Child Savings Accounts (CSAs) in Maine and Indiana

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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

- All Accounts (>3 years)
  - Asset Value: $6,330
  - Contributions: $3,747
- 4 Years
  - Asset Value: $6,403
  - Contributions: $3,766
- 5 Years
  - Asset Value: $6,879
  - Contributions: $4,019
- 6 Years
  - Asset Value: $7,075
  - Contributions: $4,106
- At least 7 years
  - Asset Value: $7,569
  - Contributions: $4,294
HACC: Wealth Accumulation in CSAs Looks Different by Income Group

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

<table>
<thead>
<tr>
<th></th>
<th>School is not fun</th>
<th>School is fun</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Difficulty as Normal</strong></td>
<td>I am not smart</td>
<td>I am smart</td>
</tr>
<tr>
<td></td>
<td>I do not work hard in school</td>
<td>I work hard in school</td>
</tr>
<tr>
<td><strong>Salience</strong></td>
<td>I will not go to college</td>
<td>I will go to college</td>
</tr>
<tr>
<td></td>
<td>My parent does not talk to me about school</td>
<td>My parent talks to me about my school</td>
</tr>
<tr>
<td><strong>Group Congruence</strong></td>
<td>People in my family do not go to college</td>
<td>People in my family go to college</td>
</tr>
<tr>
<td></td>
<td>I do not know anyone that went to college</td>
<td>I know someone that went to college</td>
</tr>
</tbody>
</table>

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