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present today's webinar:

INVESTING IN THE FUTURE OF OUR COMMUNITY:

A CASE STUDY ON FUNDERS' MOTIVATION FOR SUPPORTING CHILDREN'S SAVINGS ACCOUNTS



WHAT IS A CSA?



Programs that combine

**long-term savings
platforms**



**with financial
incentives**



for the specific purpose of
saving for postsecondary education
(or other asset building).

*Thank
you!*



INVESTING IN THE FUTURE OF OUR COMMUNITY

A Case Study on Funders' Motivations for
Supporting Children's Savings Accounts

By Rebecca Loya & Lindsey Stranc
Institute on Assets and Social Policy (IASP)
Heller School for Social Policy & Management
Brandeis University



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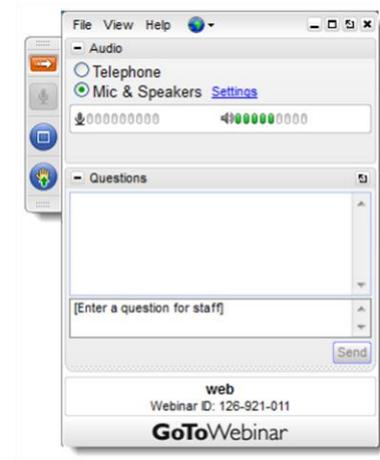


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AGENDA & INTRODUCTIONS

WELCOME

CHRISTI BAKER
ASSET FUNDERS NETWORK



SURVEY BACKGROUND AND FINDINGS

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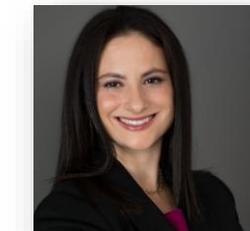
LESSONS LEARNED FROM THE FIELD: FUNDER PERSPECTIVE

GREG MANGUM
ECONOMIC MOBILITY
UNITED WAY OF
METROPOLITAN DALLAS



LESSONS LEARNED FROM THE FIELD: PRACTITIONER PERSPECTIVES

DEBRA-ELLEN GLICKSTEIN
NYC KIDS RISE



Q & A

Investing in the Future of Our Community:

A Case Study on Funders' Motivation for Supporting Children's Savings Accounts

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Overview of the Case Study Report

Research Aims & Methods

Aim

Examine funders'

- Motivations to invest
- Perceived challenges
- Metrics for success
- Role in shaping program structures

Data

Interviews with

- Current funders
- Potential or declined funders
- CSA staff/advocates

Case Studies of 3 Regions

Indiana

Promise
Indiana

New York/ New Jersey

Acorn Fund

NYC Kids
RISE

Dallas/ Fort Worth

Dollars for
College

Fort Worth
Future Fund

Funders' Motivations to Invest



Motivation 1: Educational success

- *“Every single person deserves the chance to educate herself and have a future. It should be limitless. And unfortunately, right now, there are so many limits put on children that there shouldn’t be. So, I think that [the CSA’s work is] leveling out that playing field and saying, “Here’s the opportunity to really be who you want to be.”* – Committed funder
- Education is key to improvements across the life course: Health, parenting, civic engagement:
“...a generational shift”

Motivation 2: Change Families' Approach to Education

- *"We're very much of the mindset that [the CSA] isn't about the money, it's about the conversation and changing the attitudes of these children and their families from a very early age." - Committed funder*
- *"...The money is not even enough to even change [how much] it costs to go to college, but it radically changes the assumption of going to college." - Committed funder*

Key Sources of Info

- **Research**

- *“The world that I’m coming out of in evidence-based policymaking shows that most things have no effect. So, when you can find a correlation that’s pretty strong and suggestive, that can be sufficient to certainly make an investment...”* - Committed funder

- **CSA Staff & Champions**

- *“Our [company] CEO and COO are fully aware of education/health causality. They are very passionate and compassionate people...The ‘heartset’ of our senior leaders was key.”* - Committed funder

Barriers & Challenges

Barriers & Challenges

Funding

- Long time horizon, crowded field
- *"[In] the time horizon, the amount of money that would get set aside and sits in banks is, for philanthropists— I think they would want to know, 'How is this a better use of funds than investing immediately in poverty eradication strategies?'"* - Uncommitted funder

Barriers & Challenges

Sustainability:

- *“Our board is always asking the question of, ‘If this works, who else will join in and fund it?’”* - Committed funder
- *“[It’s] very doable to raise \$500,000, but to do it year after year, and then to have it grow every year would be a taxing amount of money and effort. And you need it to grow every year because every year you have a new cohort of students...”* – Uncommitted funder

Barriers & Challenges

Limitations to existing research

- Data not applicable “to me”
- No long-term outcome data
- *“...Even if data had started being collected on a program five years ago, there’s still no empirical data for [the] final outcome of kids going to go to college because students [enrolled in CSAs] are not going to college yet.” - Uncommitted funder*

Metrics for Success ↔ Program Design

Metrics for Success ↔ Program Design

- Funders' major metrics for success:
 1. Enrollment
 2. Family deposits + other engagement
 3. Academic performance
 4. Equity and inclusion*
- Funders help shape program structures with an eye toward improving these outcomes

Metrics for Success ↔ Program Design

1. Enrollment

- Thresholds for “success” ranged from 55% to 70% for opt-in programs and nearly 100% for opt-out
- *“When we can show that we have activated 70 or 80% of the community to actually sign up, to proactively take that step and to say, ‘We want to do this,’ that resonates with funders, because they know how hard it is to get people to behave, to actually take action...”* –CSA Advocate
- **Program design:** Funders support community ambassador programs, opt-out design, or aggressive outreach

Metrics for Success ↔ Program Design

2. Family deposits + other engagement

- Deposits seen as “skin in the game,” signs of commitment and ongoing interest
- *“We made our donation a matching gift so that our community has a little skin in the game, too. The [CSA] program is asking families to make a contribution and then the community makes a contribution.”* –Committed funder
 - Challenge: Higher-income families have greater capacity to save and benefit from matches
- **Program design:** Funders support matches and benchmark incentives, encourage deposits from community stakeholders

Metrics for Success ↔ Program Design

3. Academic performance

- Includes improved achievement in elementary and secondary school + goal of postsecondary access & success
- *"It's not, 'We'll wait and see [in] 16 years if this program was successful.' It's, 'Even if they don't go to college, and we know not all of them will, we can have an immediate impact on their reading and their math...' It's about [how] we can impact the kids right now."* -CSA Advocate
- **Program design:** Early scholarship programs, long-term commitment

Metrics for Success ↔ Program Design

4. Equity and inclusion

- Emphasis on meaningful access to CSA program for low-income families, children of color, and immigrant families
- *“We needed to have a CSA model that would allow parents who are undocumented or are here on a temporary visa or have an ITIN number...to participate. We needed to make sure that the CSA was not going to negatively count against parents’ income requirements [for] federal benefits... We also needed to have an account that did not require parents to have a minimum deposit to set it up.”* –Committed funder
- **Program design:** Reforms to state 529 plans, build inclusive account platforms

PERSPECTIVES



FUNDER

Greg Mangum

Vice President of Economic
Mobility, United Way of
Metropolitan Dallas



PRACTITIONER

Debra-Ellen Glickstein

Executive Director,
NYC Kids RISE

Dollars for College

Persistent Challenges in Education and Workforce Development

- Too many students are not college or work ready upon high school graduation
- Growing job sectors in Dallas require some post-secondary education for good-paying jobs with a career path

Dollars for College

Theory of Change

Children's Savings Accounts (CSAs) are an effective tool to impact post-secondary enrollment and completion, impacting future earning power, career advancement and economic mobility.

Strategy

- Develop a children's savings account platform and program that can help students and families embrace post-secondary education as an expectation and feel inspired to invest in this goal.
- Partner with schools as a trusted champion to promote a college-going culture with students and parents, and also to integrate grade-appropriate financial education.

Dollars for College

As a funder, we focused on addressing **three key areas:**

Developing a functional product

- Low- and moderate-income families need access to a safe and affordable long-term product to save for their child's postsecondary education

Creating awareness of the future skills gap and employability challenges

- Most good jobs of the future require some type of postsecondary education
- Helping students and families understand the economic importance of postsecondary education to disrupt poverty and build generational wealth

Inspiring future aspirations

- Empowering children to fulfill their dreams for the future, and giving their parents hope and a vision for their child's future success that will be best realized through completing postsecondary education

Dollars for College

Important program drivers for us as a funder:

- The ability to seed and accelerate the opening of accounts “in mass” – made possible through My529’s institutional account platform – that could spark interest in additional deposits from families through their own account
- The ability to match deposits for students – for families to have “skin in the game” and to broaden the base of funding sources
- Partnering with schools to develop deposit incentives that could promote positive student and family behavior (i.e. attendance, reading, parent engagement, etc.)
- The ability to get accounts to \$500 in a reasonable amount of time

Dollars for College

Important program drivers for us as a funder (cont.):

- Changing the mindset of students and parents more important than the savings amount
- The ability to provide opportunity for low income students and parents to fulfill their future dreams, and to support the schools and teachers that are working so hard to help get them ahead.
- The ability to “test and learn” program components, being creative, adaptable, and responsive to the needs of the parents and schools.
- Developing an evaluation plan early on, including hiring an evaluator during the program design process, to ensure that we are capturing useful data to help us learn what works and what needs to be adjusted.

Dollars for College

Key metrics for us as a funder include:

- **Enrollment** (families that opt-in to the program)
- **Engagement:** families that open their own accounts, and the number and amount of family deposits
- **Partnership:** the level of school buy-in and support, and the support of other funders and community partners
- Most good jobs of the future require some type of **postsecondary education**
- Helping students and families **understand the economic importance of post-secondary education** to disrupt poverty and build generational wealth

Dollars for College - Current Program

- Dollars for College connects families with a safe, trusted, easy to access, and low-cost 529 plan– Utah’s My529 plan
- Dollars for College opens an institutional 529 account (Scholarship Account) for each participating student
- Parents must opt-in to be part of the program, so that schools can share student data needed to open the Scholarship Accounts
- Parents must also open an individual account (Family Account) for their participating child, which is linked to the Scholarship Account

Dollars for College - Current Program

- Over two years, the linked accounts can grow to \$500:
 - An initial seed deposit of \$50
 - Matching deposits of up to \$150
 - Incentive deposits of up to \$150
- The incentives are set by the participating schools and can help improve behavior like attendance or parental involvement.
- After two years, the Scholarship Account funds are transferred to the Family Account, and parents can continue to make deposits to grow their child's savings over time
- When the student is ready to pursue post-secondary education or training, they can access these funds to use for qualified expenses

Dollars for College- Outcomes to Date

Lancaster Independent School District

- Program launched in Spring 2019
- Opt-in rate: 85% for cohorts 1 and 2
- Cohort 1: 57% have opened Family Accounts
- Total deposits: \$43,720

Richardson Independent School District

- Program launched in September 2019
- Initial cohort 1 data coming soon

Other school districts and non-school based organizations have expressed interest

We will launch a non-school based account platform in early 2020

Additional program information available at <https://www.mymoneydfw.com/dfc>

PERSPECTIVES



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PRACTITIONER

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NYC Kids RISE



NYC
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Save for College
Program

The Save for College Program

A platform for New York City to save for college and career training, together

NYC Kids RISE, January 2020

Vision

All 1.1 million NYC public school students have a financial asset for college and career training, starting in kindergarten,

and

support from every part of their community to achieve educational and economic success.

Program History & Milestones

Together, NYC Kids RISE and its partners have built and piloted a universal, community driven wealth-building platform.



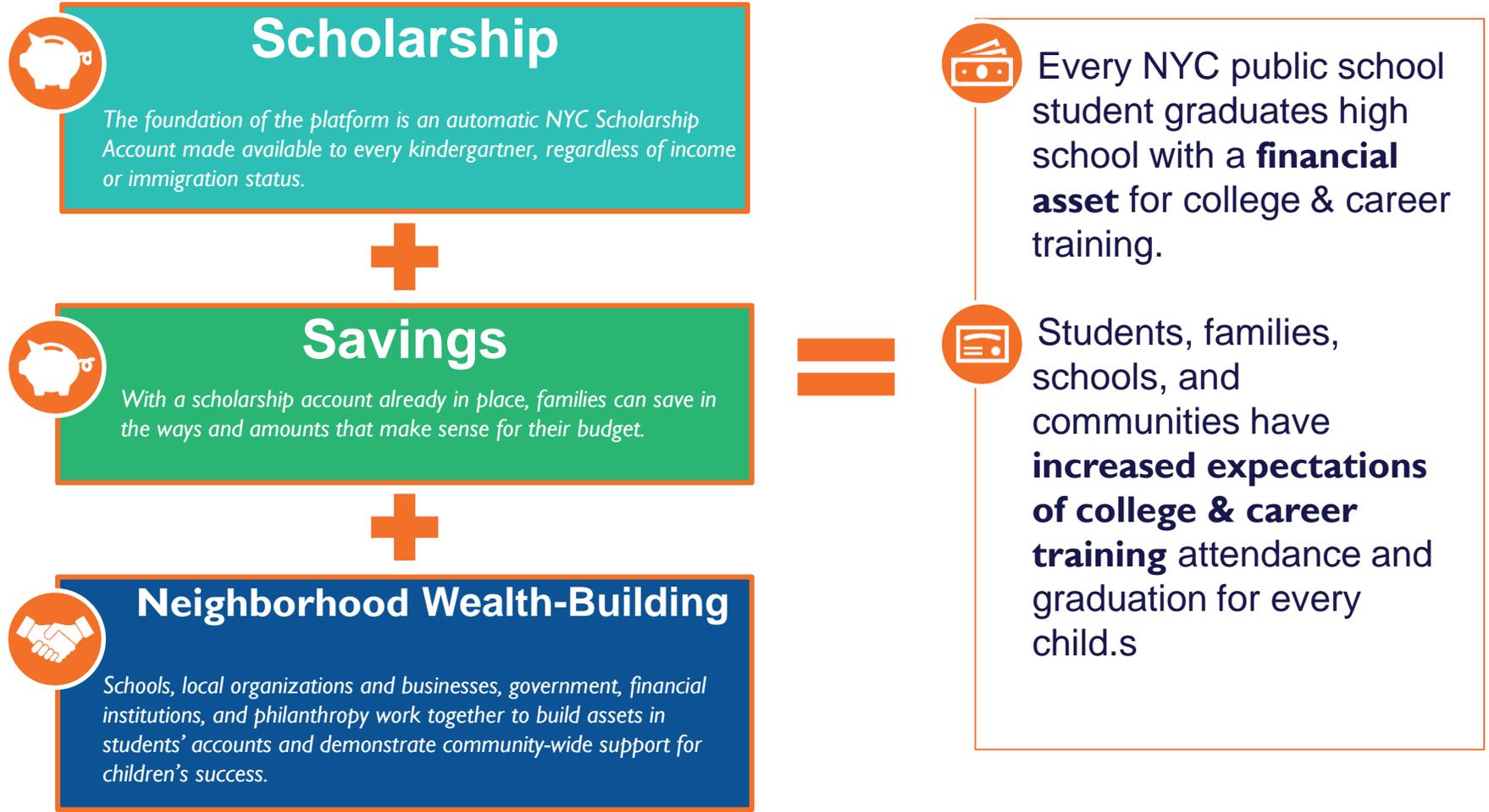
Initial Design Considerations

The initiative's design was informed by the following four priorities across the organization's public and private sector partners.

1. **Removing Barriers:** Enrollment would be automatic, so all kindergartners in participating schools will seamlessly become participants. There is no additional burden on students or their parents to join the program.
2. **Commitment to Inclusivity:** Enrollment would be universal, so all students will have scholarship funds invested for them regardless their income, their immigration status, or the immigration status of their parents. Key program materials would be available in 10 languages, and all in at least three (English, Spanish, Bangla).
3. **Expanding Access to Capital Markets:** Contributions would be invested so students would benefit from compounding earnings.
4. **Platform for Neighborhood-Level Engagement:** Students, as well as their families, neighbors and other stakeholders in the community – from businesses to afterschool programs to places of worship – would be able to contribute to students' education funds. They would also be encouraged to integrate the accounts into their activities.

The Platform

Through the Save for College Program, NYC Kids RISE, students, families, schools, neighbors, and systems across the city can work together to build assets and support expectations for each student's future.



Year 1 prioritized account infrastructure, systems, community outreach, and school engagement



NYC Kids RISE Launch Event at PS 171
(January 2017)



Queensbridge Houses Kick Off Event
(April 2018)



Students Celebrating 529 Day at PS 69
(May 2018)



Savings Tracker Launch Event at PS 2
(March 2018)



Astoria Houses Kick-off Event with Mr. Met
(April 2018)



Inaugural District 30 Schools Conference at
LaGuardia Community College
(July 2018)

Year 2 focused on embedding in schools, community-based organizations, launching Community Scholarships



Back-to-School Building Block Party
Announcing the Savings Match (October 2018)



Parent Coordinator Professional Learning Session for NYC
Scholarship Week (March 2019)



Concert for College
Community Scholarship
Fundraiser (February 2019)



Community-based organization Partnership
Kickoff Event at LaGuardia Community College
(March 2019)



Seamless Donate-the-Change Partnership
Announcement for Community Scholarships
(February 2019)



Family & Community Dinner Held at Jacob Riis
Neighborhood Settlement
(April 2019)

Year 3 has focused on deepening partnerships with families, CBOs, schools, and other local institutions, and expanding Community Scholarships



P.S. 92 Parent-to-Parent Community Scholarship Panel Event (October 2019)



Group shot from the October Family & Community Dinner, with the kids dressed in their "superpower" capes



College visits led by Sunnyside Community Services and Queens Community House (July/Nov 2019)



P.S. 69 parents after attending the "My Kid is Going to College Workshop" hosted at their school (November 2019)



Parent in Action Committee Leaders at Make the Road Back-to-School Event distributing information about the Save for College Program (August 2019)



Astoria Houses Resident Association Save for College Program Breakfast (October 2019)

Measuring Initial Successes

Showing impacts at the individual, school, neighborhood, and system-wide levels has been an important strategy for current and prospective funders.

95%

of all kindergarten, first-, and second-graders (**10,000+**) in District 30 are enrolled and have an NYC Scholarship Account

4x

more likely for a 5 & 6 year old in District 30 to have a 529 account than in 2014²

\$1.5M+

deposited by NYC Kids RISE & the community into students' NYC Scholarship Accounts to date

\$0

minimum initial and subsequent deposit required for the NY 529 Plan, one of the inclusive enhancements made to increase access for NYC's diverse families

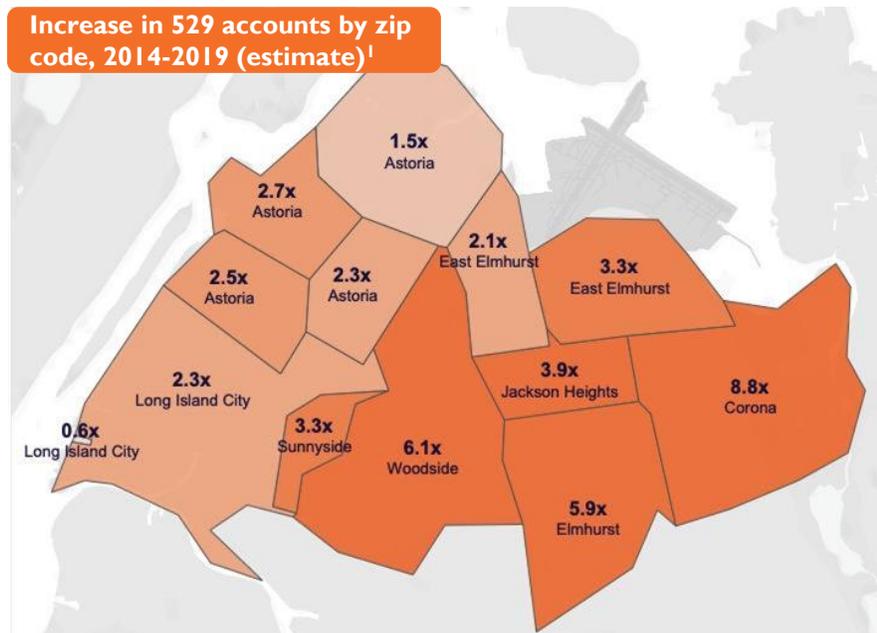
1,200+

529 or bank accounts linked by families within the first two pilot years

\$1.3M+

saved by families in their own accounts since linking

Increase in 529 accounts by zip code, 2014-2019 (estimate)¹



¹As of 7/16/19,

²There was one 529 account for every 21 five year olds, based on NY 529 data from 2014, in the top zip codes where Save for College Program participants reside* There is currently one 529 account for every five kindergarten and first-grade students enrolled in the program.

\$400K

raised in Community Scholarships by local organizations, large corporations, and community members across neighborhoods

39

elementary schools (100% of eligible schools) equipped with financial education lessons in the classroom and new college-and-career and asset-building activities for entire families

Learnings from Funder Relationships

As a public-private-community partnership, we are working to make system-level change and we need everyone around the table to do that.

- We have worked closely with many different partners from many different organizations, institutions and communities to **create a theory of change around a universal, community-driven asset building platform** that:
 - 1) Is embedded in homes, schools, and neighborhoods;
 - 2) Operates at the family, school, neighborhood, and system-wide levels; and
 - 3) Recognizes and supports other stakeholders and their critical and connected roles as part of an ecosystem.
- **We are focused on building a decentralized platform that centers neighborhoods and that can operate at scale.** The system- and policy-level changes have been particularly appealing to many funders.
- Our strategy is to recognize that we are trying to make system level change and we need everyone around the table to do that. **This is a multi-sector, multi-stakeholder public private partnership, and we know we will only be successful if we honor and harness everyone's expertise.**



NYC
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Save for College
Program

Thank You

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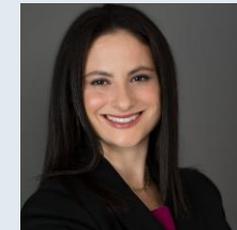
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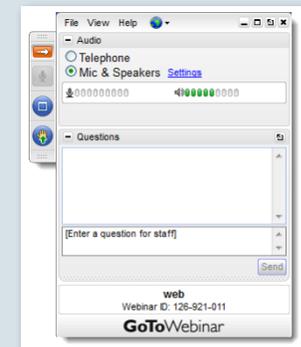
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