

Building Hope & Opportunity: Philanthropy's Role in Catalyzing Children's Savings Account

April 19, 2022



Moderator



Sterling Speirn

Interim President and CEO
Maine Community Foundation

Presenters



Carl Rist
Independent Consultant
Former Senior Fellow, Prosperity Now



Rebecca Loya, Ph.D.
Research Scientist
Brandeis University Institute for
Economic and Racial Equity

Discussants



Benita Melton
Program Director - Education
Charles Stewart Mott Foundation



Patty Grant
Executive Director
Community Foundation of Wabash County
Indiana

Presenter



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**GLR Learning Tuesdays
Funder-to-Funder Conversation**

**Building Hope & Opportunity:
Philanthropy's Role in Catalyzing Children's Savings Accounts**

**12:30 - 2:00 PM ET
April 19, 2022**

CSA Basics

Carl Rist, independent consultant (former
Senior Fellow, Prosperity Now)

What are CSAs?

Long-term savings or investment accounts for children (0-18 years of age)

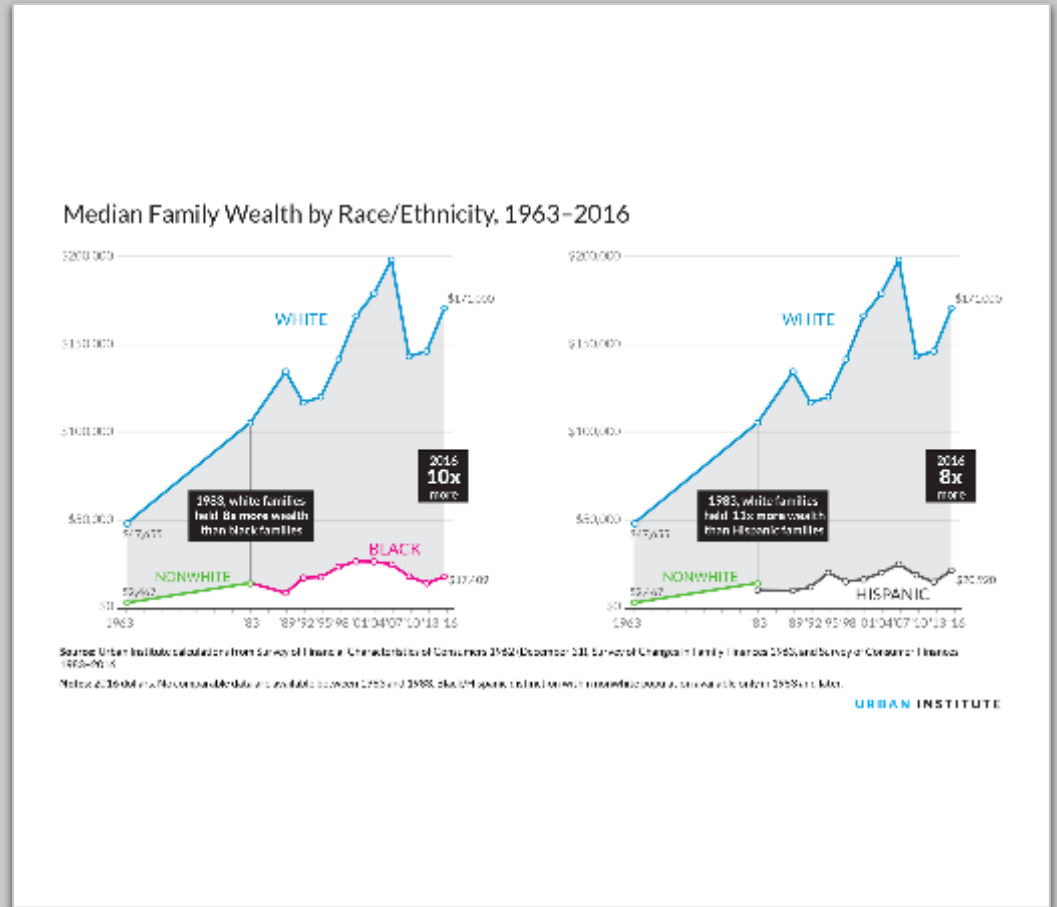
Usually saved for postsecondary education expenses

Provide incentives to build savings (e.g., seed deposit, match, or behavioral incentives)

Restrict account withdrawals

Why Are CSAs Important?

- Assets Matter
 - Social policy historically focused on income maintenance
 - Households get ahead and stay ahead with assets/wealth
- Assets are Different than Income
 - Can be used for long-term investment or short-term emergency (flexible)
 - Can be passed from one generation to the next (unlike income) (durable)
- Wealth Distribution is Highly Unequal



How do CSA Programs Work?



OPEN ACCOUNT

State or City opens an account as early as birth or kindergarten and seeds it with an initial deposit.



GROW SAVINGS

Accounts grow through family contributions and state- or city-provided savings matches.



ATTEND COLLEGE/ TRAINING

Savings help pay for postsecondary education.



GRADUATE

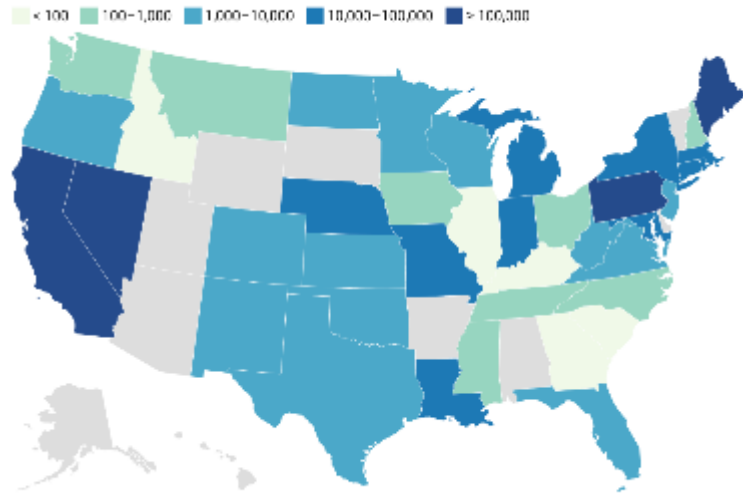
Children with a college account with \$500 or less are 4x more likely to graduate.

- Ideal CSA program design features:
 - Universal eligibility
 - Automatic enrollment
 - Progressive incentives (i.e., low-income kids get more)

How big is the CSA “field?”

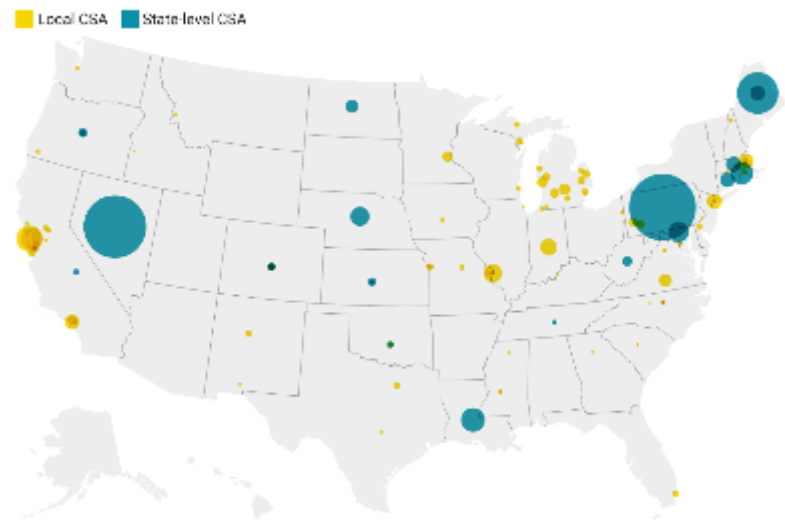
- *More than 1.1 million kids with CSAs by the end of 2021*
- *More than 100 CSA programs across 36 states and DC*
(Data from Prosperity Now’s annual field survey)

Total number of children with CSA accounts by state, 2021



Source: Institute for Economic and Racial Equity • Created with Datawrapper

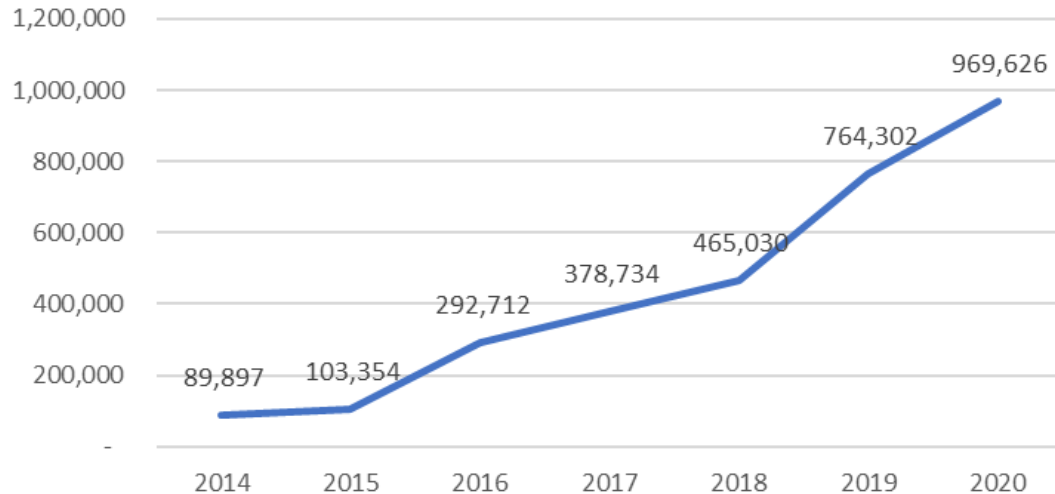
CSA enrollment across the U.S., 2021



Source: Institute for Economic and Racial Equity • Created with Datawrapper

The Growth of the CSA Field

Number of children with CSA accounts
(estimated)



Brandeis, IERE analysis of fieldwide data (2021)

- Key Milestones:
 - SEED Demonstration (2002-2009)
 - Launch of SF Kindergarten to College (2011)
 - Maine's Alford College Challenge Goes Universal (2013)
 - NYC KidsRise expands city-wide in NYC (2021)
- Key states with statewide CSA programs (CA, MA, ME, NE, NV, PA)
- Key cities with citywide CSA programs (Boston, Los Angeles, NYC, Oakland, San Francisco, St. Paul)

For More Information

Asset Funders Network:

- *Children's Savings Accounts: A Primer* - <https://assetfunders.org/wp-content/uploads/AFN-CSA-Primer-2019.pdf>

Prosperity Now:

- CSA Starter Kit - <https://prosperitynow.org/csa-starter-kit>
- Children's Savings Directory - <https://prosperitynow.org/map/childrens-savings>

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Rebecca Loya, Ph.D.
Research Scientist
Brandeis University Institute for
Economic and Racial Equity

Depth & Breadth of Philanthropic Support for CSAs: Research Findings

April 18, 2022

Rebecca Loya

beccaloya@brandeis.edu

Overview

- Overview of the study
- Snapshot of funding sources
- Public funding sources & intended uses
- Private funding sources & intended uses
 - Focus on philanthropy
- In-kind support
- Lessons

2019 CSA Funding Survey

- Conducted on behalf of Asset Funders Network (AFN)
- Data collected in summer 2020 about funding in calendar year 2019
- Follows previous studies: 2017, 2014-15

Data source

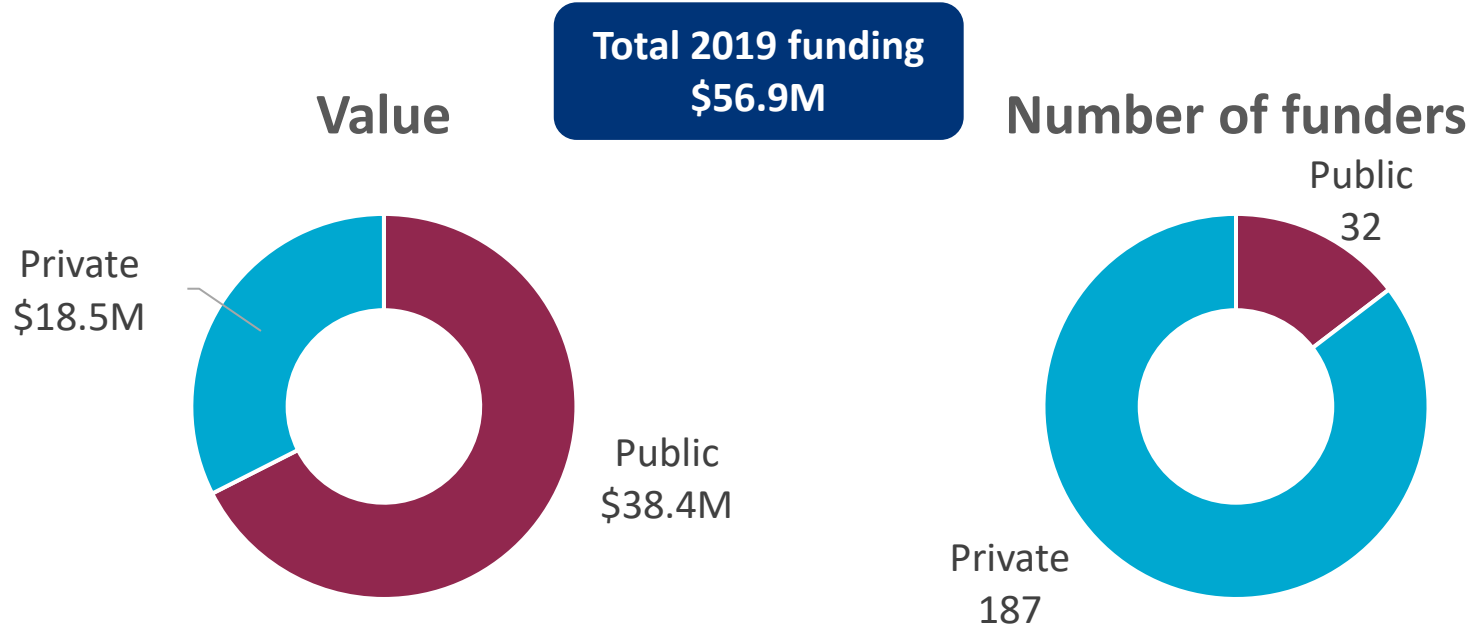
- **Who:** 77 CSA programs that were active or being planned in 2019
- **What:** Online survey of 2019 funding and in-kind support

2019 FUNDING OVERVIEW

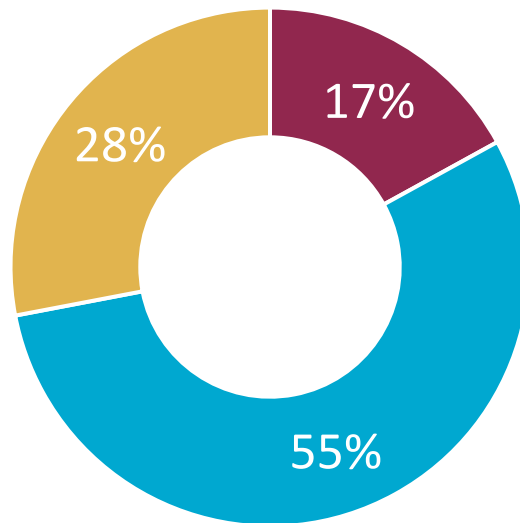
**CSA programs received
\$56.9M for use in 2019**

\$17M in real growth from 2017

2019 CSA Funding Sources and Amounts



Most programs receive private funding

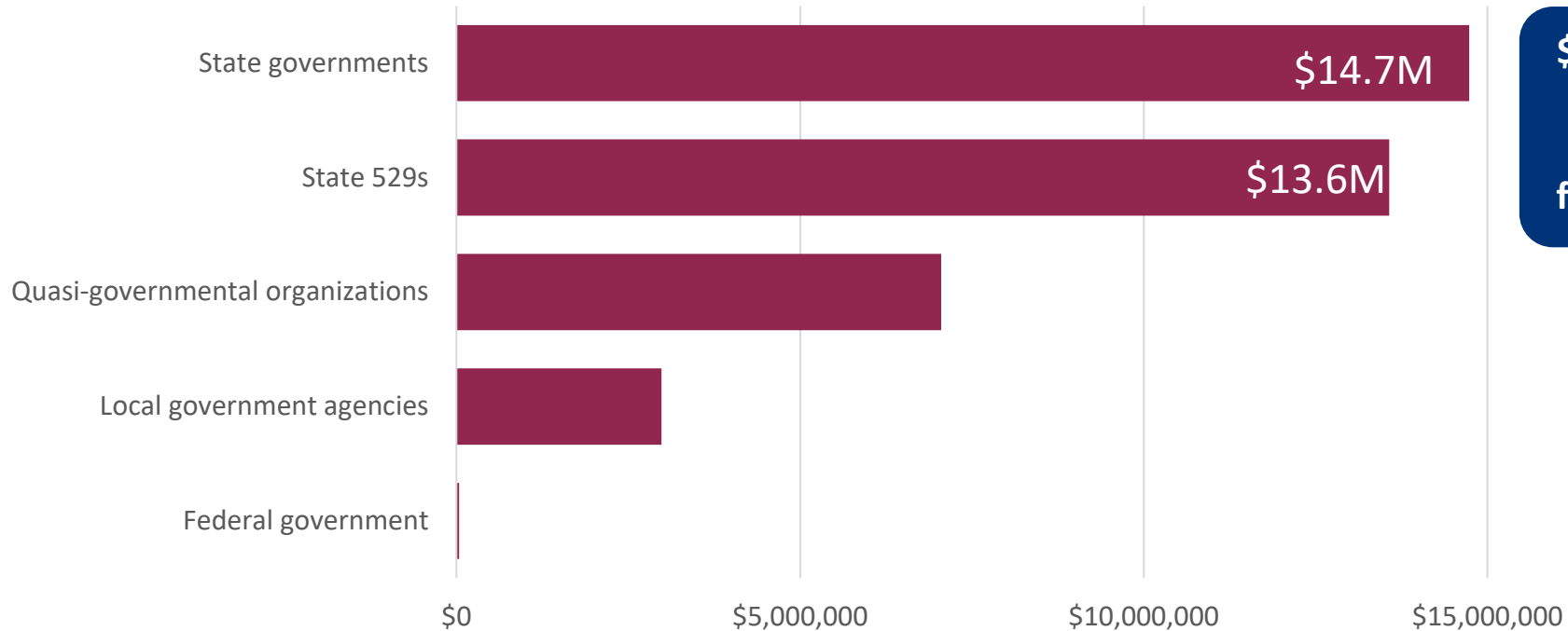


- Programs with public funding only
- Programs with private funding only
- Programs with public and private funding

Total programs: 75

PUBLIC FUNDING: SOURCES & INTENDED USES

Public Funding by Source (2019)

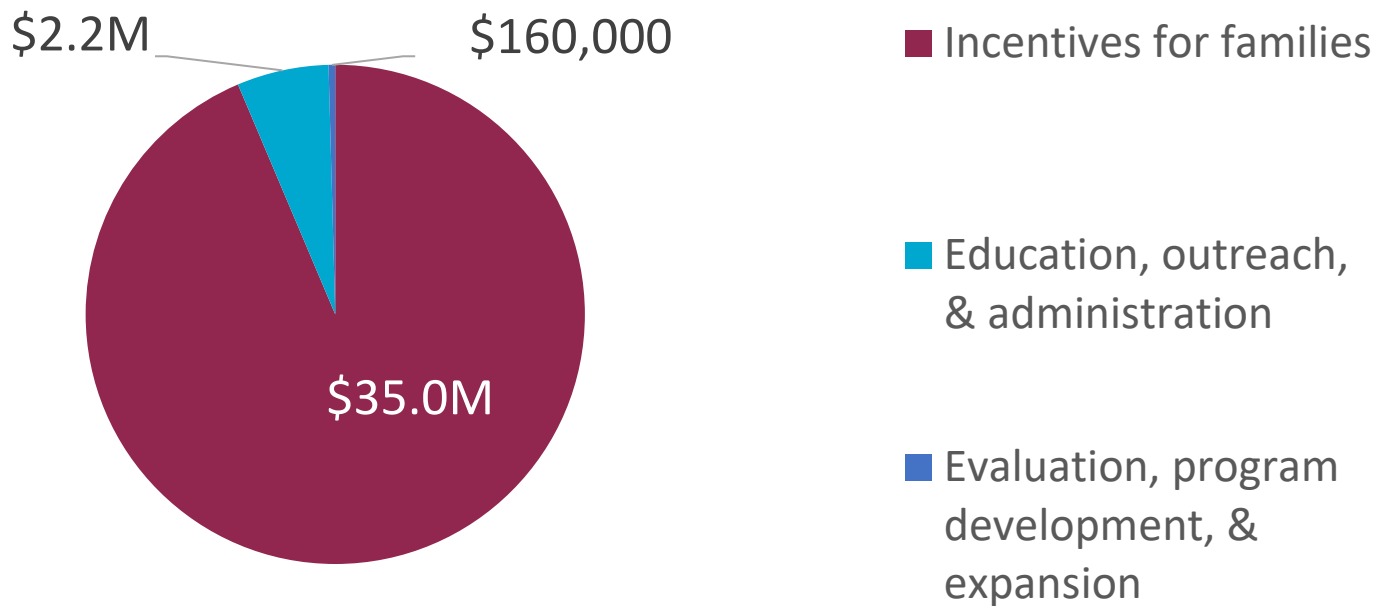


\$23.8M
from
state
funders

Looking to the Future: ARPA Funds

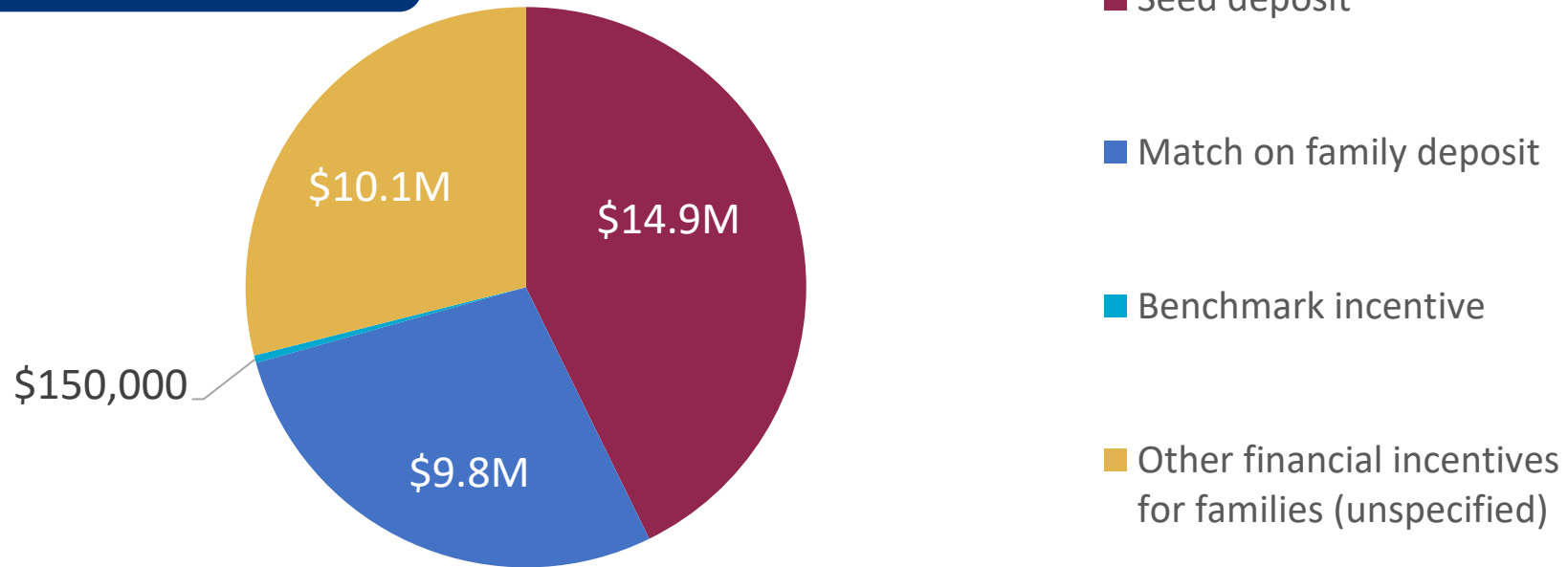
- In 2021 - 2024, federal government funding will temporarily grow dramatically due to ARPA funds. For ex:
 - California: **\$1.8B**
 - Washtenaw County, MI: **\$2.9M**
 - Providence Promise (small CSA in RI): **\$2M**

Public Funding: Intended Uses



Public Funding for Family Incentives

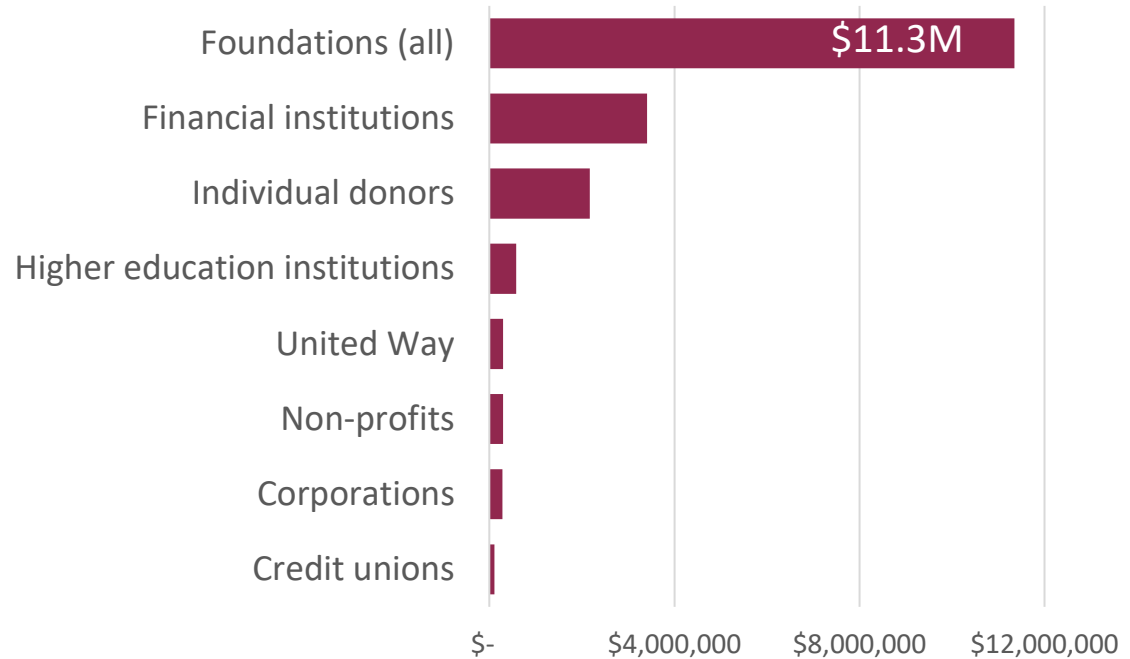
Total public funding for incentives \$35.0M



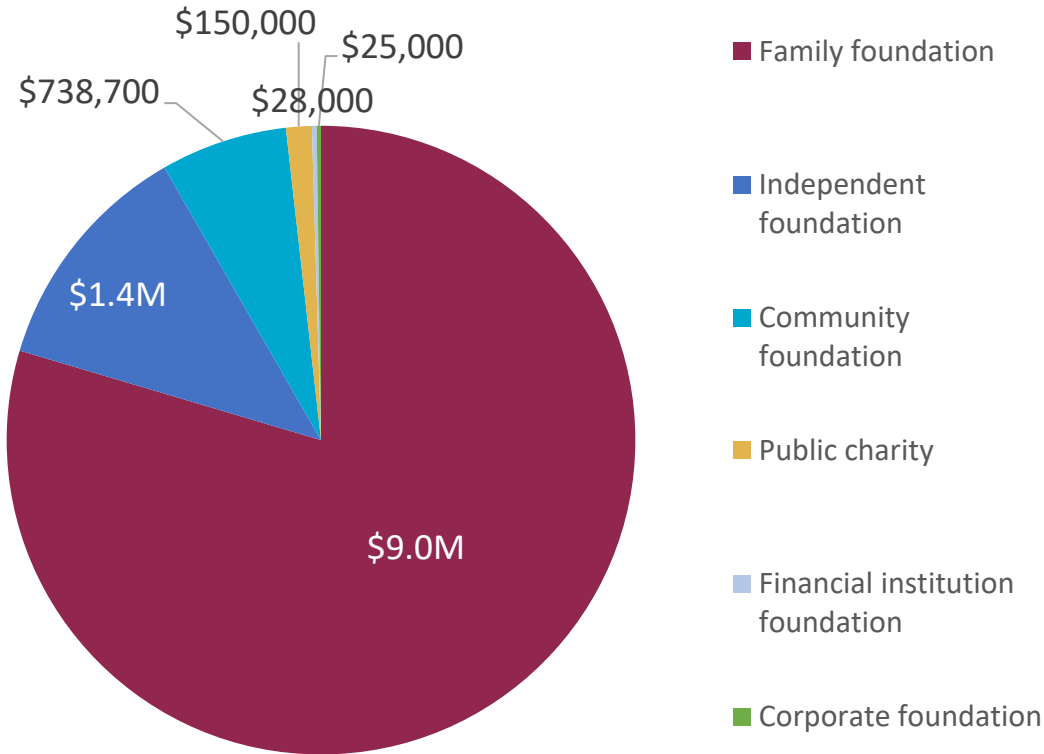
PRIVATE FUNDING: SOURCES & INTENDED USES

Private Funding by Source

Foundations
provided
\$11.3M for
CSAs in 2019



Financial support from foundations, by type

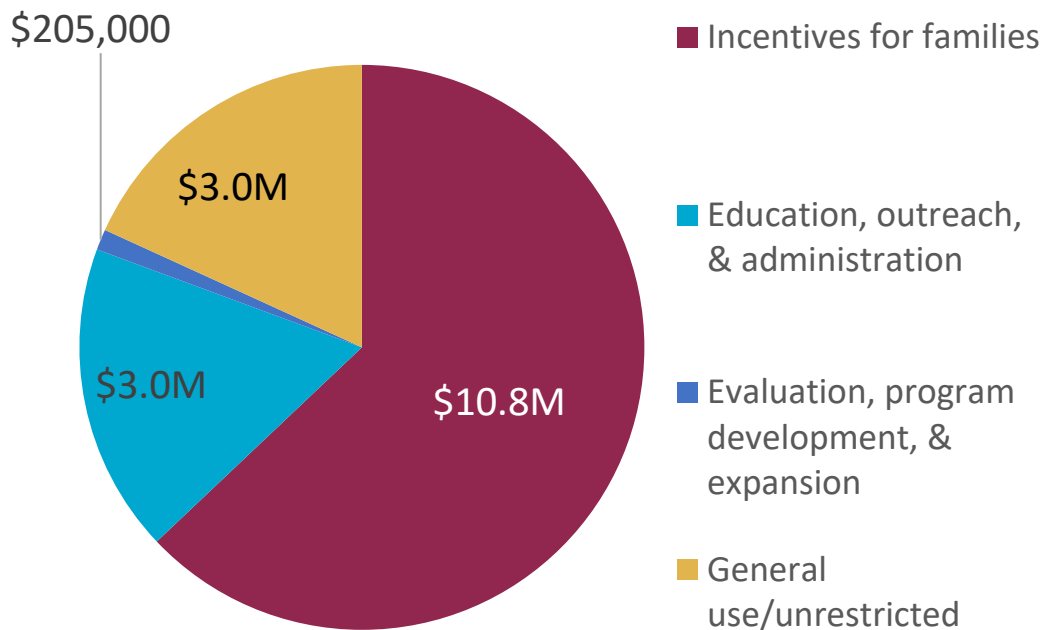


Foundations provided
\$11.3M for CSAs

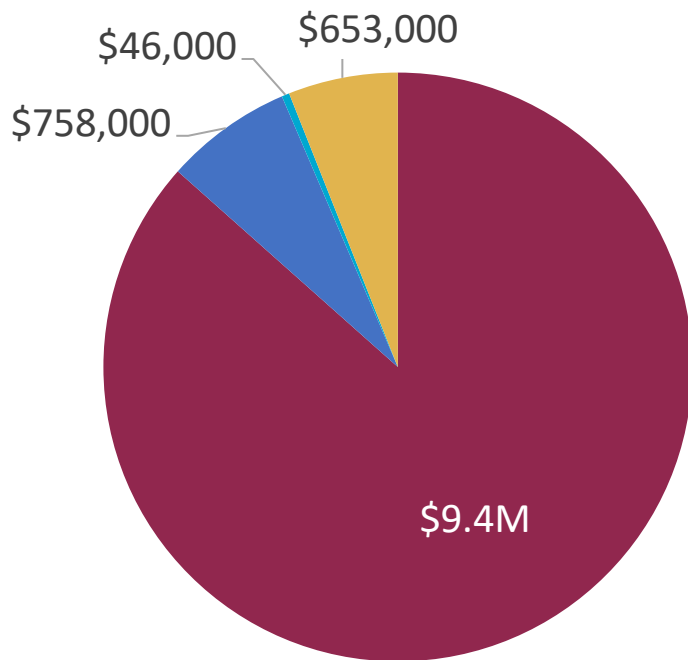
Top Foundation Funders

1. Family Foundations
2. Independent Foundations
3. Community Foundations

Private Funding: Intended Uses



Private Funding for Family Incentives

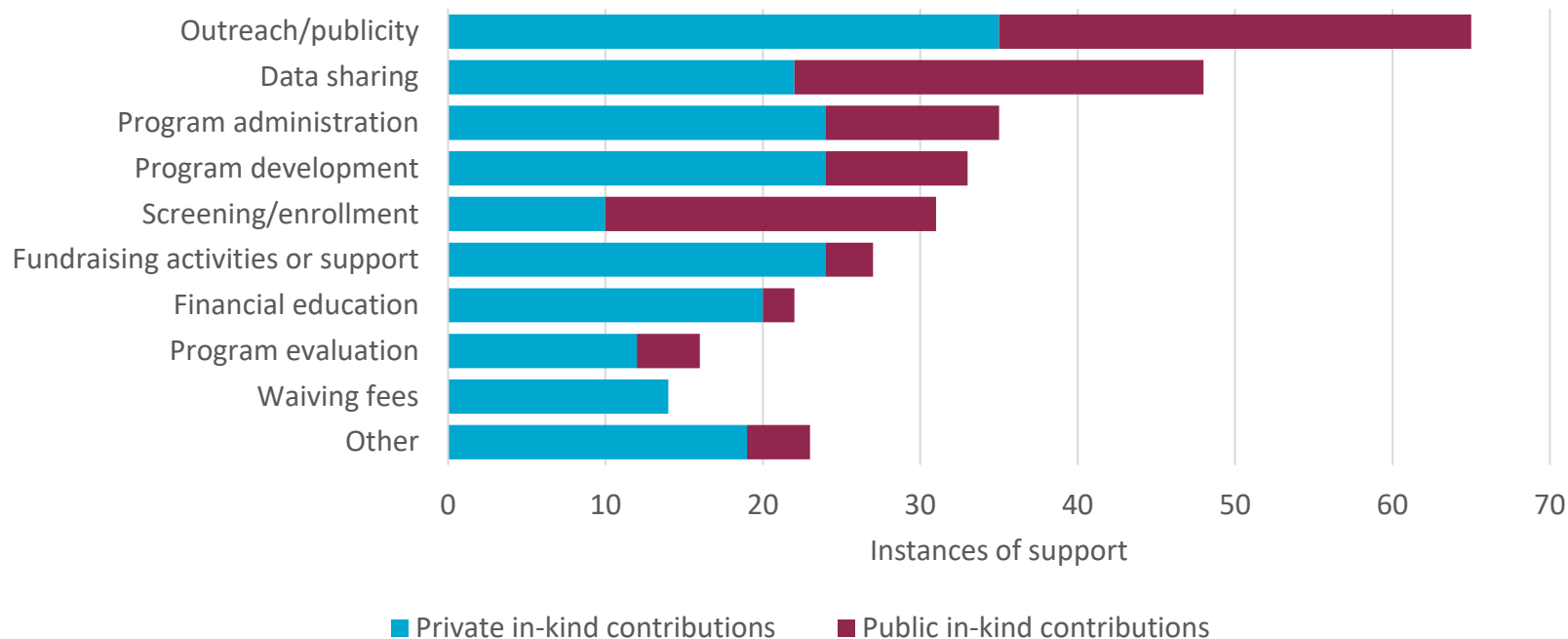


Total **private** funding for incentives \$10.8M

- Seed deposit
- Match on family deposit
- Benchmark incentive
- Other financial incentives for families (unspecified)

IN-KIND SUPPORT

Types of In-Kind Support



LESSONS & FUTURE DIRECTIONS

Lessons


- **CSA programs are typically supported by multiple funders**
- **Philanthropic investments are essential**
 - Public investment (\$) is greater, but 55% of CSAs rely exclusively on private funding
 - Many CSAs have been initiated by funders – or have grown to scale due to new investments
 - Philanthropy has also driven innovation in CSAs
- **Public-private partnerships hold promise**

Upcoming Research

- Prosperity Now State of the CSA Field – May 2022
- 2021 CSA Funding Study – Fall 2022

Thank you!

Contact

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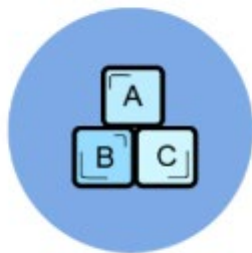
Resources

- [*Children's Savings Account Survey of Private and Public Funding 2019*](#)
- [*Looking to the Future: The Children's Savings Field Responds to COVID and Racial Equity*](#)

Questions

Early School Success: Recover learning and accelerate gains

Free Webinar: Wednesday, May 25, 12 ET



impact.upenn.edu/early-school-success-webinar



The Center for
High Impact Philanthropy
School of Social Policy & Practice
UNIVERSITY of PENNSYLVANIA



Upcoming GLR Learning Tuesdays Webinars:

LEARNING LOSS RECOVERY CHALLENGE

Taking Stock and Looking Forward: Principals on K-3 Learning
Tuesday, April 19, 3–4:30 p.m. ET/12–1:30 p.m. PT

LEARNING LOSS RECOVERY CHALLENGE

Starting Early: State Investments that Support Children’s Language & Literacy Development
Tuesday, April 26, 3–4:30 p.m. ET/12–1:30 p.m. PT

LEARNING LOSS RECOVERY CHALLENGE

Seizing the Moment: Closing the Digital Equity Gap
Tuesday, May 3, 3–4:30 p.m. ET/12–1:30 p.m. PT

CRUCIBLE OF PRACTICE

CGLR Communities and Strive Together
Tuesday, May 10, 12:30–2:00 p.m. ET/9:30–11:00 a.m. PT

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