

Lessons Learned from the Imagine Early Program about
**Children's Savings Accounts and
Children's Academic Achievement**



BY WILLIAM ELLIOTT | May 17, 2024

EXECUTIVE SUMMARY

In 2016, the Community Foundation of Wabash County (CFWC) created the Imagine Early program (first known as Promise Scholars then more recently as the Early Award Scholarship Program). Imagine Early, a type of Children’s Savings Account (CSA) program, expands on traditional CSAs by providing merit-based educational scholarships. The scholarships are earned by students through their efforts in school and are awarded into their Community Foundation Imagine Early Fund.

Part one of this report discusses lessons learned and implications identified from four studies that examined the impact that Imagine Early has had on participant’s early educational achievement.

Study 1: Elliott, W., Kite, B., O’Brien, M., Lewis, M. and Palmer, A. (2018). Initial elementary education findings from Promise Indiana’s Children’s Savings Account program. *Children and Youth Services Review*, 85, 295-306.

Study 2: Elliott, W., Chowa, G., Ellis, J., Chen, Z., and O’Brien, M. (2019). Combining children’s savings account programs with scholarship programs: Effects on math and reading scores. *Children and Youth Services Review*, 102, p. 7-17.

Study 3: Elliott, W., Sorensen, N., Zheng, H., and O’Brien, M. (2023). Early Award Scholarship Program results in improved attendance and state math test scores for students from lower-income households. *Economies* 11: 82.

Study 4: Sorensen, N., Elliott, W., and O’Brien, M. (2024). Imagine Early improves course performance and reduces course failure, with larger impacts for students from lower-income households. University of Michigan. Center on Assets, Education, and Inclusion. Find at https://aedi.ssw.umich.edu/sites/default/files/documents/Reports/lessons-learned/promise_scholars_course_performance.pdf?v=1.0



Part 1: Academic Achievement

• Lessons Learned

- › Low-income children receive the largest academic achievement benefits from participating in Imagine Early.
- › Being engaged (i.e., saver or scholarship receiver) strengthens the association between participating in Imagine Early and children’s academic achievement.
- › Effects appear to be more consistently found regarding math than reading. This is consistent with previous research (for a review this literature, see Elliott & Harrington, 2016). Further, in the studies reported on here, CSA do not consistently predict attendance.
- › Family contributions are a weak predictor of low-income children’s achievement.
- › Total award (scholarship) dollars are a strong predictor of low-income children’s achievement.

• Implications

- › Transforming traditional scholarships into early award scholarships may produce better outcomes.
- › CSAs alone can have valuable impacts, but they also provide the infrastructure for scholarship programs that can bolster student academic outcomes in important ways.
- › Combining a scholarship program with learning and career activities may be a way to optimize engagement with CSAs in addition to more traditional forms of engagement focused on helping families save.

In part two, lessons learned and implications are drawn from three studies that examined Imagine Early’s impact on parents’ and children’s educational expectations. Below, a summary of lessons learned, and implications are provided:

Study 1: Rauscher, E., Elliott, W., O’Brien, M., Callahan, J., & Steensma, J. (2017). Examining the relationship between parental educational expectations and a community-based children’s savings account program. *Children and Youth Services Review*, 77, 96-107.

Study 2: Elliott, W., Zheng, H., Sabol, T., and O’Brien, M. (2021). A Step Toward Measuring Children’s College-Bound Identity in Children’s Savings Accounts Programs: The Case of Promise Scholars. *Children and Youth Service Review*, 121, 1-12.

Study 3: Zheng, H., Elliott, W., and O’Brien, M. (2022). The importance of parent/child communications about children’s savings accounts for developing a college-bound identity. *Advances in Social Sciences Research Journal* 9(9) 173-190

Part 2: Educational Expectations

• Lessons Learned

- › Having an account has a stronger association with low-income parents' educational expectations for their children than CSA programing and advertising.¹
- › Among families with no college education, having both programing and advertising along with an account has the strongest association with parental educational expectations.
- › Having a CSA plus scholarships strengthens children's college-bound identity.
- › Parental communications with children about being in Imagine Early (i.e., CSAs plus scholarships) is a type of engagement.
- › Parental communications strengthen the association between participating in Imagine Early and children's educational expectations.

• Implications

- › While programing and advertising are important, the programing aspects have a diminishing return. So, while programs benefit from investing in programming and advertising, they should consider how much of their budget should be allocated to programing and advertising. Further, investing in accounts and scholarships/incentives might be as important or more important for producing impacts.
- › Imagine Early provides a structure for parents to communicate to their children about college.
- › Children who have parents that talk to them about Imagine Early have stronger college-bound identities.
- › For CSA programs to have the full effect, children need to know they are in the program and what it is for.

¹Study 1 of Part II uses data from families living in counties where the Promise program was marketed. Because the advertising campaign and enrollment efforts were extensive, the researchers assumed at least some exposure to the Promise message. This does not mean that their child was enrolled in the program, only that the parent was given the opportunity to enroll. Further, children in counties where Promise existed could participate in Promise programing without being enrolled in Promise. Therefore, in Study 1 in Part II, exposure to programing does not mean the child or family was a part of Promise. So, programing here is very different from earning scholarships while participating in Imagine Early.



Conclusion

What stands out in this report is that scholarship programs bolster the impacts of CSAs in important ways. In part one of this report, we propose that this may have implications both for free college and Baby Bonds proposals as well as CSAs and scholarships. Scholarships and free college policies, like CSAs and Baby Bonds proposals, are all types of asset building policies for children. Despite their similarities, in common parlance and in academic, funding, and policy circles, they have been talked about as fundamentally different from one another. However, it is important to recognize that they share a common goal to provide much needed assets at a time when children need them most. They do this for the purpose of reducing inequality. Understanding their similarities may provide a pathway to bringing the seemingly disparate fields together to pass meaningful asset building legislation for children.

FOREWORD

The support of Charles Stewart Mott Foundation under Education Program Director Benita Melton has been particularly important to the research on CSAs and children’s educational outcomes broadly (early education effects as well as college). Benita and the foundation were there at the start of the CSA field, not only as funders, but as thought leaders. They have helped fund most of the major research studies within the field, but specifically the research on the Imagine Early Program run by the Community Foundation of Wabash County (CFWC). Support for this research serves as a source of information to the CSA field and to other funders and scholarship providers curious about whether providing scholarships earlier in a CSA may be more effective than waiting until children reach college age.

From CFWC’s experience in administering traditional scholarships, they observed that it is not enough, particularly for children from low-income families, to offer traditional financial support in the senior year for college and post-secondary education. CFWC holds as foundational, the evidence from CSA program initiatives around the country demonstrating that assets change the way children and parents think about the future and serve as a tangible commitment to, and belief in, the potential to pursue education after high school. Reflecting on this core insight, CFWC designed the Imagine Early Program—to award scholarship funds to students earlier in their schooling years through a CSA to harness the motivational power of assets to influence aspirations and educational outcomes, provide hope, encourage in-school learning and persistence.

There is really no way that this new area of programming and research could have made the progress it has without the continued support of the Charles Stewart Mott Foundation and Benita Melton. The Mott Foundation had the foresight to see the potential for a paradigm change in how scholarships and financial aid are thought about and administered in the US. Moreover, they were able to see the link between their funding in work around wealth inequality and children’s educational outcomes when most saw these as separate efforts.

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INTRODUCTION

Children’s Savings Accounts (CSAs) are asset building accounts that provide a type of financial structure that facilitate wealth accumulation from multiple sources to children for the purpose of giving all children an equal opportunity to reach their full potential. Most CSA programs consist of these key components:

- Opportunity to own a wealth-building account, either through a traditional deposit institution (such as a credit union or bank) or through a state 529 college savings plan
- Initial seed deposit to encourage account opening, jumpstart family saving, and/or foster greater account balance growth
- Savings incentives, such as matches for family deposits, rewards for recruiting contributions, and/or bonuses for saving regularly
- Support for children’s academic and financial preparation for higher education in the form of provision of account statements, college and career readiness activities, and/or efforts to promote early identification with the aspiration of college attendance

At the end of 2023 there were 121 CSA programs in 39 states serving over 5.8 million children in the US (Prosperity Now, 2024). This report discusses research on Promise Indiana and the Imagine Early program, a type of CSA program.

Program Description

In 2013 a Children’s Savings Account (CSA) program was initiated in Wabash County Indiana by the Wabash County YMCA. All public-school students in grades K-3 were eligible to participate in the Wabash County Promise (now known as Promise Indiana – Wabash County) whose program mission was to enroll all Wabash County K-3 students in the Indiana CollegeChoice 529. Elements included an enrollment deposit and a \$3:1 match, Walk into My Future event and in-school career-related curriculum for grades K-3 during College-Go week. In 2016, the Community Foundation of Wabash County (CFWC) created the Imagine Early program (organizationally independent of Wabash County Promise), to continue the momentum and awareness created by the Wabash County Promise. By extending the Wabash County Promise to students in grades 4–8, Imagine Early provides families with opportunities to earn scholarships on a quarterly basis by satisfying program goals.

Imagine Early has undergone several name changes in the last ten years. It was first known as Promise Scholars, more recently it was called the Early Award Scholarship Program. This is important for the reader to remember because they will see these different names referenced in this paper in citations from previous studies.

The Community Foundation of Wabash County pursues its strategic goal to advance the level of educational attainment in the county through its grantmaking, leadership position, and its traditional scholarship program. From CFWC's experience in administering traditional scholarships, they observe that it is not enough, particularly for children from low-income families, to offer traditional financial support in the senior year for college and post-secondary education. What is critical is helping young children and their families think about the future and see it as education dependent. CFWC holds as foundational, the evidence from CSA program initiatives around the country demonstrating assets change the way children and parents think about the future and serve as a tangible commitment to, and belief in, the potential to pursue education after high school. Reflecting on this core insight, CFWC designed Imagine Early to award funds to students earlier in their schooling years to harness the motivational power of assets to influence aspirations and educational outcomes, provide hope, encourage in-school learning and persistence.

Imagine Early expands on the notion of savings incentives to include scholarships designed to incentivize doing learning and career activities that have been shown to be linked to better educational outcomes for children. The following list of bullet points taken from Elliott, Grant, and Case (2023) describe Imagine Early program elements:

- **Eligibility Criteria of Imagine Early:** Students enrolled in Wabash County Public School in grades 4 through 8 are eligible to participate in the Imagine Early program and can earn up to \$1,000 over the 5-year program. The Imagine Early scholarships are invested by the CFWC in age-based portfolios, and they are available to pay directly to the institution of the student's choice up until the age of 26.
- **Type of Enrollment:** Two step targeted enrollment procedure. Must be enrolled in: (1) Indiana College Choice 529 Direct plan, naming the student as the beneficiary, and (2) sign an Imagine Early participation agreement with the CFWC. These two steps can happen at any age, not just in grades 4 through 8 when the participants are earning scholarships. In fact, the CFWC strategically works to enroll students in the Imagine Early program in grades K-3. The targeted approach is in partnership with the Wabash County YMCA which administers Promise Indiana-Wabash County.
- **Initial Deposit Amount:** The Imagine Early program awards small dollar deposits quarterly to the participating student's Community Foundation Imagine Early Fund. Students earn awards in grades 4-6 by completing schoolwork in Math, Reading and Language Arts and by completing college-prep activities in grades 7 & 8. Savings matches are available in all grades, 4 through 8.
- **Rate of Return:** Imagine Early funds are invested in age-based portfolios. Returns vary.

- **Match:** A savings match is available each academic semester, grades 4 through 8.
- **Incentives:** Imagine Early awards scholarships for learning behaviors that lead to in school success. Scholarships are available quarterly. Based on the learning behaviors that were recommended by public school teachers, the CFWC offered an expansive array of scholarships across grades 4-8 (For more information on types of scholarships offered see Appendix A.).
- **Savings Vehicle:** Savings deposits by family are held in Indiana’s CollegeChoice 529 savings plan.
- **Funding:** The Community Foundation’s Imagine Early is funded by donations from Wabash County citizens, the Community Foundation’s discretionary grant funds, repurposing traditional scholarship endowments to early award, and grants from the Charles Stewart Mott Foundation.
- **Administration of Accounts:** Imagine Early assets are invested and administered by the Community Foundation of Wabash County.

While Imagine Early includes a savings match like most CSA programs, it also provides merit-based educational scholarships. The scholarships are earned by students through their efforts in school and are awarded into their Community Foundation Imagine Early Fund. A more detailed description of these scholarships and how they are earned can be found in Appendix A, Table 1. Each time the child performs an incentivized activity they are essentially being reminded of how their CSA is linked to their academic performance (i.e., help them engage in school activities) and how their academic performance is linked to the CSA (i.e., helps them build wealth). In the next section we will discuss how converting traditional financial aid from end-of-high-school to early award, generates a potential asset stream.



Breakdown of Report

The first part of this report draws lessons learned from four studies on the association between CSAs, CSAs with scholarships, and children’s academic achievement that were conducted using data from the Imagine Early program and its predecessor the Promise Indiana program in Wabash County, Indiana. Below, the citation for the four studies are listed along with what makes each study unique.

- **Study 1** – Elliott, W., Kite, B., O’Brien, M., Lewis, M. and Palmer, A. (2018). Initial elementary education findings from Promise Indiana’s Children’s Savings Account program. *Children and Youth Services Review*, 85, 295-306.
 - › Provided a unique opportunity to examine the association between participating in a CSA program and children’s academic achievement using data from actual CSA participants instead of using secondary data.
- **Study 2** – Elliott, W., Chowa, G., Ellis, J., Chen, Z., and O’Brien, M. (2019). Combining children’s savings account programs with scholarship programs: Effects on math and reading scores. *Children and Youth Services Review*, 102, p. 7-17.
 - › Provided a unique opportunity to examine whether adding scholarships to CSAs had a stronger association with children’s academic outcomes, than CSAs alone.
- **Study 3** – Elliott, W., Sorensen, N., Zheng, H., and O’Brien, M. (2023). Early Award Scholarship Program results in improved attendance and state math test scores for students from lower-income households. *Economies* 11: 82.
 - › Provided a unique opportunity to test the effects of amount of scholarship dollars and length in program using more rigorous methods.
- **Study 4** – Sorensen, N., Elliott, W., and O’Brien, M. (2024). Imagine Early improves course performance and reduces course failure, with larger impacts for students from lower-income households. University of Michigan. Center on Assets, Education, and Inclusion. Find at https://aedi.ssw.umich.edu/sites/default/files/documents/Reports/lessons-learned/promise_scholars_course_performance.pdf?v=1.0
 - › Provided a unique opportunity to test the effects of participating in a CSA program with report card grades.





The second part of this report draws lessons learned from three studies related to children’s and parents’ educational expectations. Similar to part one of the report, the study citation is provided along with what makes each study unique.

- **Study 1** – Rauscher, E., Elliott, W., O’Brien, M., Callahan, J., & Steensma, J. (2017). Examining the relationship between parental educational expectations and a community-based children’s savings account program. *Children and Youth Services Review*, 77, 96-107.
 - › Provided a unique opportunity to begin to tease out effects from having a CSA account and the types of programing and advertising that many CSA programs now offer.
- **Study 2** – Elliott, W., Zheng, H., Sabol, T., and O’Brien, M. (2021). A Step Toward Measuring Children’s College-Bound Identity in Children’s Savings Accounts Programs: The Case of Promise Scholars. *Children and Youth Service Review*, 121 1-12.
 - › Provided a unique opportunity to test the viability of a scale that would allow researchers to better understand the mechanisms (i.e., salience, group congruence, or difficulty as normal) by which educational expectations influence children’s educational outcomes.
- **Study 3** – Zheng, H., Elliott, W., and O’Brien, M. (2022). The importance of parent/child communications about children’s savings accounts for developing a college-bound identity. *Advances in Social Sciences Research Journal* 9(9) 173-190
 - › Provided a unique opportunity to test whether children of parents who talked to them about the CSA program were more likely to have a stronger college-bound identity than children whose parents did not talk to them about the CSA program.

ACADEMIC ACHIEVEMENT

LESSONS LEARNED

- Low-income children receive the largest academic achievement benefits from participating in Imagine Early.
- Combining a scholarship program with learning and career activities may be a way to optimize engagement with CSAs in addition to more traditional forms of engagement focused on helping families save.
 - › Engagement defined as doing activities related to learning appears more important for the outcomes of low-income children than engagement defined as number of contributions made.
 - › The amount of money saved by a child's family is not as consistently associated with low-income children's academic achievement as is total award dollars. This provides additional evidence that not all forms of engagement are the same and that defining engagement as saving might have limited importance for low-income children's academic achievement.
- CSAs alone can have valuable impacts, but they also provide the infrastructure for scholarship programs that can bolster student academic outcomes in important ways.
- Effects are more consistently reported regarding math and the least regarding attendance.

Third grade marks a transition when children should shift from “learning to read” to “reading to learn,” making reading proficiency at this age highly determinant of academic success in other subject areas. However, the National Assessment of Educational Progress (NAEP) has reported that, in 2013, only 34% of fourth graders were reading at a “proficient” level. Children who cannot read well in third grade cannot use reading as a tool to engage with school, to do their homework, or to study for exams (Lloyd, 1978). These deficiencies can compromise later educational attainment, including preparation for college enrollment. For example, in a longitudinal study of nearly 4,000 students, Hernandez (2011) has found that those who do not read proficiently by third grade are four times more likely to not graduate from high school than proficient readers. The odds are even worse for the least proficient readers; children who have not mastered even the basic skills by third grade are nearly six times less likely to graduate high school than proficient readers (Hernandez, 2011). Effects are particularly strong for low-income and minority students (Hernandez, 2011). Other research indicates that third grade reading is a positive predictor of college attendance (Lesnick, Goerge, Smithgall & Gwynne, 2010). Similarly, standardized math scores are an important indicator of future academic success. Triangulating across national data sets, Lee (2012) demonstrates the effects of early math performance on eighth grade math achievement and on the likelihood of entering and completing two- and four-year colleges. Lack of math proficiency may also preclude students’ consideration of certain career paths, including those in the highly compensated science and technology fields (Nicholls, Wolfe, Besterfield-Sacre, Shuman & Larpkiattaworn, 2007), thereby influencing students’ perceptions of the potential return on investment of a college degree.

Part one of this report reviews four studies conducted on the association between the Imagine Early program and children’s early academic achievement. The section begins with a summary of methods, outcome measures, and findings. It ends with a discussion of the findings and provides implications for research, policy, and practice. For a review of research on CSA participation and children’s academic achievement see Elliott (2024, Jan.).

Summary of Methods

Table 2 provides information on the four studies’ methods and designs. In Study 1 the children are the youngest, 3rd and 4th grade, in the school year 2014-2015. Therefore, these children had not yet been exposed to Imagine Early which started in 2016 with children in 4th grade. Further, Study 1 has the least controls and does not use the propensity score method or other methods to better account for the potential of selection bias in non-random samples.

Study 2 is the only study among the four, that allows the researchers to examine the difference between having a CSA account and having a CSA account plus scholarships. After Study 2, which used outcome data from the 2016-2017 school year or the first year of Imagine Early, it was no longer possible to examine differences between children in the schools that had CSAs only and those who were participating in Imagine Early. This is because the program had successfully recruited students who were in the Promise Indiana

program for kids k-3rd grade into Imagine Early and there were almost no students left who were not participating in Imagine Early (i.e., only had a CSA). While this study used propensity score matching to better account for selection bias, it had a limited number of controls. However, importantly, it did include controls for children’s prior academic achievement.

Studies 3 and 4 use the same sample. These two studies use outcome data from the 2017-18 school year. They also include the most controls of the four studies while using propensity score weighting. As such, they account the best for potential selection bias among the four studies. Further, Imagine Early was no longer in its infancy, meaning students had been in the program longer. However, Study 3 is different from Study 4 in that it focuses on children’s state assessment tests in math and reading as did the previous two studies. In contrast, Study 4 is the first study the researchers know of in the CSA field to examine report card grades. While it took longer to get access to report card data, it seemed important to conduct this additional analysis as a follow-up to Study 3 because research shows that grade point average (GPA) or grades are a better predictor of college graduation than state assessments and even SAT/ACT scores (Bowen, Chingos, & McPherson, 2009; Roderick, Nagaoka, Allensworth, Coca, Correa, & Stoker, 2006; Bowers, Spratt, & Taff, 2013). However, given that Study 4 is a follow-up to Study 3, and uses the same data and methods, we did not seek to publish this article in a peer reviewed journal but have instead made it an AEDI center report.

TABLE 2

Summary of methods used for the Imagine Early program studies on academic achievement

Study Citation	Data	Program Measures	Controls	Analytic Plan	Outcomes
<p>Study 1: Elliott, W., Kite, B., O’Brien, M., Lewis, M. and Palmer, A. (2018). Initial elementary education findings from Promise Indiana’s Children’s Savings Account program. <i>Children and Youth Services Review, 85</i>, 295-306.</p>	<p>The population for this study includes all 3rd - 4th graders in Wabash County during 2014-2015 (N=738). The sample included students from N=6 public schools in Wabash County, Indiana.</p>	<ul style="list-style-type: none"> • CSA • Saver • Amount Contributed 	<ul style="list-style-type: none"> • Grade • Race • Free/ Reduced Lunch Status • Special Education Status • School 	<ul style="list-style-type: none"> • Regression 	<ul style="list-style-type: none"> • Math Scores • Reading Scores • Attendance
<p>Study 2: Elliott, W., Chowa, G., Ellis, J., Chen, Z., and O’Brien, M. (2019). Combining children’s savings account programs with scholarship programs: Effects on math and reading scores. <i>Children and Youth Services Review, 102</i>(2019), p. 7-17.</p>	<p>The population for this study includes all 4th - 8th graders attending six public school in Wabash County during the 2016-2017 academic year (N=1942). School data for 2016-2017 school year as well as the prior 2015-2016 and 2014-2015 school years.</p>	<ul style="list-style-type: none"> • No CSA • CSA Only • Imagine Early • Saver 	<ul style="list-style-type: none"> • Grade • Gender • Free/ Reduced Lunch Status • Special Education Status • Math and Reading Scores from Previous Year 	<ul style="list-style-type: none"> • Difference in Difference • Propensity Score Optimal Matching • Sensitivity Analysis 	<ul style="list-style-type: none"> • Math Scores • Reading Scores

TABLE 2, CONTINUED

Summary of methods used for the Imagine Early program studies on academic achievement

Study Citation	Data	Program Measures	Controls	Analytic Plan	Outcomes
<p>Study 3: Elliott, W., Sorensen, N., Zheng, H., and O'Brien, M. (2023). Early Award Scholarship Program results in improved attendance and state math test scores for students from lower-income households. <i>Economies 11</i>: 82.</p>	<p>N=1,174 students enrolled in Grades 4-6 during the 2017-18 school year. The sample included students from N=6 public schools in Wabash County, Indiana.</p>	<ul style="list-style-type: none"> Imagine Early Total Quarters Enrolled Total Award Dollars District (NWEA) Formative Assessment Scholarship Award Dollars Earned 	<ul style="list-style-type: none"> Age Grade Race Gender School English learner Free/Reduced Lunch Status Special Education Status Prior Attendance Prior Math and Reading Scores 	<ul style="list-style-type: none"> Regression Inverse Propensity Weighting 	<ul style="list-style-type: none"> Math Scores Reading Scores Attendance
<p>Study 4: Sorensen, N., Elliott, W., and O'Brien, M. (2024). Imagine Early improves course performance and reduces course failure, with larger impacts for students from lower-income households. University of Michigan. Center on Assets, Education, and Inclusion. Find at https://aedi.ssw.umich.edu/sites/default/files/documents/Reports/lessons-learned/promise_scholars_course_performance.pdf?v=1.0</p>	<p>N=1,174 students enrolled in Grades 4-6 during the 2017-18 school year. The sample included students from N=6 public schools in Wabash County, Indiana.</p>	<ul style="list-style-type: none"> Imagine Early Total Quarters Enrolled Total Award Dollars 	<ul style="list-style-type: none"> Age Grade Race Gender School English learner Free/Reduced Lunch Status Special Education Status Prior Attendance Prior Math and Reading Scores 	<ul style="list-style-type: none"> Regression Inverse Propensity Weighting 	<ul style="list-style-type: none"> Course Grades Course Failure



Summary of Outcome Measures

There are five outcome measures examined in the four Imagine Early studies in this report on academic achievement. Table 3 provides a basic operationalization of the five outcomes variables examined.

TABLE 3

Operationalization of the five outcomes variables examined

Outcome Measures	Operationalization
Math	Mathematics scores from the Indiana Statewide Testing for educational Progress Plus.
Reading	English/Language Arts scores from the Indiana Statewide Testing for Educational Progress Plus.
Course Grades	Average course performance for the school year, calculated by converting all course letter grades to a numeric grade point average (GPA) on a 0-4 scale (F=0, D=1, C=2, B=3, A=4) and calculating the mean for each student.
Course Failure	Proportion of course grades earned that were F's, calculated by dividing the total count of F's for each student by the total grades earned (including non-traditional letter grades—e.g., pass fail).
Attendance	Total absences and total unexcused absences.

Summary of Findings

Table 4 provides an overview of all Imagine Early findings on academic achievement.

TABLE 4

Statistically significant results on academic achievement by condition as measured and outcome by sample

Condition as Measured	Outcomes by Sample									
	Math		Reading		Course Grades*		Course Failure**		Attendance	
	Full	Low-Income	Full	Low-Income	Full	Low-Income	Full	Low-Income	Full	Low-Income
CSA compared to no CSA		1		1						
CSA Savers (at least one contribution) compared to CSA non-savers	1	1	1	1	<input type="checkbox"/> = not significant. <input type="checkbox"/> = no study examined the outcome using the condition as measured.					
CSA (amount contributed)	1		1							
Imagine Early compared to no CSA	2	2 3	2	2	4	4	4	4		3
Imagine Early compared to CSA Only	2	2	2	2						
Imagine Early Total Quarters Enrolled compared to no CSA		3			4	4	4	4		3
Imagine Early Savers (at least one contribution) compared to Imagine Early non-savers	2			2						
Imagine Early (total award dollars earned)					4	4	4	4		3

Table Key

* Course grades - average course performance for the school year, calculated by converting all course letter grades to a numeric grade point average (GPA) on a 0-4 scale (F=0, D=1, C=2, B=3, A=4) and calculating the mean for each student.

** Course failure - proportion of course grades earned that were F's, calculated by dividing the total count of F's for each student by the total grades earned (including non-traditional letter grades—e.g., pass fail).

1 = Study 1: Elliott, W., Kite, B., O'Brien, M., Lewis, M. and Palmer, A. (2018). Initial elementary education findings from Promise Indiana's Children's Savings Account program. *Children and Youth Services Review*, 85, 295-306. (Outcomes: math, reading, & attendance).

2 = Study 2: Elliott, W., Chowa, G., Ellis, J., Chen, Z., and O'Brien, M. (2019). Combining children's savings account programs with scholarship programs: Effects on math and reading scores. *Children and Youth Services Review*, 102(2019), p. 7-17. (Outcomes: math & reading).

3 = Study 3: Elliott, W., Sorensen, N., Zheng, H., and O'Brien, M. (2023). Early Award Scholarship Program results in improved attendance and state math test scores for students from lower-income households. *Economies* 11: 82. (Outcomes: math, reading, & attendance).

4 = Study 4: Sorensen, N., Elliott, W., and O'Brien, M. (2024). Imagine Early improves course performance and reduces course failure, with larger impacts for students from lower-income households. (Outcomes: Course grades & course failure).

Discussion

Taking a closer look at Table 4, one observation that can be made is that having an account is generally associated with children's academic achievement. However, these effects appear to be strongest among low-income children. Further, while there is evidence to suggest that having an account is associated with children's math and reading test scores, it is more consistently observed regarding math scores of low-income children. There might also be a case to be made that a correlational relationship is more often found when children have both a CSA and a scholarship (i.e., for children participating in the Imagine Early program). The suggestion that CSAs are stronger when combined with scholarship is further supported by evidence from Study 2. Study 2 is the only study that compares children who have a CSA account but no scholarships to children who are participating in Imagine Early (i.e., have both a scholarship and a CSA). When compared, children who are participating in Imagine Early have higher math and reading scores than children who only have a CSA in both the full sample and low-income sample.

When CSA only savers are compared to CSA only non-savers, the association between savers and academic achievement is there in the low-income sample and the full sample. However, when the amount saved is considered, this is significant only in the full sample. Together, this suggests that low-income children may benefit from just having an account, whereas for other children it might require that families are saving and that even how much they save might be important. A reason for this might be because low-income children are less likely to have other assets set aside for college, or just more generally, less of a sense that their families' can pay for college. They also have less access to other institutions to save for college. So, their sense that paying for college is more within reach is more likely to be met just by having an account. Whereas for more economically advantaged children, the amount that families save may be important. Another way to say this is, for low-income families, having a CSA opens the path to future education. For higher income families where students may expect to go to college, saving more makes the path to future education feel more viable (see Oyserman, 2013).

In the CSA field, there has been a heavy emphasis on defining engagement as saving, in part, because it is easily measurable. However, saving is not the only way families can engage in CSA programs, and it may not even be the most important way. The amount saved is simply the sum of contributions made into an account. As such, for families in a CSA program (i.e., have access to an institutional structure for saving), it relies heavily on the family's or associated third parties' capacity to save (e.g., how much left-over income do they have after paying for their necessities). But families can engage in ways beyond saving that might also be important for observing educational effects. In contrast to the amount contributed, the Imagine Early studies examine the total award dollars earned. While both speak to the amount of assets being contributed to an account, they are measured differently. The total awarded dollars earned is the amount of scholarship award dollars earned by engaging in activities focused on three areas (1) learning, (2)

saving, and (3) college preparation (see Appendix A for complete list of scholarships). They account for a more expanded notion of engagement than being a saver does. As such, total award dollars represent a type of engagement that is not based on family income in the same way that saving is. Further, it requires engagement in activities that are expected to improve educational outcomes (e.g., math and reading assignments). Research shows that scholarships (i.e., financial incentives) directed at “inputs” as opposed to “outputs” can be particularly effective at improving children’s performance in school (Allan & Fryer, 2011, p. 8). According to Allan and Fryer (2011), inputs are activities that contribute to student learning, while outputs are outcomes such as test scores. Imagine Early provides scholarships for completing school learning activities and completing college and career readiness activities which are types of inputs.

Together, the findings from these four studies suggest that effects exist on a continuum where effects are stronger with more engagement in programs. However, the type of engagement matters. Evidence from Table 4 suggests engagement defined exclusively as saving may not be as important for low-income children’s achievement.



Implications

The studies examined in this report provide some evidence that CSA programs that include scholarships designed to reward learning and career activities show increased promise for improving low-income children’s academic achievement. From a policy perspective, this suggests that there may be benefits to transforming traditional scholarships which children receive once they turn 18 (i.e., college age) into early award scholarships, which they are aware of for years before the decision to go to college is made.

CSAs alone can have valuable impacts, but they also provide the infrastructure for scholarship programs that can bolster student academic outcomes in important ways. They may also provide grounds for proposing combining CSA programs with Promise Programs (i.e., free college proposals).² This proposition is not unlike what Elliott (2022, Oct.) has suggested in talking about combining Baby Bond programs with CSA programs. Free College and Baby Bonds proposals are extensions of the traditional scholarship idea in as much as they both focus on giving children a sum of money (or asset) when they turn age 18. As such, traditional scholarships might also be classified as a type of asset building policy for children. It might seem foreign to think of Free College or scholarships as a type of asset building policy because education and wealth building have often been thought of as separate ideas on different policy tracks. However, what is a free college proposal but a policy to provide children with a significant asset when they reach age 18? In addition to how they are talked about, the major difference is the structure used to deliver each of these asset building strategies. What CSAs provide is a “well-structured policy framework” capable of delivering all different kinds of assets to children (Huang, Shanks, Clancy, Elliott, & Sherraden, 2024, p. 2). However, unlike the financial aid delivery system or even the trust accounts proposed in Baby Bonds, CSAs as a delivery system extend back into childhood, as early as birth. As such, it gives it the ability to impact children’s early outcomes³ and by doing so puts children in a better position to be able to take advantage of an award when they reach age 18.

Furthermore, family contributions (i.e., saving) appear to be a weak indicator of the effectiveness of CSA program’s ability to improve low-income children’s academic achievement. This suggests that if a main goal of CSA programs is to increase low-income children’s post-secondary education enrollment and ultimately completion, then placing significant resources toward increasing saving among families within CSA programs might not be the best investment or where most funds should be spent. This does not imply that no investment should be made in increasing saving, However, currently most programs almost exclusively focus on increasing saving and put little to no effort into increasing or capturing other potentially important forms of engagement. It would also seem to follow, whether families have contributed should not be the only metric or maybe even the main metric for determining the effectiveness of a CSA program. Different forms of engagement might be more impactful for different children. Therefore, defining engagement narrowly, for example as saving, might be counterproductive as we know it does not capture all the important ways that families can and do engage with CSA programs.

In contrast, participation in activities that earn award dollars appear to be a better predictor of low-income children’s academic achievement within CSA programs. An implication is that CSA programs might be better off focusing more of their attention, not all, on

² For more information on Promise Programs and free college proposals go to <https://www.freecollegenow.org/promise-programs>.

³ Elliott and Harrington (2016).

providing families with incentives to perform learning and career activities than focusing on increasing saving among families. Interestingly, CSAs are built on an institutional theory of saving⁴ which hypothesizes that whether families save is largely determined by the institutional structure itself (Sherraden, 1991). For example, in an Italian matched CSA program in Percorsi nearly 94% of families made at least one deposit (Martini, Azzolini, Romano, & Vergolini, 2021). This is because saving in the Italian CSA much more *resembles* an institutional theory of saving where participants were expected to save each month and participants could not skip any more than two consecutive months and remain in the program (Martini et al., 2021). The Canadian system also has elements that *more closely* resemble an institutional theory of saving. It includes both traditional savings accounts without predetermined savings expectations, which more closely mirror CSAs in the US and popular group scholarship plans which come with strict contracts regarding savings targets. Elliott and Lewis (2014) report, “... of the 5,974 Canada Learning Bond-eligible accounts opened by the Canada Scholarship Trust (a major provider of group scholarship plans) in 2013, 5,102 had a monthly contribution schedule” (p. 19). The group scholarship plans more closely reflect an institutional theory of saving, where individual behavior matters less regarding whether families save because of penalties being assessed for missing payments. Instead, the institutional structure (in this case the program rules) can be more directly be said to do the saving for families than in the U.S. version of CSAs. The Italian and Canadian examples still fall short of pure institutionalism where the institution directly takes the money from families (e.g., automatically enrolling families into a mandatory direct deposit). However, the rules/penalties make saving more closely mirror mandatory.

When we examine savings in US based CSA programs, saving rates range between 8% and 30% in opt-out programs and at the high end 40% to 46% in opt-in programs (Elliott, 2018). While there certainly are other reasons beyond structure for why families save at such a high rate, for example in Italy’s CSA program,, structure seems to be the predominant reason. However, making saving for college an institutional function does not seem to have traction in America. In America CSAs are about providing children with access to an institutional structure where they and their families can contribute but more importantly where wealth can be built for them to go to college. Whereas in the Italian context, the focus is on providing children with access to an institutional structure for them and their families to build wealth to pay for them to go to college. This is heightened because government financial aid in Italy is “unpredictable from one year to the next”, which also leads to emphasizing family saving (Martini et al., p. 8). A simple way to understand the difference in focus is the cost of college. In Italy it is very reasonable to expect families to be able to save for college (average cost \$1,800 per year at public university; see Lukins, 2021). Whereas in America it is not very reasonable to expect the average family, let alone low-income families, to be able to save enough to pay for college (average cost \$26,027

⁴ Today, in the US context this might be more accurately referred to as the institutional theory of wealth building taking the emphasis from individual contributions and focusing it on building wealth for individuals.



per year at 4-year public university; see Hanson, 2023). Given the cost of college in the U.S., family saving among lower income families would never be a viable solution for paying for college, and thus appears to be the wrong focus when it comes to the power of CSAs as a wealth building tool.⁵

In closing, the power of CSAs in the U.S. is that they allow for the combining of policies like free college and Baby Bonds proposals which provide for a large federal investment into accounts. But even large federal and state investments do not make up the whole power of CSAs for building wealth. The CSA infrastructure also allows for multiple streams of assets to flow into these accounts from family members, employers, philanthropists, communities, and other entities (Elliott, 2023, March). From this perspective it is not that family contributions are not important, but they are just one source and quite frankly in the case of lower income families, it is likely only a very small source of the wealth building potential of CSAs. And so, it would seem, programs should keep this in mind as they decide how to invest resources. From this perspective, it would seem more resources should be spent on awards for learning and career activities in the case of trying to impact children's academic achievement, while more money should be spent on marketing to third parties and building out the structure for third party contributions as a better way of effecting wealth building in CSAs for low-income children than focusing on family contributions. Again, this does not mean family contributions are not important, only that they currently play an outsized role in many CSA programs.

⁵ Using the Identity-Based Motivation (IBM) framework, another way to say this is, this would seemingly activate a difficulty as impossibility mindset a la IBM rather than difficulty as importance which is likely activated by the Italian model given that it is actually possible and important (e.g., Oyserman & Destin, 2010).

Parental and Children's Educational Expectations

LESSONS LEARNED

- Having an account appears more important to low-income children's parental educational expectations than CSA programing and advertising (*See box labeled "Important Note"*).
 - › In contrast, for high-income families the programing and advertising seem important irrespective of having an account.
- Among families with no college education, having both programing and advertising along with an account is much more strongly related to parental educational expectations than just having an account or only having exposure to CSA programing and advertising and no account.
- Children form a distinct college-bound identity and being in a CSA program can strengthen it.
- Parental communications with children about being in a CSA program is another type of engagement that can strengthen the association between CSA programs and children's educational expectations.

IMPORTANT NOTE

Study 1 of Part II uses data from families living in counties where the Promise program was marketed. Because the advertising campaign and enrollment efforts were extensive, the researchers assumed at least some exposure to the Promise message. This does not mean that a part or their child was enrolled in the program, only that the parent was given the opportunity to enroll. Further, children in counties where Promise existed could participate in Promise programing without being enrolled in Promise. Therefore, in Study 1 in Part II, exposure to programing does not mean the child or family was a part of Promise. So, programing here is very different from earning scholarships while participating in Imagine Early.]

Research consistently shows that higher college expectations lead to increased academic efforts and achievement (e.g., Beal & Crockett, 2010; Cook et al., 1996; Marjoribanks, 1984; Mickelson, 1990; Ou & Reynolds, 2008; Uno, Mortimer, Kim & Vuolo, 2010); in other words, what children expect for their future selves may influence what they do as their current selves. Researchers have suggested that college expectations are a proxy for children’s visions of themselves in a future state, what may be called their possible future self or “college-bound identity” (Destin & Oyserman, 2010; Oyserman & Destin, 2010; Oyserman, 2013). This will be discussed more in the section describing the theory of CSA effects.

Part two of this report reviews three studies conducted on the association between the Imagine Early program and parents’ and children’s educational expectations. The structure of this section follows the structure of part one of this report. For a review of research on CSA participation and parents’ and children’s educational expectations see Elliott (2024, Jan.).

Summary of Methods

The idea of children forming a college bound identity comes out of Identity Based Motivation (IBM) theory. According to Oyserman and her colleagues, IBM is a theory about how children form identities about themselves in the future, and when they are likely to act on these possible selves (Oyserman & Fryberg, 2006; Oyserman, 2007; Oyserman, Bybee, & Terry, 2006).

TABLE 5

Summary of methods used for Imagine Early studies on parental and children’s educational expectations

Study Citation	Data	Program Measures	Controls	Analytic Plan	Outcomes
<p>Study 1:</p> <p>Elliott, W., Kite, B., O’Brien, M., Lewis, M. and Palmer, A. (2018). Initial elementary education findings from Promise Indiana’s Children’s Savings Account program. <i>Children and Youth Services Review</i>, 85, 295-306.</p>	<p>Data come from the College and Career Planning Questionnaire, an anonymous 21-item paper-and-pencil survey.</p> <p>Parents of children in kindergarten, 1st grade, 2nd grade, and 3rd grade were surveyed.</p> <p>The final sample consisted of 3060 families</p>	<ul style="list-style-type: none"> • Has 529* • Promise Plus** • Has 529 + Promise Plus 	<ul style="list-style-type: none"> • Parent education level • Marital status • Income • Parent age • Child gender • Child race • Child Grade • County 	<ul style="list-style-type: none"> • Logistic regression 	<ul style="list-style-type: none"> • Parent Educational Expectations

TABLE 5, CONTINUED

Summary of methods used for Imagine Early studies on parental and children’s educational expectations

Study Citation	Data	Program Measures	Controls	Analytic Plan	Outcomes
<p>Study 2: Elliott, W., Zheng, H., Sabol, T., and O’Brien, M. (2021). A Step Toward Measuring Children’s College-Bound Identity in Children’s Savings Accounts Programs: The Case of Promise Scholars. <i>Children and Youth Service Review</i>, 121(February) pp. 1-12.</p>	<p>The population for this study includes all 5th, 6th, 7th, and 9th grade students attending Wabash County schools during the 2019–2020 academic year (N = 1579).</p>	<ul style="list-style-type: none"> • Imagine Early 	<ul style="list-style-type: none"> • Child’s gender • Child’s academic performance • Child’s health status • Child’s grade • Child’s perception of college affordability • Parent student loan status • Parent education level • Parent college expectations • Household net worth • Household income 	<ul style="list-style-type: none"> • Structural equation modeling (SEM) 	<ul style="list-style-type: none"> • Child College-Bound Identity
<p>Study 3: Zheng, H., Elliott, W., and O’Brien, M. (2022). The importance of parent/child communications about children’s savings accounts for developing a college-bound identity. <i>Advances in Social Sciences Research Journal</i> 9(9) pp. 173-190</p>	<p>The population for this study includes all 5th, 6th, 7th, and 9th grade students attending Wabash County schools during the 2019–2020 academic year (N = 1579).</p>	<ul style="list-style-type: none"> • Imagine Early 	<ul style="list-style-type: none"> • Child’s gender • Child’s academic performance • Child’s health status • Child’s grade • Parent marital status • Household net worth • Household income 	<ul style="list-style-type: none"> • Inverse probability weighting • Multinomial logistic regression 	<ul style="list-style-type: none"> • Child College-Bound Identity

* State 529 plans are tax-advantaged savings plans designed specifically for the purpose of helping families pay for college. CSA programs like Imagine Early often use State 529 plans as the financial platform for administering their CSA programs.

** The marketing campaign, school activities related to college and career preparation, information about engaging champions, trip to a university, and the opportunity to enroll into Promise is what is referred to here as Promise Programming & Advertising (PP&A). The study refers to this as Promise Plus, but PP&A is more descriptive. PP&A is an indicator for living in a county where the program was rolled out. Because the advertising campaign and enrollment efforts were extensive, the researchers assumed at least some exposure to the Promise message. This does not mean that an individual was enrolled in the program, only that the parent was given the opportunity to enroll. Thus, estimates of the relationship between PP&A and parental expectations are like an intent-to-treat or reduced-form



Summary of Outcome Measures

Table 6 provides information on how the two outcomes examined in this section are operationalized.

TABLE 6

Operationalization of the outcomes variables examined

Outcome Measures	Operationalization
Parental Educational Expectations	Parents who expect their child to attend 2-Year College, 4-Year College, or Advanced Degree are coded as expecting their child to attend any college. Parents who expect their child to attend only through Middle School, High School, Military Service, or Vocational or Certificate Program are coded as expecting their child to not attend college.
College-Bound Identity	College-bound identity was measured with three subscales (i.e., salience, difficulty as normal, and group congruence). The three subscales consist of 27 items altogether: identity salience with 7 items, group congruence with 10 items, and interpretation of difficulty as normal with 10 items. Five items were removed after unidimensionality and reliability tests. The total score of college-bound identity ranges from 0 to 22, with a higher score indicating a more positive college-bound identity.

There is a well-established body of research in the education field that indicates parental and children’s college expectations are strong predictors of children’s educational success (e.g., Reynolds & Pemberton, 2001). CSAs have been shown to be associated with children having more positive expectations about their ability to attend college (e.g., Elliott, 2009; Elliott, Choi, Destin, & Kim, 2011). However, early studies used secondary data with a single question (e.g., Do you expect to graduate from college? Yes/No) as a proxy for having a college-bound identity (for a review of this research see Elliott & Harrington, 2016).

The idea that children form a college-bound identity comes out of Identity-Based Motivation (IBM) theory developed by social psychologist Daphna Oyserman and her team (e.g., Oyserman & Fryberg, 2006; Oyserman, Bybee, Terry, 2006; Oyserman, 2007). IBM has three key components: salience (images of future selves are on the mind now), group congruence (people like me also go to college), and difficulty as normal (Destin & Oyserman, 2010;).⁶ These core components have been shown to be important predictors of children’s school behaviors (Oyserman & Destin, 2010) and may help researchers understand more about how CSAs influence children’s behaviors (e.g., Oyserman, 2013).

Building on IBM, the authors of Study 2 adapted a scale that was designed to allow researchers to better understand the mechanisms (i.e., salience, group congruence, or difficulty as normal) by which educational expectations influence children’s educational outcomes. Terri Sabol and her team at Northwestern University developed the scale, the Child Assessment Tool-Electronic or CHAT-E (Sabol, Busby, & Hernandez, 2021). The CHAT-E contains 36 statement items and two open-ended questions on children’s perception of themselves, school, college, and their experience with money and savings. It was designed for young children, to assess how they make meaning of school and college. Elliott, Zheng, Sabol, and O’Brien (2021), in collaboration with the developers, adapted the scale for older children. In doing so they reduced the number of items in the scale from 36 to 22.

⁶ Currently, Daphna Oyserman and her colleagues currently use different terminology than salience, group congruence, and difficulty as normal. Instead, they use the terms accessibility, relevance, and interpretation of metacognitive experience. For more information see Oyserman & Horowitz (2023). However, given that the studies referenced in this report use the older terminology it is used here for consistency and to reduce confusion.

Summary of Findings

TABLE 7

Statistically significant results on educational expectations by condition as measured and outcome by sample

Condition as Measured	Parental Expectations				Children's Expectations/ College Bound-Identity
	Full	No College	Low-Income	High-Income	Full
Have 529 only	1	1	1	1	<input type="checkbox"/> = not significant. <input type="checkbox"/> = no study examined the outcome using the condition as measured.
Promise Programming & Advertising (PP&A)*	1	1		1	
Has 529 + PP&A	1	1			
Imagine Early**					2
Parent/Child Communication***					3

* Promise Programming & Advertising = Promise Indiana (or Promise for short) is a program for children in grades kindergarten through third grade. The marketing campaign, school activities related to college and career preparation, information about engaging champions, trip to a university, and the opportunity to enroll into Promise is what is referred to here as Promise Programming & Advertising (PP&A). The study refers to this as Promise Plus, but PP&A is more descriptive. PP&A is an indicator for living in a county where the program was rolled out. Because the advertising campaign and enrollment efforts were extensive, the researchers assumed at least some exposure to the Promise message. This does not mean that an individual was enrolled in the program, only that the parent was given the opportunity to enroll. Thus, estimates of the relationship between PP&A and parental expectations are like an intent-to-treat or reduced-form estimate.

** Imagine Early = the child is a participant in the Imagine Early program (Yes/No). Children enter Imagine Early after they leave the Promise Indiana program starting in grade 4.

*** Communication between parents and students about Promise Scholars (1 = Communicated; 0 = No communication). Regarding communications, respondents were specifically asked, "In the past 12 months, did you or another adult in your household talk with [child] specifically about [child]'s Promise 529 account or the Community Foundation Promise Early Award Scholarship Fund?"

Table Key

1 = Study 1: Rauscher, E., Elliott, W., O'Brien, M., Callahan, J., & Steensma, J. (2017). Examining the relationship between parental educational expectations and a community-based children's savings account program. *Children and Youth Services Review*, 77, 96-107.

2 = Study 2: Elliott, W., Zheng, H., Sabol, T., and O'Brien, M. (2021). A Step Toward Measuring Children's College-Bound Identity in Children's Savings Accounts Programs: The Case of Promise Scholars. *Children and Youth Service Review*, 127(February) pp. 1-12.

3 = Study 3: Zheng, H., Elliott, W., and O'Brien, M. (2022). The importance of parent/child communications about children's savings accounts for developing a college-bound identity. *Advances in Social Sciences Research Journal* 9(9) pp. 173-190.

Discussion

Importantly, Promise Programming & Advertising is an indicator for living in a county where the program was rolled out and does not mean that an individual was enrolled in the program or that they had a 529 account. Thus, estimates of the relationship between PP&A and parental expectations are like an intent-to-treat estimate. Because of its design, Study 1 provided the researchers with a unique opportunity to begin to distinguish between the effects of having a 529 and the program elements of CSAs (e.g., school activities related to college and career preparation, information about engaging champions, and trip to a university). The findings suggest that having a 529 account, particularly for low-income parents, was more important for forming positive educational expectations for their children than simply being exposed to the program components of the CSA program. In contrast, being exposed to the program elements of the CSA program may be enough to positively influence the educational expectations of high-income parents. This might be because high-income parents do not lack money to pay for college, it might just be that they have not linked having money with their children attending college at this point in the child's life. Whereas low-income parents might need to have a strategy for paying for college to see college as possible for their children.

Study 2 provides some evidence in support of the hypothesis that children in this study form a college-bound identity. Further, findings suggest that participating in the Imagine Early program, a type of CSA program, strengthens children's college-bound identity. However, while this study identified that children form a college-bound identity and that Imagine Early strengthens that identity, it did not examine effects on children's educational outcomes. Thus, it does not provide information on how CSA programs may work through the different mechanisms (i.e., salience, group congruence, or difficulty as normal) to influence children's educational outcomes. Future research should examine these mediating processes.

The Importance of Parental Communications for Strengthening Child Expectations

Unlike the first two studies that examine the association between CSAs and parents' and children's educational expectations, Study 3 by Zheng, Elliott, and O'Brien (2022) examines whether children are more likely to form a college-bound identity when parents communicate about being in a CSA program with their children. This question stems from the hypothesis that CSAs provide families with an opportunity to engage in conversations with their children about college. So, from an identity-based motivation perspective, materials and statements sent home by the program bring college to the forefront of the parent's mind, make college feel as though it is close, and makes parents feel as though their children going to college requires action now even though it might be many years away. By doing so, CSAs provide families with cues or reminders to talk to their children about their account and what it means for them going to college.

Further, it can be imagined that a CSA program like Imagine Early, which also provides scholarships for performing learning and college activities may provide even more reminders than the traditional CSA program does. This is because each time the parent or child is prompted by the program to perform one of the learning or career activities, they are reminded that college is near and requires action now. Similarly, each time they receive notice that a scholarship has been awarded for performing one of these activities they are being reminded that college is near and requires action now. In this way, scholarships can provide parents and children with an additional opportunity to talk about their CSA and what it means for them to be able to go to college. In support of this hypothesis, findings from Study 3 indicate that parental communications with their children about Imagine Early are significantly associated with children's formation of a college-bound identity.



Implications

Regarding the research presented on parents' and children's educational expectations, an implication is that having a 529 account has impacts separate from the programming components (e.g., marketing campaign, school activities related to college and career preparation, information about engaging champions, trip to a university, and the opportunity to enroll into Promise) of CSAs. This does not mean that programming is not important. But it does suggest that they likely cannot replace the impact of having an account. This aligns with findings from SEED for Oklahoma Kids (SEED OK) an experimental study conducted by the Center for Social Development at Washington University in St. Louis. Unlike many CSA programs today, while SEED OK provides a larger initial deposit than most (\$1,000), when it comes to marketing and the opportunity to participate in school related opportunities, it provides very little beyond having an account. Despite this, it still produces many positive impacts that have been shown to influence children's educational outcomes (for a review of this research see Elliott & Harrington, 2016; Huang, Beverly, Clancy, Schreiner, & Sherraden, 2021). It might also suggest that emphasizing program over account ownership may come with diminishing returns, particularly for the populations CSA programs most want to impact. For example, findings reported here suggest having an account may be more important for low-income children than the program components.



Clearly more research is needed on what types of programming might be most effective, how programming and CSAs can work together most effectively, what types of programming are most effective for which groups, and for what purpose to name only a few. Furthermore, CSAs are clearly not a silver bullet and are most effective when combined with programming, but it is equally clear that simply owning an account has impacts that are important and separate from programming impacts.

Another implication is that CSA programs provide a structure for parents to begin communicating with their children about college early in a child's life, and that this is important for children forming a strong college-bound identity. There is also reason to suggest that additional efforts by programs are needed to increase the capacity of CSAs to facilitate parent/child communications. This is because, as the study shows, not all parents in the program are regularly

communicating to their children about the program. Further, researchers need to learn more about which types of communications are most important, how frequently they must happen, and if parents are the only ones who can communicate this to children. Or, for example, do communications between teachers and students have similar positive impacts?

There are also implications that can be drawn regarding the finding that parental communications about the CSA program with children strengthens children's college-bound identities. For programs, an implication is that it might be important to find ways to encourage if not facilitate parents talking to children about their CSA account. This communication is also another way programs might measure engagement different from contributing to the account, but that also has impact on children's outcomes. An advantage of this type of engagement is it is not limited to whether families have enough money left over to save after they meet their basic needs.

For researchers, the importance of communication suggests CSAs have the strongest impacts when children know about the program. And the more children learn about the program and its purpose, the more likely the program is to have positive impacts on children's formation of a college-bound identity. This makes intuitive sense, particularly in the case of indirect impacts (i.e., impacts that are not paying for college such as a stronger sense of having a college-bound identity). It would seem nonsensical to expect that such impacts could occur when the child does not know they are in the program or what the program is meant to do.

Somewhat speculatively, it would also seem that programing might be able to supplement the role of parents as communicators. That is, programs should also be communicating to children that they have an account, and that money is being set aside in the account to help pay for their postsecondary education. This can occur through programing in schools, through materials sent home to parents, or apps specifically designed to inform children about the program and its purpose, to name a few.

What's Next

A major goal of existing CSA programs is to improve children's post-secondary education outcomes. However, because the CSA field is relatively young, and because programs enroll children at birth or in kindergarten, no studies exist that use CSA participant data to test the association between participating in a CSA program and children's postsecondary enrollment. Imagine Early is one of three programs that have children reaching college age in 2024 (K2C and SEED OK are the other two). Imagine Early is currently conducting a study to test the impact of enrollment in Imagine Early and postsecondary enrollment in the year following Grade 12. In addition, this study will examine academic achievement outcomes for participants in grades 9 through 12. No studies currently exist on children in this age range. This will be a very important step for the field.

CONCLUSION

The studies reviewed in this report make clear that CSAs alone can have valuable impacts, but they also provide the infrastructure for scholarship programs that can bolster student academic outcomes in important ways. In part one of this report, it was proposed that this may have implications both for free college and Baby Bonds proposals as well as CSAs and scholarships. At the end of the day, scholarships and free college policies, like CSAs and Baby Bonds proposals, are all types of asset building policies for children. Despite their similarities, in common parlance and in academic, funding, and policy circles they have been talked about as fundamentally different from one another. However, the recognition that they all share a common goal, to provide much needed wealth at a time when children need it most may provide a pathway to building a stronger coalition for passing meaningful asset building legislation for children.

In addition to the academic achievement effects that combining CSAs with scholarships can have, they also have the effect of transforming traditional scholarships into a potential asset stream for building wealth in CSA accounts. The idea of converting traditional grants and scholarships into an early award had been suggested by others. For example, the College Board (2013) recommended supplementing the Pell Grant program by opening savings accounts for children as early as age 11 or 12 who would likely be eligible for Pell once they reached college age and making annual deposits of 5% to 10% of the amount of the Pell Grant award for which they would be eligible. But Imagine Early is the first program the author knows of to carry out this idea. Moreover, Imagine Early has been able to go beyond the original model of merit-based scholarships to include placed-based scholarships or what might be called a community scholarship.⁷ For example, recently a donor working with CFWC opted to put \$1,000 in the accounts of all children in K-4 who are attending a Wabash City School and participating in the Imagine Early program (for more information read Elliott, Grant, & Case, 2023).⁸ This highlights the true potential of CSAs as a wealth building instrument unlike any other currently available to low-income families.

⁷ For more information on community scholarships see what New York City's Kids RISE is doing here <https://aedi.ssw.umich.edu/sites/default/files/documents/Reports/csa-doorway/csa-doorway-case-study-5.pdf?v=1.0>.

⁸ To learn more about how other CSA programs are innovating to harness the power of CSAs as a wealth building financial instrument go to <https://aedi.ssw.umich.edu/unleashing-the-power-of-children-savings-accounts>.

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APPENDIX A

TABLE 1

2022-2023 Imagine Early and Savings Match Opportunities

	Q1	Q2	Q3	Q4	Totals
4th Grade					
Goal Setting	\$10				
Reading assignments and reach goal in Q4	\$20	\$20	\$20	\$20	
Math assignments <i>and</i> reach goal in Q4		\$20	\$20	\$20	
Language Arts essays		\$20	\$20		
Savings Match (if \$20 is deposited into 529 account each semester)		\$20		\$30	
					\$240
5th Grade					
Essay/Presentation			\$20		
College Go Activity #1		\$25			
College Go Activity #2				\$25	
Savings Match (if \$20 is deposited into 529 account each semester)		\$20		\$30	
					\$120
6th Grade					
Goal Setting	\$10				
Reading, Math, and Language Arts assignments <i>and</i> reach 2 goals in Q4	\$35	\$35	\$35	\$35	
Essay/Presentation			\$20		
College Go Activity #1		\$25			
College Go Activity #2				\$25	
Savings Match (if \$20 is deposited into 529 account each semester)		\$20		\$30	
					\$270
7th Grade					
Essay/Presentation			\$20		
College Go Activity #1		\$25			
College Go Activity #2				\$25	
Savings Match (if \$20 is deposited into 529 account each semester)		\$20		\$30	
					\$120
8th Grade					
Personal Career Inventory	\$20				
High School Course Planning	\$20				
College Application Essay		\$20			
Lifetime Earnings		\$20			
Personal Finance			\$20		
Compare College Costs			\$20		
Pathways to Success	\$20				
21st Century Scholars application (parent)				\$40	
Watch video: "Paying for Career Training / College" (parent)				\$20	
Savings Match (if \$20 is deposited into 529 account each semester)		\$20		\$30	
					\$250
Total possible Imagine Early Scholarships for 4th-8th grade					\$1000

Note. A frequent comment from others considering the Imagine Early program is that it is expensive and includes many incentives. While this may be true, anyone interested in initiating an early award model is not required to incent so many behaviors. Program administrators can start slowly, for example, and choose only one grade, like the 4th, or choose only one discipline – like math or reading.

