

FACTSHEET

How Philanthropy Can Support Equity in Statewide Children's Savings Account Programs

Philanthropy has an opportunity to improve equity by partnering with statewide Children's Savings Account (CSA) programs.

CSA programs are associated with, among other outcomes, facilitating a [college-bound identity](#), improving [educational performance](#) in [elementary and secondary school](#) and [maternal mental health](#), and private funds alongside statewide programs, have the potential to increase savings for postsecondary education (PSE) in a more equitable manner.

- Several states, such as Illinois, Massachusetts, Maine, Nebraska, and Pennsylvania, have statewide CSA programs to help families save money for their children's educational pursuits post high school
- By offering all children an initial deposit into a CSA, states are able to provide a baseline dollar amount which families can contribute to in order to save for education
- In 2021, public and government sources spent [\\$40.4 million](#) on these programs, with private funders investing \$17.4 million

"Universal, automatic, and progressively seeded CSAs may help to mitigate some of the disadvantages that families and communities in poverty face as they seek to save for postsecondary education."¹ In most cases, legislated CSA programs are not able to offer progressive subsidies for families from different income backgrounds. This creates an opportunity for philanthropy.

1 Elliott, W., Lewis, M., O'Brien, M., LiCalsi, C., Brown, L., Tucker, N., & Sorensen, N. (2017). Contribution activity and asset accumulation in a universal children's savings account program. Ann Arbor, MI: Center on Assets, Education, and Inclusion, University of Michigan. <https://aedi.ssw.umich.edu/publications/1876-contribution-activity-and-asset-accumulation-in-a-universal-children-s-savings-account-program>.

How can philanthropy effectively increase equity through collaborating with existing statewide CSA programs?

- Identify desired goals and geographic boundaries, then engage with the data to understand how investing in CSA programs can have an equitable effect
- Explore how this investment (or creating an endowment) can be a part of your philanthropic strategy long term
- Support CSAs in a way that fits your funding priorities:
 - Pilot additional deposits for identified populations such as Black, Latinx, and Indigenous people or regions, such as rural communities
 - Fund research and narrative change into the benefits of CSAs and PSE
 - Explore supporting outreach to families to improve enrollment

How can states engage with philanthropy to fund additional deposits?

- Research the organization's priorities and help connect interested funders to data and information to build their understanding of how investing in CSA programs can be a long-term component of their equity funding strategies
- Be open to alternative investments such as funding for research, outreach, or pilot programs that augment the state funded baseline CSA
- Know that funders who invest in early childhood education, k-12 education, or healthcare may be more compelled by key shorter-term outcomes of CSA's than the longer term postsecondary education or workforce development outcomes.