Earning a college degree is a critical pathway to social and economic opportunity for many Americans. But as the price of college continues to rise and become more unaffordable, paying for tuition and living expenses using family income and wealth alone is a challenge for too many low-income students.

Recognizing the need to create equity-minded financial supports and address persisting affordability challenges, cities and states across the country have started offering Children’s Savings Accounts (CSAs), intentionally designed to support low- and moderate-income families in saving for college. By setting aside even small amounts for their children in CSAs, families instill the expectation of college attendance from an early age and prepare to pay for future expenses.

Nevertheless, for many households the college affordability and financing challenge is underscored by systemic barriers connected to income and wealth inequality. This makes it difficult for many families to set aside even modest amounts of money for future education after covering more immediate and basic expenses.

Policymakers and CSA program leaders can more effectively support low-income families by integrating CSAs with broader affordability initiatives, such as college promise programs; integrating CSAs with social services that address families’ holistic financial needs; and implementing CSA programs alongside robust community engagement efforts to build trust and encourage participation. By adopting these equity-informed strategies policymakers and practitioners can help more families improve wealth building, increase postsecondary attainment, and support intergenerational mobility for students.

CHILDREN’S SAVINGS ACCOUNTS HELP PAVE THE WAY TO COLLEGE

Only 10% of students from low-income families graduate from college by their mid-20’s.

Children with college savings between $1-$499 are 3X more likely to attend college and 4X more likely to graduate.

Students from San Francisco’s influential Kindergarten2College are 24% more likely to see themselves attending college and families are 32% more likely to know about financial aid options.

Households at the top 10% of the wealth distribution hold 76% of all assets, but the bottom 50% only hold a combined 1%.

Nearly 50% of those without a 4-year degree say they’re not in college because it’s unaffordable.

For earners in the bottom 20%, the net price of college has increased to more than 80% of household income.

43% of households have less than enough savings to live above poverty for 3 months.