Shirley Rukcic

From: Adam Layne
Sent: Friday, December 8, 2023 3:57 PM
To: Crapo, Claire; Keisha Scarlett; Jones, Tishaura; Jones, Donna; Weiss, Sadie M.; Hubbard, Emily C.; Hykes, Tracy E.; Vowell, Natalie V.; Davis, Matt R.; Cousins, Antionette T.; sonniera@stlouis-mo.gov; BoydJa@stlouis-mo.gov; nelsonj@stlouis-mo.gov; Tracy Verner
Cc: Shirley Rukcic; James Sykes; Barbara Davis; Chrissy Fitzpatrick; Christina Bennett
Subject: RE: Board of Education and College Kids
Attachments: SLPS Responses Part II 2023.pdf; SLPS Responses - College Kids Partnership 2023.pdf; SWTT Book 2.pptx; The Role of Savings and Wealth in Reducing Wilt Between Expecta.pdf

Ms. Crapo,

My additional responses and supporting documents are attached.

Respectfully,

Adam L. Layne (he/him)
Treasurer
City of St. Louis
314-622-3434

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From: Crapo, Claire <CLAIRE.CRAPO@slps.org>
Sent: Wednesday, December 6, 2023 4:34 PM
To: Adam Layne <laynead@stltreasurer.org>; Keisha Scarlett <Keisha.Scarlett@slps.org>; Jones, Tishaura <jonestj@stlouis-mo.gov>; Jones, Donna <Donna.Jones@slps.org>; Weiss, Sadie M. <Sadie.Weiss@slps.org>; Hubbard, Emily C. <Emily.Hubbard@slps.org>; Hykes, Tracy E. <Tracy.Hykes@slps.org>; Vowell, Natalie V. <Natalie.Vowell@slps.org>; Davis, Matt R. <Matt.Davis@slps.org>; Cousins, Antionette T. <Antionette.Cousins@slps.org>; sonniera@stlouis-mo.gov; BoydJa@stlouis-mo.gov; nelsonj@stlouis-mo.gov
Cc: Shirley Rukcic <Rukcics@stltreasurer.org>; James Sykes <Sykesj@stltreasurer.org>; Barbara Davis <Grahamb@stltreasurer.org>; Chrissy Fitzpatrick <Fitzpatrickc@stltreasurer.org>; Christina Bennett <Bennettc@stltreasurer.org>
Subject: Re: Board of Education and College Kids

Good afternoon, Treasurer Layne,

I am writing in response to your request to present at the upcoming school board meeting.

At Saint Louis Public Schools, we are dedicated to equity and closing opportunity gaps for students furthest from educational justice. After reviewing the agenda for the upcoming meeting, I regret to inform you that we cannot accommodate your presentation request. The agenda is already quite full, and it is important to give adequate time and attention to the planned discussions.

We recognize this decision may be disappointing. Since you previously presented to the Board of Education in April of 2022, our leadership believes a second presentation at this time is unnecessary. However, we value your input and encourage you to submit your responses and materials related to the College Kids Savings Program. This will ensure the board fully understands and considers your perspective.

We also request your presence at the meeting to address any questions the City of Saint Louis Board of Education members may have.

Thank you for your understanding and ongoing commitment to our students' education.

Sincerely,

Dr. Claire Crapo

Chief of Staff- Academic Excellence
claire.crapo@slps.org

From: Adam Layne <laynead@stltreasurer.org>
Sent: Friday, December 1, 2023 3:51 PM
To: Crapo, Claire <CLAIRE.CRAPO@slps.org>; Keisha Scarlett <Keisha.Scarlett@slps.org>; Jones, Tishaura <jonestj@stlouis-mo.gov>; Jones, Donna <Donna.Jones@slps.org>; Weiss, Sadie M. <Sadie.Weiss@slps.org>; Hubbard, Emily C. <Emily.Hubbard@slps.org>; Hykes, Tracy E. <Tracy.Hykes@slps.org>; Vowell, Natalie V. <Natalie.Vowell@slps.org>; Davis, Matt R. <Matt.Davis@slps.org>; Cousins, Antionette T. <Antionette.Cousins@slps.org>; sonniera@stlouis-mo.gov <sonniera@stlouis-mo.gov>; BoydJa@stlouis-mo.gov <BoydJa@stlouis-mo.gov>; nelsonj@stlouis-mo.gov <nelsonj@stlouis-mo.gov>
Cc: Shirley Rukcic <Rukcics@stltreasurer.org>; James Sykes <Sykesj@stltreasurer.org>; Barbara Davis <Grahamb@stltreasurer.org>; Chrissy Fitzpatrick <Fitzpatrickc@stltreasurer.org>; Christina Bennett <Bennettc@stltreasurer.org>
Subject: Re: Board of Education and College Kids

Dear Claire, Dr. Scarlett, and members of the board,

I am in receipt of your latest email (copied below) informing me that we will not be allowed to present due to a full agenda and directing my team and me to instead submit a presentation crafted around the most recent round of questions presented to us (also attached). I am strongly urging this body to reconsider for several reasons.

My team and I have already diligently answered the initial set of questions posed to us regarding our program. We have adhered to the suspension and interruption of our board approved memorandum of understanding in good faith, despite said decision causing thousands of SLPS kindergarten students to miss out on the opportunity to easily and freely set up college savings accounts. Members of my office had already

planned to be present at the board's December meeting, to furnish a presentation, and to bring institutional partners to present research and answer questions as recently requested by this body.

More importantly, Claire shared months ago in her presentation to the board that part of the MOU evaluation process would include presentations by entities seeking to hold MOUs with the district with opportunities for questions from the board. It would appear that the decision to not allow my office to present on our program runs contrary to the policies and procedures your own organization has put in place. It is my understanding that other entities have been allowed to present at meetings, and I would simply ask that our office be extended the same courtesy from a place of fairness, equity, and transparency.

A final point of consideration: our extant MOU was approved in 2021 after a full presentation to the board and the public, complete with opportunity for questions from the board members and superintendent. As a democratically elected body, and one whose policies are extremely clear regarding the process for MOU approvals, to not allow for public conversation and input around this process seems not only to indicate a disregard for established policy, but a disinterest in the democratic process itself.

I have no issue moving our presentation to a meeting agenda that is less crowded. However, it is only fair and right that our office be offered the opportunity to present to the full board and to share details with the public about the College Kids program. I look forward to your reply.

Respectfully,

Adam L. Layne (he/him)

Treasurer

City of St. Louis

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From: Crapo, Claire <CLAIRE.CRAPO@slps.org>
Sent: Wednesday, November 29, 2023 3:42:49 PM
To: Adam Layne <laynead@stltreasurer.org>
Cc: Shirley Rukcic <Rukcics@stltreasurer.org>; James Sykes <Sykesj@stltreasurer.org>; Barbara Davis <Grahamb@stltreasurer.org>
Subject: Re: Board of Education and College Kids

Good afternoon, Treasurer Layne,

I hope you are having a good week.

I am following up regarding the presentation on December 12th. We have a tight agenda that evening, and as a result, will need to make some shifts. We are requesting that you send the presentation by 12/8 so that Board Members have the opportunity to review the presentation. At the Board meeting, it will not be necessary to give the presentation, but simply be present in case Board Members have additional questions.

When creating your presentation, please center the presentation around the questions that are attached to this email.

We appreciate your flexibility and look forward to seeing you on 12/12. You can send the presentation to me on 12/8.

Claire

From: Adam Layne <laynead@stltreasurer.org>
Sent: Thursday, November 16, 2023 4:17 PM
To: Crapo, Claire <CLAIRE.CRAPO@slps.org>
Cc: Shirley Rukcic <Rukcics@stltreasurer.org>; James Sykes <Sykesj@stltreasurer.org>; Barbara Davis <Grahamb@stltreasurer.org>
Subject: Re: Board of Education and College Kids

Respectfully,

Adam L. Layne (he/him)

Treasurer

City of St. Louis

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From: Crapo, Claire <CLAIRE.CRAPO@slps.org>
Sent: Thursday, November 16, 2023 3:21:15 PM
To: Adam Layne <laynead@stltreasurer.org>
Cc: Shirley Rukcic <Rukcics@stltreasurer.org>; James Sykes <Sykesj@stltreasurer.org>; Barbara Davis <Grahamb@stltreasurer.org>
Subject: Re: Board of Education and College Kids

Hi Adam,

Thanks for your response.

1. We can allot approximately 20-25 minutes for the presentation.
2. We will place your presentation as the first presentation on the agenda.
3. Thanks for clarifying regarding the MOU. I should have said the current MOU rather than proposed.

Thank you,

Claire

From: Adam Layne <laynead@stltreasurer.org>
Sent: Thursday, November 16, 2023 2:07 PM
To: Crapo, Claire <CLAIRE.CRAPO@slps.org>
Cc: Shirley Rukcic <Rukcics@stltreasurer.org>; James Sykes <Sykesj@stltreasurer.org>; Barbara Davis <Grahamb@stltreasurer.org>
Subject: Board of Education and College Kids

I received your email about attending the next meeting on 12/12. I will make sure I am available to present. I have a few questions that I've listed below:

1. How much time are we allocated for the presentation?
2. Where in the agenda are we going to be placed?
3. The parentheses have "proposed MOU" but we have an existing MOU that extends beyond this year and which was approved in 2021 by the board. Are you asking us to have a new MOU proposed?

Thanks for your response to my questions.

Respectfully,

Adam L. Layne (he/him)

Treasurer

City of St. Louis

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ADAM L. LAYNE
Treasurer

TREASURER'S OFFICE
CITY OF SAINT LOUIS
MISSOURI

1200 Market Street
Room 220, City Hall
St. Louis, MO 63103
(314) 622-3434

Additional SLPS Responses:

1. The survey bring asked about was conducted on September 26, 2023. The methodology was to ask questions about program satisfaction and utilization, questions that are standard among similar programs. The program was administered via our MailChimp. Raw data is on our website under sunshine requests. Data evaluators from Washington University and SLU reviewed the questions and approved them. We also always disseminate an annual survey.

2. Per our previous response document to SLPS, the answer to this question is listed on page 4 in paragraphs 1 and 2 in the section titled, "Most 529". The previously submitted response is quoted below.

> **"MOST 529**
> **The MOST 529 Program is a preferred partner of the College Kids program**. We equip parents and family members with information about the MOST 529 program, along with the information that we send out to our families. We host **quarterly** MOST 529 seminars for families to learn about the advantages of a MOST 529 plan. Some of our families currently have a MOST 529 plan and a CK savings account.
>
> While CK families can transfer their accounts into a 529, the reality is that CSAs offer low-income families the most protection, as these FDIC-insured accounts are not subject to market fluctuations, and there are no federal or state tax liabilities for contributions, earnings, or withdrawals. In contrast, 529s are invested in stock and bond mutual funds, leaving already financially vulnerable residents even more subject to fluctuations in the market. While many of those families say that they love the fact that our accounts are easily accessible and fee-free, they also love the flexibility and freedom they have to explore the many options available to them to make the best decision for their child. Empowering families around financial literacy is at the center of everything we do and partnering with MOST 529 is a testament to that."

3. We do not run the Missouri 529 program and therefore we cannot provide that information. You can contact a MOST 529 representative at missourimost.org or call 888-414-MOST.

4. In additional to the answers already provided in questions 2 and 3, we allow the Missouri 529 program to host a quarterly information session with our families to inform them of MOST 529 products.

5. Incentive dollars are not in a 529.

6. Per our previous response document to SLPS, the answer to this question is on page 2 under the section titled, "Engagement," which lists all the ongoing activities students and families can earn incentive dollars for.

7. Per previous responses to the board both in person and in writing, these are simple, non-interest-bearing child-savings accounts.

8. The incentive account accrued $2,330 in interest. **100% of interest earnings return to the incentive pool to provide additional incentives for current and future College Kids scholars.** No interest pays for fees, administrative expenses, or any other expenses. To repeat, 100% of interest earning return to the incentive pool to provide additional incentives for current and future College Kids scholars.

9. In addition to the links provided in the previous response document to SLPS (also attached), "The Role of Savings and Wealth in Reducing —Wilt‖ between Expectations and College Attendance" is attached as a PDF.

10. Families have a portal where they can check their balances at any time. Families can also go to an AllTru Credit Union branch and check their balances if they prefer.

11. The Treasurer has visited all SLPS elementary schools. Our program manager reaches out to school-based community liaisons to let them know we are scheduling Storytime with the Treasurer. School staff notify our College Kids program manager of availability.

12. Attached is the presentation we use at schools for Storytime with the Treasurer. Additionally, ever student receives a piggy bank, a pencil case and pencils, notebooks, a book on financial literacy, and an informational flyer about the program and upcoming events.

ADAM L. LAYNE
Treasurer

TREASURER'S OFFICE
CITY OF SAINT LOUIS
MISSOURI

1200 Market Street
Room 220, City Hall
St. Louis, MO 63103
(314) 622-3434

October 2, 2023

Dear Dr. Keisha Scarlett and members of the SLPS Board,

I am hopeful that the information provided in this correspondence regarding the College Kids program provides all the information, context, data, and insight needed to move forward with a favorable decision to continue and strengthen the partnership between our program and St. Louis Public Schools. My team and I have worked thoughtfully to provide essential data and context for the work that we have been doing and will continue to do in service to the students and families at SLPS.

This program was birthed with the idea that any and all support that we *can* provide to students in the City of St. Louis *must* be provided to give them their best chance at success in rewriting bleak narratives and dismantling cycles of economic injustice. The importance of a partnership like this in support and advocacy of our young people's futures cannot be underscored enough. Our families depend on all our city entities, private and public, to work together in the best interests of the collective. We know that with true partnership and commitment to collaboratively working on championing financial literacy and college savings, College Kids will allow our SLPS kids and families to flourish, equipping them with an added tool in their toolbelt to reach their fullest potential. Students and their families in SLPS have already saved $1.1 million and the oldest group is well on their way to being 7 times more likely to achieve their postsecondary dreams. A continued pause means that this current class of kindergarten students will graduate from high school missing out on a collective savings of $2.2 million toward their educational dreams. A continued pause means that there is one less driving force in the fight to break generational cycles of poverty for our most marginalized population, a population that reflects more than 85% of SLPS.

As a former SLPS educator and former board member, we would always remind ourselves that our primary concern above all else is doing what is needed for children. I ask that you lift the suspension and choose to work with me in our shared goals of providing every resource and opportunity needed to support our young people in realizing their true potential. It takes a village and I believe the Treasurer's Office, the City of St. Louis, and the College Kids program are integral parts of that village for the vision we all have for the St. Louis we all know is possible. Thank you and thank you for being servant leaders in this important work.

Sincerely,

Adam L. Layne

ADAM L. LAYNE
Treasurer

TREASURER'S OFFICE
CITY OF SAINT LOUIS
MISSOURI

1200 Market Street
Room 220, City Hall
St. Louis, MO 63103
(314) 366-3095

Research on Program Impact

The vision for the College Kids program is that **students have at least $500 saved by the time they finish high school** in the City of St. Louis. This is because data shows that **students with at least $500 saved for college are three times more likely to go to college and four times more likely to graduate** from college. The College Kids program is the City of St. Louis committing to doing its part to supplement the great work of the school district in making sure students have every advantage and opportunity to succeed in their postsecondary aspirations. The vision far surpasses a $500 account. This is about interrupting cycles of poverty by getting St. Louis households banked and connected to quality banking services, increasing financial literacy in a city where districts have no formal K-12 financial literacy curriculum, and allowing students and families early saving opportunities which data leads to increased scholarship opportunities and participation in early college programs.

In a recent survey of our College Kids families, 94.5% stated that early college savings is important to their household, and 87% of those families said that the College Kids program is what sparked their college savings journey for their child. In fact, **63% say they would NOT have started this early on their child's college savings journey without the College Kids program**. We believe financially literate children grow up to be adults who make financially sound decisions. Our families believe their children's financial literacy has increased as a result of the program, and 47.8% of parents say it increased their own financial literacy. In relation to the goal of breaking economic cycles of poverty, 30% of our families say they now have a bank account because their child has a College Kids account, and 25% say it's their first time participating in direct deposit for savings. **That means 1 in every 4 parents are now choosing to make regular investments in their child's future because of our program**. See the attached data spreadsheet for these numbers and the comparison to national statistics around college savings.

Our goal is that students have at least $500 saved by high school graduation, and our oldest class is just in 8th grade. Therefore, to be able to adequately determine if we've met that goal, we would need to see what our students are doing in 5 years once they graduate from high school and begin their college journey. However, the program we are modeled after in San Francisco just celebrated their first graduating class with an average college account savings balance of $1,422 among what they describe as their active savers.

We also included additional research from Washington University on the importance of College Savings Accounts (CSAs) and why more CSA programs actually do more to support low-income families in achieving post-secondary success.

Inaugural Accounts

The data file is attached that shows the account information for all of the SLPS accounts. Collectively, **SLPS students and families have currently saved $1.1 million**. Our oldest group, our **SLPS 8th graders have collectively earned and saved $186,663**. Among These accounts, 600 are above the $50 seed level and what we refer to as active savers, similar to how other college savings accounts categorize their participants. Of our active savers, 523 or 87% are also above the $100 mark and **30 families are already at or above the $500, meaning that they've already hit and surpassed their savings goal a full 4 years ahead of schedule. Our average balance for all 8th-grade accounts is $129.45 and the average jumps to $240.94** among our active savers. The results are promising and encouraging. Our **highest account has swelled to $4,907 and we're proud to say we have 17 accounts for our 8th graders above $1,000**.

We're proud, but not resting in the strides we've made. We know we can and are confident that we'll continue to explore areas for growth in order to better serve our families. Yes, 842 of our 8th-grade accounts are still at that $50 seed level, but we are continuing to do strategic outreach and engagement in a variety of ways to increase participation. We also know that our incentive opportunities are so vast that **even if an 8th-grade parent learned about their savings account today, they would have every chance to hit the $500 savings mark** without a problem. When our team works with and educates families, it is not just education about making deposits; it, it is education around wise financial decisions and shaping transformational mindsets around breaking generational cycles of poverty. That is why we don't rest on the results we have, but we embrace the work we have still left to do to reach those families where they are. One of the best interactions I have with parents is when they come up to me first learning about the program, feeling defeated that they didn't know or didn't take advantage of it in kindergarten. When I tell them they still have an account, that there's $50 in it already, and that they are still on track to reach that $500 goal, the relief and joy they show confirms the vision we have for college kids.

Engagement

Our College Kids program engages students and families in over 30 activities each year. We engage with students directly in schools through Storytime with the Treasurer, where Treasurer Layne visits 4-5 schools a quarter to read books to elementary school students, spending about an hour at each school. This provides at least 20 hours a year of financial literacy to between 80 and 100 students. When we visit, we also provide College Kids gifts to students along with information in a bright green College Kids bag so families can continue to engage with their child's financial literacy journey. We also provide class sets of our financial literacy books and have secured over 700 books for students. Additionally, have send-home activities on financial literacy for our families to complete.

We connect with our families in a variety of ways. We send out monthly communications via email as well as quarterly newsletters to families. Our outreach includes Family and Community Specialists (FCS) for SLPS in addition to administrative staff, principals, and assistant principals

to send out our communications. Our schools with the best engagement do a fantastic job of co-promotion, which is a part of our district MOU. We have quarterly Family Savings Nights where families can learn about a specific financial literacy topic under the large learning buckets of budgeting, savings, credit, and money management. Simply by attending these activities, students earn incentive dollars that go directly into their College Kids savings account. We hold a virtual bi-annual Game Show where students answer questions in a Jeopardy format to learn more about financial literacy and answer questions to earn incentive dollars into their college savings account. We do both student and educator spotlights to highlight our students who are going above and beyond, as well as our educators who are supporting and serving our youth. We also engage our local media and we appear quarterly on the Fox 2 morning news show to promote the College Kids program and our activities.

Additionally, we have monthly workshops for students and families to learn about financial literacy and earn incentives for their student accounts. We partner with the St. Louis Regional Financial Empowerment Coalition to put on the annual Creative Arts Contest. Every year, multiple College Kids students have won the contest, with the top prize being a $2,000 award for their college-going expenses. We also pay to attend and table all fairs and events where students and families will be, such as the Urban League Expo, Annie Malone festival, Sista Strut, Better Family Life events, and many more.

Through our partnership with the Cardinals and the SLU Billikens, we are granted hundreds of tickets for our nights out at the ballpark to see Cardinals games and Chaifetz Arena for our students and families to enjoy a local sports experience for free. This is often an opportunity for families who haven't engaged to engage through sporting events they care about.

This past summer, we partnered with BMO Harris to award $3,000 in scholarships to families of SLPS students. We also highlighted three SLPS educators who are going above and beyond to invest in the futures of our youth. Awardees included Alex Schenk of the Collegiate School of Medicine and Bioscience, Charles Babatu Murphy from Roosevelt, and Dr. Kacy Seals-Shahid from CVPA. We want to continue to invest money in celebrating our St. Louis Public School staff.

In addition to our financial literacy programs and events, College Kids has fun, community-building events for kids and families. We host an annual Scholarween to celebrate Halloween. We have our annual Deck the Halls event, complete with Santa and pictures for the kids. During the summer months, we do our end-of-year celebration called the CK Field Day, where we have games and prizes for students and families. Each event has tables with our bank partners to provide information on economic empowerment, health agencies to ensure students and families have access to quality healthcare and many other resources. Lastly, this year we will launch our CK Champion program, which trains and supports school-based staff members on our College Kids program so that staff, families, and students in the school have an on-site member dedicated to keeping families informed about the program and all the ways they can earn financial literacy incentives and engage with our dynamic programming.

MOST 529

The MOST 529 Program is a preferred partner of the College Kids program. We equip parents and family members with information about the MOST 529 program, along with the information that we send out to our families. We host **quarterly** MOST 529 seminars for families to learn about the advantages of a MOST 529 plan. Some of our families currently have a MOST 529 plan and a CK savings account.

While CK families can transfer their accounts into a 529, the reality is that CSAs offer low-income families the most protection, as these FDIC-insured accounts are not subject to market fluctuations, and there are no federal or state tax liabilities for contributions, earnings, or withdrawals. In contrast, 529s are invested in stock and bond mutual funds, leaving already financially vulnerable residents even more subject to fluctuations in the market. While many of those families say that they love the fact that our accounts are easily accessible and fee-free, they also love the flexibility and freedom they have to explore the many options available to them to make the best decision for their child. Empowering families around financial literacy is at the center of everything we do and partnering with MOST 529 is a testament to that.

Account Closures

If a family wants to opt out or close their account, they are free to do so at any time. Our process is that the legal parental guardian of the child completes our form and submits it to our College Kids Program Manager. After the submission, our Program Manager schedules an exit meeting with the legal guardian to discuss transfer options. Because the funds are for college savings, the accrued deposits can be transferred into a MOST 529 savings plan or a qualified college savings account. Families are eligible to withdraw all family deposits, but not incentive dollars provided by the City of St. Louis.

Of the over 20,000 accounts we've opened for children in the City of St. Louis, we have only had 32 accounts closed. Of these closed accounts, most were closed because of moving out of the district and 12 opened new savings accounts, including MOST 529 accounts. At this point, we do not consider accounts abandoned as we know transience is big in our region. 38% of K-12 public students move schools mid-year. That might be out of the district, out of the city, or the state. Having been a high school teacher in SLPS, Treasurer Layne would often witness the return of students to the district after years away. With our program, those students never lose their accounts and thus never lose the ability to save for their future. That's why we open these accounts for all students once they enter kindergarten because we know families are juggling a lot when enrolling their kids in school, and a college savings account program may not be top of mind. Whether they begin engaging in 1st grade or 5th grade, our goal is to make sure we don't prematurely close any doors of opportunity for our young people and families in the City of St. Louis.

Account Balance Data

Collectively, **SLPS students and families have currently saved $1.1 million (see attached data file).** Overall, it is important to note that we have 11,481 accounts at or below the $50 level. We have 578 between $51 - $99, 1,254 accounts between $100 and $499, and 178 accounts above $500. Our highest SLPS account right now is $5,872 and we have 111 accounts above $1,000. We pride ourselves on the growth our families have made. This is not simply putting money away to save; it is creating a culture around planning financially for post-secondary success. This positively shows that even though our oldest group is still 5 years away from high school completion, over 1,400 young people in St. Louis are already 3 times more likely to go to college and 4 times more likely to graduate from college. Looking at a raw data file does not paint the full picture of progress and the strides our families have made.

Diving into the analysis of the data, we can see that even though the average overall balance is $84.02 for all accounts, we have over 2,000 active savers. Those are accounts that families are actively contributing to and earning regular incentives on. **Our active savers have an average balance of $278** in their College Kids accounts, well on their way to hitting that $500 mark. At the 8th and 7th grade level, we have 42% and 35% of the accounts as active saver accounts. They did not start out that way; in fact, our current 7th and 8th-grade active savers looked very much like the current K-2nd grade accounts. Changing this took intentional effort, outreach, engagement, and,, most importantly, time for our families to learn and grow as we learned and grew as a program. Therefore, we can see that over time, account **participation grows nearly 40% from K-8th grade,** which is what we expect as families get more settled, more focused on college access, and have sustained engagement with our program and their school and school district.

Yes, over 11,000 (or 85%) of our accounts are still at that $50 seed level, but about **40% of those accounts are held by Kindergarten, 1st, and 2nd graders, meaning these students and families are just beginning their college savings journey** and have plenty of time and countless opportunities to grow their accounts. When our team works with and educates families, it is not just education about making deposits, it is education around wise financial decisions and shaping transformational mindsets around breaking generational cycles of poverty. That is why we don't rest in the results we have, but we embrace the work we have still left to do to reach those families where they are.

Account Growth

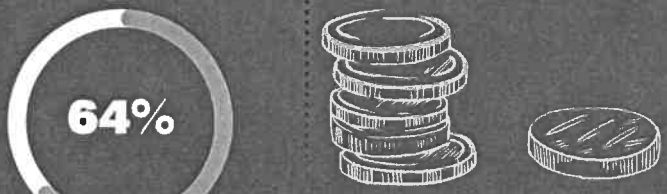
To reiterate the impact, **SLPS students and families have currently saved $1.1 million**. Our office seeds the first $50 for each account with revenue from our Parking Division. Seed deposits account for 59% of the total account value, meaning that **41% or $459,000 has been accrued by students and families through savings, matched savings, class sponsorships, and financial literacy incentives earned**. Looking at our active account groups, this **percentage jumps from 41% to 79% of the dollars earned and saved by active engagement in the College Kids program** and their commitment to their postsecondary savings journey.

In addition to account growth, we're also proud to show the support we've received from the community in the last several years. In 2021, we received a prestigious award from Clayco on Juneteenth, and they donated $20,000 to support the College Kids program. During GiveSTL Day and Giving Tuesday, we raise over $25,000 for each event respectively. All of our bank partners collectively have donated more than $100,000 just in the past 18 months to support College Kids and this past year we secured a renewable, annual commitment of $125,000 from Wells Fargo to support the College Kids program, showing their belief in our program, our objectives, and our commitment to futures of youth in the City of St. Louis. Aside from corporate sponsors, our community has so much belief in our program that we've had individual families sponsor incentives for their child's entire class.

On The Horizon

We are excited to do so much more with our College Kids program. In addition to Storytime with the Treasurer, we have financial literacy activities branching from our redesigned K-12 financial literacy curriculum, adapted from the Federal Reserve's Money Smart guide. We have expanded opportunities with the program to allow for saved funds to assist with paying for programs that enhance post-secondary access. For example, if a family wants their child to participate in a summer STEM camp but doesn't have the $200 that it may cost, that family can use their CK account to pay for that activity, which will increase that child's likelihood of postsecondary success. We are also planting the seeds for partnerships with companies that are typical employers of high school youth so that as youth are working for these local franchises and businesses, their employers are contributing directly to match what their employees, and our College Kids scholars, are saving themselves. Finally, partnership between SLPS and the city is incredibly valuable for our families and students, not just because of what each entity can do individually, but the work our organizations working in tandem can do to maximize our collective impact, pulling in many more community partners to support what we all know is and should be the primary focus: giving our young people every opportunity to succeed.

All About College Kids



64%

Nationally, only 64% of parents have started college savings accounts for their children.

Statistics show there is a nationwide $2,200 gap between what black families and white families save for college.

74% of 1st generation families nationally do not have a college savings account or plan

86%

86% of families plan to use their savings account to pay for their child's college.

Relying on savings accounts for college expenses disproportionately hurts families in areas with high unbanked and underbanked populations. This reliance exacerbates financial vulnerability, educational inequality, and limits opportunities for children in these underserved areas. Addressing this issue is essential for promoting equal access to higher education and financial stability.

94.5% OF OUR FAMILIES SAY THAT EARLY COLLEGE SAVING IS IMPORTANT THEIR HOUSEHOLD.

87%

87% of the College Kids program's families say the program helped them get an early start on college savings.

63%

63% of families say that they would NOT have started saving this early had it not been for the College Kids program

47.8%

47.8% of families strongly believe their own financial literacy has increased due to their participation in College Kids

30% of parents have opened a bank account because their child now has a college savings account through College Kids.

25% of families say that College Kids was their first time participating in direct deposit savings

60% of families participate or plan to participate in direct deposit for their child s College Kids account.

Learn more at www.stlofe.org/college-kids

WASHINGTON UNIVERSITY DATA ON CSAs/CDAs

Essential Policy Design Elements for Statewide Child Development Accounts (wustl.edu)

Design elements

The Case for a Nationwide Child Development Account Policy: A Policy Brief Developed by CDA Experts and Researchers (wustl.edu)

Longitudinal effects

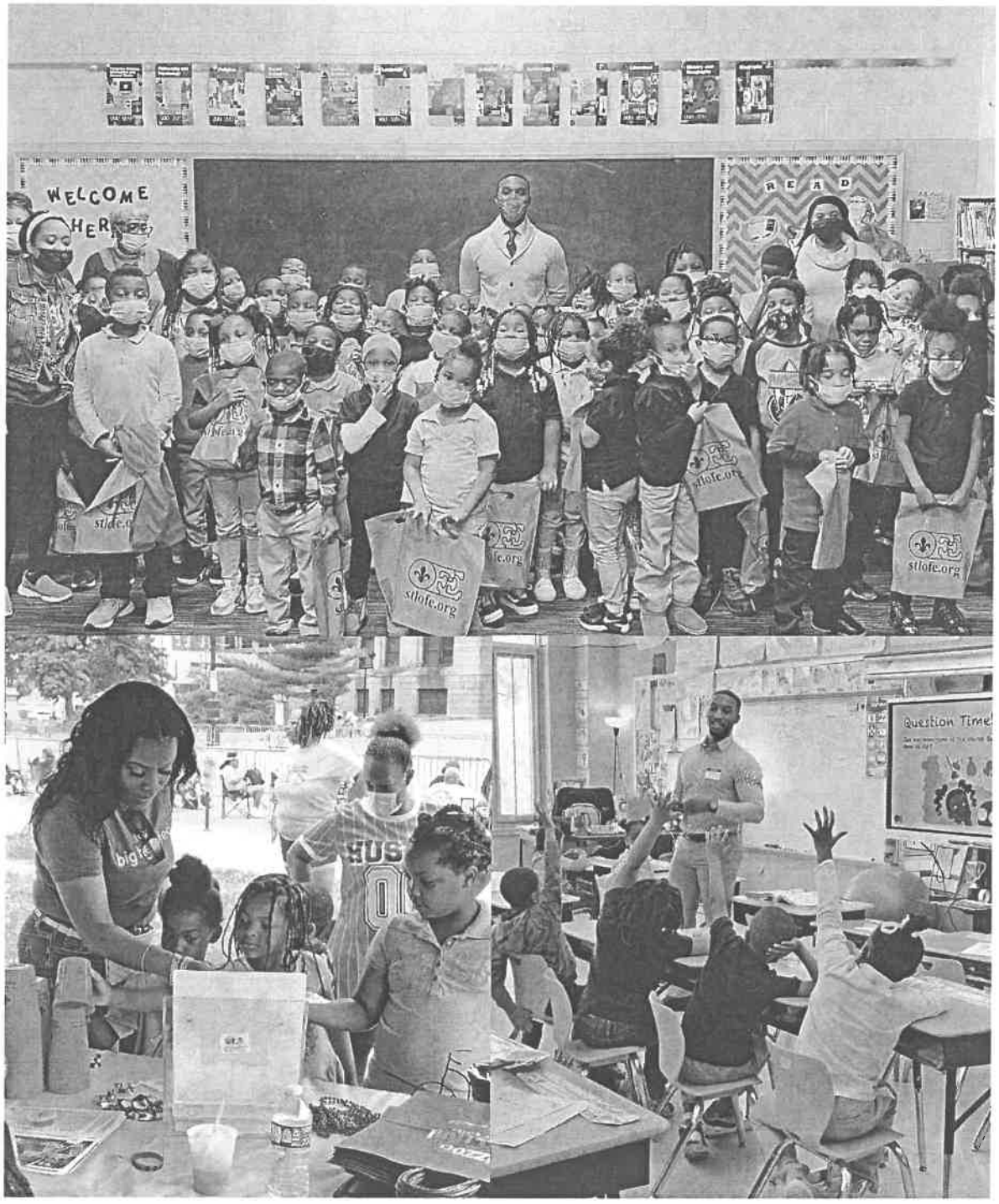
Experimental Effects of Child Development Accounts on Financial Capability of Young Mothers | SpringerLink

Experimental effects- Abstract only

Insights From State Treasurers: Developing and Implementing Statewide Child Development Account Policies (wustl.edu)

College KIDS

College KIDS



Sydney and Piper's Coat Check Stand

By: Ithream "Auntie I" Blackmon
Illustrated by: Cassidy Rivers

Office of Financial Empowerment
Treasurer, City of St. Louis

College KIDS

Question time!

How much money do you think Sydney and Piper should charge at their coat check stand?

Center for Social Development

GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

The Role of Savings and Wealth in Reducing "Wilt" between Expectations and College Attendance

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The Role of Savings and Wealth in Reducing "Wilt" between Expectations and College Attendance

"Wilt" occurs when a young person who expects to attend college while in high school does not attend college shortly after graduating. In this study we find that youth with no account in their own name are more likely to experience wilt than any other group examined. In multivariate analysis, youth who expect to graduate from a four-year college and have an account are approximately seven times more likely to attend college than youth who have no account. Youth who expect to graduate from a four-year college and have designated a portion of their savings for college are approximately four times more likely to attend college than youth who have no account. Additionally, when savings is taken into account, academic achievement is no longer a significant predictor of college attendance. Policy implications are discussed.

Key words: *Wealth, assets, college attendance, savings, Child Development Accounts (CDAs), college expectations, wilt, PSID, Child Savings Accounts (CSAs)*

In a speech to the Democratic Leadership Council in 1993, President Bill Clinton expresses the spirit of the American Dream and its importance to Americans (Clinton, 1993, paragraph 6) when he says,

> The American Dream that we were all raised on is a simple but powerful one – if you work hard and play by the rules you should be given a chance to go as far as your God-given ability will take you.

The perception that those who have sufficient effort and ability will be able to achieve the American Dream is a commonly held belief (Hochschild, 1995; MetLife, 2009; New York Times, 2005). For example, in a survey conducted by the *New York Times* (2005), almost 80% of Americans believed that it is possible to achieve the Dream through hard work.

The assumption of equality of opportunity is justified to many because of their belief that everyone has access to public education, and that education is an important path for achieving the Dream (Hochschild & Scovronick, 2003). Horace Mann (1848) referred to education as the "great equalizer" in American society. Immerwahr (2004), who studies public attitudes about higher education, asks a nationally representative sample of Americans, "If you had to choose one thing that can most help a young person succeed in the world today," what would it be? Having a college education (35%) is selected more than any other option, even over having a good work ethic (26%). More Blacks (47%) and Hispanics (65%) than Whites (33%) view receiving a college education as the most important factor in helping young people succeed. Further, 76% of Americans say that a college education is more important today than it was ten years ago (Immerwahr, 2004).

However, for many youth, especially youth from economically disadvantaged households, attending college is a genuinely desired, but elusive, goal. Rising college costs are a key reason why college may

be nothing more than a dream for many economically disadvantaged youth. The total cost of college attendance, which includes room and board, for an in-state student at a public four-year college for the 2007-08 school year is $13,589 (College Board, 2007). This is an increase of 5.9% from the prior school year (College Board, 2007). The cost of a four-year private college also rose by 5.9% in 2007-08, up to $32,307 (College Board, 2007).

Rising college costs result in high unmet need for many economically disadvantaged youth. According to the 2002 Advisory Committee on Student Financial Assistance (ACSFA), a group charged by Congress with enhancing access to postsecondary education for low-income youth, unmet need is "the portion of college expense not covered by the expected family contribution and student aid, including work-study and loans" (ACSFA, 2002, p. 5). Choy and Carroll (2003) find that, during the 1999-2000 school year, the average unmet need for low-income students was between $4,000 and $9,300, depending on the type of college (Choy & Carroll, 2003). Further, ACSFA (2006) estimates that over the next decade, two million college-qualified students from low-to-modest-income households will not be able to attend any college due to high unmet need, while four million will be resigned to attending two-year colleges.[1]

High unmet need results in concerns by economically disadvantaged youth and their families about their ability to finance college. ACSFA finds that among low-income parents, 80% are "very concerned" about the cost of college, compared to 19% of high-income parents. Further, they find that 71% of low-income youth say they are very concerned about the cost of college (ACSFA, 2006, p. 13). According to ACSFA (2006), concerns about the cost of college "can undercut plans to attend a 4-year college and actual enrollment" (p. 13). A way to capture the effect that financial constraints have on actual college attendance is to identify the youth who expect to attend college but do not soon after graduating from high school. ACSFA (2006) refers to the difference between the percentage of youth who expect to attend a four-year college and the percentage who actually do attend a four-year college as "melt" (p. 13). They find that 70% of low-income youth plan in tenth grade to enroll in college but only 54% of low-income youth actually enroll in college upon graduating from high school. Thus, by their calculation, 23% of low-income youth experience melt.[2]

This study builds on ACSFA's (2006) finding that high unmet need leads to melt among economically disadvantaged youth in three important ways. First, while the ACSFA (2006) study on melt uses aggregate-level cross-sectional data gathered at different points in time, we use individual-level longitudinal data. These data allow us to observe whether individuals who expected to graduate from a four-year college actually attend a four-year college and thus give a more accurate measure of melt. Second, we examine whether wealth, in addition to income, reduces melt. If, as Oliver and Shapiro (1995) suggest, high unmet need for college among low-income families is largely the result of low wealth accumulation, then there is reason to believe that wealth may reduce melt. ACSFA's (2001, 2002, 2006) reports do not include wealth. Finally, the ACSFA studies are primarily descriptive. This study, in addition to conducting descriptive analyses, also uses logistic regression to help identify factors that may reduce melt while controlling for such things as race, academic achievement, and parent's education.

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[1] According to ACSFA (2006), youth are college qualified if they have taken advanced math classes, such as Algebra and Trigonometry, while in high school.

[2] ACSFA (2006) calculates melt by subtracting the percentage of students that attend from the percentage that expected to graduate and then dividing by the percentage that expected to graduate.

In the remainder of this manuscript, we use the term "wilt" in place of "melt." This change highlights the fact that our measure differs from that used by ACSFA. We also believe "wilt" conjures up a more fitting image—that of a growing plant losing vitality due to a lack of resources.[3]

Research on Wealth and College Attendance

A number of studies examine the relationship between household wealth and postsecondary education outcomes (Charles, Roscigno, & Torres, 2007; Conley, 2001; Destin, 2009; Haveman & Wolff, 2005; Jez, 2008; Nam & Huang, 2009; Williams Shanks & Destin, 2009). Charles, Roscigno, and Torres (2007) is the only study of the seven to examine the relationship between parent school savings and college attendance. They find that having savings for college is significantly related to both two-year college attendance and four-year college attendance, while the amount of school savings is significantly related only to whether youth attend a four-year college. These findings suggest that the process of accumulating school savings may have effects apart from financing school.

Conley (2001) finds that a doubling of net worth results in an 8.3% increase in the probability of attending college. Further, when net worth is included in the model, Black youth are more likely to attend college than White youth (Conley, 2001). In addition, Destin (2009), Williams-Shanks and Destin (2009), and Haveman and Wilson (2007) find that net worth has a significant positive relationship with college attendance. However, Jez (2008) and Nam and Huang (2009) find that net worth is not significantly related to college attendance. More specifically, Jez (2008) finds that while net worth is significant in the basic model, once academic achievement is controlled for it is no longer significant.

In addition to net worth, Nam and Huang (2009) include liquid assets (sum of financial assets minus unsecured debt) and homeownership. They find that net worth is significant at the .10 level. However, once they control for whether youth are ever in a gifted program or ever repeated a grade, net worth becomes non-significant. Only liquid wealth is significant in the full model.

In sum, relatively little research examines the relationship between different forms of wealth and college attendance. Most of the existing research focuses on net worth. The evidence is mixed with respect to net worth and college attendance. There is some evidence to suggest that liquid forms of wealth may have a stronger relationship with college attendance than net worth. None of the existing research examines the effect of youth savings on college attendance, and only one study examines the relationship between parent school savings and college attendance.

Theoretical Framework

Evidence in behavioral economics suggests people use mental and physical accounting techniques to think about different pots of money in ways that affect when and how they use money (Kahneman & Tversky, 1979; Lea, Tarpy, & Webley, 1987; Thaler, 1985; Winnett & Lewis, 1995; Xiao & Anderson, 1997). In other words, money is not entirely fungible, with different accounts holding different purposes and meanings. These meanings affect how people deposit money into accounts and how they use the money (Winnett & Lewis, 1995). Families, especially those with children and

[3] Our thanks to Michael Sherraden for suggesting this term.

youth, may have numerous household accounts that are designated for certain purposes and are subject to negotiation within the family (Winnett & Lewis, 1995). Some examples of these different accounts are Christmas accounts, vacation accounts, home repair accounts, school expense accounts for such things as clothing and books, college tuition accounts, new home purchase accounts, and so on. Further, parents are typically designated as the primary decision makers over these family accounts and thus maintain power over how they are used.

Some evidence suggests, however, that youth are given latitude over their *own* money to spend and save it as they see fit (Meeks, 1998). This latitude may result in an increased sense of perceived control, which is one of the most robust predictors of student resilience and academic success (Skinner, Wellborn, & Connell, 1990). According to Skinner, Simmer-Gembeck, Connell, Eccles, and Wellborn (2008), perceived control can be thought of as the perception that one has the ability, resources, or opportunities to achieve positive outcomes or avoid negative effects through one's own actions.

We propose that having savings increases a young person's perceived control over financing college, which in turn leads to improved academic performance. We also suggest that a young person perceives more control over savings in his or her name than savings in a parent's name. That is, it may not be enough to have savings in the household; additional benefits may accrue by having savings in the young person's control.

Youth savings may have two main effects on educational outcomes. One effect is direct and mainly financial. In the short run, savings may increase ability to solve school-related problems such as buying books or a computer or paying fees related to school activities. In the long run, savings may increase the means to afford college.

The other effect is indirect and mainly attitudinal. Having savings over a period of years may raise a young person's educational expectations (Elliott, 2008; Sherraden, Johnson, Elliott, Porterfield, & Rainford, 2007). Higher expectations may lead to increased academic efforts and achievement (Cook, et al., 1996; Marjoribanks, 1984; Mau, 1995; Mau & Bikos, 2000; Mickelson, 1990). In other words, if youth grow up knowing they have financial resources to help pay for current and future schooling, they may be more likely to have higher educational expectations, which in turn may foster educational engagement. Greater engagement may lead to better academic preparation and achievement. This attitudinal and behavioral effect of having savings could be as important as or more important than the money itself in affecting the transition from high school to college.

Methods

Data

This study uses longitudinal data from the Panel Study of Income Dynamics (PSID) and its supplements, the Child Development Supplement (CDS) and the Transition into Adulthood supplement (TA). The PSID is a nationally representative longitudinal survey of U.S. individuals and families that began in 1968. The PSID collects data on such things as employment, income, wealth and marital status.

In 1997, a supplemental survey was administered to 3,563 PSID respondents to collect a wide range of data on parents and their children, aged birth to 12 years. In this sample, the number of children is fairly evenly distributed across all ages. There are 1,642 Whites and 1,455 Blacks. There are also Hispanics, Asians, Native Americans, and people of other races and ethnicities in the sample, but the frequencies are much smaller. Because the PSID initially over-sampled low-income families, there is a greater percentage of Blacks than would be expected in the U.S. population. Weights adjust for oversampling of Blacks.

The TA survey, administered in 2005, measures outcomes for youth who participated in earlier waves of the CDS and are at least 18 years old by 2005. The final TA sample consists of 745 participants. The three data sets are linked using PSID, CDS, and TA map files containing family and personal ID numbers. The linked data sets provide a rich opportunity for analyses in which data collected at one point in time (2002) can be used to predict outcomes at a later point in time (2005) and stable background characteristics can be used as covariates.

Study Sample

The sample in this study is restricted to youth who received either a high school diploma or a General Equivalency Diploma (GED). The sample also includes only Black and White youth because only small numbers of other racial groups exist in the TA. Moreover, only youth aged 15 or older in 2002 are included, so that by 2005, youth are at least 18 years old. [4] These restrictions reduce the sample from 745 to 494.

By our definition, wilt occurs when youth who have not yet graduated from high school in 2002, but who expect to graduate from a four-year college sometime in the future, do not attend a four-year college by 2005. We examine attendance at four-year colleges rather than two-year colleges because youth who obtain a four-year degree earn more, are less likely to be unemployed, and are less likely to be poor (Baum & Ma, 2009). In order to investigate wilt, the sample is further restricted to youth who report in 2002 that they expect to graduate from a four-year college at some point in the future. Specifically, youth are asked what they think the chances are that that they will graduate from a four-year college. They can respond by saying no chance, some chance (about 50:50), pretty likely, or it will happen. Youth who choose either of the latter two responses are defined as "certain" youth, and there are 333 youth in the final weighted sample of certain youth. Youth who respond that their chances of attending a four-year college are 50% or less are defined as "uncertain." There are 120 youth in this sample, and 453 in the combined (certain and uncertain) sample.[5]

Variables

In this section, variables of interest and control variables are described. All except the outcome variable are measured in 2002 or prior, depending on availability.

Variables of Interest

We examine three different types of wealth: net worth, parent savings for youth, and youth savings.

[4] In 2002, youth age ranges from 15 to 18, with a mean age of 17. In 2005, youth age ranges from 19 to 22, with a mean age of 20.

[5] Data on college expectations are missing for 41 youth, reducing the sample from 494 to 453.

Net worth. Net worth in the PSID is a continuous variable that sums separate values for a business, checking or savings accounts, real estate, stocks, and other assets, and subtracts out credit card and other debt. In this analysis, net worth does not include home equity. Net worth is averaged for 1999 and 2001, after 1999 net worth is inflated to 2001 price levels. Because net worth is skewed, the log form of net worth is used for regression analyses. A categorical net worth variable is also used. The trichotomous variable has the following categories: negative net worth (< $0), modest net worth ($0~$10,000), and high net worth (>$10,000) households. High net worth households serve as the reference group.

Parent savings for youth. Heads of households were asked in 2002 whether they (or another caregiver) had any money put aside for their youth in a bank account that is separate from other types of savings. They were also asked whether they (or another caregiver) had any money put aside specifically for their youth's college or future schooling, separate from other types of savings they may have for him or her. Responses to these two questions are combined to create a dichotomous variable indicating whether parents had any money put aside separately for their youth.

Youth savings. Youth were asked in 2002 whether they had a savings or bank account in their name. If they had an account, they were also asked whether they were saving some of this money for future school, like college. The youth savings variable divides youth into three categories: those who in 2002 had an account but did not designate a portion of the savings in the account for school (youth account), those who had an account *and* designated a portion of the savings in the account for school (youth school savings), and those with no account (the reference group).

Outcome Variable

Ever attended a 4-year college. This variable combines two variables from the TA. First youth were asked if they had ever attended college. If they answered yes, they were asked whether they attend or had attended a two-year college, a four-year college, or graduate school. We created a dichotomous variable indicating whether youth had ever attended a four-year college. These data were collected in 2005.

Control Variables

There are seven control variables: family income, household size, head's education, head's marital status, youth's race, youth's gender, and youth's academic achievement. Head's education is a continuous variable (1 to 16), with each number representing a year of completed schooling. We also use a categorical variable, dividing heads into three groups: those with a high school degree or less, those with some college, and those with a four-year degree or more. These data are drawn from 2001 PSID data. Head's marital status (married or not married), youth's race (White or Black), and gender (male or female) are also controls. These data were collected in 2002.

Family income is calculated by averaging family income for 1997 and 2001. The 1997 income is inflated to 2001 price levels using the Consumer Price Index. Because family income is skewed, we use the log of family income in regression analyses. A three-level categorical family income variable

is used in descriptive analyses: low-income (< $33,377), modest-income ($33,377 to $84, 015), and high-income ($84,016 or more).[6]

In addition, the regressions control for youth academic achievement. Academic achievement is a combined score of math and reading drawn from 2002 CDS data. The Woodcock Johnson (WJ-R), a well-respected measure, is used by the CDS to assess youth math and reading ability (Mainieri, 2006). This variable ranges from 129 to 339 in the aggregate sample of youth (certain and uncertain youth).

Analysis Plan

In the case of survey data, common SAS syntax for analyzing logistical regression may not be appropriate (SAS Institute Inc., 2008). To account for the survey design of the PSID, we estimate a series of logistic regressions across seven models using PROC SURVEYLOGISTIC (SAS Institute Inc., 2008). Because a small portion of households have more than one young adult living in them, we adjust standard errors by clustering them into the same family unit with the CLUSTER statement (SAS Institute Inc., 2008). Further, both the descriptive and binary regression analyses are weighted using the last observed weight variable as recommended by the PSID manual (Gouskova, 2001).

The base model, model 1, contains the following variables: race, gender, academic achievement, head's marital status, head's education, log of family income, and household size. Subsequently, to determine whether each of the wealth variables has an independent effect on college attendance, we estimate four additional logistic regressions (models 2 – 5). Each model includes one form of wealth: log of net worth, categorical net worth, parent savings, or youth savings (youth account and youth school savings).

Model 6 includes the log of net worth, parent savings, and youth savings. Forthcoming research suggests household wealth may matter less when youth wealth is controlled (Elliott, Jung, & Friedline). Further, previous research suggests that different forms of household wealth may affect youth educational outcomes differently (Conley, 2001; Nam & Huang, 2009). In model 7, categorical net worth replaces the log of net worth.

Hypotheses

Theory and research on the relationship between wealth and youth college attendance lead to two hypotheses. First, we hypothesize that log of net worth, parent savings, and youth savings are significant positive predictors of whether youth, who in 2002 expected to graduate from a four-year college, actually attend a four-year college by 2005. Second, we hypothesize that youth savings is more strongly associated with college attendance than the other wealth variables.

[6] Category amounts are based on those used in the US Census Bureau's Current Population Report "Income in the United States: 2002" (De Navas-Walt, Cleveland, & Webster, 2002). De-Navas-Walt et al. used five income categories; we recoded into three categories to increase the sample size within each group.

Results

Descriptive Results

The first column of Table 1 shows the percentage of youth who in 2002 were certain they would graduate from a four-year college. Overall, more youth were certain (73%) than uncertain (27%). White youth (75%) and females (76%) were more likely than Black youth (65%) and males (70%) to expect to graduate from a four-year college. Further, youth with more educated household heads were more likely to be certain. Youth in married households and youth in unmarried households reported similar college expectations.

About 88% of youth who lived in high-income households expected to graduate from a four-year college in 2002. In comparison, 67% of modest-income youth and 64% of low-income youth expected to graduate. In the case of net worth, youth who lived in modest net worth households were less likely (59%) to be certain than either youth who lived in negative net worth households (63%) or youth who lived in high net worth households (79%). About 81% of youth with parents who had savings for them expected to graduate from a four-year college, compared to only 63% of youth whose parents did not have savings for them. About 81% of youth with some of their own savings designated for school were certain, compared to 68% who had an account but no money specifically designated for future schooling and 64% of youth who did not have an account. Finally, slicing the data a different way, we find a large difference in academic achievement between certain youth ($\bar{x}$ = 223, SD = 2.2) and uncertain youth ($\bar{x}$ = 201, SD = 3.3).

In sum, the overall pattern is that youth who are White and who live in more educated, higher-income, and wealthier households are more likely than others to expect to graduate from a four-year college. Youth with parents who have money set aside for them and youth with accounts and with school savings of their own are also more likely than others to be certain.

Percentage Experiencing Wilt

The second and third columns of Table 1 show the percentages of certain youth attending and not attending a four-year college by 2005. The figures in the third column are our estimates of wilt. An estimated 32% of certain youth experiences wilt. In other words, almost one-third of youth ages 15 to 18 who expected to graduate from a four-year college do not attend college by the ages of 19 to 22. Black youth, males, youth with parents who have a high school degree or less, and youth living in families where the head is not married are more likely to experience wilt than White youth, females, youth living with more educated heads, and youth living in families where the head is married.

Table 1: College expectations, college attendance, and wilt for youth

	Percent Certain	Percent of Certain Youth Attending 4-Year College by 2005	Percent of Certain Youth Not Attending 4-Year College by 2005 (Wilt)
Full Sample (N=453)	73	68	32
Household variables			
Married	73	70	30
Not married	75	64	36
Head has high school or less	60	60	40
Head has some college	77	63	37
Head has 4-year degree or more	85	77	23
Low-income (< $33,377)	64	55	45
Modest-income ($33,377 - $84,015)	67	65	35
High-income ($84,016 or more)	88	77	23
Negative net worth (<0)	63	79	21
Modest net worth ($0 - $10,000)	59	63	37
High net worth (>$10,000)	79	68	32
Has no savings for youth	63	59	41
Has savings for youth	81	74	26
Youth variables			
White	75	69	31
Black	65	65	35
Male	70	62	38
Female	76	74	26
Has no account	64	45	55
Has an account	68	80	20
Has school savings	81	74	26

Source: Weighted data from the Panel Study of Income Dynamics and its supplements.
Notes: Certain youth are those who said in 2002 that they expected to graduate from a 4-year college (n=333).

Beyond these basic demographic factors, economic factors may also be important for explaining wilt. In the case of income, youth living in low-income households experience higher levels of wilt (45%) than youth living in either modest-income (35%) or high-income (23%) households. However, in the case of wealth, youth living in modest net worth (37%) households are more likely to experience wilt than either youth living in negative net worth (21%) or high net worth (32%) households. Perhaps youth in modest net worth households have less access to scholarships than youth in negative net worth households, while also having insufficient funds to pay for a four-year college. Also, youth in negative net worth households may be less likely to expect to go to college, so that only those most likely to go (because of such things as ability, motivation, and economic resources) are included in the sample of certain youth.

About 41% of youth with parents who do not have savings for them experience wilt. Youth who do not have an account in their own name experience the highest level of wilt of any group (55%). In

contrast, only 20% of youth who have an account, and 26% of youth with savings designated for school experience wilt.

The Role of Savings and Wealth in Reducing Wilt

Table 2 presents logistic regression results estimating the effects of demographic, academic achievement, and wealth variables on college attendance for youth who expected to graduate from college.

Model 1. Approximately 17% of the variance in college attendance is explained in model 1 (base model). Race, gender, academic achievement, head's education level, and household size are all significant predictors of whether youth who are certain attend a four-year college. Black youth are over two and half times more likely than White youth to attend college when controlling for all other variables (*odds ratio* = 2.61, $p = .04$). Girls are approximately two times more likely than boys to attend college when controlling for all other variables (*odds ratio* = 2.08, $p = .02$). For each one point increase in academic achievement, the odds of attending a four-year college increase by 2% (*odds ratio* = 1.02, $p = .04$). For each one year increase in head's education, the odds of attending a four-year college increase by 20% (*odds ratio* = 1.20, $p = .008$). For each additional person in the household, the odds of attending a four-year college increase by 48% (*odds ratio* = 1.48, $p = .03$).

This last finding is surprising. One might expect that, as household size increases, youth would be less likely to attend college due to the additional strain on family savings created by having multiple youth in college. This finding may be due to the fact that this study examines a sample of youth who expect to graduate from a four-year college. Alternatively, it may be that many of the youth in this study are the first youth in the family to attend college. As a result, more savings may be available for them to attend than may be available for younger youth in the family.

Model 2. When the log of net worth is added to the model, there is no change in the *pseudo* R^2. Gender, academic achievement, head's education, and household size remain significant. There is no noticeable change from model 1 in the odds ratios for these variables, and therefore, they are not reported here. Race is no longer significant when the log of net worth is added in model 2, but it is very close to significance (p=.05). In contrast, Conley (2001) finds that when net worth is added to the model, Black youth gain an advantage over White youth in the number of years of school they obtain. This difference may be due to the fact that the sample for this study is restricted to youth who expect to graduate from a four-year college. Further, we control for academic achievement, while Conley did not.

Also of note, the log of net worth is not significant ($p = .67$). While this finding is not consistent with those of Conley (2001), Destin (2009), Williams-Shanks and Destin (2009), and Haveman and Wilson (2007), it is in line with findings by Jez (2008) and Nam and Huang (2009). Jez (2008) finds that net worth is not significantly related to college attendance when academic achievement is included in the model. Similarly, Nam and Huang (2009) find that net worth is not significant when controlling for whether children are in the gifted program or ever repeated a grade.

Model 3. We find a one percentage point increase in the amount of variance explained when categorical net worth replaces the log of net worth. Gender, academic achievement, head's education, and household size remain significant. Race remains nonsignificant ($p = .08$). Consistent

with Nam and Huang (2009), youth who live in negative net worth households are not significantly different from youth who live in high net worth households in regard to attending college. Youth in modest net worth households are also not significantly different from youth in high net worth households. There is no noticeable change from model 2 in odds ratios for the significant variables.

Model 4. The amount of variance explained in model 4 is two percentage points higher than in the base model. Gender, academic achievement, and head's education remain significant. There are no noticeable changes from model 3 in odds ratios for these variables. However, race is significant in model 4. Black youth are approximately three time more likely than White youth to attend college (*odds ratio* = 2.95, p = .03). Parent savings for youth is not significant (p=.12). This last finding differs from that of Charles, Roscigno, and Torres (2007), who report that parent school savings is significantly related to attending a four-year college. This difference may be due to different data sets (NLSY vs. PSID/CDS/TA); model specification (inclusion of academic achievement); sample compositions (youth who expect to graduate from a four-year college vs. both youth who do and do not expect to graduate from a four-year college); different racial/ethnic groupings (Black youth and White youth vs. Non-Hispanic White, Non-Hispanic Black, Hispanic, Asian, and Native American youth), and/or different observation periods (2002 and 2005 vs. 1988 and 1994).

Model 5. The *pseudo* R^2 of model 5, when youth savings is added, is six percentage points higher than that of the base model. Race, gender, head's education and household size remain significant. There are no noticeable changes in odds ratios for these variables. With the addition of youth savings, academic achievement is no longer a significant predictor of attending a four-year college (p=.08). Youth who have an account but no savings specifically designated for school are nearly seven times more likely to attend a four-year college than youth who have no account (*odds ratio* = 6.76, p = .0003). Youth who have designated some savings for school are nearly four times more likely to attend a four-year college than youth with no account (*odds ratio* = 3.63, p = .002).

Model 6. All savings variables are included in model six with log of net worth as the measure of net worth. The *pseudo* R^2 of model 6 is seven percentage points higher than that of the base model. Race, gender, head's education, and household size remain significant with no noticeable change in odds ratios. Youth savings is also significant. Again, youth who have an account are approximately seven times more likely to attend a four-year college than youth with no account (*odds ratio* = 6.97, p = .0004). Moreover, youth who have savings designated for school are almost four times more likely to attend a four-year college than youth with no account (*odds ratio* = 3.77, p = .002).

Model 7. Model 7 again includes all wealth variables, but categorical net worth replaces log of net worth. This model has the highest *pseudo* R^2 of all models (.26). Race, gender, head's education, and household size remain significant with no noticeable change in odds ratios. Again, youth who own accounts are approximately seven times more likely to attend a four-year college than youth with no account (*odds ratio* = 7.29, p = .0003). Youth who have school savings are almost four times more likely to attend a four-year college than youth with no account (*odds ratio* = 3.75, p = .0018).

Table 2: The effects of demographic, academic achievement, net worth, parent savings, and youth savings on college attendance for certain youth (N=333)

	Model 1		Model 2		Model 3		Model 4		Model		Model 6		Model 7	
	Base		Log of Net Worth		Categorical Net Worth		Parent Savings		Youth Savings		All Wealth w/Log of Net Worth		All Wealth w/Categorical Net Worth	
Item	*b*	S.E.	*b*	S.E.	*b*	S.E.	*b*	S.E.	*b*	S.E.	*b*	S.E.	*b*	S.E.
Black	0.958	0.472*	0.928	0.474	0.753	0.426	1.083	0.484*	1.260	0.477**	1.280	0.483**	1.066	0.438*
Female	0.730	0.318*	0.724	0.318*	0.734	0.321*	0.773	0.323*	0.789	0.339*	0.797	0.345*	0.797	0.344*
Academic Achievement	0.023	0.011*	0.023	0.011*	0.021	0.011*	0.022	0.011*	0.019	0.010	0.019	0.011	0.017	0.011
Married	-0.423	0.521	-0.357	0.541	-0.255	0.552	-0.407	0.527	-0.421	0.484	-0.167	0.518	-0.019	0.531
Head's education	0.183	0.069**	0.192	0.074**	0.214	0.075**	0.169	0.070*	0.137	0.069*	0.485	0.191*	0.182	0.074*
Household size	0.395	0.183*	0.380	0.183*	0.355	0.171*	0.414	0.182*	0.522	0.191**	0.162	0.073*	0.437	0.177*
Log of family income	0.035	0.094	0.037	0.094	0.034	0.099	0.035	0.010	0.013	0.091	0.019	0.093	0.002	0.098
Log of net worth			-0.022	0.052							-0.081	0.051		
[a] Negative net worth					1.060	0.972							1.846	1.124
[a] Modest net worth					-0.022	0.464							0.578	0.487
Parent savings for youth							0.558	0.360			0.433	0.391		0.372
[b] Youth account										0.414***	1.327	0.434**	0.544	0.423**
[b] Youth school savings									1.289	0.532**	1.941	0.546***	1.321	0.544***
Pseudo R^2		.17		.17		.18		.19		.23		.24	1.987	.26
N		311		311		311		311		305		305		305

Source: Weighted data from the Panel Study of Income Dynamics and its supplements.
Note: S.E. = robust standard error.
[a] Negative net worth (<$0) and modest net worth ($0 - $10,000) households are compared to high net worth (>$10,000) households.
[b] Youth who have an account but no savings specifically set aside for school and youth who have designated some savings for school are compared to youth with no account.
* $p < .05$; **p < .01; ***p<.001.

In summary, findings indicate gender, household size, and head's education are consistent predictors of college attendance among youth who expect to graduate from a four-year college. While race is a significant predictor in five of the seven models, with Blacks having an advantage over Whites, it is less consistent than gender, household size, and head's education. Also of note, among the traditional variables, family income is not significant in any of the models. This is consistent with previous studies that include measures of cognitive ability, such as academic achievement (Cameron & Heckman, 1998; Ellwood & Kane, 2000).

Contrary to our first hypothesis, two of the wealth variables, net worth and parent savings, are not significant predictors of college attendance for certain youth. Consistent with both hypotheses, youth savings is a consistent, significant, and powerful predictor of college attendance. Youth who have an account are three to seven times more likely to attend college than youth who do not have an account. The size of the effect depends on whether a youth has also designated a portion of the savings in that account for school and whether log of net worth or categorical net worth is included in the model. Moreover, when youth savings is included in regression models, academic achievement is no longer a significant predictor of college attendance.

Discussion

The belief that an ordinary citizen can turn the America Dream into reality is embedded in the history and culture of America. The public education system has been seen as a key instrument for making the American Dream a reality (Hochschild & Scovronick, 2003). However, in a highly technical global economy, turning the Dream into reality often requires a college education. Access to college in America is commonly believed to be based on merit, but soaring college costs and high unmet need have made college a genuinely desired, but elusive goal for many Americans.

Our results suggest that the majority (73%) of youth expect to graduate from a four-year college. This finding is similar to previous findings on youth college expectations that use different data sets. For example, using the National Longitudinal Surveys of Youth, Reynolds and Pemberton (2001) find that 70% of youth ages 15 to 16 in 1997 expect to graduate from college.[7]

Not surprisingly, privilege appears to affect college expectations. Youth who are White and who live in more educated, higher-income, and wealthier households are more likely than others to expect to graduate from a four-year college. Youth with parents who have money set aside for them and youth with accounts and with school savings of their own are also more likely than others to be certain. If college expectations are a type of calculation youth make about the opportunities they have for achieving a desired outcome (Cook, et al., 1996; Mickelson, 1990; Reynolds & Pemberton, 2001), such as attending college, then changes in their opportunity structure could lead to higher expectations (Elliott, 2008).

"Wilt" is a way of measuring the degree to which the path to the American Dream (in this discussion, attending college) remains—or does not remain—a viable path for youth. Wilt occurs when a youth who expects to graduate from a four-year college (prior to graduating from high

[7]Our findings regarding expectations for race and gender subgroups are also very similar to Reynolds and Pemberton (2001).

school) has not attended a four-year college by the ages of 19 to 22. According to our estimates, almost one-third of youth who expect to attend a four-year college experience wilt.

Wilt occurs disproportionately. Black youth, males, youth with parents who have a high school degree or less, youth living in unmarried households, and youth living in low-income households experience high levels of wilt. In multivariate analyses, youth's gender and head's education remain important predictors of wilt. Race is significant in some models (with Blacks having an advantage) but not others. Somewhat surprisingly, income is never significant. Also, when youth savings is included in the regressions, academic achievement is not a significant predictor of college attendance. This finding suggests that, beyond desire and ability, economic resources may play an important role in determining whether attending a four-year college is within reach for many youth.

Having an account appears to be a particularly important predictor of wilt. A remarkable 55% of youth with no account of their own experience wilt, the highest level of wilt among all groups examined. In logistic regression models, youth who expect to graduate from a four-year college and have an account are about seven times more likely to attend college than youth who expect to graduate from a four-year college but do not have an account. Youth who have an account and have also designated a portion of the savings in that account for school are almost four times more likely to attend than those without an account. While it is somewhat surprising that account ownership has a larger effect on college attendance than school savings, in a practical sense, the distinction may not be that important. In this study, both variables had large effects, and it is hard to imagine program and policy interventions that promote savings accounts without encouraging saving or promote saving without encouraging account ownership.

If our findings regarding youth account ownership and savings are confirmed in future research, then policies that promote both may reduce wilt. One policy tool designed to provide every youth in the United States with an account is the Child Development Account (CDA). In their simplest form, CDAs are incentivized savings accounts that can be used for long-term investments, such as education, home and business ownership, and retirement. CDAs have been proposed as a way to help students finance college (Boshara, 2003; Goldberg & Cohen, 2000; Sherraden, 1991).[8] An example of a CDA policy is the America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act. ASPIRE would create "KIDS Accounts," or a savings account for every newborn, with an initial $500 deposit, along with opportunities for financial education.[9] Youth living in households with incomes below the national median would be eligible for an additional contribution of up to $500 at birth and a savings incentive of $500 per year in matching funds for amounts saved in accounts. When account holders turn 18, they would be permitted to make tax-free withdrawals for costs associated with post-secondary education, first-time home purchase, and retirement security. Other examples of youth wealth-building policies are the Young Saver's Accounts, 401Kids, Baby Bonds, and Plus Accounts.[10]

Our hypothesis that youth savings would have a stronger association with college attendance than net worth or parent savings was based on the assumption that youth perceive that they have greater

[8] In this paper, we use the shorthand "college" to refer to all accredited post-secondary education and training.
[9] At this writing, the ASPIRE Act remains on the Congressional agenda (http://www.assetbuilding.org/resources/the_aspire_act_of_2004_kids_accounts_s_2751_hr_4939).
[10] More information on these policies can be found at: http://www.assetbuilding.org/resources/childrens_savings_accounts.

latitude over savings in their own name, which leads to greater perceived control. Contrary to our first hypothesis, we find that net worth and parent savings are not significantly related to youth attendance at a four-year college. However, youth account ownership and savings are significantly and strongly related to attendance. These findings may suggest that CDAs will be more effective if the accounts are owned by the youth rather than the parent, in the case of youth who expect to graduate from a four-year college.

However, current financial aid policies complicate matters. Accounts held in a youth's name result in a much higher reduction in federal financial aid than accounts held in a parent's name.[11] An alternative to account ownership by the youth is state ownership, where the account resides with the youth who is named as the irrevocable account beneficiary. CDAs that are in the state's name with the youth as the beneficiary are being tested in a large experiment in Oklahoma called SEED for Oklahoma Kids (SEED OK).[12] However, because the accounts were issued at birth in 2004, it will be a number of years before researchers will be able to test this design as it relates to college enrollment.

More generally, our findings suggest that liquid forms of wealth, like savings, that can be used for immediate expenses may be more effective at increasing college attendance than net worth. This is supported by previous research. Liquid forms of wealth have been more predictive of youth college attendance than illiquid forms of wealth, particularly when researchers control for youth cognitive ability (Jez, 2008; Nam & Huang, 2009). However, current CDA policy proposals do not reflect these findings. Typically, CDAs have been developed to solve the long-term problem of financing college; however, a better design might allow youth to access a portion of their savings on a more regular basis. In addition to direct effects (helping to pay for day-to-day expenses), liquid wealth in a youth's name may help to build a sense of perceived control among youth.

Limitations

A limitation of this study is the uncertainty of omitted variable bias. Youth who have accounts and savings may differ from other youth in other ways that affect college attendance (e.g., motivation or self-discipline). Thus, it could be that the significant effect of account ownership or savings is spurious. This is dealt with, in part, by controlling for various factors that are commonly associated with college attendance, including academic achievement, but this alternative explanation cannot be fully ruled out.

Another limitation is the mean age of youth, age 20. While age 20 is old enough for youth to attend college, some youth may not attend for several years after graduating from high school. Therefore, wilt may decline over time. However, more 18 to 21 year olds are enrolled in college than any other age group. Approximately 50% of youth 18 to 21 are enrolled in college. In comparison, only about 30% of 22 to 24 year olds are enrolled, and just over 10% of 25 to 29 year olds are enrolled (Baum & Ma, 2009). Therefore, if youth have not attended college by age 20, the likelihood of ever attending is greatly reduced.

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[11] For more information on savings and federal financial aid reductions, see Executive Office of the President, Office of Management and Budget. (2009). *Simplifying student aid: The case for an easier, faster, and more accurate FAFSA.*

[12] For more information on SEED OK, see http://csd.wustl.edu/AssetBuilding/SEEDOK/.

Further, it is impossible in this study to measure whether youth *grow up* with knowledge that they have financial means to help pay for current and future schooling. In this study, savings is only measured at a single, rather late, point in time—age 15 or older. Finally, we do not claim that having savings is the most important factor for understanding college attendance. Savings appears to matter and is an understudied factor. More research is needed to determine the importance of youth savings for understanding college attendance.

Conclusion

Findings from this study suggest that factors other than desire and ability play an important role in determining whether attending a four-year college is more than a dream for many American youth. Somewhat surprisingly, family income, household net worth, and parent savings for youth are not significant predictors of college attendance for youth who expect to graduate from college. However, whether or not youth have accounts and whether or not they have savings set aside for school are important predictors. These findings bring to mind lyrics from the Billie Holiday song, *God Bless the Child*: "Mama may have, Papa may have, but God bless the child that's got his own." Policies that are designed to increase youth account ownership and savings may play an important role in helping to restore the American Dream of attending college. Because this research finding has simple, doable, and measurable policy implications, further policy testing of savings accounts for children and youth may be particularly worthwhile.

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