



Southern Regional Asset Building Coalition

Understanding Research and Policy as a Virtuous Circle: The Case of San Francisco, and the Case of the Department of Education

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Having an Idea at the Right Time

- Coming out of the “Great Recession”
- Fear of a new bubble, “College Debt Bubble”
- Inability to meet the growing need for college educated workers
- Failed attempts to increase enrollment and graduation

The Research: Keep it Simple Stupid

- “Wilt” occurs when a young person who expects to graduate from a 4-year college while in high school does not attend college shortly after graduating.
 - Youth who expect to graduate from a 4-year college and have an account are approximately six times more likely to attend college than youth who have not account.

Knowing Your Space: The Role of Partners

- Center for Social Development
 - Place the paper in their working papers series which made the research accessible.
- New America Foundation
 - Discussed findings with key personnel at the department of education.
 - Wrote op-ed's and blogs

The Case of San Francisco

- City of San Francisco automatically opened college savings accounts with a \$50 initial deposit for over 1,200 San Francisco kindergartners in 18 schools.
 - CNN TV interview, San Francisco Mayor Gavin Newsom cited the “wilt” findings as part of the rationale for starting the program.

The Case of DOE and its GEAR UP Program

- 2010 – Partnership with FDIC, NCUA, and DOE to encourage schools, financial institutions, access to federally insured bank accounts, and savings.
- 2011 – Invitational priority as part of GEAR UP.
- 2012 – DOE announced a new college savings account research demonstration.

It is a Virtuous Circle: Policy Leading to Research

- At the GEAR UP research demonstrations a reporter asked, since children can only save up to \$1,600 as part of the program:
 - Whether small amounts of savings can result in higher college enrollment and graduation rates?

Findings from Small Dollar Accounts: Messaging Moving Forward

- A low or moderate-income child who has school savings from \$1 to \$499 prior to reaching college age is over three times more likely to enroll in college than a child with no savings account.
- A low-and moderate-income child who has school savings of \$500 or more is about *five times more likely* to graduate from college than a low-and moderate-income child with no savings account.

Findings from Small Dollar Accounts: Messaging Moving Forward

- Having a school savings accounts with less than \$1 saved makes a black student about 3 times more likely to enroll in college, compared to children with no account.
- Black children with school savings and \$1 to \$499 saved are over 5.5 times more likely to enroll in college and about four times more likely to graduate than children with no accounts.

Conclusion

- Research can influence policy and policy can influence research
- Not all Financial Assistance is Created Equally

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