

Better Together:

Policies that Link Children's Savings Accounts with Access Initiatives to Pave the Way to College

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.

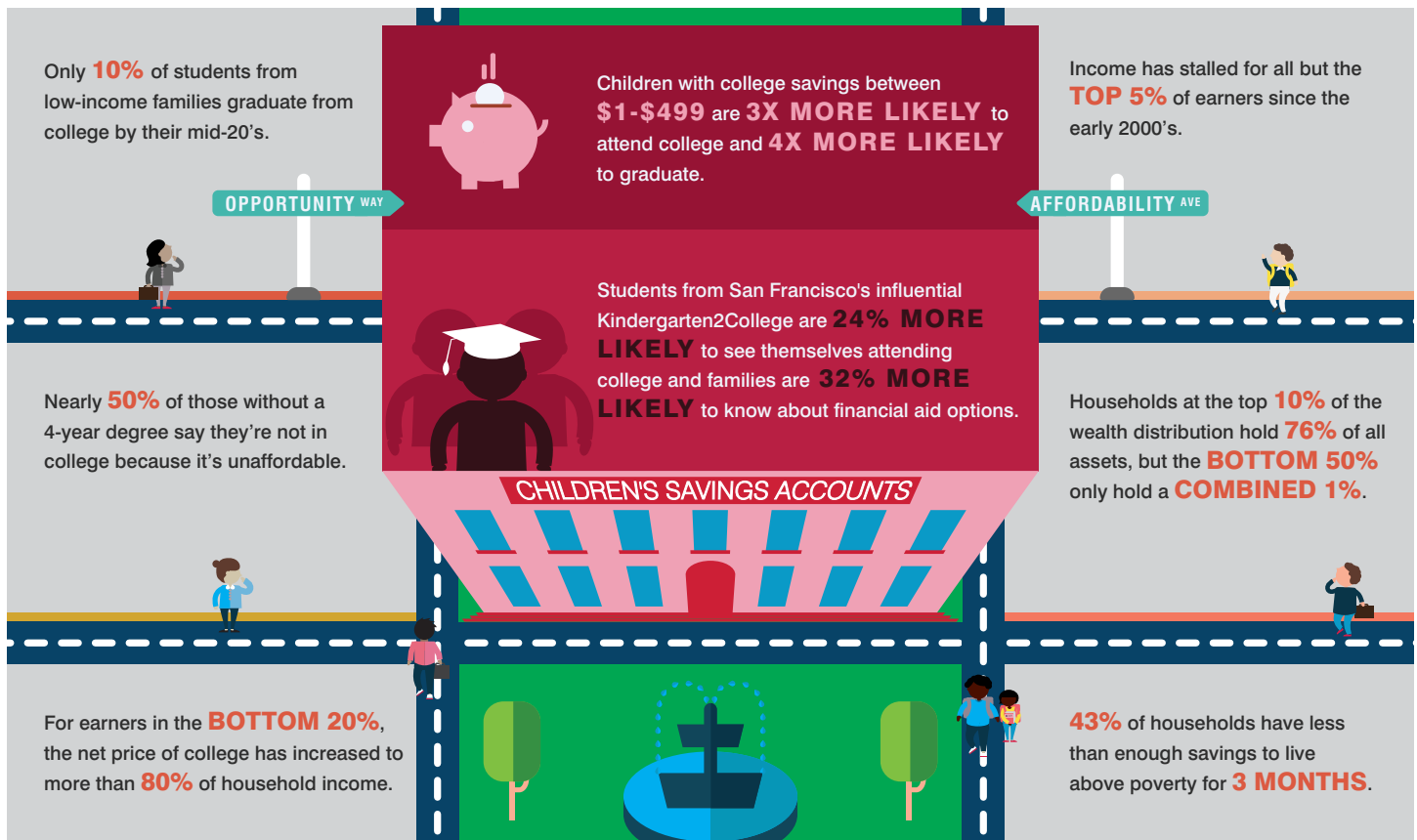
Recognizing the need to create equity-minded financial supports and address persisting affordability challenges,¹ cities and states across the country have started offering **Children's Savings Accounts (CSAs)**, intentionally designed to support low- and moderate-income families in saving for college.² 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



Left (top to bottom): Pell Institute & PennAHEAD, 2016; Pew Research Center, 2016; Goldrick-Rab, S., 2016

Center (top to bottom): Center on Assets, Education, and Inclusion, 2013; Institute for Higher Education Policy, 2007

Right (top to bottom): Economic Policy Institute, 2014; Federal Reserve, 2013; Corporation for Enterprise Development, 2011

1 Clancy, M., & Parrish, L. (2006). *Reforming 529 college savings plans to better reach low-income families*. New America Foundation and Washington University in St. Louis Center for Social Development.
 2 Sherraden, M., & Stevens, J. (Eds.). (2010). *Lessons from SEED: A national demonstration of child development accounts*. Washington University in St. Louis Center for Social Development.