THE GRANTMAKER WEBINAR SERIES 2016

presents

A DECADE IS TOO LONG:
Short-Term Outcome Measures for Children's Savings Accounts

Asset Funders Network

ASSETFUNDERS.ORG
WEBINAR CONTROL PANEL OVERVIEW

QUESTIONS
Click the QUESTIONS box to share a question for the presenters at any point during the webinar, to be shared during Q/A sessions.
WE ARE

Asset Funders Network (AFN) is a membership organization of

national, regional, and community-based foundations and grantmakers

advancing economic opportunity and prosperity for low and moderate income people through philanthropy.
AFN ELEVATES

promising practices, ideas, and the latest key issues
enabling members to advance best practices locally while developing collaborations and scaling emerging innovations.
DISCUSSION AGENDA

➢ WELCOME

➢ NEW ENGLAND CSA CONSORTIUM

➢ IDENTIFYING SHORT TERM OUTCOME METRICS FOR EVALUATING WHETHER CHILDREN’S SAVINGS ACCOUNT PROGRAMS ARE ON TRACK

➢ MODERATED Q/A

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Identifying Short Term Outcome Metrics for Evaluating Whether Children’s Savings Accounts Programs Are on Track

Asset Funders Network Webinar
Wednesday, May 4, 2016

Dr. William Elliott, Associate Professor, Director of the Center on Assets, Education, and Inclusion (AEDI)

Anthony Poore, Deputy Director, Regional & Community Outreach

The views expressed here do not necessarily represent those of the Federal Reserve Bank of Boston or the Federal Reserve System
When thinking about Children’s Savings Accounts (CSAs), researchers, practitioners, and policymakers tend to focus on their ability to help children pay for college. That is **too narrow** a frame.

The emerging research suggests that CSAs may be a valuable tool for addressing long-term barriers to **closing the college attainment gap**—including **inadequate achievement along the way**—as well as **insufficient financial resources**.

Because the CSA programs considered in this presentation start at birth or in kindergarten and have increasing college enrollment as one of their primary long-term goals (i.e., long-term outcome metrics), it is **critical to identify interim outcomes that have been shown to be strong predictors** of children’s enrollment in college (i.e., short-term outcome metrics).

There **must be theoretical and/or empirical evidence** that suggests that CSAs are expected to have a positive effect on the metric that, in turn, is shown to be an important predictor of college enrollment.
Our Definition of CSAs & Their Potential Impact

- CSAs are savings vehicles, most commonly designed to help families and children begin planning for college at birth or starting in kindergarten. CSAs usually allow deposits from children, their parents, other relatives, as well as third parties.

- These investments are leveraged with an initial ‘seed’ deposit and ideally include the following components: universal, inclusive, auto-enrollment, matched and incentivized.

- Significantly, this early initiation of a savings intervention may afford not only greater asset accumulation but also the cultivation of educational expectations and engagement that, then, can catalyze superior achievement.
Why Interim Metrics Matter

- There is mounting evidence that shows early investment in children is critical to how they perform in school.

- As programs are being implemented across the Nation, it’s important to measure the effectiveness of the program across multiple indicators (cognitive & non-cognitive).

- Political realities & economic concerns by States and Municipal governments require the proper stewardship of public dollars and monitoring and evaluation is a pre-requisite.
# Savings Behaviors

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Measure</th>
</tr>
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<tbody>
<tr>
<td>Take Rate (Opt-In Programs ONLY)</td>
<td>Program Savings Data</td>
</tr>
<tr>
<td>Percent of Accounts With At Least One Contribution</td>
<td>Program Savings Data</td>
</tr>
<tr>
<td>Direct Deposit into CSA</td>
<td>Program Savings Data</td>
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<tr>
<td>Net Savings as a Percentage of Family Income</td>
<td>Program Savings Data</td>
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<tr>
<td>Savings Frequency</td>
<td>Program Savings Data</td>
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</table>
Children who are socially and emotionally developed are better able to “manage their emotions, calm themselves when angry, establish positive relationships, make responsible and safe decisions, and handle challenging situations constructively and ethically” (Price, 2015).

Rigorous experimental studies conducted by education researchers show a causal link between socioemotional well-being and academic achievement (Durlak, Weissberg, Dymnicki, Tyalor and Schellinger, 2011).

Research from SEED OK indicates that infants randomly assigned to receive CSAs demonstrated significantly higher social-emotional skills at age four than their counterparts who did not receive a CSA (Huang, Sherraden, Kim, & Clancy, 2014).
## Socio-Emotional Development

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Measure</th>
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<tbody>
<tr>
<td>Parental Stress</td>
<td>Parenting Stress Index</td>
</tr>
<tr>
<td>Child Abuse Potential</td>
<td>Child Abuse Potential Inventory</td>
</tr>
<tr>
<td>Quality of Home Environment</td>
<td>Home Observation</td>
</tr>
<tr>
<td>Maternal Depression and/or Anxiety</td>
<td>Center for Epidemiological Studies Depression Scale</td>
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</table>
Children’s academic achievements are important as reflections of children’s academic preparation and, then, likelihood of future academic success.

Children who cannot read well in third grade cannot use reading as a tool to engage with school, do their homework, or study for exams (Lloyd, 1978).

Effects are particularly strong for low-income and minority students. Other research indicates that third grade reading is a positive predictor of college attendance (Lesnick, Goerge, Smithgall, & Gwynne, 2010).
Lee (2012) demonstrates the effects of early math performance on the likelihood of entering and completing two and four year colleges.

Moreover, a lack of math proficiency may also preclude students’ consideration of certain career paths, including highly compensated science and technology fields (Nicholls, Wolfe, Besterfield-Sacre, Shuman, & Larpkiattaworn, 2007).

The strong correlation of reading and math proficiency with enrollment in college may make them ideal outcomes to measure for CSA programs that explicitly focus on college access and completion, particularly if the CSA programs are located within educational institutions, with easier access to student’s academic data/measures.
## Math & Reading Scores

<table>
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<tr>
<th>Predictor</th>
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<tbody>
<tr>
<td>Academic Records</td>
<td>State Assessments</td>
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<tr>
<td>Academic Records</td>
<td>Grade Level Test Scores</td>
</tr>
<tr>
<td>Academic Records</td>
<td>End of School Year Grades</td>
</tr>
<tr>
<td>Teacher's Expectations</td>
<td>Teacher Questionnaire/Survey</td>
</tr>
<tr>
<td>Achievement Goal Orientation of Children</td>
<td>Achievement Goal Orientation Scale</td>
</tr>
<tr>
<td>Teacher's Evaluations of Children's Effort</td>
<td>Teacher Questionnaire/Survey</td>
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Evidence to date suggests that CSA programs might have important impacts on children’s noncognitive functioning (e.g., children’s socioemotional wellbeing and identity formation).

Effects on noncognitive skills might be particularly important because while noncognitive skills promote the development of cognitive skills, there is little evidence to suggest that cognitive skills promote the development of noncognitive skills (Cunha & Heckman, 2008).

One of the driving forces behind interest in CSAs is the potential they have shown for changing the way people think about their futures.

Yadama & Sherraden (1996) find evidence of what they call a “virtuous circle,” where assets increase the chance of having more positive attitudes and behavior, and attitudes and behavior, in turn, increase the chance of having assets.

Zhan and Sherraden (2011) find that financial assets are positively related to parents’ and children’s educational expectations (i.e., financial assets are associated with college expectations).
Parents’ and Children’s Educational Expectations

- To help explain the effects of small-dollar accounts and help others understand the value of even low levels of asset accumulation, Elliott (2013a) hypothesized that when a child reports designating savings for college, it indicates that college is on the child’s mind and that the child perceives college as near, not far away.

- In a study of 51 fourth-grade children in a college savings program, Elliott, Sherraden, Johnson, and Guo (2010) find that children who are in the school savings program are statistically more likely to perceive that saving is a way to help pay for college than are children in a comparison group.

- Educational expectations are one important way of measuring how CSAs may change the way children and parents think about children’s academic futures.
Parents’ and Children’s Educational Expectations

<table>
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<tbody>
<tr>
<td>Attendance</td>
<td>Attendance Records</td>
</tr>
<tr>
<td>Help Seeking Behaviors</td>
<td>High School Planning</td>
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<tr>
<td>Parental Involvement</td>
<td>Survey</td>
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<tr>
<td>Child Post-Secondary Expectations</td>
<td>Survey</td>
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<tr>
<td>Teacher's Post-Secondary Expectations</td>
<td>Teacher Questionnaire/Survey</td>
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Trade Offs CSA Programs Must Consider

- Evaluations that are factored into the design of the program have the potential of being much more rigorous than those that start after.

- Due to the cost of evaluations programs have to decide on whether to invest their limited resources into the evaluation or to provide larger initial deposits, matches, or incentives.

- Evaluation increases the cost of programs and also may delay their implementation because evaluators need time to put together a defensible research design.

- There are also tradeoffs when trying to determine which interim measures programs should be evaluated.
Thank You

- The University of Kansas Center on Assets, Education & Inclusion [Landing Page]
- Federal Reserve Bank of Boston Children’s Savings Account [Landing Page]
QUESTIONS & DISCUSSION

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SUBMIT YOUR QUESTIONS

Click the QUESTIONS box to share a question for the presenters.

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The survey will pop up on your screen momentarily and will also be sent to you via email.

WE VALUE YOUR TIME,
AND YOUR RESPONSES WILL INFORM OUR FUTURE PLANNING.
Thank you for attending today’s Asset Funders Network presentation

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