FPP May 2020 Monthly Virtual Session – “Future Bound: Enhancing Educational Attainment with Children’s Savings Accounts”
Barry Altland
Director, Partner Engagement
Who/What is FPP?
A Thank You to FPP’s Funders

FUNDERS

CenterState  Bank of America  JPMorgan Chase & Co.
SunTrust Foundation

Wells Fargo  TD Bank  Synovus  Bank OZK

BBVA Compass  Comerica  Cities for Financial Empowerment Fund
Seacoast Bank

Valley  BankUnited  Regions  Florida Blue

Florida Prosperity Partnership
Certificate of Completion Requests

LEARNING. INFLUENCE. CONNECTION. PARTNERSHIP. FPP.

FPP@FloridaProsperityPartnership.org
6 Virtual Conference Events
May 27 – 28 – 29
FPP Website > Events

Two Days of Immersive Learning, Influence, Connection and Partnership
Tuesday, July 28 – Wednesday, July 29
Omni Orlando at Championsgate
Questions for the Guest Expert?

ELEVATING FINANCIAL CAPABILITY FOR ALL

FLORIDA PROSPERITY PARTNERSHIP
Poll Question #1
Enhancing Educational Attainment & Financial Capability with Children’s Savings Accounts

Chris Moreno
Children’s Savings Director
Who is Catalyst Miami?

Founded in 1996 by Daniella Levine Cava as the Human Services Coalition, our role is to identify and launch innovative community-building strategies.

Our Vision

A just and equitable society in which all communities thrive.

Our Mission

To identify and collectively solve issues adversely affecting low-wealth communities throughout Miami-Dade County.
Poll Question #2
OVERVIEW

• What are Children’s Savings Accounts?
• Future Bound Miami Program Overview
• Design Process Tips & Resources
• CSAs in the time of Covid-19
• Q & A
WHAT ARE CSAs?

Children’s Savings Accounts

• Long-term investment accounts that provide incentives to help children and their families—especially those from low-wealth households—build savings for the future.

• CSAs raise education expectations and put postsecondary education within reach by enabling children to build savings.
HOW CSA PROGRAMS WORK

OPEN ACCOUNT
Accounts—opened as early as birth or kindergarten—are seeded with initial deposits.

GROW SAVINGS
Accounts grow through family contributions and incentives, such as 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.
KEY FINDINGS
From Peer-Reviewed Research

A growing body of evidence points to the ability of CSAs to expand educational and economic opportunity.

- CSAs improve early childhood development and academic performance.
- Parents and children with early savings have greater postsecondary expectations.
- Children with college savings are more likely to go to and graduate from college.
- Children’s savings increases a child’s future financial capability and reduces the racial wealth gap.
Poll Question #3
PROMISING IMPACT

Postsecondary Achievement:

3X
More likely to attend
Among low-and-moderate income children with dedicated postsecondary savings of between $1-$499.

4X
More likely to graduate
Among low-and-moderate income children with dedicated postsecondary savings of between $1-$499.

6X
More likely to enroll
Among youth who expected to graduate from postsecondary education, those with a savings account in their name were more likely to enroll than those with no account.
Program Overview
Every Student Saves

• All Miami-Dade County youth have the opportunity to attain a postsecondary credential by developing a postsecondary bound identity in students.

• Parents and students will attain financial capability to support youth seeking postsecondary credentials.
A Regional Consortium, as opposed to a single organization, will lead the implementation of the program.

The consortium is a formal advisory board that ensures all program-related decisions are guided by a communitywide vision for all of Miami-Dade’s children.

Participation in the consortium is formalized by each organization signing a joint agreement.

The joint agreement will delineate membership criteria, roles, and the responsibilities of each member organization.
CONSORTIUM MEMBERS

Who's Involved

Catalyst Miami
Program Manager, Fiduciary

The Miami Foundation
Manages Incentives

South Florida Educational Federal Credit Union
Banking Partner

The City of Miami
The Children's Movement of Florida
The Children's Trust
Health Foundation of South Florida
Junior Achievement of Greater Miami
Miami-Dade County Public Schools (M-DCPS)
Sant La Haitian Neighborhood Center
United Way of Miami-Dade
At scale, the program will serve all Miami-Dade County Public Schools’ students.

The account is deposit only. Only the child, upon graduation from a M-DCPS high school, can access the funds.

At scale, it is anticipated that the program will include seed deposits and match program incentives.

Investments for deposits and incentives will come from the public and private sectors.
PROGRAM DESIGN

Continued...

**School Selection**

For our initial year, kindergarten students enrolled in M-DCPS within the City of Miami that feed into the 5 M-DCPS high schools located within the City of Miami are eligible to activate an account.

**Incentives**

A “seed” incentive of $25 will be provided to all kindergarten students when they begin the program. An additional $25 will be provided to students who qualify for Free-and-Reduced Lunch. “Seed” incentives are earned when the account is opened, not each year.

**The Portal**

Parents can activate and view their child’s savings balances via an online portal—the Future Bound Miami Savings Tracker—accessible through the M-DCPS Parent Portal.
In partnership with Junior Achievement, we will deliver age-appropriate in-class lessons. Parents will also be able to access relevant trainings via the M-DCPS Parent Portal and in person to help them save with and for their child.

**Curriculum**

**Working Groups**

Working groups are responsible for moving various program elements, such as marketing, fundraising, curriculum development, parent engagement and technology.

**Measuring Success**

There will be two enrollment periods during the 1st year rollout. We will incorporate learnings from the November launch into the Spring activation period.
INVESTING IN DREAMS
A Blueprint for Designing Children’s Savings Account Programs

By Shira Markoff & Dominique Delaigle
With a foreword by Andrea Lovers
Poll Question #4
BUILDING YOUR DESIGN TEAM

- Identify the key stakeholders you need to participate in the design process
- Determine what role each stakeholder will have in the design process
- Search for entities in different sectors (gov’t, non-profit, financial institutions, etc.)
- Consider bringing in your School District, local United Way, and/or Children’s Services Council (if applicable)
SETTING PROGRAM GOALS

- Involve key stakeholders such as staff, policymakers, board members, funders, etc. in the goal-setting process
- Analyze the needs of your target population
- Hold community focus groups to ensure that goals developed are meeting the needs of the community you serve.
SELECTING & ENROLLING
TARGET POPULATION

• Identify your target population, including
  • Age at Enrollment
    • Birth vs Elementary School
  • Eligibility Criteria
    • Universal vs specific subset of population
  • Program Reach
    • Citywide, countywide, statewide, or through a particular institution
  • Consider a phased approach
SELECTING & ENROLLING
TARGET POPULATION

Continued

• Determine how you will enroll participants, including:
  • The system for delivering the program
    • Try pairing the program with an existing system already in place (school district, Head Start, social service, etc.)
  • Whether participants will be automatically enrolled or will self-enroll
    • Opt-In vs Opt-Out
    • Status Quo Bias
DECIDING ON A PROGRAM COORDINATOR

• Explore which organizations in your community have the right attributes to function as a program coordinator

• In choosing a program coordinator consider:
  • Mission alignment
  • Capacity
  • Sustainability

• A wide variety of organizations can serve as a CSA program coordinator. Current examples include:
  • State government agencies
  • Local government agencies
  • Nonprofit organizations
  • Local housing agencies
CHOOSING AN ACCOUNT & FINANCIAL PARTNER

- Determine the features that are most important in selecting the account for your program. An “account” is more than the savings product, consider the following elements:
  - The type of financial institution partner
    - Bank, Credit Union, and/or 529 plan provider
  - The back-end account structure
  - The participant experience

- Key Account Features for Participants
  - No SSN or ID required for account opening
  - Multiple deposit options and branch locations
  - No or low fees (i.e. minimum balance fee)
  - Account funds that do not count towards asset limits for benefits
CHOOSING AN ACCOUNT & FINANCIAL PARTNER

Continued

- Consider which account type works best for your program
  - Savings Account
    - Pool savings accounts (with custodian)
    - Individual custodial savings accounts (like IDAs)
  - 529 plan college savings accounts
    - Omnibus 529 accounts
    - Entity-owned 529 accounts
    - Parent-/guardian owned 529 accounts
DETERMINING INCENTIVES TO GROW SAVINGS

- Incentives are an important component of CSA programs helping build account balances, encouraging families to save and helping them accrue savings more quickly.

- Commonly used incentive in CSA programs include
  - Initial or seed deposits
  - Savings matches
  - Benchmark incentives
  - Prize-linked incentives
FOSTERING FAMILY & CHILD ENGAGEMENT

• Determine the strategies you will use to engage both children and their families in the CSA program

• Things to consider include:
  • Level of Engagement
    • High-Touch / Low-Touch
  • Program Messaging
    • Emphasize parent pride, agency, & ownership
  • Savings Participation
    • Encourage direct deposit, gamification, and school deposit days
  • Peer Support
    • Behavioral science shows people are heavily influenced by the actions taken by their peers
BUILDING FINANCIAL CAPABILITY

- Identify strategies to build children’s financial capability, such as experiential financial learning
- Determine which financial capability services you will offer to parents
- Look to other organizations for assistance:
  - Non-Profits (Junior Achievement)
  - Banking Institutions
CSAs in the time of Covid-19
Questions for the Guest Expert?

ELEVATING FINANCIAL CAPABILITY FOR ALL
THANK YOU!

Chris Moreno
chrism@catalystmiami.org
786-414-1302
A Thank You to FPP’s Funders

FUNDERS

- CenterState
- Bank of America
- JPMorgan Chase & Co.
- SunTrust Foundation
- Wells Fargo
- TD Bank
- Synovus
- Bank OZK
- BBVA Compass
- Comerica
- Cities for Financial Empowerment Fund
- Seacoast Bank
- Valley
- BankUnited
- Regions
- Florida Blue

FLORIDA PROSPERITY PARTNERSHIP
FPP 20/20 Virtual and Live Conference

6 Virtual Conference Events
May 27 – 28 – 29
FPP Website > Events

Two Days of Immersive Learning, Influence, Connection and Partnership
Tuesday, July 28 – Wednesday, July 29
Omni Orlando at Championsgate
Certificate of Completion Requests

LEARNING. INFLUENCE.
CONNECTION. PARTNERSHIP. FPP.

FPP@FloridaProsperityPartnership.org
FPP May 2020 Monthly Virtual Session – “Future Bound: Enhancing Educational Attainment with Children’s Savings Accounts”