The Continuing Evidenced Based Evolution of Children's Savings Accounts:

From Early Education, to College, to Post-College Impacts

By William Elliott

This Perspective presents remarks delivered by Dr. William Elliott in an address given during "California's Early Wealth Account System Summit: Pathways to Promise," April 9, 2025. The event was organized by California State Treasurer's Office under the leadership of Treasurer Fiona Ma.

Children's Savings Accounts (CSAs) are asset-building accounts that can facilitate transfers of wealth from multiple sources. **The CSA field has evolved in response to data and evidence, producing studies showing that CSAs, even small-dollar CSAs, impact the futures of children.** The reliance on evidence and theory to develop the field is very different from other popular wealth-building interventions or even many forms of financial aid.

Recently, I conducted a review of CSA research to assess the effectiveness of this intervention as a strategy for improving children's college outcomes (Elliott, 2024). To do this, I used as a guidepost Purdy and Wilkins' (2011) tool to assess the effectiveness of interventions. This tool was created to help establish a common lens for researchers, practitioners, and policymakers when trying to determine if an intervention can be understood to have well-supported effectiveness (Purdy & Wilkins, 2011).

I use it as a guidepost, because research on CSA interventions start when children are very young and take many years before they reach college age. Therefore, they differ from violence prevention interventions in that much of the early research on CSAs relied on using proxies for CSA participation. A proxy is a variable used in a study that is meant to closely approximate the variable of interest that cannot be measured directly. In as much as it is a proxy, we would not expect it or the findings to 100% approximate what would be found using actual data from a CSA program. The strength of the proxy used is an important part of being able to assess the strength of a study. Therefore, I created a scale to determine a proxy's strength within the CSA field. Then, I used four of the seven areas of evidence from Purdy and Wilkins (2011) that seem most fitting for the assessing the CSA field: emerging, promising direction, supported, and well-supported (Elliott, 2024).

Table 1. *Areas of Evidence for Assessing the Effectiveness of the CSA Intervention as a Strategy for Improving Children's College Enrollment*

(1) Emerging Evidence:	(2) Promising Direction Evidence:	(3) Supported Evidence:	(4) Well-Supported Evidence:
Effect: Expected to be effective	**Effect:** Some evidence of effectiveness	**Effect:** Found to be effective	**Effect:** Found to be effective
Internal Validity: Sound theory only	**Internal Validity:** Non-experimental design	**Internal Validity:** Quasi-experimental design	**Internal Validity:** True experimental design
Type of Evidence: Exploratory studies	**Type of Evidence:** Single group design	**Type of Evidence:** Quasi-experimental design	**Type of Evidence:** Randomized control trials, meta-analysis, systematic review
Replication: Program replication, no evaluation replication	**Replication:** Program replication, no evaluation replication	**Replication:** Program replication with evaluation replication	**Replication:** Program with evaluation replication
Implementation Action Guidance: None	**Implementation Action Guidance:** Partial	**Implementation Action Guidance:** Comprehensive	**Implementation Action Guidance:** Comprehensive
External and Ecological Validity: Somewhat real world informed	**External and Ecological Validity:** Real world informed	**External and Ecological Validity:** Applied studies similar settings	**External and Ecological Validity:** Applied studies different settings

Adapted from Purdy, R. W. & Wilkins, N. (2011). Understanding Evidence Part 1: Best Available Research Evidence. A Guide to the Continuum of Evidence of Effectiveness. Atlanta, GA: Centers for Disease Control and Prevention. Find at https://stacks.cdc.gov/view/cdc/137401

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Elliott, W. (2025, April 9). The continuing evidenced based evolution of Children's Savings Accounts: From early education, to college, to post-college impacts. University of Michigan, School of Social Work, Center on Assets, Education, and Inclusion. https://doi.org/10.7302/25347

Also can find at https://aedi.ssw.umich.edu/sites/default/files/publications/ContEvolutionCSA.pdf

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Short-Term Impacts (Interim Metrics)

Given that CSA programs start when children are very young, the field initially relied on short-term outcome metrics to determine the effectiveness of CSAs (Elliott & Harrington, 2016). These are metrics known within education literature to be predictive of children's college outcomes. This early research helped boost the field's, policy makers', and school administrators' confidence that the CSA intervention could in fact be a valuable part of a strategy for improving children's college outcomes.

Tables 2 and 3 provide a quick summary of the findings using short-term metrics. According to Purdy and Wilkins (2011), the most effective interventions produce significant positive effects in the short-term as well as in the long-term. **Research indicates that CSAs have a significant positive effect on short-term outcomes such as math, reading, high school completion, expulsion, suspension, parental education expectations and more.** The remainder of this talk will focus on CSAs' long-term effects.

Table 2. *Summary of Net Worth Findings for Short-Term Outcomes*

Outcome	# of Times Studied	# of Times Significant
Reading	5	3
Math	6	6
Academic Achievement	2	0
High School Completion	3	0
Expulsion	2	2
Suspension	2	2
Repeated Grades	2	2
Interest in School Work	1	1

Elliott, W. (2024). Assessing the evidence for Children's Savings Accounts (CSAs) as an effective strategy for improving children's postsecondary outcomes: The continuum of evidence of effectiveness. University of Michigan. Center on Assets, Education, and Inclusion (AEDI). Find at https://aedi.ssw.umich.edu/sites/default/files/documents/Reports/evolution-of-csa-research.pdf?v=1.1

Table 3. *Summary of CSA Program Participation Findings for Short-Term Outcomes*

Outcome	# of Times Studied	# of Times Significant
Reading	3	2
Math	3	3
Social-Emotional Development	4	4
Maternal Depression	1	1
Parental Educational Expectations	3	3
Absences	2	2
Parenting Practices	1	1
Improved Communications	1	1

Elliott, W. (2024). Assessing the evidence for Children's Savings Accounts (CSAs) as an effective strategy for improving children's postsecondary outcomes: The continuum of evidence of effectiveness. University of Michigan. Center on Assets, Education, and Inclusion (AEDI). Find at https://aedi.ssw.umich.edu/sites/default/files/documents/Reports/evolution-of-csa-research.pdf?v=1.1

Assessing CSAs as a Strategy for Improving Children's College Outcomes

I suggest the CSA field continues to go through a series of evidence-driven evolutions that may be useful for understanding where it falls on the continuum of evidence of effectiveness as a strategy for improving children's college outcomes.

Evolution 1 - Emerging Evidence

Emerging evidence uses nationally representative secondary data sets to test the relationship between parental wealth, typically measured as net worth, and children's college outcomes. Proxies used in the emerging area of evidence are characterized as being the least like actual participation in a CSA program

(i.e., the weakest proxy). Findings in this area of the continuum are classified as being "expected to be effective."

Dalton Conley's work is exemplary of the kind of evidence that existed during this period. In his 1999 book *Being Black, Living in the Red* he burst onto the wealth-building scene, and the public's radar. Conley's book was one of the first to emphasize the role family wealth plays in determining children's college outcomes. Regarding college completion Conley found that Black children are only 38% as likely as White children to have graduated from college. Further, when accounting for wealth and other social class factors, he found Black children had a slight advantage over White children in odds of having graduated from college. This was counter to what common narratives suggested at the time. This is a common theme among the research that has had what I am calling an evolutionary impact on the CSA field; it was not only the findings, but how the authors were able to inject the findings into the middle of mainstream conversations at the time. They contextualized the findings in such a way that they did not talk above people, but instead, they talked to people. This is also a characteristic of Sherraden's (1991) *Assets and the Poor;* people, everyday people, could relate to it.

Evolution 2 – Promising Evidence

Promising evidence is classified as providing some evidence of effectiveness. The second evidentiary evolution was characterized by a shift from using family net worth as a proxy to a proxy derived from questions asking children if they had a conventional savings account and whether they had designated some of the savings for future schooling.

Research by Elliott and Beverly (2011) showed that having savings designated for future schooling was associated with higher enrollment rates and reducing the occurrence of what we called "wilt" to paint the picture of a child withering on the vine. This was a play-off of a 2006 report by the Advisory Committee on Student Financial Assistance (ACSFA), a group charged by Congress with enhancing access to post-secondary education for low-income youth. The Committee found that 70% of low-income youth planned in 10th grade to enroll in college, but only 54% actually enrolled upon graduating from high school. Thus, according to ACSFA's calculation, 23% of low-income youth experienced wilt or what they called melt. However, their study did not include wealth and only used descriptive data. And because of the nature of the Committee and their work on the topic, it highlighted the need to find a solution to the problem of wilt. Wilt brought into question the very idea that America was functioning as a meritocracy.

By only including in the sample children who were expected to attend college in 10th grade and controlling for their academic ability, we better isolated the impact of not being able to pay for college as a problem. Furthermore, these were not "underserving" children, their inability to access college screamed there was something wrong with the education system, it was failing to be the equalizer it was thought to be. Because of the bright light on the issue, and the sympathy toward these children, it also meant that if a solution could be found, it would potentially receive even more attention and support. However, this also made it more likely that these children would attend college when compared to other children. Findings indicated that these children were 6x more likely to enroll in college when they had savings. Understandably, given the select population chosen for this study, this was higher than what later studies found that included all children, children who did not expect to graduate from college and were not academically prepared. However, at the time, these findings had an out sized impact on the perception of CSAs as a potentially effective strategy for improving children's college outcomes. They were often cited at the time and became part of the rationale for creation of CSA programs across the country.

Kindergarten to College (K2C) in San Francisco CA was the first citywide CSA program in the U.S. Elliott and Beverly's (2011) findings were used as part of the rationale for starting K2C. In a press release at the start of San Francisco's K2C program, then-Mayor Gavin Newsom said, "There's no better long-term investment we can make as a city than helping our kids go to college, and Kindergarten to College will provide working families with the financial tools to turn a college education for their child from a distant dream to a practical reality" (Newsome, 2010). K2C, under the leadership of Treasurer José Cisneros, would become the model for many other CSA programs, particularly citywide and other local programs across the country whose goal was to increase college enrollment in their communities.

Evolution 3 – Supported Evidence

Evidence in this area is classified as "found to be effective." Regarding research design, researchers moved from using non-experimental explanatory designs to quasi-experimental impact evaluation designs that better accounted for potential selection bias through advanced statistical methods. Evolution 3 was shepherded in by a set of studies examining whether **small amounts of assets** in an account could have positive effects on children's college outcomes (Elliott, 2013; Elliott, Song, & Nam, 2013; Friedline, Elliott, & Nam, 2013). This was important because the most widespread form of CSAs are small-dollar accounts ($5 to $1,000 initial deposit with no additional deposits). Therefore, questions often arose and still arise about whether small-dollar CSAs really can impact children's college outcomes. Importantly, these questions at the time were being asked by principals and teachers among others in

the education space and needed an answer, not to mention people in the broader asset field. Research in Evolution 3 spoke to these questions, it showed that having even a relatively small amount of $1 to $500 in savings designated for future schooling increased the odds that a child would attend college and graduate from college (Elliott, 2013). Not only did it speak to these questions through its findings, but also helped to explain how small-dollar amounts could matter by developing a theory and way of talking about their impact that focused on how assets changed the way children thought about their future. Eventually this would become known as children forming a college-bound identity or even more recently, tangible hope which conjures up in the mind what then-Mayor Newsome said at the start of K2C, that it would "... turn a college education for their child from a distant dream to a practical reality" (Newsome, 2010, Oct. 5).

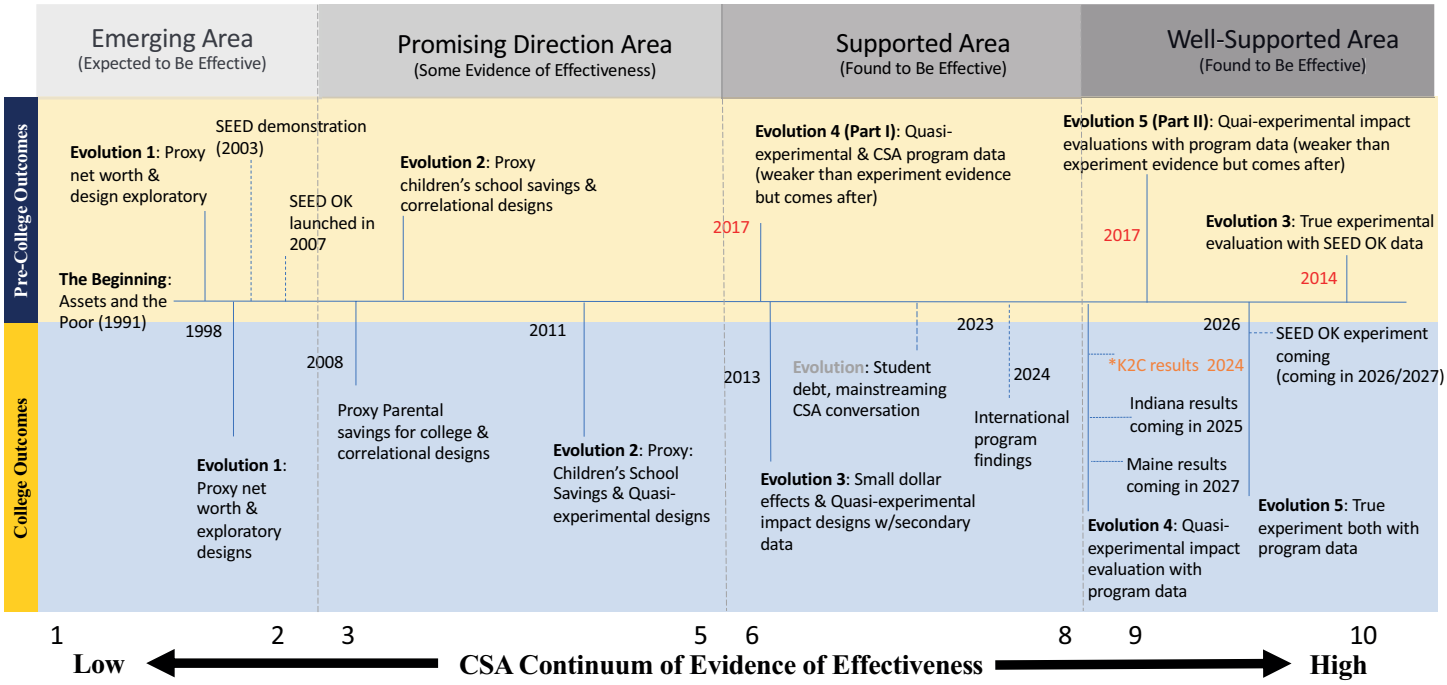
Evolution 4: Well-Supported Evidence

The field is currently in Evolution 4, where it doubles down on the evidence. It marks the period when some programs now have children entering college. As a result, more rigorous quasi-experimental impact study designs with participants can now be conducted, finally removing the question about the effectiveness of CSAs. This study design produces evidence of effectiveness that is classified on the continuum as well-supported. The well-supported area of the continuum represents the highest form of evidence even though experimental evidence is the strongest form of well-supported evidence.

K2C is the first U.S. program to have participants who are college age. So, some 11 years after the start of K2C findings are now available for the first class of kindergartners who received accounts in 2011 and graduated from high school in 2023. In the class of 2023, students with a K2C account were 6% more likely to enroll in college overall, as compared with similar students from the class of 2022 who did not participate in K2C (Elliott, Sorensen, O'Brien, 2024). This effect was largely driven by gains among underrepresented students who were 12% more likely to enroll in college (Elliott et al., 2024). Additional findings should come later this year and in the next two years from programs in locations like Indiana, Maine, and Oklahoma.

Now let us discuss, the Start of a New Emerging Area of Research: The Return on Degree, CSAs and Post-Graduation Financial Outcomes, the Next Evolution in the CSA Field?

Diagram 1. *Evidence of Effectiveness of CSAs as a Strategy for Increasing College Enrollment: Long-Term Metrics*



From an evidence standpoint we step back to the emerging evidence area on the continuum but move forward in the field's evolution. This research demonstrates how wealth is needed to strengthen the return on degree. Forging a link between education and wealth-building that creates an even stronger pathway to economic mobility. This is not an education-only pathway. Along this pathway, education increases the capability of the adult child to produce wealth, and wealth increases the amount of wealth produced by having a degree. I suggest this is a critical step in having education live up to its moniker as America's "great equalizer."

Return on degree is an important area of research for the CSA field and ultimately for ending poverty and

wealth inequality because of education's role in our social welfare system. However, evidence increasingly shows that education does not pay off the same for everyone. In the case of low-income college graduates, research indicates that they start their careers earning about one-third less than those from high-income families. Similarly, findings show that one year after graduation, the median income for Black college grads is $36,000, compared to $40,000 for White grads (Fuente & Navarro, 2020). However, the true scale of the return on degree problem is not revealed until wealth is considered. For example, research shows that Black college graduates receive less return on degree than their White counterparts; with a net worth of about $33,000 versus $360,000 (Emmons & Noeth, 2015). Even more troubling, Black head of households who are college graduates have about 33% less wealth than White heads of households **who drop out of high school** (Hamilton, Darity, Price, Shridharan, & Tippett, 2015). So, how can the return on degree better match the message that education is an equalizer in society?

While not yet published, with some colleagues, we are in the process of completing a study that examines the impact that wealth at different stages of a child's development has on their return on degree. It examines whether college graduates are able to successfully launch into being financially established adults by early middle age (37-42). We use different measures of net worth as proxies for successfully launching. During the financially established adult stage of life, adults are expected to be financially independent from their parents and established in their careers (Day, Harrison, & Halpin, 2008).

College Enrollment Wealth: Proxy for CSAs

College enrollment wealth refers to the amount of wealth a grad's parents had about the time they were college-age. We suggest that wealth in CSAs mimics or can act as a substitute for the parental educational support wealthier parents more often are in a position to provide for their children (Meschede, Taylor, Mann, & Shapiro, 2017). Preliminary findings from this study indicate that as little as $1 of enrollment wealth increases the odds a grad reaches the median net worth of U.S. households by 5%, $500 by 51%, $1,000 by 58%, $5,000 by 74%, and $10,000 by 81%. **So, even having $500 put aside for when a grad reaches college age can greatly impact on the odds that they reach the median net worth of U.S. households by the time they are early middle age.**

These findings are similar to those from my earlier discussions on the effectiveness of CSAs as a strategy for improving children's college outcomes. The evidence shows that having only $1 to $500 is associated with children being more likely to enroll and graduate from college (Elliott, 2013). This finding is further supported by findings that show participants in K2C have improved odds of enrolling in college despite having small sums saved in their account. Overall, participants in K2C have about $179 on average when they reach college age. If they are savers (i.e., contributed at least once) they have about $1,133.

This means that not only do children who participate in K2C have increased odds of attending college, but among those who graduate from college we can expect they also will have increased odds of being a financially established adult by early middle age. **Using the average amount saved in K2C, if they are non-savers who graduate from college, we can speculate that the odds of a successful launch will increase by 42%; if they are a saver, by 58%.**

College Grad Wealth

College grad wealth in this study is the amount of wealth graduates themselves have shortly after graduating from college. We posit that this wealth can be used to help grads leverage their college degree to produce additional wealth. In support of this hypothesis, similar to college enrollment wealth, preliminary findings on graduation wealth indicate that **even small amounts** are positively associated with a grad's return on degree. That is, the more wealth grads have shortly after graduating, the more wealth they earn from their degree.

Survival analysis allows the researcher to examine the relationship between graduation wealth and the risk of failing to launch while controlling for multiple factors (Kelly & Lim, 2000). Survival analysis findings indicate that giving a college grad an additional $1,000 increases the likelihood they will reach the median net worth of U.S. households by 35 times within a year after college. After 6 years, giving a grad an additional $1,000 increases the likelihood they will reach the median net worth by only two times and by 10 years there are no more positive effects. **Therefore, the potentially cheapest and most effective time to provide a wealth transfer that will maximize the return on degree, and reduce wealth inequality, might be between ages 25 to 30**.

This suggests that wealth-building policies whose goal is to strengthen the return on degree and help children successfully launch into becoming financially established adults might want to strongly consider targeting not only providing wealth at age 18 but again around the ages of 25 to 30. The idea of moving from one time point to multiple time points aligns with Sherraden's (1991) original vision of what a CSA would look like. He did and still does refer to these accounts as Child Development Accounts (CDAs) because when he introduced them, he introduced them as lifelong accounts designed to assist children's development. **This is another advantage of delivering wealth transfers using the CSA infrastructure, it allows for multiple distributions at critical transitional stages across the child's life course.**

Table 4. *Net Worth by Race and Timing of Wealth*

Timing of Wealth	Aggregate Wealth		Black Wealth		White Wealth		Black/White Wealth Gap	
	Mean (Early vs Enroll)	Median (Early vs Enroll)	Mean (Early vs Enroll)	Median (Early vs Enroll)	Mean (Early vs Enroll)	Median (Early vs Enroll)	Mean (Early vs Enroll)	Median (Early vs Enroll)
Early Wealth (parental)	$208,000	$46,800	$32,800	$2,610	$301,000	$91,300	$268,200	$88,690
Enroll Wealth (college age parental wealth; proxy for CSA)	$390,000 ($182,000)	$81,700 ($34,900)	$66,400 ($33,600)	$7,650 ($5,040)	$560,000 ($259,000)	$162,000 ($70,700)	$493,600 ($225,400)	$154,350 ($65,660)
Gradustes' Wealth	$74,500	$6,320	$21,500	$0	$102,000	$15,800	$80,500	$15,800

Note. Data from Panel Study of Income Dynamics. Elliott, Osafo Agyare, and Min (2025). The role of wealth in strength in return on degree: Successfully launching into middle age. Working Paper. University of Michigan. Center on Assets, Education, and Inclusion (AEDI). All numbers are rounded.

Another interesting fact about graduation wealth, and maybe a reason smaller amounts can have a big impact, is because the graduation wealth gap is much smaller than it is during other developmental stages (see Table 4). Between early wealth, enrollment wealth, and graduation wealth, wealth disparities are largest when children reach college age and they are at their smallest about the time they graduate college.

This aligns with a life cycle theory of wealth building (Modigliani & Brumberg, 1954). The life cycle theory suggests that young parents will have less wealth when they are early in their careers, their incomes are low, they are getting married, starting a family, buying a home and so forth. However, as they age, their income increases, and they rely less on credit and begin to build wealth.

This is similar to what we know about the return on degree. Research indicates that the "earnings premium for a college education grows as workers age. Full time workers ages 25 to 34 with bachelor's degrees have a 53% earnings premium over high school graduates. That premium grows to 72% for those ages 35 to 44, and to 79% for workers ages 45 to 54" (Baum, 2014, para. 5). Given that the premium on a bachelor's degree is at its least from age 25 to 34, about the time most children are setting out to become independent from their families, a wealth infusion at this time might be most efficient and effective at strengthening the return on a degree. Together, this suggests that shortly after graduation, between the ages of 25 and 30, might be cheapest and most effective time to strengthening the return on a degree and ultimately reduce the wealth gap.

A Second Emerging Research Area: The Power of the CSA Institution Itself as a Wealth Producer

When we talk about the effects of small amounts of wealth, it is hard not to recognize that the CSA institution (that is, being included in a program that provides you with an account designed to build wealth on your behalf) produces its own effects apart from owning wealth or having contributed. This emerging area of research suggests that inclusion in the CSA institution itself augments children's and their family's ability to build wealth on behalf of the child.

For example, imagine a child has a $1,000 to put into a high-yield savings account with a monthly Annual Percentage Yield (APY) of 5%. If they deposited nothing else that year, they would earn about $51. However, if they had $20,000, the account would produce $1,023 for them; if they had $50,000, it would produce $2,558, and if they had $1,000,000, the account would produce $51,162, above and beyond any effort they expended on their own. Or it could be said that the institution produces over $51,000 of wealth for the child who has a million dollars to put into their account and $51 for the child who has $1,000 to put in their account. What should become evident from this example is that the amount of wealth an individual has to start helps determine how much wealth the financial institution can produce for them. This is similar to what was said above about the return on degree. How much wealth college graduates have when they leave college plays an important role in determining how much wealth the education institution can produce for them.

However, what should also stand out is, that the financial institution directly builds wealth on behalf of the child by increasing the amount of wealth in the account through interest or investment. Notably, we also see in data the power of the CSA institution to build wealth beyond the individual's effort. For instance, at age 14 the average treatment child in SEED for Oklahoma Kids or SEED OK, which started at

birth with a $1,000 initial deposit, has about $4,373 in their account among participants who had not made a deposit themselves (Clancy, Beverly, Schreiner, Huang, & Sherraden, 2022). The CSA institution resulted in that initial $1,000, through periods like the great recession and COVID-19, to grow by about $3,373. Similarly, Maine's statewide program, My Alfond Grant, puts $500 into each child's account at birth. The $500 is now worth $2,066 for the oldest recipients (Quint, 2024). This speaks loudly regarding the ability to build wealth in CSAs, that all money in an account should benefit from investment earnings, or at a minimum high interest. It also speaks to the shortcoming of splitting the money into many different accounts (e.g., Baby Bonds, CSAs, Free College), reducing the amount of wealth in any particular account, and thus the ability of the government's investment to build wealth in an account.

However, the CSA institution does as much indirectly to build wealth as it does directly. Let's look at some indirect ways the CSA institution helps build wealth beyond improving the chances of children attending college.

CSAs are A Gateway Financial Instrument

This line of research suggests that children's savings accounts can have powerful educational effects, as described above, and they can also serve as an institutional structure that can be leveraged to create intragenerational economic mobility. A full accounting of the potential benefits of account ownership (i.e., being included) from an early age should include the potential for a more diversified asset portfolio and healthier financial engagement in adulthood. Research by Friedline and colleagues indicates that accruing savings as a child is associated with an increased likelihood of asset accumulation as young adults. As a result, children may leave college better equipped to pursue important financial goals as young adults. For example, findings show that children between ages 15 to 19 who have savings are more likely to have a savings account, credit card, stocks, bonds, vehicle, and a home at age 22 to 25 than if they did not have savings of their own between ages 15 to 19 (Friedline & Elliott, 2013). Findings also show that the overwhelming majority of young adults (age 18) owned a savings account at or before acquiring financial products such as checking, CD, money market, savings bond, stock, and retirement accounts (Friedline, Johnson, & Hughes, 2014).

This evidence indicates that CSAs can be a gateway to greater educational attainment, a conduit of economic mobility, and a more diversified asset portfolio. As such, it might matter little if children are able to accumulate large stocks of assets on their own in their savings accounts, but another way to assess their impact is whether, as a ***gateway financial instrument***, CSAs lead to greater asset accumulation in other forms such as stocks, retirement accounts, and real estate. For example, researchers find that while owning a savings account as a young adult only contributed $50 toward liquid assets, the added contribution of combined stock and retirement accounts—themselves products of savings account ownership—was $5,283 (Friedline et al., 2014).

The CSA Institution also Turns Financial Literacy into Financial Capability

Using experimental data from SEED for Oklahoma Kids (SEED OK), researchers find evidence that financial access significantly increases the chances that families in the treatment group hold a CSA but not in the control group (Huang, Nam, & Sherraden, 2013). Furthermore, there is evidence in this study that suggests financial knowledge facilitates holding a CSA, but only when financial access is available. A separate study reveals that having access to a CSA positively moderates the relationship between financial knowledge and asset accumulation (Huang, Nam, & Lee, 2015; Huang, Nam, Sherraden, & Clancy, 2015). In the final study, there is evidence that financial literacy and financial access reduce economic hardship, but financial access plays a more significant role in reducing financial hardship than financial literacy (Sun, Chen, Ansong, Huang, & Sherraden, 2022). Together, these findings suggest that financial capability requires improved financial knowledge and inclusion.

The CSAs Institution Facilitates the Flow of Multiple Streams of Wealth into a Child's Account

CSAs provide a unique institutional structure for building wealth that allows for third-party contributions such as, extended family members, employers, philanthropists, communities, the government and others (Elliott, 2023). Given this, CSAs are not all or even mostly dependent on what low-income families can save on their own. CSAs expand the notion of wealth building for the poor from being exclusively an individual or even a government-only responsibility to being a community responsibility. From this perspective, despite being assigned to individual children which is important for producing some of the social and psychological effects research indicates CSAs can produce, **CSAs should really be understood as community accounts opened by the community (particularly in the case of opt-out programs) on behalf of a child.** When understood as a community account, it can be suggested that the CSA intervention can far exceed many other asset-building policies for children when it comes to building wealth. They do this in part by facilitating multiple streams of assets to flow into a child's account.

The CSA Institution also Facilitates the Flow of Social Capital and can be used as an Organizing Tool

In addition to their wealth-building function, as community accounts, CSAs provide an infrastructure to **carry social capital to children**. Moreover, NYC Kids Rise has demonstrated that the CSA platform can serve as an **organizing tool within and across communities,** to enhance connectivity among residents and local institutions, build robust partnership and collaboration between organizations with complementary missions, and direct resources toward people living in communities outside their neighborhoods (Glickstein & Elliott, 2023 Sept.). **Something not yet measured but may be as important is the fact that scholarships placed in a CSA, organized by the community, can also serve as a crucial reminder to children and their parents that other parents and the broader community are behind them.**

These are some of the reasons I have concluded that Children's Savings Accounts are the best way to deliver a large federal wealth-building investment to children. The CSA platform does not replace scholarships or other philanthropy, for example, or even Baby Bonds. Still, they do provide a different way to deliver these investments that can enhance the impact they can have, particularly among low-income families and their communities.

KEY TAKEAWAYS:

- The CSA field has evolved in response to data and evidence
- Research indicates that CSAs have a significant positive effect on children's and their parents' short-term outcomes
- Key College Outcome Findings
  - ➢ Research shows that having savings designated for future schooling is associated with higher enrollment rates and reducing the occurrence of what we called "wilt" (Elliott & Beverly, 2011). Wilt is when a child expects to attend college in 10th grade but does not enroll shortly after graduating from high school.
  - ➢ Having $1 to $500 in savings increases the odds that a child would attends college and graduates from college (Elliott, 2013).
  - ➢ In the class of 2023, students with a Kindergarten to College (K2C) account are 6% more likely to enroll in college overall. Underrepresented students who are 12% more likely to enroll in college (Elliott, Sorensen, & O'Brien, 2024).
- The Potential of CSAs to Strengthen the Return on Degree
  - ➢ Evidence increasingly shows that education does not pay off the same for everyone.
  - ➢ College enrollment wealth (proxy for CSAs) refers to the amount of wealth a grad's parents have about the time they are college-age.

- Preliminary findings indicate that a $1 of enrollment wealth increases the odds a grad reaches the median net worth of U.S. households by 5%, $500 by 51%, $1,000 by 58%, $5,000 by 74%, and $10,000 by 81% (Elliott, Osafo Agyare, & Min, 2025).

- Given this, using the average amount saved in K2C, if K2C participant is a non-saver who graduates from college, we can speculate that the odds of a successful launch will increase by 42%; if they are a saver, by 58%.
  - ➢ College grad wealth is the amount of wealth a grad has shortly after college.
    - Preliminary survival analysis findings indicate that giving a college grad an additional $1,000 increases the likelihood they will reach the median net worth of U.S. households by 35 times within a year after college. After 6 years, an additional $1,000 increases the likelihood by 2 times, and by 10 years there are no more positive effects (Elliott, Osafo Agyare, & Min, 2025).
- The potentially cheapest and most effective time to provide a wealth transfer that will maximize the return on degree, and reduce wealth inequality, might be between ages 25 to 30.
  - ➢ This suggests there might be a need for multiple wealth transfers at different developmental stages. The idea of moving from one time point to multiple time points aligns with Sherraden's (1991) original vision when he referred to these accounts as Child Development Accounts.
- The CSA institution produces its own effects in addition to those from owning wealth or being a saver
  - ➢ A way to assess the impact of CSAs is whether CSAs lead to greater asset accumulation in other forms such as stocks, retirement accounts, and real estate.
  - ➢ Financial literacy is more impactful when combined with the CSA intervention.
  - ➢ The CSA institution facilitates the flow of multiple streams of wealth into a child's account. Third-party contributions can flow in from such sources as extended family members, employers, philanthropists, communities, the government and others (Elliott, 2023).
  - ➢ CSAs are community accounts opened by the community on behalf of a child.
  - ➢ CSAs provide an infrastructure to carry social capital to children (Glickstein & Elliott, 2023 Sept.).
  - ➢ The CSA platform can serve as an organizing tool within and across communities, to enhance connectivity among residents and local institutions, build robust partnership and collaboration between organizations with complementary missions, and direct resources toward people living in communities outside their neighborhoods (Glickstein & Elliott, 2023 Sept.).
- This has led me to conclude CSAs are the Best Way to Deliver a Large Federal Wealth-Building Investment to Children

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