
Entity-Owned Omnibus/Master Accounts	The entity is the account owner and the children are the beneficiaries. Funds are pooled and held together in a single account. Families may be encouraged to open their own account in addition to this account.	Case Study: Fund My Future

Table 8: Summary of Account Ownership Features

Account Ownership Type	Family-Owned	Entity-Owned Individual Custodial Account	Entity-Owned Omnibus/Master Account
Contribution Requirements	Anyone can make a contribution	Anyone can make a contribution	Only the entity can make contributions
Administrative Demands	<ul style="list-style-type: none"> No back-end accounting required. Account statements are sent from the financial institution directly to the parents/guardians. Withdrawals are processed and dispersed by the financial institution. 	<ul style="list-style-type: none"> No back-end accounting required. Account statements are sent to the entity, not the beneficiaries. Account statements are sent to the entity, not to beneficiaries. Entity would have to develop way to communicate account balances with beneficiaries. Capacity to process withdrawal request and disburse funds. 	<ul style="list-style-type: none"> Back-end account required. Since funds are pooled in a single account, the entity needs to track the funds designated for each beneficiary. Account statements are sent to the entity, not to beneficiaries. Entity would have to develop way to communicate account balances with beneficiaries. Capacity to process withdrawal request and disburse funds.
Asset Limits	<ul style="list-style-type: none"> Funds count towards a family’s asset limits for some forms of public assistance. 	<ul style="list-style-type: none"> Since the entity is the owner, funds do not count towards a family’s asset limits 	<ul style="list-style-type: none"> Since the entity is the owner, funds do not count towards a family’s asset limits
Requires Social Security Number or Tax ID Number for Account Opening	Required for owner and beneficiary	Required for the entity and beneficiary (if 529 plan is used)	Required for the entity, not for the beneficiary
Enrollment Options	Self-enrollment	<ul style="list-style-type: none"> Automatic enrollment (for savings accounts, not for 529 plans) Self-enrollment 	<ul style="list-style-type: none"> Automatic enrollment Self-enrollment

Appendix L: Program Cost Categories

Table 9: Program Costs for Consideration	
Start-up Costs	
Upfront Administrative Costs	Costs associated with design, planning, and implementation of CSA program (legal fees, research costs, etc.).
Operation Costs	
Administrative Salaries and Benefits	Ongoing operations of a CSA program require paid staff. For example, to participate in the Indiana program, a community within Indiana must have at least one dedicated, part-staff member. Note: some expense would be in-kind labor.
Family Engagement / Outreach / Advertising	This can include materials needed for parental workshops or the costs of printed materials given to parents before leaving The Richland Hospital Birth Center.
Contracting Services	
Mailing	Promotional materials, educative materials, and reports on account balances sent to participants via postal mail.
Evaluation	Surveys. Reporting or visualization software.
Account/Funding	
Funds for seed contributions	A lump sum must be set aside and made available for families to claim.
Matching funds	Funds that are available to support matching programs when participants.
Additional account incentives	Funds must be set aside to add to account if children and parents undertake a particular action.

Bibliography

- “A Growing Movement: The State of the Children’s Savings Field 2016.” *Campaign for Every Kids Future*. 2016. <https://prosperitynow.org/resources/state-childrens-savings-field-2016>.
- “About UW-Extension” *UW-Extension*, 2019. <http://www.uwex.edu/about/mission>.
- “Be a Child’s Champion.” *Wabash County Promise*.
<https://www.wabashcountypromise.org/champions>.
- “CHET Baby Scholars Program.” *Hartford Funds*.
<https://www.hartfordfunds.com/products/college-savings/chet-advisor/chet-baby-scholars.html>.
- “Community Foundation Promise Scholarships Frequently Asked Questions.” *Community Foundation of Wabash County*. n.d. <http://www.cfwabash.org/promiseFAQ#A>.
- “Cuyahoga County Launches Nation’s Largest College Savings Account Program.” *Cuyahoga County, Ohio Office of the Executive*. 2012. <http://executive.cuyahogacounty.us/en-US/113012-college-savings-account.aspx>.
- “Cuyahoga County Opens First 10,000 college Savings Accounts.” *Cuyahoga County, Ohio Office of the Executive*. 2014. <http://executive.cuyahogacounty.us/en-US/052714-College-Savings-Accounts.aspx>.
- “Frequently Asked Questions.” *Edvest*. <https://www.edvest.com/help/faq/>.
- “Investing in Dreams: A Blueprint for Designing Children’s Savings Account Programs.” *Prosperity Now*, 2017. <https://prosperitynow.org/resources/investing-dreams-blueprint-designing-childrens-savings-account-programs>.
- “Learn About K2C Accounts.” *City of San Francisco Office of Financial Empowerment*.
<https://sfgov.org/ofe/learn-about-k2c-accounts>.
- “Legislative Testimony,” *Connecticut Association for Human Services*. 2019.
<http://www.cahs.org/testimony>.
- “QuickFacts: Richland County Wisconsin,” *United States Census Bureau*, 2018,
<https://www.census.gov/quickfacts/richlandcountywisconsin>.
- “Raising a Thinking Child.” *Division of Extension*. <https://fyi.extension.wisc.edu/rtcprogram/>.
- “Richland County 4-H Clubs.” *Extension Richland County*.
<https://richland.extension.wisc.edu/files/2018/05/4-H-Clubs-2017-18.pdf>.

- “Richland County UW Extension’s Facebook Page.” August 2019.
<https://www.facebook.com/richlandcountyuwextension/posts/1866737276766303>.
- “Richland County, WI.” *Data USA*, n.d. <https://datausa.io/profile/geo/richland-county-wi/>.
- “Small Savings Build Big Dreams.” *UW-Extension*, 2019.
<https://fyi.extension.wisc.edu/collegesavings/>.
- “The Milwaukee Children’s Savings Account (CSA) Initiative.” *City of Milwaukee*.
<https://city.milwaukee.gov/itmd/Fund-My-Future-Milwaukee/Childrens-Savings-Account.htm>.
- Baker, Christi. “Leveraging the Promise of a Brighter Future with CSA Investments.” *Asset Funders Network Webinar*. 2019.
<https://register.gotowebinar.com/recording/3902810378431738125>.
- Belk, Russell W. "Possessions and the extended self." *Journal of consumer research* 15, no. 2 (1988): 139-168.
- Butrica, Barbara A. “A Review of Children’s Savings Accounts.” *Urban Institute*. (2015).
<https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.
- Caspers, DeAnna, email to report authors, April 17, 2019.
- Clancy, Margaret and Michael Sherraden. “Automatic deposits for all at birth: Maine’s Harold Alfond College Challenge.” *Washington University, Center for Social Development* (2014).
<https://csd.wustl.edu/14-05>
- Clancy, Margaret, Michael Sherraden, and Sondra Beverly. “SEED for Oklahoma Kids Wave 3: Extending Rigorous Research and a Successful Policy Model.” *Washington University, Center for Social Development*, 2019.
https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1887&context=csd_research.
- Community Contributor. "More than 2,400 Enroll in CHET Baby Scholars." *Hartford Courant*. September 25, 2015. Accessed March 14, 2019. <https://www.courant.com/community/hc-ugc-article-more-than-2400-enroll-in-chet-baby-scholars-14-2015-09-25-story.html>.
- Conley, Dalton. "Capital for college: Parental assets and postsecondary schooling." *Sociology of Education* (2001): 59-72.
- DiUlio, Jim. Conversation with authors. March 26, 2019.
- Elliot, William. "Building expectations, delivering results: Asset-based financial aid and the future of higher education: Biannual report on the assets and education field." *Lawrence, KS*:

- Univ. of Kansas School of Social Welfare, Assets and Education Initiative.* (2013).
<https://www.citigroup.com/citi/foundation/pdf/news130716.pdf>.
- Elliott, William, Benjamin Kite, Megan O'Brien, Melinda Lewis, and Ashley Palmer. "Initial elementary education findings from Promise Indiana's Children's savings account program." *Children and Youth Services Review* 85 (2018): 295-306.
<https://doi.org/10.1016/j.chilyouth.2018.01.004>.
- Elliott, William, and Sondra Beverly. "Staying on course: The effects of savings and assets on the college progress of young adults." *American Journal of Education* 117, no. 3 (2011): 343-374.
- Elliott, William, and Melinda Lewis. *Making Education Work for the Poor: The Potential of Children's Savings Accounts*. Oxford University Press, 2018.
- Englund, Michelle M., Amy E. Luckner, Gloria JL Whaley, and Byron Egeland. "Children's achievement in early elementary school: Longitudinal effects of parental involvement, expectations, and quality of assistance." *Journal of educational psychology* 96, no. 4 (2004): 723.
- Farkas, Karen. "Cuyahoga County ends \$100 College Savings Program as national program is launched to encourage saving for college." *Cleveland.com*. June 2015.
<https://www.cleveland.com/cuyahoga-county/2015/06/cuyahoga-county-ends-its-100-college-savings-program-on-same-day-national-program-is-launched-to-encourage-saving-for-college.html>.
- Friedline, Terri, William Elliott, and Gina A Chowa. "Testing an asset-building approach for young people: Early access to savings predicts later savings." *Economics of Education Review* 33 (2013): 31-51. <https://doi.org/10.1016/j.econedurev.2012.10.004>.
- Furnham, Adrian, and Hua Chu Boo. "A literature review of the anchoring effect." *The journal of socio-economics* 40, no. 1 (2011): 35-42. <https://doi.org/10.1016/j.socec.2010.10.008>.
- Furby, Lita. "The origins and early development of possessive behavior." *Political psychology* (1980): 30-42.
- Hatcher, Clara. "All MPS 5-year-olds will start school next fall with a college savings fund." *Milwaukee Journal Sentinel*. Feb. 12, 2018.
<https://eu.jsonline.com/story/news/education/2018/02/03/milwaukee-childrens-savings-account-initiative-implemented-across-milwaukee-public-schools-coming-ye/301223002/>.
- Kim, Youngmi, Michael Sherraden, Jin Huang, and Margaret Clancy. "Child Development Accounts and parental educational expectations for young children: Early evidence from a statewide social experiment." *Social Service Review* 89, no. 1 (2015): 99-137. <https://doi-org.ezproxy.library.wisc.edu/10.1086/680014>.

- Loya, Rebecca, Judith Garber, and Jessica Santos. "Levers for Success." *Brandeis University, Institute on Assets and Social Policy*. (2017). <https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/csas/csa-levers-for-success.pdf>
- Loya, Rebecca, and Meg Lovejoy. "2017 CSA Survey of Private and Public Funding." *Heller School of Social Policy and Management, Brandeis University*. February 28, 2019. <https://assetfunders.org/wp-content/uploads/AFN-2019-CSA-Survey.pdf>.
- Matthews, Dylan. "Study: Cory Booker's baby bonds nearly close the racial wealth gap for young adults." *Vox*. February 2019. <https://www.vox.com/future-perfect/2019/1/21/18185536/cory-booker-news-today-2020-presidential-election-baby-bonds>.
- Martinez-Ortiz, Ana. "City Launches Children's Savings Accounts." *Urban Milwaukee*. October 2018. <https://urbanmilwaukee.com/2018/10/24/city-launches-childrens-savings-accounts/>.
- Mason, Lisa Reyes, Yunju Nam, Margaret Clancy, Vernon Loke, & Youngmi Kim. "SEED Account Monitoring Research: Participants, Savings, and Accumulation." *Washington University, Center for Social Development*. (2009). https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1359&context=csd_research.
- McCormick, Martha Henn. "The effectiveness of youth financial education: A review of the literature." *Journal of Financial Counseling and Planning* 20, no. 1 (2009).
- Mello, Felicia. "San Francisco Gives Kindergartners Free Money for College. Could it Work Statewide?" *North Coast Journal*. 2019. <https://www.northcoastjournal.com/NewsBlog/archives/2019/01/24/san-francisco-gives-kindergartners-free-money-for-college-could-it-work-statewide>.
- Neal, Karama, Mindy Maupin, Tamika Edwards, Benjamin Kaufman, and Meredith Covington. "College Savings Accounts: Multiple Paths to a Brighter Future." *Southern Bancorp Community Partners*. (2012). https://prosperitynow.org/sites/default/files/resources/sbcp_caseyChildSavings_final_screen_Version_20120328.pdf.
- O'Brien, Megan, Melinda Lewis, Eui Jin Jung, and William Elliott. "Harold Alfond College Challenge (HACC) 2017 Savings Report for Households Who Opted-In to the Program from 2008 to 2013." *Ann Arbor, MI: Center on Assets, Education, and Inclusion*. 2017.
- Phillips, Leigh & Anne Stuhldreher. "Kindergarten to College (K2C) A First-in-the-Nation Initiative to Set All Kindergartners on the Path to College." *New America Foundation*. 2011.
- Rist, Carl. "Promise Indiana Activates Local Communities to Help Kids Save." *Prosperity Now*. 2017. <https://prosperitynow.org/blog/promise-indiana-activates-local-communities-help-kids-save>.

- Shanks, Trina R. Williams, and Mesmin Destin. "Parental expectations and educational outcomes for young African American adults: Do household assets matter?" *Race and Social Problems* 1, no. 1 (2009): 27-35.
- Sherraden, Michael. *Assets and the Poor: A New American Welfare Policy*. New York: M.E. Sharpe, Inc., 1991.
- Sherraden, Michael. "Lessons from SEED: A national demonstration of Child Development Accounts." *Washington University Center for Social Development* (2010). https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1273&context=csd_research.
- Sherraden, Margaret S., Lissa Johnson, William Elliott III, Shirley Porterfield, and William Rainford. "School-based children's saving accounts for college: The I Can Save program." *Children and Youth Services Review* 29, no. 3 (2007): 294-312.
- Thomas, Jacqueline Rabe and Keith M. Phaneuf. "How Malloy wants to pay for his higher education plans." *The CT Mirror*. 2014. <https://ctmirror.org/2014/02/07/how-malloy-wants-to-pay-for-his-higher-education-plans/>.
- Zhang, Yanyan, Eileen Haddad, Bernadeth Torres, and Chuansheng Chen. "The reciprocal relationships among parents' expectations, adolescents' expectations, and adolescents' achievement: A two-wave longitudinal analysis of the NELS data." *Journal of youth and adolescence*. 40, no. 4 (2011): 479-489. <https://doi.org/10.1007/s10964-010-9568-8>.