

Child Savings Accounts (CSAs) in Maine and Indiana

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William Elliott III, PhD

Center on Assets, Education, and Inclusion (AEDI)



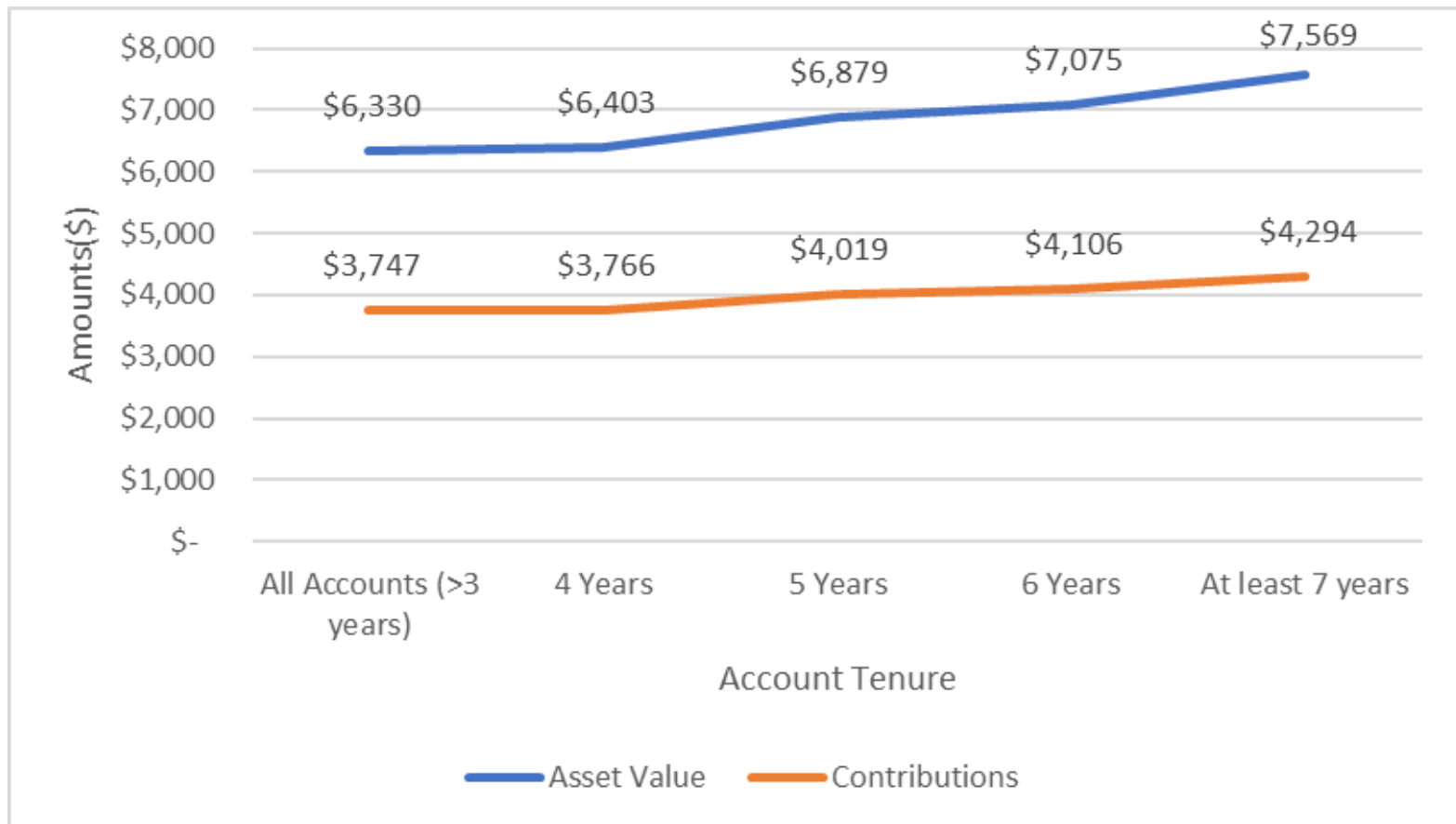
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Maine: The Harold Alfond College Challenge (HACC)

- The Harold Alfond College Challenge (HACC) started as a pilot program in 2008.
 - ▣ In 2009 it was offered to all babies born in Maine.
- Each year since 2009, HACC has offered a \$500 grant to all newborns in Maine.
 - ▣ From 2009 – 2013 it was opt-in
 - ▣ Since 2014 it switched to opt-out

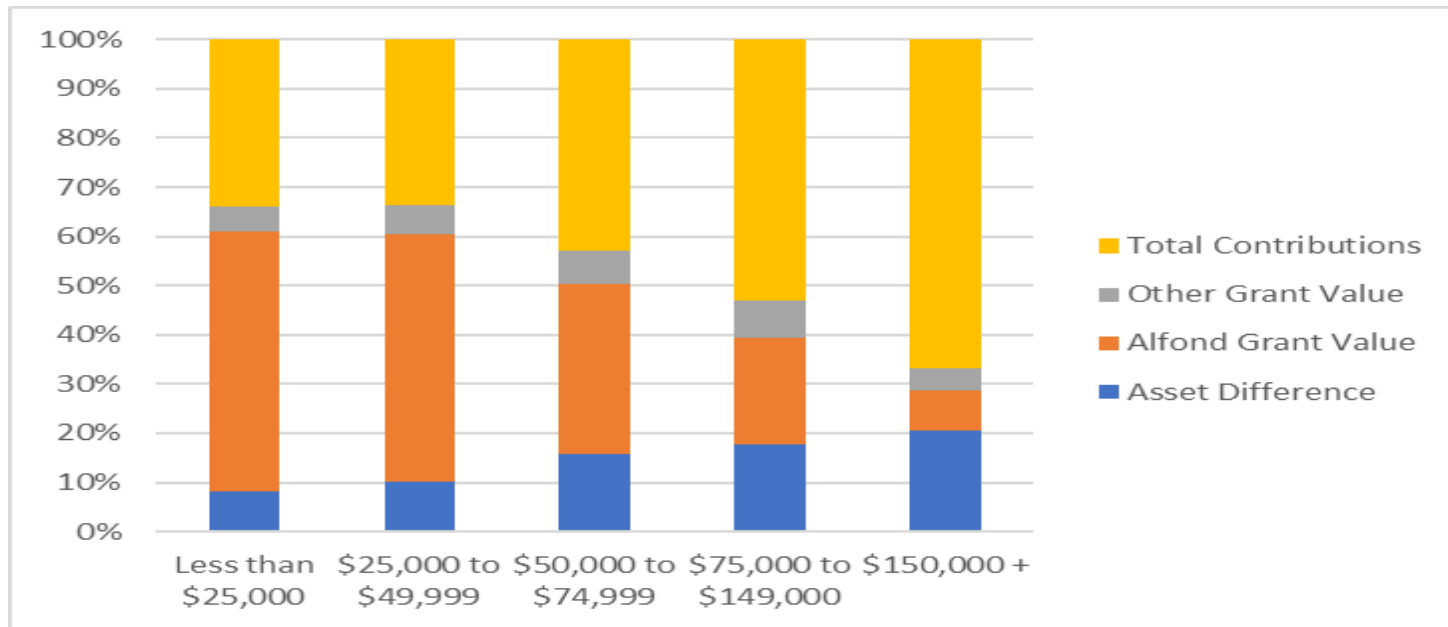
HACC: CSAs Build Wealth

HACC: Average Total Contribution Value and Total CSA Value, by Age of CSA—Savers only



HACC: Wealth Accumulation in CSAs Looks Different by Income Group

Total Account Value



Note. Asset Difference - the difference between the sum of the component parts of the HACC grant (Total Contributions + Other Grant + Alfond Grant) and the total value of the account.

HACC: Beyond Assets

- **Parental Educational Expectations**
 - Positive association
- **Parented Reported Math Performance**
 - Associated with LMI income children
 - Fully mediated by parental expectations
- **Parent Rated Children's Health**
 - Positive association
- **Saving for College for Welfare Beneficiaries (Preliminary Findings)**
 - Negative association between welfare receipt and saving for college
 - HACC is positively correlated
 - Predicted probability .80 with HACC and on welfare
 - Predicted probability .63 for welfare recipients without HACC

Note: Findings are correlational and not causal

Indiana: Promise Scholars

- Early award scholarship program grades 4 through 8
 - ▣ School engagement benchmarks,
 - ▣ Completing career and college readiness activities, and
 - ▣ Saving regularly
- Earn up to \$210 in scholarship per school year.

Promise Scholars: Savings Outcomes

- Program Savings Data
 - ▣ Avg. total value of account among **Promise Scholars Savers** (FRL = \$1,195; Non-FRL = \$1,106)
 - ▣ Avg. total account Value among **CSA Only Savers: Average** (FRL = \$246; Non-FRL = \$206)
- Parent Survey Savings Data: Regression Findings
 - ▣ **Full Sample:** Promise Scholars about 10X more likely to save
 - ▣ **Welfare Recipients:** Promise Scholars about 4X more likely to save
 - ▣ **Note:** Parental college expectations sign. predictor of saving in both samples

Note: Findings are correlational and not causal; Surveys were distributed to parents and children in 5th, 6th, 7th, and 9th grade

Promise Scholars: College-Bound Identity Scale

- Consists of Three Subscales:
 - ▣ Difficulty as Normal – this is supposed to be hard
 - ▣ Salience – something far away fills close (act now)
 - ▣ Group Congruence – people like me do this
- Example Questions

	School is not fun	School is fun
Difficulty as Normal	I am not smart I do not work hard in school	I am smart I work hard in school
Salience	I will not go to college My parent does not talk to me about school	I will go to college My parent talks to me about my school
Group Congruence	People in my family do not go to college I do not know anyone that went to college	People in my family go to college I know someone that went to college

Scale developed by Dr. Terri Sabol and her team at Northwestern University in consultation with Dr. William Elliott

Promise Scholars: College-Bound Identity Findings

- Is Promise Scholars associated with college-bound identity?
 - ▣ There is a significant positive association
- Is Promise Scholars associated with children acting in congruence with their College-Bound Identity?
 - ▣ Strong College-Bound Identity Group
 - Parents of Promise Scholars are about 2.5X more likely to report their child having above average math grades ($p < .02$)
 - ▣ Weak College-Bound Identity Group
 - Nonsignificant
 - ▣ Between Group Differences significant ($p = .039$)

Note: Findings are correlational and not causal

Promise Scholars: Education Outcome Findings

- Association between math and reading scores (school admin data)
 - ▣ Strongest among Free/Reduced Lunch
- Being a saver (i.e., at least 1 family/champion contribution) is associated with even higher math scores but not reading
- CSAs combined with scholarships have stronger relationship with math and reading than only CSAs

Note: Findings are correlational and not causal

Thanks



Q&A