

Findings from the SEED Initiative

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The Power of Demonstration: SEED

The goal of the Saving for Education, Entrepreneurship and Down payment (SEED) Initiative:

- To develop, test, document and impel progressive matched savings accounts and financial education as a cost-effective, life-long wealth building tool, practice and policy system.



Children's Savings Accounts: The Vision of SEED

- Accounts opened at birth for every child, seeded with an initial deposit.
- Progressive savings matches (0-18 years).
- Accounts used for education/job training, entrepreneurship, homeownership, or retirement.
- Appropriate, cost-effective financial education.
- Universal system/institutionalized delivery.
- New opportunity, transformed aspirations, and reduced intergenerational poverty.





SEED Community Practice

11 Community Partners

- Worked with one specific age cohort
- Opened about 75 accounts with local bank partner
- Provided up to \$2,000/account in account incentives
- Delivered financial education; provided support and coaching
- Diverse program designs

SEED MI Experiment

- Head Start-based
- 500 accounts each in “treatment” and “comparison” groups
- Rigorous impact evaluation
- Streamlined 529 account structure

SEED OK Experiment

- “Pure” experiment among 2700 randomly selected newborns
- Treatment group (approx. half) receive \$1000 initial deposit in OK 529 college savings plan plus savings matches, depending on income
- Rigorous evaluation using three-wave survey design
- No community-based intermediation



SEED Community Partners



- ★ Pre-school age sites
- ★ Elementary school age sites
- ★ Middle school age sites
- ★ High School age/youth sites

SEED Accountholders

- In general, participants were children/youth of color in working-poor families.
- About 50% lived in families below the poverty line; virtually all families were below 200% of poverty line.
- Almost 28% were unbanked before SEED.
- Nearly 75% of participant caregivers did not have a college degree.



Lessons from SEED: Recruitment

- Get the message right and repeat it multiple times
 - Positive messages appealed to parents' desires to create hopeful future for kids
- Address barriers to participation
- Reduce barriers to enrollment
- Quality, not longevity of relationship with partners is crucial
 - Commitment of partners is fundamental to success than length of relationship



Lessons: Financial Education

■ Financial Education

- There is no one-size fits all financial education curricula
- School-based delivery shows promise
- Effectiveness of on-line financial education with youth



Lessons: Asset Limits and Account Incentives

■ Asset Limits

- Little consistency in the treatment of Children's Savings Accounts by Public Benefit Programs
- Asset Limits can create disincentive for children's savings

■ Account Incentives

- The amount and blend of various types of incentives can impact savings
- Incentives may be unworkable at scale



Lessons: Community-Based Organizations

- Building a sense of trust among low-income population was key strength
- Critical role in recruiting target population
- CBOs well suited to deliver financial education
- Account management was heavy lift
- Hand holding can create unintended consequences



So, What's Next?

- Number of city-wide CSA Innovations at Scale:
 - Partnership for College Completion (PCC): KIPP Charter School Network, UNCF, CFED
 - San Francisco Kindergarten to College Initiative



For more information

- Lessons from SEED: A National Demonstration of Children's Development Accounts
- SEED "Book"
- <http://cfed.org/programs/abc/seed/>

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