

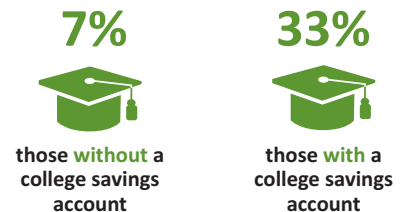
CHILDREN'S SAVINGS ACCOUNTS

Children's Savings Accounts (CSAs) are long-term asset development accounts, most often directed toward post-secondary education and training expenses. Accounts are opened at a universal enrollment point with an initial public or philanthropic seed investment. Over time, balances grow through private deposits and additional savings matches or behavior-based incentives.

CORE GOALS:

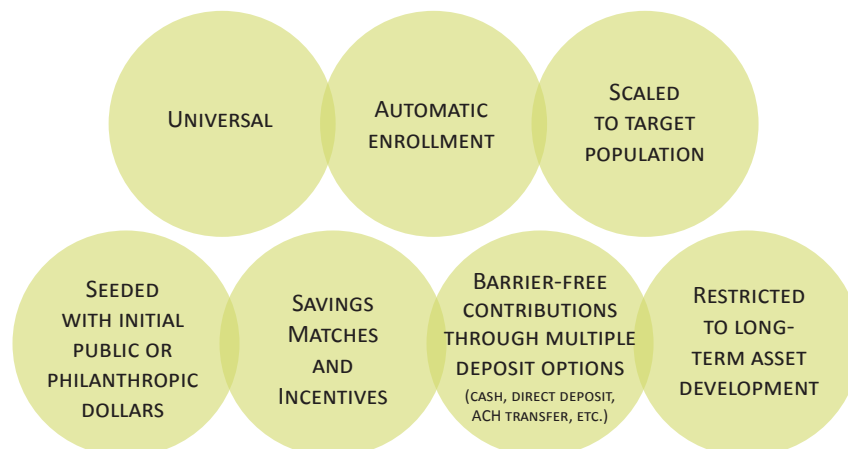
- 1 Increase college completion.** Children with dedicated college savings are four times more likely to complete a degree by age 26.
- 2 Improve financial capability.** When children receive financial education and practice positive savings behavior, they develop the skills they need for long-term financial capability as adults.
- 3 Root future college-bound identity in current behavior.** Saving for college today is a tangible way to prepare for attending college in the future and may help children connect current academic engagement with a future identity dependent on post-secondary success.
- 4 Bring parents into the financial mainstream.** Automatically opting children into CSAs provides parents a platform to begin saving, possibly leading to their own account ownership and take-up of supports such as free financial coaching.
- 5 Leverage multiple forms of investment in post-secondary education for the future workforce.** CSAs provide a universal platform for post-secondary education savings that private, philanthropic and public investors can link to over time.

Low Income Student College Graduation Rate:



Source: Building Expectations, Delivering Results: Asset-based Financial Aid and the Future of Higher Education. (2013) The University of Kansas School of Social Welfare, Assets & Education Initiative.

MODEL COMPONENTS:



Michigan Communities for Financial Empowerment is a program of the Community Economic Development Association of Michigan (CEDAM). Learn more online at cedam.info.