

# College Savings Account Program

The City of Saint Paul College Savings Account (CSA) program will transform our community; empower families and individuals to pursue their dreams and aspirations for the future, by investing in educational opportunities and financial well-being. The City will develop a CSA program with values of accessibility, equity, and sustainability that provides resources for all Saint Paul families.

**Requesting \$900,000 for the biennium from the State of Minnesota to enable Saint Paul to serve as a pilot program for the state for other cities to learn from and develop their own programs.**

## WHY A COLLEGE SAVINGS ACCOUNT PROGRAM



### OPEN ACCOUNT

Accounts—opened as early as birth or kindergarten—are seeded with initial deposits.



### GROW SAVINGS

Accounts grow through family contributions and incentives, such as savings matches.



### ATTEND COLLEGE/ TRAINING

Savings help pay for postsecondary education.



### GRADUATE

Children with a college account with \$500 or less are 4x more likely to graduate.

### EXPANDING EDUCATIONAL OPPORTUNITIES TO CLOSE THE OPPORTUNITY GAP

Through the CSA program, gaps in postsecondary educational attainment by race and income will narrow among city residents

### BUILDING FINANCIAL CAPABILITY

Financial capability programs can leverage the CSA to connect savings to larger discussions about a family's financial situation. Financial capability is important to prepare parents and children to navigate the complex financial realities of postsecondary education and beyond.

### BUILDING A SKILLED & EDUCATED WORKFORCE

Saint Paul and the state will have a more skilled, educated workforce that will help the local economy

### TALENT RETENTION

More young adults will remain and or return to Saint Paul and contribute to the city's economy

As of December 2018

**62**

CSA programs currently serve children in

**35**

States & DC

**456,000**

children served

## PARTICIPANT AND COMMUNITY IMPACT



**\$1-499** - SEED Oklahoma study found that low- and moderate – income children whose families saved \$500 or less are three times more likely to attend college and four times more likely to graduate



**EDUCATIONAL OUTCOMES** - Research shows a strong link between children’s expectations for postsecondary education and their educational outcomes



**DEVELOPMENTAL AND HEALTH EFFECTS ON CHILDREN AND FAMILIES** - Research showed improved social-emotional development in children and improved maternal mental health

**COLLEGE BOUND IDENTITY** - CSAs at-birth help build a college bound identity

## CITY AND STATE CSA PROGRAMS

### City Programs

- Kindergarten to College, San Francisco
- College Kids, St. Louis
- Promise Indiana, Indiana
- Kids RISE Save for College, New York City
- Boston Saves, Boston

### State Programs

- Harold Alfond College Challenge, Maine
- College Kick Start, Nevada
- College-Bound-baby, Rhode Island

## FUNDS LEVERAGED

**\$330,000** in ongoing funding for staff and infrastructure from City of Saint Paul

**\$250,000** for technical services, marketing and communications, and grantmaking from foundations

## FUNDING REQUEST

**\$450,000 per year**  
or \$900,000 for the biennium from the State of Minnesota to fund seed deposits, community outreach and education

## PROGRAM DESIGN

**Eligibility** – Every child born on or after January 1, 2020 and who is either a Saint Paul resident at birth or who moves to Saint Paul before age six is eligible

**Enrollment** – Children will be automatically enrollment at birth

**Account Vehicle** –Custodial savings accounts will be used to hold initial deposits, bonuses, and deposits on behalf of participating children

**Initial Deposit** – Upon account opening, each child will receive a \$50 initial seed deposit

**Bonuses** – 1) Low income households ; 2) Reaching a milestone ; 3) Bonus to promote program engagement

**Allowable Uses of CSA Funds** – postsecondary education, including a range of costs associated with attending four-year colleges, community colleges, and vocational training.



**Savings are intended for** post-secondary education



**Participants receive program-provided “bonuses” or “incentives”** reaching milestones to grow savings



**Incentives are generally restricted** to paying for postsecondary education or training

[1] Prosperity Now. 2018 CSA Program Survey (unpublished).  
[2] Copeland, M., Quezada, D. & Markoff, S. [The Movement Takes Off: The State of the Children’s Savings Field 2017](#) (Washington, D.C.: Prosperity Now, 2018).

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