

# Participation and Savings Patterns in the Wabash County Promise Scholarship Program: Year 1



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## **Introduction**

This report examines enrollment, savings behaviors, and asset accumulation in the Wabash County Promise Scholarships program, which deposits early-commitment scholarship awards into children's college savings accounts, in an effort to improve educational outcomes. The rationale for the Wabash County Promise Scholarships is rooted in research evidence examining the potential of early accumulation of educational assets to cultivate identities as college savers and increase educational expectations. This evidence has contributed to a growing trend among scholarship providers to consider ways to deliver awards early enough in students' educational trajectories to influence not just the affordability of postsecondary education, but also students' likelihood of enrolling in college and completing postsecondary credentials. One particular iteration of these efforts is the melding of 'Promise' programs or other early-commitment scholarships with Children's Savings Account (CSA) programs that help families accumulate educational assets through incentivizing their own saving and amplifying families' contributions with programmatic features (Elliott & Levere, 2017). Early-commitment scholarships provide early notification, guarantee, and/or delivery of financial aid to help offset the costs of postsecondary studies or training. The Wabash County Promise Scholarships program is an example of early-commitment financial aid that leverages the potential of both approaches.

## **Wabash County Promise Scholarship Program**

The Wabash County Scholarship program provides financial awards to help students in grades 4 through 8 pay for college or career training after high school. These awards are based on school engagement benchmarks, college-going activities, and regular savings in a Promise-affiliated Indiana CollegeChoice 529 college savings account. The Wabash County Promise Scholarship program is available to all Wabash County, Indiana students in grades 4 through 8. Enrollment in the scholarship program requires ownership of an Indiana CollegeChoice 529 Direct Savings Plan and a signed consent form by which parents give permission for the release of program and academic data for purposes of program evaluation. Once fully enrolled, fourth, sixth, and eighth-graders earn multiple small scholarship awards for regularly practicing learning, college readiness, and savings behaviors that have been identified by Wabash County Promise Scholarship staff and school personnel as likely to lead to successful progress toward postsecondary education. Fifth and seventh graders are only eligible for savings matches. Students in fourth, sixth, and eighth grades can earn as much as \$100 per year for in-school activities completed with at least 70% proficiency and an additional \$50 for savings matches, for a total of \$150 in scholarship awards during each of the three grades. Fifth and seventh graders can earn \$50 in savings matches each year. While this report focuses only on data from the 2016-2017 academic year and program structure, for the following academic year, several programmatic changes were implemented to improve participation. The scholarship incentives for fourth and sixth grades increased; students can earn up to \$200 in incentive deposits, \$150 of which are for completion of activities associated with college-going and academic achievement, and \$50 of which are for savings matches. In addition, fifth and seventh graders are now offered scholarship incentive opportunities allowing them to earn up to \$110 in incentives, \$50 of which are for savings matches, with the rest divided among activities such as an essay and completion of assigned college preparation benchmarks. Eighth-grade students are eligible for up to \$210 in incentives, \$50 of which are for savings matches. The total for all possible

incentives over five years increased from \$550 to \$830. *See Appendix for additional details of program design and award schedule by grade for 2016-2017.*

### **Children's Savings Accounts**

In addition to the provision of small scholarship awards, as described above, the Wabash County Promise Scholarships program encourages families to save for their children's postsecondary educations, by requiring ownership of a Promise 529 college savings account in order to be eligible for scholarships, as well as by providing savings matches. In this way, the Wabash County Promise Scholarship program incorporates elements of Children's Savings Accounts (CSAs). CSAs are interventions that build assets for children to use as long-term investments (Sherraden, 1991), particularly postsecondary education (Elliott & Lewis, 2014). Provided through financial institutions including state 529 college saving plans such as Indiana's CollegeChoice and also banks and credit unions, CSAs generally include progressive features, such as initial deposits, savings matches, and/or other incentives (Goldberg, 2005; Sherraden, 1991). Similarly, students participating in the Wabash County Promise Scholarship program receive an initial \$25 deposit and are eligible for savings matches when they make contributions. Another parallel between the design of most Children's Savings Account programs and that of the Wabash County Promise Scholarship program is that of time; both seek to activate families' preparation for their children's future postsecondary educations, including achievement of both academic and financial milestones, earlier in a child's life than might otherwise occur. Finally, CSAs and the Wabash County Promise Scholarship program both seek to cultivate ownership of early educational assets for their effects on children's prospects as well as on families' balance sheets. Research suggests that assets are associated with improved academic achievement (Elliott et al., 2016) and educational attainment (Elliott, 2013; Elliott & Beverly, 2011).

Children's Savings Account research has shown that ownership of early educational assets can increase and sustain parents' educational expectations for their children (Huang, Sherraden, Kim, & Clancy, 2014), which is in turn associated with children's educational progress (Davis-Kean, 2005; Zhang, Haddad, Torres, & Chen, 2011). Drawing on the well-researched concept of Identity-Based Motivation (see Oyserman, 2015; Oyserman, Bybee, & Terry, 2006), asset scholars have examined how development of 'college-saver identities' may contribute to students' educational outcomes. Specifically, ownership of early educational assets—as is facilitated through the Wabash County Scholarship program—can make higher education appear salient and requiring immediate preparation, frame difficulties associated with preparing and paying for college as normal rather than as indicators of impossibility, and align educational attainment with individuals' group identities. Even compared to children who see themselves as 'college-bound', those with college-saver identities are about twice as likely to graduate from postsecondary education (Elliott, 2013). These prospective outcomes make the incorporation of CSA elements particularly attractive to scholarship providers with explicit aims to affect not only college enrollment, but also completion.

### **The Wabash County Context**

Wabash County, Indiana had a population of approximately 32,000 people in 2015, slightly over 21% of whom were under age 18. Almost 97% of Wabash County residents identified as non-Hispanic White (Economic Development Group of Wabash County, 2017a). Per capita income in 2015 was \$39,447, or 82% of the United States average (Economic Development Group of Wabash County, 2017b). Two of

the larger communities within Wabash County include the cities of Wabash and North Manchester. There are both two- and four-year postsecondary educational institutions located within the county. Public K-12 school districts in the county include the Metropolitan School District of Wabash County, Wabash City Schools, and Manchester Community Schools.

Predating the creation of the Wabash County Promise Scholarship program in 2016 was the establishment of the Wabash County Promise in 2013. Now part of the state-supported and community-driven Children's Savings Account program known as Promise Indiana, the Wabash County Promise began with the Wabash County YMCA and local school leaders, who shared concerns about persistent disparities in educational attainment and low participation in the state's 529-college savings plan (CollegeChoice). The three principal components of the Promise Indiana CSA are (1) Facilitated enrollment in Indiana's 529 plan; 2) Financial incentives for family saving, including initial seed deposits, savings matches, and champion contributions; and 3) College and career planning activities, integrated into participating schools. In Wabash County, the CSA targets students in grades Kindergarten through third. Families opening a CollegeChoice 529 college savings plan through Promise Indiana complete a streamlined application process and receive a \$25 account-opening incentive. Families are also eligible for matches to encourage contributions from their own resources or those that they secure from community 'champions'. In addition to the account itself, children participate in college visit days as elementary school students and are exposed to early college planning and financial education content (see Elliott & Lewis, 2015 for a more detailed discussion of the origins and implementation of Promise Indiana). Families may begin the Wabash County Promise Scholarship program using an existing Promise Indiana 529 account, opened when their child was involved in the Wabash County Promise as a younger student, or they can open a 529 account for the specific purpose of being eligible for the scholarship awards. Similarly, families may simultaneously have younger children who are participating in the Wabash County Promise and older students receiving Wabash County Promise Scholarship awards.

## **Methods**

### **Sample**

The population for this study includes all 4<sup>th</sup> - 8<sup>th</sup> graders attending public school in Wabash County during the 2016-2017 academic year (N = 1,942). Forty-one percent of these students were enrolled in the Wabash County Promise Scholarship program (n = 797) and 14% (n = 272) represent students with Promise Indiana savings accounts who were not enrolled in the Wabash County Promise Scholarship program. The remaining 873 (45%) are students without identifiable 529 accounts and not enrolled in the Promise Scholarship program. Table 1 displays the enrollment rate for the Promise Scholarship program based on new account openings in 2016 or 2017. Overall, in 2016-2017, 217 new accounts were added, for an uptake rate of 20%.

**Table 1.** Promise Scholarship Program Enrollment Rates

|              | <b>2016-2017<br/>Roster</b> | <b>Already Enrolled<br/>before 2016</b> | <b>Currently<br/>Eligible</b> | <b>Newly<br/>Enrolled in<br/>2016-2017</b> | <b>% Newly Enrolled<br/>in 2016-2017</b> |
|--------------|-----------------------------|---|-------------------------------|--|--|
| <b>Grade</b> |                             |   |                               |  |  |
| <b>4th</b>   | 386                         | 275                                     | 111                           | 40   | 36%                                      |
| <b>5th</b>   | 377                         | 261                                     | 116                           | 24   | 21%                                      |
| <b>6th</b>   | 366                         | 233                                     | 133                           | 33   | 25%                                      |
| <b>7th</b>   | 400                         | 33                                      | 367                           | 50   | 14%                                      |
| <b>8th</b>   | 396                         | 34                                      | 362                           | 70   | 19%                                      |
| <b>Total</b> | 1925                        | 836                                     | 1,089                         | 217  | 20%                                      |

The proportion of new Promise Scholars-linked accounts opened was calculated by dividing the number of 2016-2017 accounts by the number of currently eligible students (students in the current student roster who have not already enrolled in Promise Scholars). Among eligible students, 4<sup>th</sup> graders had the highest rate of new enrollment (36%); 7<sup>th</sup> and 8<sup>th</sup> graders had the lowest rate of new enrollment, 14% and 19% respectively.

### Data Sources and Variable Definitions

*School Data.* Student-level data for 4<sup>th</sup> - 8<sup>th</sup> graders were provided by each of the three Wabash County school districts. Variables included Free/Reduced Lunch eligibility status, attendance, and standardized academic achievement data for the 2016 - 2017 academic year. School data were not available for the 15 private school students enrolled in the Wabash County Promise Scholarship program. In this report, with the focus limited to description of savings, we only use the Free/Reduced Lunch eligibility variable.

- *Free/Reduced Lunch Status.* Socioeconomic status was operationalized by a dichotomous variable indicating whether a student receives a free or reduced-price lunch at school. Students who pay full price for lunch have a higher socioeconomic status than their peers who receive lunch for free or at a reduced price.

*Savings Data.* Savings data (from account opening through June 29, 2017) were provided from Ascensus College Savings, the provider of the CollegeChoice 529 Direct-Sold plan in Indiana. The dataset included data on account opening and the date and amount of each deposit. From this, several variables were created:

- *Account Tenure.* Number months since account open (as of June 29, 2017).
- *Deposit Frequency.* Number non-incentive, non-match deposits.
- *CSA Saver.* Dichotomous variable used to indicate accounts where money has been contributed beyond the initial seed deposit or match.
- *Incentive.* New accounts opened as part of the Wabash County Promise Scholarship received a \$25 incentive from a community sponsor. Because not all accounts were eligible to receive this incentive, the \$25 start-up incentive was separated out from the overall account value.

- *Match.* Accounts were eligible to receive a 3:1 savings match of up to \$75 each year if the family/champion deposits totaled \$25 by October 31<sup>st</sup>. Deposits after this annual cut-off are not eligible for match. Multi-account champion gifts were also recorded at match. These can occur when, for example, a champion sponsors a class and gift amount was distributed evenly among all students in the class.
- *Family/Champion Contribution.* A continuous variable that measured the amount of family or direct champion contributions made into the Promise 529 college savings account. This does not include the \$25 start-up incentive, match provided by the Promise Indiana CSA program, or multi-account champion gifts.

*Program Data.* For each Wabash County Scholarship program participant, data included current grade, school, student date of birth; quarterly earned scholarships and savings matches, and annual bonuses.

*Promise Scholars 529.* The abbreviation 529 refers to CollegeChoice 529 direct accounts. Families may have enrolled in a CollegeChoice account on their own apart from any participation in the Wabash County Promise CSA or the Wabash County Promise Scholarship Program. They may link this account to the Wabash County Promise Scholarship Program. Families may not use an advised 529 account or a 529 college savings plan offered by another state, for the purposes of participation in the Wabash County Promise Scholarship program.

*Enrollment.* To raise awareness and promote participation, the program developed marketing materials such as brochures, posters, and school-related products (i.e., rulers, pencils, sports bags, and water bottles). The Wabash County Promise Scholars program also used a variety of other approaches for enrollment including opportunities at both in-person and online school registration, parent-teacher conferences, athletic and community events. Regardless of enrollment method utilized, all parents were required to complete the Participation Agreement.

*Intervention Components.* Depending on the student’s grade level, participants can earn scholarship awards by completing engagement activities and earn bonus awards for savings activities.

- *Engagement Activities.* Engagement activities refer to the Wabash County Promise Scholarships program components:
  - Learning (which includes goal setting, completion of assignments and NWEA goals)<sup>1</sup>.
  - Earning Promise Savings match through family savings of at least \$10 per quarter
  - Completion of college preparation activities (which, in addition to workshops, include applying for the 21<sup>st</sup> Century Scholars program, filing the College Cost Estimator, and completing a Family Advising Session with the National Center for College Costs (NCCC).

With the exception of the Family Advising Session and savings, all students (regardless of Promise Scholars status) participate in these engagement activities. Lead teachers turn in a “report card” to the Community Foundation of Wabash County that tells whether a student

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<sup>1</sup> Goals for Language Arts, Reading, and Math for the Northwest Evaluation Association (NWEA) MAP assessment. This assessment is conducted twice per year, allowing for measurement of growth in academic achievement.



(participant or nonparticipant) has completed the activities.<sup>2</sup> Based on this report, scholarships are deposited to the participating student's account. Administrators and school counselors also had access to this report of participants and non-participants.

- *Wabash County Promise Scholarship Program Savings Match.* Students in fifth and seventh grades can earn \$10 match for each quarter where they save at least \$10 in their Promise 529 college savings account, plus an additional \$10 bonus match if they save at least \$10 for all in all four quarters (for a maximum savings match of \$50).

Table 2 describes the schedule for the maximum scholarship awards and savings match available at each grade level. It is important to note that, while savings bonuses can be earned in any grade, scholarship opportunities vary by grade and are not available at all for 5<sup>th</sup> and 7<sup>th</sup> grade students.

**Table 2.** Promise Scholarships maximum award schedule for 2016-2017 school-year. Updates for 2017-2018 school year are in parentheses.

| Engagement Activities   | Grades               |                     |                      |                     |                      | Total                |
|-------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
|                         | 4th                  | 5th                 | 6th                  | 7th                 | 8 <sup>th</sup>      |                      |
| <b>Learning</b>         | \$100 (\$150)        | (\$10)              | \$50 (\$100)         | (\$10)              |                      | \$150 (\$270)        |
| <b>College Prep</b>     |                      | (\$50)              | \$50                 | (\$50)              | \$100 (\$160)        | \$150 (\$310)        |
| <i>Engagement Total</i> | <i>\$100 (\$150)</i> |                     | <i>\$100 (\$150)</i> | <i>(\$60)</i>       | <i>\$100 (\$160)</i> | <i>\$400 (\$520)</i> |
| <b>Savings Match</b>    | \$50                 | \$50                | \$50                 | \$50                | \$50                 | \$250                |
| <i>Program Maximum</i>  | <i>\$150 (\$200)</i> | <i>\$50 (\$110)</i> | <i>\$150 (\$200)</i> | <i>\$50 (\$110)</i> | <i>\$150 (\$210)</i> | <i>\$650 (\$830)</i> |

## Analysis Plan

Merging of the three datasets (school, savings, and program) allowed for the creation of the two groups of interest: 1) Promise Scholars enrollees 2) Non-Promise Scholars enrollees. All had a Promise Indiana or Promise Indiana-linked CSA. These groups are referred to as Promise Scholars and CSA Only.

First, frequencies (counts, percentages) of sociodemographic variables were calculated for the overall sample and by the two subgroups of interest. Next we present sample and account characteristics by intervention groups and subgroups (i.e., lunch status and saver status) using descriptive analyses in the form of frequencies (counts, percentages), measures of central tendency (mean, median, mode), and measures of dispersion (minimum/maximum, range). Finally, Promise Scholarship specific participation and earnings by grade are examined with calculations of the proportion completing all activities and earning the maximum available reward.

<sup>2</sup> Most teachers knew who was participating though. This might be a limitation to this study if certain teachers and others acted on this knowledge differently for different students, perhaps encouraging some and not others. However, there was no way to know whether or not this happen in this study.

## Results

### Sociodemographic Characteristics

Table 3 describes socio-demographic characteristics of the entire sample and the subgroups of Promise Scholarship and CSA Only students. The ‘All Students’ proportions provide a summary of the characteristics of the sample and, in a sense these are the ‘expected’ values against which we can compare the ‘observed’ values for the accountholder subgroups. For example, we see that the male-female ratio in the total student population is 52-48%. In the Promise Scholars column, we see the male-female ratio is 48-52%, not appreciably different from the expected proportion. In the CSA Only column, there is a slight observed excess with a male-female ratio of 56-44%. Here, being male is associated with being in the CSA Only group. With respect to racial/ethnic status, there are no remarkable differences in the contrast of Promise Scholars and CSA Only students against all students. Fourth grade students are over-represented in the Promise Scholars group with 35%, compared to an expected value of 21% in the total population, and are considerably less likely to be in the CSA Only group (15%). By contrast, 5<sup>th</sup> grade students are over-represented in the CSA Only group (39%), compared to the expected All Student proportion of 20%. Compared to the All Students 50-50% ratio of Free/Reduced-Paid lunch status, students eligible for Free/Reduced lunch are under-represented in the Promise Scholars group (41-59%) and over-represented in the CSA Only group (65-35%). Here, eligibility for Free/Reduced lunch is associated with being in the CSA Only group, whereas Paid lunch status is associated with being in the Promise Scholars group. Finally, there is little variation in year of account opening in the Promise Scholars group compared to the expected values among All Students. Accounts opened in 2014 are considerably over-represented in the CSA Only group with 65%, compared to 11% in the Promise Scholars group and 13% among all students.

**Table 3.** Selected Sociodemographic Characteristics of All Students, all Promise Scholars participants, and CSA Only students.

|                                | All students |      | Promise Scholars |      | CSA Only |      |
|--------------------------------|--------------|------|------------------|------|----------|------|
|                                | n            | %    | n                | %    | N        | %    |
| All students                   | 1942         | 100% | 797              | 100% | 272      | 100% |
| Sex <sup>b</sup>               |              |      |                  |      |          |      |
| Male                           | 985          | 52%  | 371              | 48%  | 142      | 56%  |
| Female                         | 913          | 48%  | 401              | 52%  | 111      | 44%  |
| Race/Ethnicity                 |              |      |                  |      |          |      |
| White                          | 1751         | 92%  | 723              | 94%  | 229      | 91%  |
| Multi-racial                   | 8            | 3%   | 23               | 3%   | 13       | 5%   |
| Asian                          | 10           | <1%  | 6                | <1%  | 1        | <1%  |
| Hispanic                       | 11           | 3%   | 14               | 3%   | 8        | 5%   |
| Black/African American         | 53           | <1%  | 6                | <1%  | 1        | <1%  |
| American Indian/Alaskan Native | 65           | <1%  | 2                | <1%  | 1        | <1%  |
| Grade <sup>a</sup>             |              |      |                  |      |          |      |
| 4 <sup>th</sup>                | 408          | 21%  | 275              | 35%  | 42       | 15%  |
| 5 <sup>th</sup>                | 393          | 20%  | 179              | 23%  | 106      | 39%  |
| 6 <sup>th</sup>                | 378          | 20%  | 203              | 26%  | 69       | 25%  |
| 7 <sup>th</sup>                | 370          | 19%  | 52               | 7%   | 33       | 12%  |
| 8 <sup>th</sup>                | 393          | 20%  | 88               | 11%  | 22       | 8%   |



|                             |     |     |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|-----|-----|
| Lunch Status <sup>a,c</sup> |     |     |     |     |     |     |
| Free/Reduced                | 952 | 50% | 319 | 41% | 163 | 65% |
| Paid                        | 945 | 50% | 453 | 59% | 89  | 35% |
| Account Open Year           |     |     |     |     |     |     |
| <2013                       | 9   | <1% | 9   | 1%  | 0   | 0   |
| 2013                        | 657 | 62% | 481 | 62% | 176 | 65% |
| 2014                        | 139 | 13% | 85  | 11% | 54  | 20% |
| 2015                        | 31  | 3%  | 24  | 3%  | 7   | 3%  |
| 2016                        | 160 | 15% | 126 | 16% | 34  | 13% |
| 2017                        | 57  | 5%  | 56  | 7%  | 1   | <1% |

May not sum to 100% due to rounding error.

<sup>a</sup>Reflect values during 2016-2017 school year.

<sup>b</sup>44 cases missing Gender

<sup>c</sup>45 cases missing FRL

*Type of Saver by Year Account Opened.* The subgroup called “savers” is used to differentiate between just having an account versus actively making deposits beyond any start-up incentives or match at any time over the life of the account. Among Promise Scholars participants, 59% (n = 473) are savers; 21% (n = 56) of the CSA Only group are savers. Table 4 describes characteristics of saving students in each group by year of account opening. Across years and groups, the majority of saving students are White; approximately one-half are male. For the Promise Scholars group, the proportion of students eligible for Free and Reduced lunch varies by year, with a low of 22% for the oldest accounts (pre-2013) and a peak of 49% for accounts opened in 2014. Among the CSA Only group, although the proportion ranges from 40% to 50.

**Table 4.** Type of Saver by Year Account Opened

|                                       | <2013 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------------|-------|------|------|------|------|------|
| <b>Promise Scholar Savers n = 473</b> |       |      |      |      |      |      |
| Race/Ethnicity                        |       |      |      |      |      |      |
| White                                 | 100%  | 95%  | 93%  | 92%  | 92%  | 96%  |
| Non-White*                            | 0%    | 5%   | 7%   | 9%   | 8%   | 4%   |
| Male                                  | 33%   | 52%  | 49%  | 58%  | 43%  | 52%  |
| Free/Reduced lunch                    | 22%   | 35%  | 49%  | 33%  | 27%  | 23%  |
| <b>CSA Only Savers n = 56</b>         |       |      |      |      |      |      |
| Race/Ethnicity                        |       |      |      |      |      |      |
| White                                 | --    | 96%  | 100% | 0%   | 80%  | --   |
| Non-White                             | --    | 5%   | 0%   | 100% | 20%  | --   |
| Male                                  | --    | 55%  | 50%  | 100% | 40%  | --   |
| Free/reduced lunch                    | --    | 50%  | 0%   | 50%  | 40%  | --   |

\*Due to small n, combined non-White categories.

### Savings Account Characteristics

Tables 5a – 5c summarize the savings data by Promise Scholars and CSA Only groups (Table 5a) and then for subgroups of Savers (5b) and Non-Savers (5c). These tables allow one to see the breakdown of the account earnings by source, revealing the additional contribution of the scholarship awards to the total account value. Among all Promise Scholars accountholders (savers and non-savers), the mean total account value (deposits, incentives, and match apart from any Promise Scholars earnings) is \$451

(median \$50) compared to \$45 (median \$25) in the CSA Only group. The mean grand total account value (all savings plus scholarship awards) is \$513 (median \$125).

**Table 5a.** Summary of Account Accumulation for Full Sample (Savers and Non-Savers)

|   | Mean  | Median | Mode  | Min/Max      | Sum       |
|---|-------|--------|-------|--------------|-----------|
| <b>Promise Scholars n = 796<sup>a</sup></b>   |       |        |       |              |           |
| Total Value of Account including Promise Incentives and Promise Match (but no Promise Scholars scholarships or match) | \$451 | \$50   | \$25  | \$0/\$25,100 | \$359,739 |
| Total Family/Champion Contribution (no incentive or match)  | \$382 | \$25   | \$0   | \$0/\$25,000 | \$304,226 |
| Total Scholarships Earned <sup>b</sup>  | \$71  | \$80   | \$100 | \$0/\$100    | \$39,890  |
| Total Scholars Savings Match Earned   | \$11  | \$0    | \$0   | \$0/\$50     | \$9,110   |
| Total Scholars (Scholarships and Match)   | \$62  | \$60   | \$0   | \$0/\$0      | \$49,000  |
| Grand Total Account Value Promise + Scholars ALL incentives, scholars, and matches                                    | \$513 | \$125  | \$25  | \$0/\$25,100 | \$408,739 |
| <b>CSAs Only n = 271<sup>c</sup></b>  |       |        |       |              |           |
| Total Value of Account including Promise Incentives and Promise Match   | \$45  | \$25   | \$25  | \$0/\$1,075  | \$12,159  |
| Total Lifetime Promise Match  | \$12  | \$0    | \$0   | \$0/\$225    | \$3,227   |
| Total Family/Champion Contribution (no incentive or match)  | \$12  | \$0    | \$0   | \$0/\$875    | \$3,307   |

<sup>a</sup>Removed one outlier with Total Account Value > \$60,000; <sup>b</sup>n = 565, 232 5<sup>th</sup> and 7<sup>th</sup> graders not eligible to earn any scholarships; <sup>c</sup>Removed one outlier with Total Account Value > \$10,000.

Looking just at Savers in Table 5b, the mean total account value is \$753 (median \$175); with the addition of scholarship awards, the mean total account value is \$825 (\$230). The CSA Only savers group has a mean total savings of \$123 (median \$65). Comparing frequency of savings, we see a noticeable difference with an average of 8 deposits over the life of the account among those in the Promise Scholars group compared to only 2 in the CSA Only group.

**Table 5b.** Summary of Account Accumulation for Savers Only

| <b>Table 5b. Summary of Savings for Savers</b>  | Mean  | Median | Mode              | Min/Max       | Sum       |
|---|-------|--------|-------------------|---------------|-----------|
| <b>Promise Scholars n = 472<sup>a</sup></b>   |       |        |                   |               |           |
| Total Value of Account including Promise Incentives and Promise Match (but no Promise Scholars scholarships or match) | \$753 | \$175  | \$125             | \$10/\$25,100 | \$355,399 |
| Total Family/Champion Contribution (no incentive or match)  | \$645 | \$65   | \$25              | \$1/\$25,000  | \$304,226 |
| Total Scholarships Earned <sup>b</sup>  | \$76  | \$80   | \$100             | \$0/\$100     | \$25,945  |
| Total Scholars Savings Match Earned   | \$18  | \$10   | \$0               | \$0/\$50      | \$8,460   |
| Total Scholars (Scholarships and Match)   | \$73  | \$80   | \$80 <sup>d</sup> | \$0/\$150     | \$34,405  |
| Grand Total Account Value Promise + Scholars ALL incentives, scholars, and matches                                    | \$825 | \$230  | \$125             | \$10/\$25,100 | \$389,439 |
| Savings Frequency   | 7     | 3      | 2                 | 0/93          | 3,380     |
| <b>CSAs Only n = 55<sup>c</sup></b>   |       |        |                   |               |           |
| Total Value of Account including Promise Incentives and Promise Match   | \$123 | \$65   | \$125             | \$25/\$1,075  | \$6,744   |
| Total Lifetime Promise Match  | \$40  | \$25   | \$0               | \$0/\$225     | \$2,212   |
| Total Family/Champion Contribution (no incentive or match)  | \$60  | \$25   | \$25              | \$0/\$225     | \$2,212   |

|                   |   |   |   |      |     |
|-------------------|---|---|---|------|-----|
| Savings Frequency | 2 | 1 | 1 | 1/35 | 106 |
|-------------------|---|---|---|------|-----|

<sup>a</sup>Removed one outlier with Total Account Value > \$60,000; <sup>b</sup>n = 565, 232 5<sup>th</sup> and 7<sup>th</sup> graders not eligible to earn any scholarships; <sup>c</sup>Removed one outlier with Total Account Value > \$10,000; <sup>d</sup>Multiple modes exist. Smallest value is shown.

Finally, among non-saving Promise Scholars students, mean account value is \$20 (median \$25); mean grand total account value is \$65 (median \$65). CSA Only non-savers also have a mean account value of \$25 (median \$25) (Table 5c).

**Table 5c. Summary of Account Accumulation for Non-Savers Only**

|   | Mean | Median | Mode | Min/Max   | Sum      |
|---|------|--------|------|-----------|----------|
| <b>Promise Scholars n = 326</b>   |      |        |      |           |          |
| Total Value of Account including Promise Incentives and Promise Match (but no Promise Scholars scholarships or match) | \$20 | \$25   | \$25 | \$0/\$125 | \$6,425  |
| Total Family/Champion Contribution (no incentive or match)  | --   | --     | --   | --        | --       |
| Total Scholarships Earned <sup>a</sup>  | \$62 | \$65   | \$90 | \$0/\$100 | \$13,945 |
| Total Scholars Savings Match Earned <sup>b</sup>  | \$2  | \$0    | \$0  | \$0/\$50  | \$650    |
| Total Scholars (Scholarships and Match)   | \$45 | \$50   | \$0  | \$0/\$150 | \$14,595 |
| Grand Total Account Value Promise + Scholars ALL incentives, scholars, and matches                                    | \$65 | \$60   | \$25 | \$0/\$200 | \$21,020 |
| <b>CSAs Only n = 216</b>  |      |        |      |           |          |
| Total Value of Account including Promise Incentives and Promise Match   | \$25 | \$25   | \$25 | \$0/\$100 | \$5,415  |
| Total Lifetime Promise Match  | \$5  | \$0    | \$0  | \$0/\$75  | \$1,015  |
| Total Family/Champion Contribution (no incentive or match)  | --   | --     | --   | --        | --       |

\*n = 565. 232 5<sup>th</sup> and 7<sup>th</sup> graders not eligible to earn any scholarships

<sup>a</sup>Multiple modes exist. Smallest value is shown.

<sup>b</sup>Some non-zero values due to accounts that received Promise Scholars savings bonus not reflected in account data at time of data pull.

Looking just at Promise Scholars awards, participants earn an average of \$71 (median \$80) from scholarships and \$11 (median \$0) from savings match and savings bonus. Savers earn more than non-savers, with an average of \$76 from scholarships (median \$80) compared to an average of \$62 (median \$65).

### Sociodemographic Characteristics by Free/Reduced Lunch Eligibility

Free and reduced lunch status is used as a proxy for family income because actual family income was not available. Families must earn at or below 185% of the federal poverty level to be eligible for reduced-price lunch and no more than 130% of the federal poverty level to be eligible for free lunch. While this income threshold changes each year, for the last school year, a family of four could not have earned more than \$44,955 to be eligible for reduced-price lunch (Government Publishing Office, 2016).

In the same way as Table 3, Table 6 allows contrasts between the characteristics of the overall sample and the subgroups. Male students are equally represented in both the poor and non-poor groups. No large differences are found between groups for student sex, grade, or year of account opening. White

students are somewhat more represented in the non-poor group with 96% compared to 92% overall and 89% in the poor group.

**Table 6. Descriptive statistics by Free/Reduced Lunch Status**

|                                 | All students |      | Poor |      | Non-Poor |      |
|---------------------------------|--------------|------|------|------|----------|------|
|                                 | N            | %    | n    | %    | N        | %    |
| All students                    | 1024         | 100% | 482  | 100% | 542      | 100% |
| Sex <sup>b</sup>                |              |      |      |      |          |      |
| Male                            | 512          | 50%  | 243  | 50%  | 269      | 50%  |
| Female                          | 512          | 50%  | 239  | 50%  | 273      | 50%  |
| Race/Ethnicity                  |              |      |      |      |          |      |
| White                           | 951          | 93%  | 429  | 89%  | 522      | 96%  |
| Multi-racial                    | 36           | 4%   | 26   | 5%   | 10       | 2%   |
| Asian                           | 7            | <1%  | 19   | 4%   | 3        | <1%  |
| Hispanic                        | 22           | 2%   | 5    | 1%   | 0        | 0%   |
| Black/African American          | 5            | <1%  | 2    | <1%  | 5        | <1%  |
| American Indiana/Alaskan Native | 3            | <1%  | 1    | <1%  | 2        | <1%  |
| Grade <sup>a</sup>              |              |      |      |      |          |      |
| 4 <sup>th</sup>                 | 297          | 29%  | 143  | 30%  | 154      | 28%  |
| 5 <sup>th</sup>                 | 276          | 27%  | 134  | 28%  | 142      | 26%  |
| 6 <sup>th</sup>                 | 258          | 25%  | 135  | 28%  | 123      | 23%  |
| 7 <sup>th</sup>                 | 84           | 8%   | 33   | 7%   | 51       | 9%   |
| 8 <sup>th</sup>                 | 109          | 11%  | 37   | 8%   | 72       | 13%  |
| Account Open Year <sup>a</sup>  |              |      |      |      |          |      |
| <2013                           | 9            | <1%  | 2    | <1%  | 5        | <2%  |
| 2013                            | 624          | 62%  | 292  | 62%  | 332      | 62%  |
| 2014                            | 136          | 14%  | 85   | 18%  | 51       | 10%  |
| 2015                            | 30           | 3%   | 12   | 3%   | 18       | 3%   |
| 2016                            | 153          | 15%  | 62   | 13%  | 91       | 17%  |
| 2017                            | 56           | 6%   | 21   | 4%   | 35       | 7%   |

<sup>a</sup>16 missing account year opening

**Note.** As a point of reference, 48% of children attending Wabash County Public Schools are eligible for the Free or Reduced-Priced lunch program (see <http://www.doe.in.gov/accountability/find-school-and-corporation-data-reports>).

### Savings Account Characteristics by Free/Reduced Lunch Eligibility

Tables 7a – 7c summarize the savings data by Poor and Non-Poor groups (Table 7a) and then for subgroups of Savers (7b) and Non-Savers (7c). These tables allow one to see the breakdown of the account earnings by source, revealing the additional contribution of the scholarship awards to the total account value. Among all Promise Scholars accountholders (savers and non-savers), the mean total account value (deposits, incentives, and match apart from any Promise Scholars earnings) among poor students was \$260, compared to \$606 among non-poor students (medians \$35 and \$98 respectively). The average grand total account balance among poor students is \$318 and \$680 among non-poor (medians \$115 and \$155 respectively). In the Non-CSA group, differences in account value between poor and non-poor students are negligible, with an average total account value of \$40 versus \$49.

Although earnings from Promise Scholarship savings matches and bonuses are greater among non-poor students, Promise Scholarship earnings do not differ considerably between poor and non-poor students.

Poor students earn an average of \$70 compared to \$72 among non-poor students (medians are the same \$80).

**Table 7a.** Summary of Account Accumulation for Full Sample by Poverty Status

|   | <b>Mean</b>        | <b>Median</b>      | <b>Mode</b>        | <b>Min/Max</b>                 | <b>Sum</b>               |
|---|--------------------|--------------------|--------------------|--------------------------------|--------------------------|
| <b>Promise Scholars n = 771<sup>a</sup></b>   | Poor<br>(Non-poor) | Poor<br>(Non-poor) | Poor<br>(Non-poor) | Poor<br>(Non-poor)             | Poor<br>(Non-poor)       |
| Total Value of Account including Promise Incentives and Promise Match (but no Promise Scholars scholarships or match) | \$260 (\$606)      | \$35 (\$98)        | \$25 (\$25)        | \$0/\$24,085<br>(\$0/\$25,100) | \$82,903<br>(\$273,931)  |
| Total Family/Champion Contribution (no incentive or match)  | \$198 (\$528)      | \$0 (\$35)         | \$0 (\$0)          | \$0/\$24,085<br>(\$0/\$25,000) | \$63,048<br>(\$238,743)  |
| Total Scholarships Earned <sup>b</sup>  | \$70 (\$72)        | \$80 (\$80)        | \$100 (\$100)      | \$0/\$100<br>(\$0/\$100)       | \$16,315 (\$22,275)      |
| Total Scholars Savings Match Earned   | \$7 (\$15)         | \$0 (\$0)          | \$0 (\$0)          | \$0/\$50<br>(\$0/\$50)         | \$2,130 (\$6,540)        |
| Total Scholars (Scholarships and Match)   | \$58 (\$64)        | \$60 (\$60)        | \$0 (\$0)          | \$0/\$150<br>(\$0/\$150)       | \$18,445 (\$28,815)      |
| Grand Total Account Value Promise + Scholars ALL incentives, scholars, and matches                                    | \$318 (\$680)      | \$115 (\$155)      | \$25 (\$25)        | \$0/\$24,115<br>(\$0/\$25,100) | \$101,348<br>(\$302,746) |
| <b>CSAs Only n = 251<sup>c</sup></b>  |                    |                    |                    |                                |                          |
| Total Value of Account including Promise Incentives and Promise Match   | \$40 (\$49)        | \$25 (\$25)        | \$25 (\$25)        | \$0/\$1,075<br>(\$0/\$300)     | \$6,563 (\$4,292)        |
| Total Lifetime Promise Match  | \$10 (\$16)        | \$0 (\$0)          | \$0 (\$0)          | \$0/\$225<br>(\$0/\$83)        | \$1,644 (\$1,408)        |
| Total Family/Champion Contribution (no incentive or match)  | \$10 (\$11)        | \$0 (\$0)          | \$0 (\$0)          | \$0/\$875<br>(\$0/\$275)       | \$1,669 (\$984)          |

<sup>a</sup>Removed one outlier with Total Account Value > \$60,000 and 25 cases missing on lunch status; <sup>b</sup>5<sup>th</sup> and 7<sup>th</sup> graders not eligible to earn any scholarships; <sup>c</sup>Removed one outlier with Total Account Value > \$10,000 and 20 cases missing on lunch status.

These distinctions are more pronounced when looking just at savers in Table 7b. Here we see that again, Promise Scholarship earnings do not differ between poor and non-poor students (median \$80), whereas earnings from savings match/bonus are only \$12 among poor and \$20 among non-poor (medians \$0 and \$20). Here we also see an increase in frequency of savings among both poor and non-poor in the Promise Scholars group compared to CSA Only.

**Table 7b.** Summary of Account Accumulation for Savers Only by Poverty Status

|   | <b>Mean</b>        | <b>Median</b>      | <b>Mode</b>        | <b>Min/Max</b>                   | <b>Sum</b>              |
|---|--------------------|--------------------|--------------------|----------------------------------|-------------------------|
| <b>Promise Scholars n= 466<sup>a</sup></b>  | Poor<br>(Non-poor) | Poor<br>(Non-poor) | Poor<br>(Non-poor) | Poor<br>(Non-poor)               | Poor<br>(Non-poor)      |
| Total Value of Account including Promise Incentives and Promise Match (but no Promise Scholars scholarships or match) | \$505<br>(\$884)   | \$125 (\$225)      | \$125<br>(\$125)   | \$10/\$24,085<br>(\$10/\$25,100) | \$70,273<br>(\$271,236) |

|  |               |               |               |                               |                      |
|--|---------------|---------------|---------------|-------------------------------|----------------------|
| Total Family/Champion Contribution (no incentive or match)                         | \$399 (\$775) | \$35 (\$81)   | \$25 (\$25)   | \$0/\$24,085 (\$10/\$25,000)  | \$63,048 (\$238,743) |
| Total Scholarships Earned <sup>b</sup>   | \$77 (\$76)   | \$80 (\$80)   | \$100 (\$100) | \$0/\$100 (\$0/\$100)         | \$9,390 (\$16,055)   |
| Total Scholars Savings Match Earned <sup>c</sup>                                   | \$12 (\$20)   | \$0 (\$20)    | \$0 (\$0)     | \$0/\$50 (\$0/\$50)           | \$1,960 (\$6,270)    |
| Total Scholars (Scholarships and Match)  | \$72 (\$73)   | \$80 (\$70)   | \$90 (\$0)    | \$0/\$150 (\$0/\$150)         | \$11,350 (\$22,325)  |
| Grand Total Account Value Promise + Scholars ALL incentives, scholars, and matches | \$577 (\$956) | \$205 (\$280) | \$205 (\$125) | \$20/\$24,115 (\$10/\$25,100) | \$90,623 (\$293,561) |
| Savings Frequency  | 4 (8)         | 2 (4)         | 2 (1)         | 0/87 (0/93)                   | 675 (2,601)          |
| <b>CSAs Only n = 52<sup>c</sup></b>  |               |               |               |                               |                      |
| Total Value of Account including Promise Incentives and Promise Match              | \$126 (\$103) | \$60 (\$125)  | \$40 (\$125)  | \$25/\$1,075 (\$25/\$300)     | \$3,184 (\$2,792)    |
| Total Lifetime Promise Match   | \$39 (\$50)   | \$25 (\$75)   | \$0 (\$75)    | \$0/\$225 (\$0/\$83)          | \$980 (\$1,158)      |
| Total Family/Champion Contribution (no incentive or match)                         | \$65 (\$37)   | \$25 (\$25)   | \$15 (\$25)   | \$10/\$875 (\$15/\$275)       | \$1,694 (\$959)      |
| Savings Frequency  | 3 (1)         | 1 (1)         |               | 1/35 (1/5)                    |                      |

<sup>a</sup>Removed one outlier with Total Account Value > \$60,000 and 6 cases missing on lunch status; <sup>b</sup>5<sup>th</sup> and 7<sup>th</sup> graders not eligible to earn any scholarships; <sup>c</sup>Removed one outlier with Total Account Value > \$10,000 and 3 cases missing on lunch status.

Finally, in Table 7c, we see little difference between non-saving poor and non-poor students on either scholarship earnings or savings matches/bonuses.

**Table 7c. Summary of Account Accumulation for Non-Savers by Poverty Status**

|   | Mean            | Median          | Mode            | Min/Max               | Sum                |
|---|-----------------|-----------------|-----------------|-----------------------|--------------------|
| <b>Promise Scholars n = 305</b>   | Poor (Non-poor) | Poor (Non-poor) | Poor (Non-poor) | Poor (Non-poor)       | Poor (Non-poor)    |
| Total Value of Account including Promise Incentives and Promise Match (but no Promise Scholars scholarships or match) | \$23 (\$19)     | \$25 (\$25)     | \$25 (\$25)     | \$0/\$100 (\$0/\$125) | \$3,630(\$2,695)   |
| Total Family/Champion Contribution (no incentive or match)  | --              | --              | --              | --                    | --                 |
| Total Scholarships Earned   | \$61 (\$62)     | \$70 (\$60)     | \$90 (\$90)     | \$0/\$100 (\$0/\$100) | \$6,825 (\$6,120)  |
| Total Scholars Savings Match Earned   | <\$1 (\$2)      | \$0 (\$0)       | \$0 (\$0)       | \$0/\$50 (\$0/\$50)   | \$120 (\$220)      |
| Total Scholars (Scholarships and Match)   | \$43 (\$44)     | \$45 (\$45)     | \$0 (\$0)       | \$0/\$140 (\$0/\$140) | \$6,945 (\$6,340)  |
| Grand Total Account Value Promise + Scholars ALL incentives, scholars, and matches                                    | \$66 (\$63)     | \$60 (\$60)     | \$25 (\$25)     | \$0/\$200 (\$0/\$195) | \$10,575 (\$9,035) |
| <b>CSAs Only n = 199<sup>c</sup></b>  |                 |                 |                 |                       |                    |
| Total Value of Account including Promise Incentives and Promise Match   | \$25 (\$25)     | \$25 (\$25)     | \$25 (\$25)     | \$0/\$50 (\$0/\$100)  | \$3,415 (\$1,500)  |



|   |           |           |           |                        |               |
|---|-----------|-----------|-----------|------------------------|---------------|
| Total Lifetime Promise Match                                  | \$5 (\$4) | \$0 (\$0) | \$0 (\$0) | \$0/\$40<br>(\$0/\$75) | \$665 (\$250) |
| Total Family/Champion Contribution<br>(no incentive or match) | --        | --        | --        | --                     | --            |

<sup>a</sup>Removed one outlier with Total Account Value > \$60,000 and 19 cases missing on lunch status; <sup>b</sup>5<sup>th</sup> and 7<sup>th</sup> graders not eligible to earn any scholarships; <sup>c</sup>Removed one outlier with Total Account Value > \$10,000 and 17 cases missing on lunch status.

### Promise Scholarship Awards

Overall, engagement activities appear to be more “popular” than savings-related activities. As shown in Table 8, on average, students earn between one-half and three-quarters of the total amount possible from engagement activities compared to only 20-30% of the amount available from matches earned through regular savings.

**Table 8.** Average scholarship awards *earned*/total possible, N = 797

|                                    | Grades            |                  |                   |                  |                   |
|------------------------------------|-------------------|------------------|-------------------|------------------|-------------------|
|                                    | 4 <sup>th</sup>   | 5 <sup>th</sup>  | 6 <sup>th</sup>   | 7 <sup>th</sup>  | 8 <sup>th</sup>   |
| Engagement Activities Scholarships | \$77/\$100        |                  | \$73/\$100        |                  | \$47/\$100        |
| Savings match & bonus              | \$11/\$50         | \$12/\$50        | \$10/\$50         | \$13/\$50        | \$14/\$50         |
| <b>Grant Total</b>                 | <b>\$88/\$150</b> | <b>\$12/\$50</b> | <b>\$83/\$150</b> | <b>\$13/\$50</b> | <b>\$62/\$150</b> |

Similarly, the proportion of students earning the maximum scholarships, although higher for engagement activities, is relatively low with a high of only 35% (Table 9). Among 4<sup>th</sup> grade students, 23% earned the maximum possible from engagement activities, compared to 13% from savings. Only 7% of 4<sup>th</sup> graders earned the maximum in both categories. Although a similar pattern is found among 6<sup>th</sup> graders, for 8<sup>th</sup> graders, only 3% earned the maximum from engagement activities. It is important to remember that the options for 8<sup>th</sup> graders are much more limited than other grades (see Appendices for breakdown by grades). Somewhat automatic earnings from activities such as the NWEA goal setting are no longer available, and the activities in 8<sup>th</sup> grade require much more pro-active behavior on the part of the students and parents.

**Table 9.** Proportion who met maximum Promise Scholars achievements, N = 797

|  | Grades          |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 4 <sup>th</sup> | 5 <sup>th</sup> | 6 <sup>th</sup> | 7 <sup>th</sup> | 8 <sup>th</sup> |
| <b>Engagement Scholarship Activities</b> | 23%             |                 | 35%             |                 | 3%              |
| <b>Savings match &amp; bonus</b>         | 13%             | 13%             | 12%             | 8%              | 16%             |
| <i>Met maximum on both</i>               | <b>7%</b>       | <b>13%</b>      | <b>9%</b>       | <b>8%</b>       | <b>3%</b>       |

### Discussion

Among families who have or open a Children’s Savings Account (CSA), the Wabash County Scholarship program provides financial awards to help students in grades 4 through 8 pay for college or career training after high school. The study examined the savings outcomes of families participating in

the Wabash County Scholarship program or Promise Scholarship for short with a particular focus on differences by poverty status.

Findings indicate that, on average, poor children are earning almost identical amounts of scholarship rewards (\$70) as non-poor children (\$72). With regard to saving match, however, there is a gap of about 47% with non-poor children earning more saving match than poor children (\$15 versus \$7, respectively). This appears to have implications for understanding engagement/effort in children's asset initiatives. When engagement is defined as saving, non-poor families, on average, appear to outperform poor families. This should not be surprising because of the built-in advantage that non-poor families have when it comes to saving; that is, they have more money. However, Promise Scholars provides families with another way to engage in their child's CSA. Specifically, the child can set goals, complete assignments, and take academic tests (i.e., the NWEA), while parents can support the child not only in this engagement in school, but also by facilitating attendance at workshops and completing other college preparation activities. When this type of engagement is considered, there appears to be little to no difference in the effort of poor and non-poor children.

Moreover, Promise Scholars is helping poor children in particular build assets above what they can in a CSA—specifically, Promise Indiana—alone. Among poor children in Promise Scholars, when we just consider Promise Indiana incentives and match, they have a total account value of \$260. However, when scholarships and match from Promise Scholars are also considered, the total account value for poor children rises to \$318. This is an increase of about 22%. With regard to building assets, Promise Scholars appears to do this better for poor children than it does for non-poor children. When comparing total account value of the CSA Only and Promise Scholars participants among non-poor children, the Promise Scholars program has resulted in a 12% increase (\$606 vs \$680). However, importantly, because poor and non-poor children on average are earning almost the same amount of scholarship rewards, the scholarship program does not appear to be reducing inequality.

This asset building does not seem to offset the saving difference between poor and non-poor. For those with the CSA Only, the poor/non-poor gap in total account value is about 43% (\$260 vs. \$606), whereas, for participants in Promise Scholars, the poor/non-poor gap grows to about 47% (\$318 vs \$680, respectively). The growth in inequality appears, in part, to be the result of Promise Scholars' savings match component. The non-poor children on average earn nearly 47% more in Promise Scholar match than poor children (\$15 vs \$7). Among savers, the non-poor, on average, save about 49% more than the poor (\$798 vs \$395). Given that the non-poor saver more, and the amount of match families can earn depends on meeting savings goals, it not surprising there is evidence to suggest that the match component of Promise Scholars exacerbates inequality rather than reducing it. The finding that match can increase inequality in CSA programs is consistent with previous findings (Elliott, 2018).

An implication of the findings on scholarships and match is that increasing scholarship funding in current CSA models and defining 'engagement' so that activities other than family contributions are rewarded may be more important to helping poor families than increasing match. Additionally, if tackling wealth inequality is a goal, evidence suggests that progressivity is a necessary criterion of CSA programs. For example, research done by the Institute on Assets and Social Policy finds that a universal, progressive children's asset-building intervention could close the Black/White wealth gap by 23% and

the Latino/White wealth gap by 28% (Sullivan, Meschede, Shapiro, Asante-Muhammed, & Nieves, 2016). Therefore, we suggest here that even scholarships and savings matches should adhere to progressive principles if they are going to reduce wealth inequality.

However, while match does not appear to reduce inequality and may actually increase it, this does not suggest that changes in current CSA models may not result in match reducing inequality. One way to do this is by finding ways to help low-income families overcome the barrier of having very little discretionary money for saving. Elliott (2018) suggests that CSAs might accomplish this by transforming spending into saving, such as in the combination of rewards card programs and CSAs. Rewards card programs allow families to earn a cash rebate that goes directly into their CSA every time they make a purchase at a grocery store, even purchases using Supplemental Nutrition Assistance Program benefits. In this manner, for example, poor families do not have to take money needed for buying groceries to save for their child's college education. Instead, buying groceries puts new money into a child's CSA. However, again, while this helps to address the problem of poor families being unable to earn their full match, if offered to all families it will not reduce inequality unless low-income families have a chance to earn more in match than non-poor families (e.g., poor families get a 3:1 match while non-poor families get a 1:1 match).

### **Conclusion**

A growing body of evidence attests to the potential of Children's Savings Account programs to improve children's outcomes, including those that support their progress to and through postsecondary education. Investing in assets early promises to cultivate identities associated with higher educational expectations (Huang, Sherraden, Kim, & Clancy, 2014); in turn, these expectations can facilitate engagement in school and greater achievement (Davis-Kean, 2005; Zhang, Haddad, Torres, & Chen, 2011). One of the challenges facing children's asset interventions such as CSAs is the need to ensure that asset accumulation in the accounts will be great enough for the CSA to appear, to children and to their parents, as a potent aid to help them face the task of paying for college. As tuition prices continue to rise (College Board, 2017), this becomes increasingly difficult, particularly when many American families struggle to be able to save much for their children's college educations, even in a supportive program such as a CSA (Elliott, 2018). The combination of scholarship programs and CSAs, then, offers more than a funding source to finance early children's asset programs (Elliott & Levere, 2016). The melding of these two complementary approaches promises to do more than help scholarship providers push their investments to an earlier intervention point. Programs such as the Wabash County Promise Scholarship facilitate greater asset accumulation, allow families to earn additional deposits in return for accomplishing key milestones on the path to higher education, and place educational asset building truly within reach of every child. As such, they have the potential to make significant contributions to the construction of an equitable and successful opportunity pipeline for today's students.

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## APPENDIX I – 2016-2017 PROGRAM DETAILS BY GRADE

1. Fourth grade program. The Promise Scholarship Program for fourth-grade students focuses entirely on scholarship incentives for learning and savings behaviors.
  - a. Goal setting: All students—participants and nonparticipants—take the Northwest Evaluation Association Measures of Academic Progress (NWEA-MAP) Assessment at the beginning of the year (BOY), after the second quarter (MOY), and at the end of the year (EOY). The BOY test results establish a baseline for each student and projects individual-level expectations for growth. Using the results (provided in the form of RIT scores) from the BOY, students conference with their teachers to determine growth goals for math, reading, and language arts for the rest of the school year. Teachers and students review RIT scores and decide together whether the provided RIT projection is a good target or whether the student should aim for a score under or over the RIT. In each case, the teacher will require that the goal represent a gain. The scholarship award for goal setting is \$10 for participating students.
  - b. Reading: Participant fourth-graders will earn \$10 each of three quarters if they complete all reading assignments. They must meet their NWEA reading goal in the fourth quarter and complete all reading assignments to receive the fourth-quarter scholarship of \$10 for a year total of \$40.
  - c. Math: Participant fourth-graders will earn \$10 in the second and third quarters if they complete all math assignments. If they complete all assignment in math in the fourth quarter and reach their NWEA math goal, they will earn a fourth-quarter scholarship of \$10 for a year total of \$30.
  - d. Language Arts: Participant students will earn \$10 per essay for two essays, one in the second quarter and one in the third quarter for a year total of \$20.
  - e. Saving: Participating students who make a minimum \$10 deposit in a CollegeChoice 529 account during any quarter will receive a match of \$10 for that quarter. If they make four on-time deposits, they will receive an additional \$10 bonus for a total match of \$50.
2. Sixth Grade Program. The Promise Scholarship Program for sixth-grade students focuses on all three behaviors: learning, college-going, and saving.
  - a. Goal setting: Sixth-grade students—participants and nonparticipants—also conference with teachers to set NWEA goals in reading, math, and language arts. Participant students receive \$10 for setting a goal.
  - b. Learning incentives: Participant sixth-graders earn \$10 in each of the first three quarters when they complete all assignments in reading, math, and language arts. If in the fourth quarter they complete all assignments and reach at least two out of three NWEA goals, they will receive an additional \$10 for a total of \$40.
  - c. College-going activities: All sixth-graders take part in two college-going projects, one in the first quarter and one in the third quarter. Participant students will earn \$25 for each activity completed at 70% competency for a potential total of \$50.



- d. Saving: Participating students who make a minimum \$10 deposit in a CollegeChoice 529 account during any quarter will receive a match of \$10 for that quarter. If they make four on-time deposits, they will receive an additional \$10 bonus for a total match of \$50.
3. Eighth-grade Program. Eighth-graders focus entirely on college-going behaviors and savings.
    - a. Instead of NWEA goal-setting, eighth-grade students—participants and non-participants, income eligible and non-eligible—enroll in Indiana’s 21<sup>st</sup> Century Scholars Program, The application process is an exercise in understanding both college costs and college-going behaviors. Teachers will introduce the programmatic portion of the 21<sup>st</sup> Century Scholars Program called Scholar Success Program that involves twelve college-going activities. By requiring all to apply, any income stigma is erased and programmatic features benefit all. Participating students earn \$10 for submitting the application.
    - b. College Costs Estimator (similar to the FAFSA). Each participating student will be required to fill out and submit a College Costs Estimator for a scholarship of \$10.
    - c. When participating students and their parents who have completed an estimator make an appointment for a phone conference with an advisor from the Center for College Costs to interpret the results of the College Costs Estimator, students will receive a \$20 scholarship.
    - d. Workshops. Eighth-graders will earn \$10 for each of six workshops that address aspects of preparing for college for a total of \$60. Workshops are attended by all students, participants and nonparticipants.
      - i. Personal interest inventory. Students will take an inventory and file it with the guidance counselor as part of their college and career file.
      - ii. High school course planning. Students meet with guidance counselors to plan an individualized high school curriculum that supports career goals.
      - iii. Jobs and careers: This workshop looks at a “jobs economy” and the educational requirements of jobs in each strata of the economy. Students will research educational requirements of jobs in their own area of interest. Research can also be filed in a student’s guidance file.
      - iv. Personal finance and budgeting. Students will create their own personal finance plan.
      - v. Comparing college costs using a comparison tool. Students will make three college choices and compare the cost of each institution.
      - vi. Mock college application exercise. Students will choose an essay prompt from the national common scholarship essay requirement and prepare a trial essay.
    - e. Savings: Participating students who make a minimum \$10 deposit in a CollegeChoice 529 account during any quarter will receive a match of \$10 for that quarter. If they make four on-time deposits, they will receive an additional \$10 bonus for a total match of \$50.

## APPENDIX II

Table A1. Percent who met maximum: Fourth Grade N = 275

|                            | 4 <sup>th</sup> Grade |             |             |             |              |
|----------------------------|-----------------------|-------------|-------------|-------------|--------------|
|                            | Q1                    | Q2          | Q3          | Q4          |              |
| <i>Goal Setting</i>        | \$10                  |             |             |             |              |
| <i>Reading Assignments</i> | \$10                  | \$10        | \$10        | \$10        |              |
| <i>Math Assignments</i>    |                       | \$10        | \$10        | \$10        |              |
| <i>Language Arts</i>       |                       | \$10        | \$10        |             |              |
| <i>Total Possible</i>      | \$20                  | \$30        | \$30        | \$20        | \$100        |
| <i>% met total</i>         | 92%                   | 62%         | 60%         | 51%         | 23%          |
|                            |                       |             |             |             |              |
| <i>Savings Match</i>       | \$10                  | \$10        | \$10        | \$10        | \$40         |
| <i>% met total</i>         | 23%                   | 28%         | 27%         | 27%         |              |
|                            |                       |             |             |             |              |
| <i>Savings Bonus</i>       |                       |             |             | \$10        | \$10         |
| <i>% met total</i>         |                       |             |             | 13%         | 13%          |
| <i>Total Savings</i>       |                       |             |             |             | \$50         |
| <i>% met total</i>         |                       |             |             |             | 13%          |
|                            |                       |             |             |             |              |
| <b><i>Grand Total</i></b>  | <b>\$30</b>           | <b>\$40</b> | <b>\$40</b> | <b>\$40</b> | <b>\$150</b> |
| <b><i>% met total</i></b>  |                       |             |             |             | <b>7%</b>    |

Table A2. Percent who met maximum: Fifth Grade N = 179 (No scholarships in 5<sup>th</sup> grade)

|                           | 5 <sup>th</sup> Grade |             |             |             |             |
|---------------------------|-----------------------|-------------|-------------|-------------|-------------|
|                           | Q1                    | Q2          | Q3          | Q4          |             |
|                           |                       |             |             |             |             |
| <i>Savings Match</i>      | \$10                  | \$10        | \$10        | \$10        | \$40        |
| <i>% met total</i>        |                       |             |             |             |             |
|                           |                       |             |             |             |             |
| <i>Savings Bonus</i>      |                       |             |             |             | \$10        |
| <i>% met total</i>        |                       |             |             |             | 13%         |
| <i>Total Savings</i>      |                       |             |             |             | \$50        |
| <i>% met total</i>        |                       |             |             |             |             |
|                           |                       |             |             |             |             |
| <b><i>Grand Total</i></b> | <b>\$10</b>           | <b>\$10</b> | <b>\$10</b> | <b>\$20</b> | <b>\$50</b> |
| <b><i>% met total</i></b> | <b>36%</b>            | <b>43%</b>  | <b>30%</b>  | <b>32%</b>  | <b>13%</b>  |

Table A3. Percent who met maximum: Sixth Grade N = 202

|                                 | <b>6<sup>th</sup> Grade</b> |             |             |             |              |
|---------------------------------|-----------------------------|-------------|-------------|-------------|--------------|
|                                 | <b>Q1</b>                   | <b>Q2</b>   | <b>Q3</b>   | <b>Q4</b>   |              |
| <i>Goal Setting</i>             | \$10                        |             |             |             |              |
| <i>All Assignments</i>          | \$10                        | \$10        | \$10        | \$10        |              |
| <i>College Going Activities</i> | \$25                        |             | \$25        |             |              |
| <i>Total Possible</i>           | \$45                        | \$10        | \$35        | \$10        | \$100        |
| <i>% met total</i>              | <b>88%</b>                  | <b>79%</b>  | <b>76%</b>  | <b>60%</b>  | <b>35%</b>   |
|                                 |                             |             |             |             |              |
| <i>Savings Match</i>            | \$10                        | \$10        | \$10        | \$10        | \$40         |
| <i>% met total</i>              | <b>26%</b>                  | <b>30%</b>  | <b>25%</b>  | <b>23%</b>  |              |
|                                 |                             |             |             |             |              |
| <i>Savings Bonus</i>            |                             |             |             |             | \$10         |
| <i>% met total</i>              |                             |             |             |             | <b>13%</b>   |
| <i>Total Savings</i>            |                             |             |             |             | \$50         |
| <i>% met total</i>              |                             |             |             |             | <b>12%</b>   |
|                                 |                             |             |             |             |              |
| <b><i>Grand Total</i></b>       | <b>\$55</b>                 | <b>\$20</b> | <b>\$45</b> | <b>\$20</b> | <b>\$150</b> |
| <i>% met total</i>              |                             |             |             |             | <b>9%</b>    |

Table A4. Percent who met maximum: Seventh Grade N = 52 (No scholarships in 7<sup>th</sup> grade)

|                           | <b>5<sup>th</sup> Grade</b> |             |             |             |             |
|---------------------------|-----------------------------|-------------|-------------|-------------|-------------|
|                           | <b>Q1</b>                   | <b>Q2</b>   | <b>Q3</b>   | <b>Q4</b>   |             |
| <i>Savings Match</i>      | \$10                        | \$10        | \$10        | \$10        | \$40        |
| <i>% met total</i>        |                             |             |             |             |             |
|                           |                             |             |             |             |             |
| <i>Savings Bonus</i>      |                             |             |             |             | \$10        |
| <i>% met total</i>        |                             |             |             |             | <b>8%</b>   |
| <i>Total Savings</i>      |                             |             |             |             | \$50        |
| <i>% met total</i>        |                             |             |             |             | <b>8%</b>   |
|                           |                             |             |             |             |             |
| <b><i>Grand Total</i></b> | <b>\$10</b>                 | <b>\$10</b> | <b>\$10</b> | <b>\$20</b> | <b>\$50</b> |
| <i>% met total</i>        | <b>31%</b>                  | <b>64%</b>  | <b>49%</b>  | <b>40%</b>  | <b>13%</b>  |

Eight Grade N = 88

|  | <b>8<sup>th</sup> Grade</b> |             |             |             |              |
|--|-----------------------------|-------------|-------------|-------------|--------------|
|  | <b>Q1</b>                   | <b>Q2</b>   | <b>Q3</b>   | <b>Q4</b>   |              |
| <i>Apply to 21<sup>st</sup> Century Scholars</i> |                             |             |             |             | \$10         |
| <i>Complete College Cost Estimator</i>           |                             |             |             |             | \$10         |
| <i>Interview</i>                                 |                             |             |             |             | \$20         |
| <i>Workshops (up to 6 @ \$10 each)</i>           |                             |             |             |             | \$60         |
| <i>Total Possible</i>                            |                             |             |             |             | \$100        |
| <i>% met total</i>                               |                             |             |             |             | 3%           |
| <i>Savings Match</i>                             | \$10                        | \$10        | \$10        | \$10        | \$40         |
| <i>% met total</i>                               | <b>39%</b>                  | <b>39%</b>  | <b>40%</b>  | <b>46%</b>  |              |
| <i>Savings Bonus</i>                             |                             |             |             |             | \$10         |
| <i>% met total</i>                               |                             |             |             |             | <b>16%</b>   |
| <i>Total Savings</i>                             |                             |             |             |             | \$50         |
| <i>% met total</i>                               |                             |             |             |             | <b>16%</b>   |
| <b><i>Grand Total</i></b>                        | <b>\$55</b>                 | <b>\$20</b> | <b>\$45</b> | <b>\$20</b> | <b>\$150</b> |
| <i>% met total</i>                               |                             |             |             |             | <b>3%</b>    |