Just as bringing Children’s Savings Accounts to scale requires the engagement of a range of stakeholders, the 2014 Children’s Savings Conference would not have been possible without the contributions of a host of organizations and people from across the field throughout the planning and execution of the event. CFED extends its deepest gratitude to the supporters of the Conference: the W. K. Kellogg Foundation, Citi, Citi Foundation, PNC, and the Miller Wehrle Family Foundation. We also thank the moderators and speakers whose deft facilitation made the Conference an engaging, productive and successful event.

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The 2014 Children’s Savings Conference, *From Aspirations to Achievement*, demonstrated the tremendous energy, momentum and dynamism of the children’s savings field and how far it has come since the last national conference five years ago. Dozens of new programs have sprouted across the country, including major new epicenters of energy in cities, counties and states. A new crop of champions has emerged at the state and local levels, including governors, treasurers, agency heads, mayors and county executives. New research and effective advocacy are making an increasingly powerful case for investing in asset building for children.

The overarching takeaway from the Conference is that practice, policy and research are coalescing to make this an opportune moment for scaling Children’s Savings Accounts (CSAs). The time for action and commitment is now.

In planning the conference, CFED aimed to both recognize the tremendous progress and energy of the field, while also leveraging the event to harness the collective wisdom of the field to grapple with the significant hurdles that still exist in scaling CSAs. The Conference succeeded in engaging 290 participants in frank discussions on topics of germinal importance to advancing children’s savings. These conversations yielded the following insights:

- **Account Products.** A set of turnkey account products would make children’s savings programs easier to launch and scale. To accomplish this, the field is exploring two options: reforming existing products—such as 529 college savings plans—to make them work better for low-income families, and emerging options such as online account platforms that could be available to CSA programs anywhere or stored value (prepaid) cards as a deposit option for families that prefer cash or are unbanked.

- **Integrating Children’s Savings into Public Systems.** CSA programs can tap into existing platforms serving large numbers of children whose missions align with the goals of expanding financial capability and opportunity. For example, CSAs support educational objectives such as academic achievement, college attendance and enhanced financial literacy skills. For social service and housing agencies, children’s savings can be part of a two-generation strategy to serve both vulnerable children—by building a nest egg for higher education—and their parents, by connecting them with other asset-building services and helping them become banked.

- **Sustainable Funding.** Four key sectors—public, private, nonprofit and philanthropic—play essential and complementary roles in providing sustainable, long-term funding, and the most successful large-scale programs leverage a combination of the four sectors to support their work. The private sector in particular holds untapped promise because of the alignment between the goals of CSAs and those of corporate social responsibility programs.

- **Child and Family Savings Participation.** Children’s savings programs have identified a few strategies for increasing savings participation—such as utilizing peers as “ambassadors” and using raffles or games to involve families—although these have succeeded in moving the needle only slightly. The field is also having a more fundamental conversation about how important the level and rate of savings are as measures of success.
Growing the Children’s Savings Movement
From Aspirations to Achievement:

Children’s savings aligns with growing national interest in addressing economic inequality and expanding opportunity, particularly college access for low-income young people. Policy ideas range from broad, national policies—such as universal, progressive, at-birth CSAs—to smaller-scale changes that can help lay the foundation for scaling children’s savings, such as reforming 529s at the state level to make them more user-friendly for low-income families.

CFED believes that the insights shared at the Conference around these topics suggest six directions to move the field toward scale:

- **Federal, State and Local Policy.** Children’s savings aligns with growing national interest in addressing economic inequality and expanding opportunity, particularly college access for low-income young people. Policy ideas range from broad, national policies—such as universal, progressive, at-birth CSAs—to smaller-scale changes that can help lay the foundation for scaling children’s savings, such as reforming 529s at the state level to make them more user-friendly for low-income families.

- **Expand the Evidence Base.** The field hungers for more research to help practitioners and policymakers learn the most effective and efficient ways to increase savings participation and maximize the impact of different types and amounts of savings incentives. Key next steps are to facilitate connections between researchers and practitioners to create opportunities to pursue additional research, assist practitioners in planning for impact evaluation from the onset of new CSA programs, and convincing philanthropists of the importance of funding children’s savings research and evaluation.

- **Explore New Account Platforms and Improve Existing Products.** Since a universal, off-the-shelf product has proven elusive, a more realistic goal is to cultivate a marketplace with a range of readily available, user-friendly products that new programs can easily adopt. The field needs both to explore a broader range of options—including prepaid cards and online, universally accessible accounts—and to advocate for improvements on existing products, especially 529 accounts.

- **Tell the Story.** We need to tell a compelling story about CSAs and their impact to a wider range of stakeholders in related sectors, such as education, social services and housing, as well as to policymakers at various levels of government and from across the political spectrum. We should deploy a multifaceted strategy that spans a range of media, channels and approaches—including film, online video, social media and print media—that can relay the children’s savings message in multiple ways to raise the profile and level of support for CSAs. Current and former young accountholders, as well as their parents, can serve as powerful advocates in support of this effort.

- **Develop a Sustainable Multi-Sector Funding Strategy.** The field needs to create long-term funding strategies that leverage recurring revenue streams from a combination of sectors. Next steps include exploring corporate funding opportunities, recruiting public sector champions to support public investment for CSAs, and crafting messaging about the benefits of CSAs that resonate with education-focused foundations, community foundations and funders focused on economic mobility.

- **Embrace the Diversity of Policy Ideas.** CFED believes our objective as a field is not to seek complete consensus on policy goals, but rather to cultivate a range of viable policy options from which policymakers can choose based on their goals and current political conditions. Key action steps for advancing children’s savings policies are to create a coordinating body to enhance advocacy efforts and ensure that we reach a wide-ranging group of potential champions, to continue pursuing wins at the state and local levels while also pursuing federal action, and to cultivate new champions at all levels of government and across a range of fields and sectors.

- **Build a Strong Infrastructure to Support a Growing Field.** As the field continues to grow, it needs a stronger and more comprehensive infrastructure to facilitate information-sharing, disseminate best practices and provide support to emerging programs. Specific action steps include developing a centralized online clearinghouse for CSA information, holding regular field convenings, developing communication tools, convening working groups, and creating tools and how-to guides for practitioners.
CFED believes that we as a field have a golden—but not unlimited—opportunity to significantly scale CSAs, and that we must strike while the iron is hot. Accomplishing these goals will require significant resources and participation from a range of organizations. CFED is ready and willing to take on significant aspects of this work and to lend our support to our partners in the field as they take on others. We believe that it is through the contributions and action of a wide array of stakeholders that the children’s savings field will attain both scale and sustainability. We look forward to continuing to work together to expand CSAs so that every child in the United States can have a nest egg for his or her future.

About this Document

This document is divided into three sections. The first section, labeled “Conference Overview,” describes the agenda and goals of the Conference. Section two, “Conference Highlights,” offers high-level summaries and takeaways for each of the key themes discussed during the Conference. The third and final section, “Moving Forward: A Roadmap to Scale,” describes, from CFED’s perspective, a set of paths for advancing the field based on insights from the Conference. This document is not meant to be a comprehensive summary of all of the events of the Conference, nor does it profess to represent the views of all attendees. However, our hope is that it will stimulate further conversation among Conference participants and the wider field to spur action that moves children’s savings to scale.
"This is not only about individual savings... It’s about creating systems that can include people that will generate asset building over a long period of time."

Michael Sherraden, Center for Social Development
In April 2014, CFED was honored to host the 2014 Children’s Savings Conference, From Aspirations to Achievement. Since the last large national children’s savings conference in 2009, the landscape of this growing field has changed dramatically:

- Dozens of new programs have sprouted across the country, including major new epicenters of energy in cities, counties and states (see map below for just a few of the many examples).

- Public-sector leaders at the local, state and federal levels are identifying children’s savings as a priority. Arne Duncan, Secretary of the U.S. Department of Education, not only supports the concept of children’s savings, but also endorsed the idea publicly at the Conference via a video address. A new field of champions has emerged at the state and local levels, including governors, treasurers, agency heads, mayors and county executives.

- New research and effective advocacy are making an increasingly powerful case for asset building for children. Compelling new data are being released thanks to a cadre of researchers and thought partners from a wide range of respected academic institutions, and is being brought to the attention of decision-makers by a committed group of advocates, policy organizations and think tanks.

Yet for all the promise and opportunity, the ultimate goal of a Children’s Savings Account (CSA) for every child in the United States has yet to be realized. As CFED planned the 2014 convening, it quickly became clear that the most powerful and productive use of this gathering would be to harness the collective wisdom of the field to help move us closer to achieving this goal, and to grapple with the most significant barriers that have impeded CSAs from reaching scale.
Growing the Children's Savings Movement

From Aspirations to Achievement:

Through planning conversations with external stakeholders from across the field, CFED identified five issues of primary importance to advancing children’s savings:

- Maximizing participation and deposit-making by children and families
- Developing account products that work for CSA programs
- Integrating children’s savings into public systems, such as schools and social services
- Building long-term, sustainable funding streams
- Growing CSAs through federal, state and local policy initiatives

These five topics became the frame around which we structured the conference agenda. Recognizing the depth of experience and knowledge among presenters and attendees alike, we set out to craft sessions that allowed for a two-way dialogue about these big issues, with the goal of generating new ideas and providing insights as to how to move the field forward.

The Conference demonstrated the momentum, vitality and growing diversity of the children’s savings field. In all, 290 attendees, representing a wide range of sectors and perspectives, came to Washington, DC, to engage in honest, creative conversations about the obstacles and opportunities we face together. It would not have been possible to resolve all of the challenges of this fledgling field at a single two-day conference, and indeed, many important questions remain. But, it is very clear that attendees were successful in substantially furthering the conversation and in generating important new ideas. CFED is deeply grateful to all who joined together at this event, in service to a vision of opportunity for every child in the nation.

“Please keep digging so that we can more fully understand youth savings and its role in promoting financial capability and improving post-secondary educational outcomes.”

Arne Duncan, Secretary of the U.S. Department of Education
II. Conference Highlights

The Conference featured four plenaries, eight concurrent sessions, five roundtables and an idea exchange, each of which generated rich conversation around what it will take to bring children’s savings initiatives to scale. The following is a high-level synopsis of those discussions.

"We really need research. We really need a better understanding of what motivates. How important is it to have an active savings component and get families engaged in deciding each month by themselves what they can put in?"

Jose Cisneros, Treasurer of the City and County of San Francisco, California

Child and Family Savings Participation

Generating high levels of take-up and savings participation is a challenge for virtually every children’s savings program, but discussions at the conference indicate that the field is rethinking expectations around savings among children and their families. During the opening plenary and the subsequent session entitled “Effective Strategies for Boosting Family Participation,” Frank DeGiovanni of the Ford Foundation pointed out that there are no defined benchmarks for evaluating Children’s Savings Account (CSA) savings rates. Many policymakers and funders expect high rates of participation, yet when compared with other savings vehicles, such as 529 college savings plans and IRAs, the take-up rate for CSA programs stacks up favorably. Even more fundamentally, DeGiovanni asked participants to consider whether child and family savings is even essential to the outcomes that CSA programs seek to achieve. For example, if a program’s goal is to build low-income children’s educational aspirations, increase their financial know-how and give them a monetary boost
toward higher education, do they need to save their own money, or is providing a seed deposit1 enough to meet those objectives?

While broader questions about the relevance of savings participation remained unresolved at the close of the Conference, presenters and participants clearly outlined the behavioral, structural and programmatic barriers to savings participation, including:

- **Product design and accessibility.** CSA structures can be confusing for families who are unfamiliar with the banking system or investment products. In addition, product accessibility may be limited for families living in rural areas or those with inadequate internet access.

- **Economic barriers.** Decades of practice and research have shown that when given the opportunity, appropriate structure and incentives, low-income families can and do save. However, they still face significant financial challenges, such as unstable or variable income, higher unemployment and lower wages, which can make setting aside money for savings on a regular basis more difficult. Families are willing to make the sacrifice to save, but it isn’t always easy.

- **Complicated incentives.** Savings incentives, especially benchmark2 and matching incentives, can be difficult to explain and understand, thereby preventing take-up rates from reaching their full potential.

Presenters and participants identified strategies for boosting participation that aim to change mindsets and behaviors, including:

- **Using incentives** that are well-designed and clearly explained to spur savings.

- **Involving peers and other trusted ambassadors,** such as parents of young accountholders or teachers, to promote CSA programs.

- **Making it fun** by building excitement through games, competitions, and raffles.

- **Meeting people where they are** by setting up deposit and marketing opportunities in places where families access benefits or handle money.

Though these strategies have been helpful in boosting participation, speakers acknowledged that none of these are a “silver bullet” and that much more research is needed to identify effective ideas.

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1 A “seed” or initial deposit is often made automatically on behalf of the young accountholder to meet a minimum deposit requirement, to facilitate account opening, and/or to encourage the accountholder to make additional deposits.

2 Benchmark incentives are used to encourage desirable behaviors in children and/or parents such as completing financial education, attaining certain grades or making consistent deposits.
“It all starts and ends with the match!”

Angela Carson Hines, mother of account holders Asia and Adriana.
Account Products

In the absence of an ideal account product, programs are still making CSAs work. The field consensus is that a set of turnkey account products would go a long way toward making children’s savings programs easier to launch and scale. Most Conference attendees appeared to agree on the important features of these accounts: no or low minimum opening balance, no or low fees, multiple deposit options (including in-person) and the ability to open a large number of accounts automatically.

In the “Cultivating a Children’s Savings Marketplace” session, speakers and participants shared a number of insights about creating effective products:

- **Bank or credit union savings accounts** can be a viable option for smaller programs, but financial institutions have yet to demonstrate how they can be scalable. These accounts are often costly to administer, and the footprints of many banks and credit unions can be too limited to reach all families in a large geographic area. Future steps for expanding this option include strengthening the business case for financial institutions, exploring system-wide approaches for institutions such as credit unions, and leveraging mobile banking as a means to reduce costs and expand access.

- **529 college savings plans** are an increasingly important and scalable option, because the infrastructure is already in place throughout the country and the plans are already designated for long-term, postsecondary education savings. Several new large-scale children’s savings programs are built on 529 platforms, with more in the pipeline. The major hurdle to using 529s is that many states do not offer a savings product that works well for low-income families. Often, 529 accounts require high minimum deposits for opening accounts and high minimum ongoing deposits, and they only allow electronic deposits from existing bank accounts. Some children’s savings programs are working around this by tapping into 529 plans from other states that are more user-friendly for low-income families, such as Utah’s 529 plan.

- **Online account platforms** that are accessible to CSA programs across the country may make it easier for new programs to tap into existing products.

- **Stored value (prepaid) cards** may be a potential deposit option for families that prefer cash or are unbanked.

Making a business case is essential for garnering the support of any financial institution. We cannot expect that financial institutions will work with children’s savings programs simply because it is the right thing to do, without regard to sustaining their own lines of business. Rather, we need to show the impact of offering these products on their bottom lines. One potential strategy for incenting financial institutions to provide CSAs is to leverage public or private sector assets. For example, Cuyahoga County, Ohio, Executive Ed FitzGerald shared that the County did not receive any bids when it initially sought financial institutions to hold its college savings accounts. However, when the County required financial institutions to provide college savings accounts as part of the bidding process for the County’s overall banking business, it received several applications.

Integrating Children’s Savings into Public Systems

Integrating children’s savings into public systems was highlighted throughout the Conference as a key strategy for reaching scale. Rather than developing new programs, states and school districts can work with financial institutions to offer children’s savings accounts as part of their existing programs.

“Schools are an arm of the state. They can play a very important role in reducing the barrier to entry and bringing large numbers of young people on board.”

Robert Annibale, Citi

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1 529 plans, legally known as “qualified tuition plans,” are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code. 529 plans allow consumers to save for higher education in a specially designated account product, and/or to purchase prepaid tuition credits. All states have in-state 529s, except for Wyoming. More information is available at [http://www.sec.gov/investor/pubs/intro529.htm](http://www.sec.gov/investor/pubs/intro529.htm).
infrastructure, programs can tap into existing platforms serving large numbers of children. During the conference, participants heard from social service providers, housing agencies, child support programs and schools that have or are planning to embed children’s savings programs into their services. Their rationales for doing so varied, but the overall theme was that children’s savings contributes to achieving their missions.

Education Systems

Education systems are an ideal platform for reaching a wide range of children. Children’s savings align with a number of goals commonly held by schools and college access programs, including:

- **Fostering academic achievement.** Having an account designated for higher education may build up children’s college-bound identities (i.e., their sense of themselves as someone who will attain higher education). In fact, research indicates that low- and moderate-income children with college savings ranging from just $1 to $499 were three times more likely to attend college and four times more likely to graduate from college than those without savings.4

- **Teaching financial capability.** Many states require schools to teach financial capability, and pairing the action of saving with a classroom financial education curriculum can be an effective combination.5

- **Financing postsecondary education.** CSAs are a piece of the college affordability puzzle for low- and moderate-income families. Faith Sandler of the St. Louis Scholarship Foundation, which is planning to launch a CSA program for eighth graders to complement its low-cost loans and scholarships, explained that savings are a way to start the college-financing conversation early.

Although education systems can be ideal platforms for children’s savings programs, participants in “Beyond the Classroom: Education Systems as a Platform for Children’s Savings” explained that schools’ limited resources and competing priorities can make it challenging to obtain buy-in from the superintendents, principals and teachers needed to help make a program successful at the local level. It is important to stress to these stakeholders that rather than detracting from their educational goals, CSAs can support and enhance them.

Social Service and Housing Systems

For social service and housing programs, children’s savings can be part of a two-generation strategy that aims to serve the needs of vulnerable children and parents together.6 By involving children and parents alike in financial education and savings, CSAs can serve as a bridge to connect families to financial management and asset-building tools and products. Research from the SEED for Oklahoma Kids (SEED OK) experiment7 presented by Margaret Clancy of the Center for Social Development at Washington University in St. Louis supports the value of a two-generation approach. Clancy’s data show improved outcomes for both parents and children with a Children’s Savings Account, including better social-emotional development for children and reduced maternal depressive symptoms in mothers whose children had the accounts compared to those without accounts.8

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5 See, for example, the research brief from the Assessing Financial Capability Outcomes (AFCO) youth pilot, available at [http://cfed.org/assets/pdfs/AFCO_youth_brief.pdf](http://cfed.org/assets/pdfs/AFCO_youth_brief.pdf).


7 SEED for Oklahoma Kids (SEED OK), which began in 2007, is a large-scale policy test of automatic and progressive Children’s Savings Accounts (CSAs). Participants were randomly assigned to the treatment group, which received a SEED OK CSA, or the control group, which did not. More information is available at [http://csd.wustl.edu/AssetBuilding/SEEDOK/SeedsOK.aspx](http://csd.wustl.edu/AssetBuilding/SEEDOK/SeedsOK.aspx).

“I’m working harder at school, because I see that my parents and my family are putting their money that they get from their jobs into the account so I can go to college.”

Adriana Hill, a fifth-grader at KIPP DC and CSA accountholder
In the closing plenary, Ray Boshara of the Federal Reserve Bank of St. Louis along with Bob Friedman of CFED, Amanda Feinstein of the Haas Foundation, and Lisa Mensah of the Aspen Institute shared his main takeaways from the Conference and discussed his vision for advancing children’s savings.
The Conference speakers from social service and housing programs explicitly and implicitly utilized the two-generation approach as rationales for integrating CSAs into their services:

- **Colorado Department of Human Services (CDHS).** For CDHS, CSAs can lead the way to implementing a broader statewide financial empowerment strategy for families, which has been identified as a gap in the state’s system to help low-income families move beyond poverty. CSAs provide a two-generation gateway to build children’s savings while also growing parents’ financial knowledge, encouraging them to become banked and connecting them to asset-building services.

- **Kansas Child Support Savings Initiative (CSSI).** CSSI, which reduces noncustodial parents’ state-owed child support arrears by two dollars for every one dollar contributed into a college savings account for their children, was born of the state’s dual concerns about the magnitude of state-owed arrears and childhood poverty.

- **Tacoma (WA) Housing Authority (THA).** CSAs are part of THA’s overall strategy to help families receiving housing assistance build assets and become financially self-sufficient. By encouraging children to attain postsecondary degrees, CSAs lessen the likelihood that children growing up in households receiving housing support will need that assistance themselves as adults.

### Sustainable Funding

Conference discussions focused on identifying untapped funding sources that can help promote scale and explored the unique roles of four key sectors—nonprofit, public, private and philanthropic—in securing funding. In the session “Building Hope for the Long-Term: Creating Sustainable Funding Strategies for the CSA Field,” participants shared the following insights:

- **The public sector** is best positioned to seed accounts, underwrite operations and leverage its assets to incent the participation of the private sector in CSA programs.

- **The private sector** offers several possibilities for raising funds, particularly for matching incentives:
  - **Corporate social responsibility (CSR)** is increasingly important to companies and consumers alike, and CSAs fall into the sweet spot
for CSR by encompassing two popular causes: children and education.

- **Corporate partnerships** can provide a platform for matching-gift campaigns with employees.
- **Crowdsourcing** holds promise as a vehicle to connect smaller, more diverse donors with savings programs across the country.

- **A promising idea for combining public and private funding** is using the fees paid to the state by the private companies that serve as states’ 529 program managers to fund CSA incentives, as Nevada is doing in its College Kick Start program.

- **Nonprofits can play an essential role** in accessing philanthropic and other sources of money. For example, the 1:1 Fund generates and bundles large and small contributions from individual, corporate and philanthropic donors to support CSA programs.

- **Philanthropic support** is particularly important for launching programs. Beyond traditional asset-building supporters, CSA programs can tap into other funders whose missions and goals align well with CSAs, such as scholarship funders, education-focused foundations, community foundations, and funders focused on economic mobility and inequality issues.

The Conference highlighted that the most successful large-scale programs leverage a combination of the four sectors to support their work. For example, San Francisco’s Kindergarten to College program uses city government money for administration and seed deposits, while matching incentives are funded through various institutional philanthropic sources, including community foundations, as well as corporate donations and individual donations bundled through the 1:1 Fund’s online platform.

**Federal, State and Local Policy**

A widely expressed sentiment at the Conference was that now is an opportune policy moment for expanding children’s savings because of the alignment with growing national interest in addressing economic inequality and expanding opportunity, particularly college access for low-income young people. Speakers and participants also agreed that CSAs have appeal across the ideological spectrum, because they focus on opening opportunities for children to succeed. Presenters and attendees had robust discussions about a range of children’s savings policy ideas—from ambitious national programs to more modest reforms of existing savings systems—and a variety of strategies for achieving policy wins.

The broad federal policy ideas highlighted at the Conference were:

- **Universal, progressive, at-birth CSAs** funded by the federal government.\(^9\)
- **A tax-based CSA** built upon existing credits, such as the Child Tax Credit, the American Opportunity Tax Credit or the Earned Income Tax Credit.\(^10\)
- **Pell Grant reform** to advance a portion of a child’s anticipated Pell Grant into a college savings account starting around middle school.\(^11\)

\(^9\) The most prominent example of this type of proposal is the ASPIRE Act. More information is available at [http://assets.newamerica.net/the_aspire_act](http://assets.newamerica.net/the_aspire_act).


Other conference attendees proposed smaller-scale changes that can help support the advancement of CSAs, including:

- **Removing asset limits** from federal and state benefit programs so that low-income families are not penalized for saving in a CSA.

- **Reforming 529s** in states to make them more user-friendly for low- and moderate-income families and easier to use as a savings vehicle for CSA programs.

- **Implementing limited national initiatives**, such as that proposed in the American Dream Accounts Act, to test out new CSA strategies.

Participants in the session titled “From Aspirations to Policy Adoption: Making Children’s Savings a Winning Issue” explored key policy questions and came up with the following four-pronged strategy for advancing children’s savings at the state and local levels:

- **Promote CSAs with state and local agency leaders** by identifying synergies between the missions of their organizations and the goals of CSA programs.

- **Develop and support champions for children’s savings among political candidates and elected officials** at various levels of government.

- **Create coordinated advocacy campaigns and develop resources for advocates**, including a toolkit on campaign strategies, a menu of CSA program models and a set of best practices.

- **Involve accountholders and their families in advocacy efforts**, as they can be powerful voices to illustrate the impact of CSAs.

In the plenary “Taking the Lead: Champions for Children’s Savings in the Public Sector,” top leaders from the public sector, including Cuyahoga County Executive Ed FitzGerald, explained why they support children’s savings and shared insights about expanding these initiatives in other cities and states.
The 2014 Children’s Savings Conference demonstrated the tremendous energy, momentum and dynamism of the field and how far it has evolved since the last national conference five years ago. Catalyzed by the Saving for Education, Entrepreneurship and Downpayment (SEED) Demonstration, a whole new crop of CSA program models, stakeholders and policy ideas has sprung up in recent years. CSAs have found their raison d’être as vehicles for promoting opportunity and access to education for low-income young people. Plus, the field now has foundational evidence showing the impact of children’s savings to make the case to funders and policymakers alike. The overarching takeaway from the Conference is that practice, policy and research are coalescing to make this an opportune moment for scaling CSAs. The time for action and commitment is now.

Yet for all the promise and opportunity, significant hurdles still exist in scaling CSAs, and while the Conference fostered productive conversations about how to overcome these barriers, much work remains. This section presents CFED’s insights about the paths for advancing the field, along with concrete action steps for moving toward an account for every child in the United States.

### Expand the Evidence Base

Research supporting the positive impact of children’s savings has grown substantially over the past several years, including the powerful findings presented by Conference speakers William Elliott (Assets and Education Initiative, University of Kansas) and Margaret Clancy (Center for Social Development, Washington University in St. Louis). At the same time, the field hungers for more research to help practitioners and policymakers increase savings participation and maximize the effectiveness of different types and amounts of savings incentives. The research needs of the field fall into two categories: data to inform the design of CSA programs and data to build up the evidence base.

#### Research to Inform the Design of CSA Programs

Although some best practices have emerged based on a decade of field experience, many aspects of program design—particularly how much and what type of incentives to provide—are done through trial and error. Additional research on three primary topics would enable program designers to make informed decisions about how to most effectively design their programs and allocate their resources:

- **Incentives.** Research is needed to determine whether the different types of incentives (seed deposits, benchmark incentives and savings matches), as well as different amounts of incentives, have disparate impacts on savings behavior and long-term outcomes for children.

- **Boosting participation.** Most of the strategies identified during the Conference for increasing savings participation have only moved the needle a little; additional research is needed to develop more effective methods. In particular, this field could benefit from using more insights from behavioral economics and increased knowledge sharing with international children’s savings programs.

- **Impact of participation.** An important outstanding question is whether it is essential for children and families to contribute their own deposits to the accounts or if CSAs can be effective when funded solely through third-party contributions.

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12 The Saving for Education, Entrepreneurship and Downpayment (SEED) initiative was the first national test of children’s savings accounts. The SEED Initiative developed, tested and implemented matched savings accounts and financial education for more than 1,300 low-income youth at twelve community partner sites. To learn more about the SEED Initiative, click here.
While we have foundational evidence to support the impact of CSAs, additional research in the following areas would further strengthen the case as the field seeks additional funding and policy support for scaling CSAs:

- **Short- and Medium-Term Impacts.** Since it can take ten years or more to demonstrate postsecondary educational outcomes, short- and medium-term metrics would help illustrate the effectiveness of CSAs to funders and policymakers. These data points could include elementary academic achievement, financial knowledge and expectations of college attendance.

- **Long-Term Impacts.** Current research on the effects of savings on college attainment is culled from general college savings data, rather than evaluations of CSA programs. The field needs to conduct more longitudinal evaluations of children’s savings programs to assess the impact on accountholders’ postsecondary education completion, income as adults and overall financial capability, as well as potential effects on their parents.

The primary barrier to conducting this much-needed research is lack of financial resources. Funders that support scaling CSAs should make research and evaluation a funding priority, and program designers should include evaluation costs as part of their budget projections when writing proposals.

### Action Steps

1. **Facilitate connections between researchers and practitioners** to create opportunities to pursue the lines of research identified above.

2. **Assist practitioners in setting up data collection mechanisms** and planning for impact evaluation from the onset of new CSA programs.

3. **Develop and implement a strategy to convince funders of the importance of financially supporting children’s savings research and evaluation.**

### Explore New Account Platforms and Improve Existing Products

Since a universal, off-the-shelf account product is proving elusive, CFED believes a more realistic goal is to cultivate a marketplace with a range of readily available, user-friendly products that new programs can easily adopt. The field needs both to explore a wider range of options—including prepaid and online accounts—and to push for improvements on other existing products that hold important promise, such as 529 accounts.

### Action Steps

- **Pursue 529 reforms at the state level** to ensure that every state has a plan that is user-friendly for low-income families with low or no fees, no minimum balance or deposit requirements, and multiple deposit options.

- **Advocate for federal and state level tax law changes** that would enable low- and moderate-income families to benefit from the tax advantages of 529s that are now mainly reaped by higher-income taxpayers.\(^\text{13}\)

- **Work closely with online account providers** to develop platforms that work for CSAs across the country at a cost that is feasible both for programs and providers.

- **Explore prepaid cards** as a deposit option for families that prefer cash or are unbanked.

- **Build the business case** to incent financial institutions to offer accounts that work well for families participating in CSA programs.

### Tell the Story

The energy of the movement was palpable during Conference sessions, and as a field, we must do more to convey that energy outside our own circles. The children’s savings space has widened to include some stakeholders from the education and social service sectors, as well as a range of policymakers (though most are from the left side of the aisle), and yet much work remains to create the momentum needed for reaching scale. Practitioners, advocates and researchers need to tell a compelling and accessible story about CSAs and their impact to more

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“It is quite reasonable to expect at least another 25 years of accelerating growth.”

Bob Friedman, CFED

La Terra Cole, former CSA participant, urged the field to tap into the “great resource of people who have benefited and been successful in children’s savings programs ... and leverage the energy that’s coming out of that.”
stakeholders in key sectors (such as education, social services and housing), to policymakers at various levels of government and to politicians across the political spectrum. In so doing, the field should also amplify the voices of families who have benefitted from the accounts as powerful advocates.

Develop a Sustainable Multi-Sector Funding Strategy

With the rapid growth of CSAs in the past few years and strong prospects for even more expansion in the near future, we have reached a critical juncture around funding for this field. A substantial financial shot in the arm is essential to supporting the work needed to scale up CSAs, including building the field infrastructure, conducting research and evaluation, and coordinating advocacy efforts to galvanize a potent movement. CFED believes that the philanthropic sector, particularly through the foundations that supported the initial development of this field, is in the best position to provide this crucial funding.

Of course, funding from philanthropy is not sufficient by itself to sustain the expansion of children’s savings programs. The field needs to frame out longer-term strategies that leverage recurring and reliable revenue streams from multiple sectors. In addition, programs may need to rethink incentives in order to lower the costs of delivery. For example, prize-linked savings—in which participants are entered into drawings for savings incentives based on deposit activities—could be a less costly way to incent savings than matching each child’s deposits.

Finally, it may be time to undertake a substantial re-thinking of the sources and uses of educational funding in service to child savings. In his conference remarks, researcher William Elliott suggested that dollar for dollar, an investment in children’s savings is likely to be more focused, leveraged and consequential than a similar investment in traditional, later-stage scholarships. This notion merits further exploration in both the public and private sectors, perhaps in tandem with a larger re-thinking of college financing mechanisms in light of the college debt crisis and larger educational opportunity initiatives.

Action Steps

- **Develop customized messages that resonate with different audiences**, including liberal, conservative and moderate politicians, parents, educators, corporations, philanthropic funders and individual donors.

- **Recruit current and former accountholders and their parents** to tell their stories and act as advocates for CSAs. This could include convening an accountholder advisory board, which could both lead the advocacy efforts of accountholders and their families and inform programmatic and policy discussions about how best to serve children and families through CSAs.

- **Enlist prominent leaders and celebrities to raise the profile of CSAs.** Many high-profile leaders and celebrities already support causes that increase opportunity for low-income children and encourage kids to attain an education. These individuals could be persuaded to join a campaign in support of CSAs, as Oakland Raiders player Justin Tuck and his wife, Lauran Tuck, have done.

- **Deploy a range of media and approaches**, including film, online video, social media and print media, to tell the story in multiple ways and engage the full range of stakeholders necessary to raise the profile and level of support for CSAs.

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**Action Steps**

- **Galvanize substantial philanthropic funding** to support critical infrastructure, research and advocacy needs to take the field to the next stage of development and impact.

- **Craft messaging about the benefits of children’s savings** that resonates with funders not already involved with asset building.

- **Recruit champions throughout the public sector**—including political candidates, legislators and agency leaders—who will support using public money to fund CSAs.

- **Explore corporate funding opportunities.**

- **Conduct additional research** on the short- and long-term impact of alternative, lower-cost incentive structures.

- **Develop a long-term strategic vision** for CSA sustainability that incorporates a multi-sector approach.
**Embrace the Diversity of Policy Ideas**

Policy discussions at the Conference included an expansive range of ideas, strategies and tactics which demonstrate the vitality of the children’s savings arena. In the past, field leaders sought consensus among key advocates. However, given the evolution of the policy marketplace and the increased diversity of stakeholders, that is no longer a realistic, nor essential, objective. CFED believes that our job as a field is not to single-mindedly pursue one shared policy goal, but rather to cultivate a range of viable policy options from which policymakers can choose based on their goals and political conditions.

One area in which we see substantial agreement is that the “holy grail” of a universal, national CSA program remains elusive, and that while a national policy deserves continued pursuit, in the absence of Congressional action, the field should simultaneously ride the growing wave of powerful state and local models. Not only can state and local programs provide savings opportunities to hundreds of thousands of children, they can also serve as springboards to eventual expansion at the national level.

A particularly powerful example is the tremendous progress we have seen in states leveraging their 529 platforms to promote savings for low-income families, a trend for which we applaud our colleagues at the Center for Social Development, who have for several years empowered state 529 administrators to take bold steps to expand the reach of their programs to lower-income families. Maximizing the value of 529 programs in service to low- and moderate-income children is an important policy approach that could not only help reach large numbers of savers, but also solve the problem of a scalable account platform.

The overall key to success for children’s savings policies is building and supporting a diverse range of champions at the local, state and federal levels. This has already been demonstrated by the growth of publicly funded CSA programs spurred by progressive local and state leaders who were inspired in large part by the San Francisco Kindergarten to College program and the significant publicity it has received. Though much of that support emerged organically, we as a field can do a better job of actively recruiting champions from across the political spectrum. Children’s savings crosses over many issues that are hot topics in contemporary political discourse—economic mobility, inequality, financial capability, college access and affordability, college completion and student debt—and consequently the field has a potential “in” with a variety of policymakers and interest groups active in these areas.

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<td><strong>Create a coordinating body</strong>, such as an advocacy coalition or working group, to enhance advocacy efforts and ensure that we reach a wide-ranging group of potential champions.</td>
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<td><strong>Continue pursuing state and local level wins</strong>, as well as utilizing those victories to spur federal action.</td>
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<td><strong>Cultivate new champions</strong> at all levels of government and across a range of fields and sectors.</td>
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<td><strong>Develop advocacy tools</strong> to help programs and advocates promote children’s savings to policymakers at all levels of government.</td>
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**Build a Strong Infrastructure to Support a Growing Field**

While the number of children’s savings programs has expanded organically, to achieve meaningful scale, the field needs a better infrastructure to facilitate information-sharing, develop best practices and support emerging programs. Participants both during the Conference and in their Conference evaluations discussed the need to have more avenues for connecting with other practitioners and researchers, both in person and virtually.

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<td><strong>Develop a centralized online clearinghouse</strong> for CSA information.</td>
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<td><strong>Hold regular field convenings</strong>, both in-person and virtual.</td>
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<td><strong>Convene working groups</strong> to tap into the collective wisdom of the field to tackle outstanding challenges. Potential working group topics include products, policy, sustainability, research, and communications.</td>
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<td><strong>Develop communications tools</strong>, such as a directory of programs and a listserv.</td>
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<tr>
<td><strong>Create tools, templates and how-to guides for practitioners</strong>, including an up-to-date guide for program design, information about existing program models, and resources for communicating with a range of stakeholders.</td>
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Growing the Children's Savings Movement

From Aspirations to Achievement:

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College Savings Made Simple, Secure, and Viral
CFED believes that we as a field have a golden—but not unlimited—opportunity to significantly scale CSAs, and that we must strike while the iron is hot. Accomplishing this goal will require significant resources and participation from a range of organizations. CFED is ready and willing to take on significant aspects of this work and to lend our support to our partners in the field as they take on others.

We have been guided in our planning by several overarching principles that we believe to be true:

- **The route to scale is through large programs.** While we are pleased with the proliferation of CSA programs big and small around the country, we believe that the most efficient and effective way to expand CSAs (in the absence of a federal program) is through larger-scale programs serving thousands of children, rather than smaller programs serving a few hundred. As a result, we will focus the bulk of our technical assistance resources towards supporting the design and implementation of sizeable programs.

- **Addressing systemic barriers to children’s savings is more effective than developing program-level workarounds.** We believe that many of the barriers holding back expansion of CSAs, such as lack of turnkey account products and public benefit asset limits that discourage low-income families from saving, are best addressed through systemic changes, rather than each program having to separately navigate these challenges. For example, if we can succeed in reforming 529s at the state level to make them function better for CSA programs, it will help multiple emerging CSA programs start up more easily.

- **Public sector support is key to scaling CSAs.** While various sectors play important roles in supporting and funding CSAs, the public sector is critical to achieving scale. We have seen tremendous growth over the past several years because city and state governments, like San Francisco and Nevada, and state agencies, like the Colorado Department of Human Services, have put their substantial power and resources behind these programs. As a result, advocacy for local, state and federal support for CSAs form the bulwark of our strategy to expand CSAs.

CFED has given significant thought to maximizing the impact of our resources in support of children’s savings, using these principles as a guideline. We are eager to leverage our long history in the children’s savings arena, as well as our experience in convening fields and facilitating learning, to play a major role in efforts to build the field’s infrastructure. Specifically, we are planning to or have recently done the following:

- **Facilitate in-person field convenings,** which include opportunities to continue the conversation about children’s savings at the Assets Learning Conference in September 2014 and holding another Children’s Savings Conference, most likely in 2015.

- **Create virtual convening opportunities,** such as webinars and conference calls, in which practitioners, researchers and others from across the field can share best practices and strategies. Based on interest, CFED may also convene a learning cluster for CSA programs to foster sharing best practices and collective brainstorming on challenges.

- **Develop communication platforms** including the recently launched Children’s Savings Network listserv and a soon-to-be released directory of CSA programs.

- **Create tools, templates and how-to guides for practitioners,** including updating the program design guide, “From Piggy Banks to Prosperity.”
We are also ready to deploy our resources in support of CSA policies at the local, state and federal levels by:

- **Cultivating more champions for children’s savings**, particularly at the state and local levels, through our Assets & Opportunity Network.

- **Developing advocacy tools** to help programs and advocates promote children’s savings to policymakers at all levels of government.

- **Harnessing the power of the field to advocate for federal CSA policy** by working directly with Congressional offices and executive branch agencies, and by coordinating these efforts with other leading federal policy organizations, like Aspen Institute and New America Foundation.

Again, advancing the CSA field is a collective endeavor. We look to others to take on the additional action items noted earlier in this document, as well as others items that may arise, and will pledge our support to these endeavors.

To be successful in scaling CSAs will require the participation, engagement and resources of all the players in this space bringing to bear their expertise and resources. Indeed, we believe that it is through the contributions and action of this wide array of stakeholders that the children’s savings field will attain both scale and sustainability in the long term. We look forward to continuing to work together to expand CSAs so that every child in the United States can have a nest egg for his or her future.
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