

# Children's Savings Account Research: Reflections and Implications for the Field

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The Role of Children's Savings Accounts in the Education, Economic,  
Social and Political Contexts

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# Lenses Through Which I View Research

National funder of the Savings for Education, Entrepreneurship, and Downpayment Demonstration (SEED)

Objective of SEED – create national policy to help low-income children and families build assets from birth to achieve two outcomes:

- Increased opportunities for children
- Greater equity across the lifecycle

We hoped to identify an effective, low-touch model that could be scalable nationally

Interest lies in how to build support for sustainable CSA policy at all levels of government, especially the national government

# Overview of Selected Critical Findings

## Household Level – CSAs can provide powerful benefits to low-income families

- Children provided CSAs at birth have higher socioemotional skills at age 4 than children in a control group
  - ❖ the effects were most pronounced for the most disadvantaged children
- Mothers whose children received CSAs at birth demonstrated reduced maternal depressive symptoms
- Mothers whose children received CSAs at birth were more likely to maintain or increase expectations for their children's education
- A number of studies indicate that low-income families can and will save for their children's education beginning at birth, kindergarten, and later
  - ❖ Important to recognize that the amounts saved from their own income are relatively small

# Overview of Selected Critical Findings - II

## **Institutional Level – CSAs are appealing to institutional actors**

- It is feasible to implement universal CSA models at the state and local levels
- A growing number of state 529 plans have become more inclusive
- According to CFED, 42 CSA programs will exist by the end of 2016
- CSAs seem to appeal to states, counties, and cities for a variety of reasons
  - ❖ Alleviating poverty
  - ❖ Increasing college enrollment
  - ❖ Increasing educational aspirations
  - ❖ Improving the educational attainment of the labor force
  - ❖ Making college more affordable
- States, counties, cities, and nonprofit organizations are innovating in the design of CSA accounts and programs
  - ❖ Many are wrapping support interventions around the accounts

# Implications for the Field

## **Adaptability of the CSA model has positive and challenging consequences**

### Positive consequences

- ❖ Account design and program can be tailored to fit the needs/objectives of specific contexts
- ❖ Adaptability increases the political appeal of the model
- ❖ Programmatic “add-ons” can improve the effectiveness of the accounts

### Challenges

- ❖ Proliferation of CSA account designs and program models makes it difficult to identify the core “have” features of CSA accounts and programs
- ❖ Current research is unable to identify which features are most likely to produce specific outcomes
  - ✓ It is not possible to disentangle effects of specific features of account design and programs
  - ✓ Important to be clear whether designs are likely to produce desired outcomes
- ❖ Potential tradeoff between being responsive to context and standardizing account/model for scale
- ❖ Important to think about how we move from state and local initiatives to national policy

# Implications for the Field - II

## **Additional research is needed**

### Impact research

- ❖ To test hypotheses to identify the relationship between specific features of accounts/programs and different outcomes
  - ✓ Critical to identify the mechanisms through which CSAs work

### Process research

- ❖ To identify the types of rationales and conditions/factors that convince policy makers to adopt CSAs in different contexts

### Case studies

- ❖ To identify what seems to work and why in different contexts

### Meta-analysis

- ❖ To identify patterns in what seems to work across a range of contexts

## **Need to build a base of support for CSAs at the grassroots and grassroots levels**

Hypothesizing that sustainability of support for CSAs will depend on building a constituency of support for the accounts and programs