

The St. Louis Treasurer's Office recognizes that in order for their current kindergartners to be competitive in the workforce as adults and earn sustainable living wages for themselves and their families, they must have the opportunity to obtain a postsecondary education.

Refusing to accept that only 10% of low income students nationally are expected to receive a college education, the College Kids savings account program utilizes groundbreaking research and innovative financial capacity building initiatives in order to provide the universal hope and expectation that the children of St. Louis will earn a college education.

The College Kids children's savings account program provides every child entering kindergarten in a public school in the city a college savings account. The accounts are seeded with \$50 by the Treasurer's office to help families jump start saving for college. Families have opportunity to save more through matches and incentives such as perfect attendance, matched savings, and participation in financial education courses either in person, online, or via a smartphone app.

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Financial Empowerment Program Coordinator Marina Balleria speaks directly with AFN on College Kids.



What are the goals of the program?

The Goals of College Kids is to make college accessible to our City's students, create a culture of asset building for low and moderate income families, increase utilization of and access to healthy financial products & services, boost financial knowledge and capacity of City residents & families, and leverage private investment in our City's children.

Is the financial vehicle a 529 account or another instrument?

The accounts will be held at a local credit union in a custodial account under UTMA in which the Treasurer is the custodian and the child is the beneficiary. Through a partnership with First Financial Federal Credit Union, participants will be able to deposit funds in their child's account at any First Financial branch or a number of credit unions in the region that participate in the share branch network.

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Who is the owner of the account?

The Treasurer is the owner of the UTMA account and Lindell account. The funds in the UTMA account, per Missouri law, are irrevocable and nontransferable from the beneficiary and must be used only in the benefit of the child's name on the account.

Is it an opt-in or opt-out program? How are families enrolled?

This is an opt-out program. Every kindergartner will be automatically enrolled with the option to choose to leave the program.

Since it is school based, how will parents be engaged to deposit into the fund (or will it be into a parallel account)? What are the creative strategies that are being implemented (if any) for increased saving?

So far, direct parent outreach has looked like attending school open houses, tabling at block parties and publicizing the program at events with our partners. College Kids is housed in the Office of Financial Empowerment, a new city department that hosts classes, workshops, and financial counseling that aims to educate citizens on better managing their money.

We also have created a system of incentives to encourage a savings ethic among our parents. The Smart Saver incentive matches up to the first \$100 deposited into the account in the first year with a dollar for dollar match. Our Financial Education incentive awards parents that have completed online financial education courses with up to \$50 in their child's account. Finally, the Perfect Attendance incentive gives each child a \$1 deposit for every week of perfect attendance.

We are meeting with all 62 school leaders of St. Louis public schools and charter schools. When we meet we ask them to think of ways to adopt College Kids into their culture—some are using account deposits as prizes, others are putting "dress down" money directly into the accounts. We will work directly with the Family and Community Specialist at each St. Louis Public School and a corresponding liaison at the charter schools to communicate with parents about program changes and opportunities to earn and save.

We are currently developing competitions for parents, classes and schools. We're toying with ideas like awards for those that deposit the most frequently or competitions for the schools that are able to have the most active participating parents. We want to be sure to recognize and amplify the voices of champion teachers, parents and schools.

We are also partnering with the Washington University Brown School of Social Work to allow a practicum student to design and implement further outreach strategies. As I'm sure you know, the Brown School has pioneered research for IDA accounts and CSA accounts and we are looking forward to their contributions. We are finalizing a partnership with Harvard University students to examine the impact of the attendance incentive and potential variations in design to determine impact of peers, competition and school enthusiasm.

Are there any philanthropic (foundations or corporate) funders supporting this effort? Are there ongoing discussions with any other funders?

Wells Fargo Advisors has supported the program, and we have also met with local firms and foundations, the Regional Business Council, Enterprise Holdings, the Greater St. Louis Community Foundation, local banks, the Deaconess Foundation and are pursuing meetings with others.

We are interested in engaging more funders. In particular, we are looking for support for our incentive programs and engagement efforts because we know that they are the linchpin in ensuring high parent participation.
