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June 30, 2008

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Dear Proposal Reviewers:

The attached document presents a collaborative proposal for “Financial Services, Asset Building, and College for Urban Youth”. The goal of the proposal create a tool for schools and communities to engage youth in school, develop financial capability in low income communities, and ultimately, build stronger schools and communities. The proposal is submitted by a team representing the **University of Missouri-St. Louis, Beyond Housing/Neighborhood Housing Services, Washington University in St. Louis, and the New America Foundation.**

The team and these organizations have been collaborating on school-based college savings and comprehensive place-based asset building program, research and policy since 2001. Beyond Housing/NHS, the leading housing and community development organization in the St. Louis region, engages in innovative initiatives for intensive family and community development, encompassing leadership and youth development, educational attainment, asset building in households, housing improvement, business growth and social services. In partnership with Beyond Housing, faculty at both the University of Missouri – St. Louis and Washington University’s Center for Social Development are making significant contributions to research on asset building and community development. The New America Foundation is a nonprofit and nonpartisan public policy institute that invests in new ideas and research that address critical contemporary challenges, and is the policy partner based in Washington, DC.

We appreciate this opportunity to participate in the National Urban Initiatives Competition.

Sincerely,

Margaret S. Sherraden, Ph.D.
University of Missouri – St. Louis

Title Page

“Financial Services, Savings and College for Urban Youth”

A Proposal submitted to National Urban Initiatives Competition

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July 1, 2008

“Financial Services, Savings, and College for Urban Youth”

Affirmation that the applicant team has not changed

This is to acknowledge that one additional person has been added to the applicant team since the original submission. Please note name and title below.

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Project Abstract: Financial Services, Savings, and College for Urban Youth

Access to financial services and higher education are key pathways to youth development. Building on asset theory, this paper presents an initiative to open incentivized college savings accounts for millions of urban youth, linking them to the formal financial services sector, building financial knowledge and skills, and increasing access to post-secondary education and training. The initiative will develop financial capability in low income communities, enable communities to engage youth in school, increase college attendance and completion, and ultimately, contribute to economic growth in urban communities.

The proposal has five main objectives, (1) to provide urban youth with educational savings accounts, called Children's Development Accounts (CDAs), for higher education; (2) to prepare urban youth to manage their financial lives and financial services effectively; (3) to increase expectations for higher education among urban youth; (4) to enable communities to become active partners in access to financial services and post-secondary education; and (5) to build social science knowledge and practical understanding about inclusion of urban youth in financial services, asset building, and higher education.

As community-university partnerships with state and federal support, the proposal borrows from existing demonstrations. CDAs are opened automatically when children enroll in school (families may "opt out"). The federal government makes initial "seed" deposits in each CDA when it is opened, and a graduation incentive deposit upon high school completion (with larger deposits for poor children). CDAs are held in state-level 529 College Savings Plans. Children and families contribute as finances permit. Benchmark deposits into CDAs celebrate academic achievements, community service, and other milestones. Throughout, children and their families receive financial education in partnership with local schools and universities.

This visionary and bold initiative, which dovetails with existing financial structures, builds on bipartisan proposals in state legislatures and in the U.S. Congress for CDAs. Although it will require public investment, it costs a small fraction of the amount the federal government currently spends on subsidies through tax expenditures for homeownership and pension plans for the nonpoor. Developing financial assets, financial knowledge, and facilitating higher education among urban youth will enhance their life chances, and will improve long-term social and economic development in low income households and communities.

“Financial Services, Savings and College for Urban Youth”

This is to confirm that the Letter of Commitment submitted in Step 1 remains valid.

“Financial Services, Savings, and College for Urban Youth”

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“Financial Services, Savings and College for Urban Youth”

Key Words: Financial services, youth development, college savings, comprehensive community development, asset building

Financial Services, Savings, and College for Urban Youth

“It is about creating, in a free enterprise system, access at an early age, for kids to understand what the power of compound interest is, what the power of savings is, what it will allow you to accomplish in your life, ultimately putting a down payment on a higher education opportunity for every child ...”

-- Former Senator Jon Corzine, introducing the first version of the ASPIRE Act, a children’s savings account initiative, July 22, 2004.

Introduction

This paper describes an innovative and feasible model of financial services for low-income youth in urban communities. Building on a theoretical framework of asset building, the initiative will open incentivized college savings accounts for millions of urban youth, linking them to the formal financial services sector, building financial knowledge and skills, and increasing access to post-secondary education and training. The initiative will develop financial capability in low income communities, enable communities to engage youth in school, increase college attendance and completion, and ultimately, contribute to economic growth in urban communities.

The proposal is based on the authors’ experiences in four community and policy demonstrations over the past decade. In each, community-based organizations, school districts, universities, financial institutions, public policy organizations, and other partners have worked together to develop innovative financial services for low-income youth and families. The paper highlights key implementation and policy lessons for a national strategy for inclusion of low-income and minority youth in financial services and higher education.¹

The paper builds on existing bipartisan proposals by the U.S. Congress for children’s savings accounts, sometimes known as Children’s Development Accounts (CDAs) or “Kids accounts”. Developing financial assets, financial knowledge, and promoting higher education among youth will enhance their life chances, and will improve the long-term social and economic development in low-income households and communities. Children’s Development

¹ We use the terms “post-secondary education and training”, “higher education”, and “college” interchangeably, although we acknowledge that particular types of post secondary education and training may be better suited to different students’ learning styles and potential.

Accounts (CDAs) are the link to the financial services sector and they provide a base for generating resources for higher education that will give greater meaning to both financial education and academic engagement.

The sections below describe proposal goals and objectives, rationale and theoretical framework, implementation strategies, budgets, pilot demonstration results, policy proposals and precedents, and evaluation procedures.

Proposal Goals and Objectives

The goal of the proposal is to create incentivized savings accounts for urban youth, linking them to mainstream financial services, helping them build resources for post secondary education, and contributing to the growth of financial and human capital in urban communities. The proposal has five principal objectives.

The first objective is for all urban youth to have access to a savings account for college. CDAs will be created for all children in public elementary and secondary schools. Initial “seed” deposits (between \$500 and \$1,000, depending on family income) engage students and families in saving. Throughout elementary and secondary school, students and their families deposit savings, as finances permit. Benchmark savings deposits into the accounts from public and private sources celebrate academic achievements, community service, and other milestones. When students graduate from high school, they receive a high school graduation incentive (between \$500 and \$1,000, depending on family income) in their CDA.

Low income student accounts would yield a minimum of \$3,051 (in current dollars, assuming 6% interest), which would pay for a year or more of community college (College Board, 2007). With additional deposits during a student’s 12 years of elementary and secondary education, it would yield far more. This is a meaningful start toward college financing. Moreover, research suggests that owning a college savings account has independent effects on youths’ academic performance and expectation about attending college (Elliott, 2008). In other words, college account ownership has positive effects on youth.

Like most other students, youth would supplement their savings with a financial aid package that includes scholarships, loans, work-study, and other contributions. CDAs will be managed through state-level incentivized 529 College Savings Plans. Using their 529 plan,

eleven states have implemented, via pilot or other program, a savings match to low- and moderate-income families who are state residents (Clancy, Mason, & Lo, 2008).

The second objective is for urban youth to be prepared to manage their financial lives and use financial services effectively. Children's Development Accounts will be accompanied by financial education, implemented by school districts, in partnership with local universities, community-based organizations, and corporations. Elementary and secondary school curricula will underscore the importance and management of the CDAs. Using an experiential education approach – in which students deposit additional savings, exercise options for their CDAs, and engage in classroom exercises about CDAs – students will become familiar with financial services and learn how to manage financial accounts. Community service programs, like AmeriCorps and corporate social responsibility programs, will also place volunteers in schools to engage students in additional financial education activities. They will also include low income youth, building stronger ties to their own communities.

The third objective is to increase knowledge about and expectations among youth for higher education. Owning a CDA makes higher education more tangible and accessible, but it also offers the potential for lessons and planning for higher education (Sherraden, Elliott, et al., 2006). This can be promoted further through partnerships with college readiness and preparatory programs for elementary and high school students. University students will also intern and engage in community service in schools and low income communities, building linkages and networks between universities and low income students, their families, and local schools.

The fourth objective is for communities to become more active partners in increasing access to financial services and post-secondary education. While many youth will be reached by an incentivized savings account policy, in low-resource communities it will be necessary to develop a place-based strategy that provides additional resources for low income and struggling families. "Place matters" because it shapes people's access to resources and services that affect life chances (Drier, Mollenkopf, & Swanstrom, 2001). Working in partnership with community-based organizations and local businesses, including banking institutions, will facilitate expansion of financial education, financial services, and savings for youth, especially in low-income communities (Krehmeyer & Harness, 2007). Notably, these activities will also encourage families and youth to remain in the community where they have access to these additional resources, instead of fleeing because it has few resources to offer.

The fifth objective is to build knowledge about financial services and asset building among urban youth. Research and evaluation plays a key role in the overall project, documenting variations in access to financial services and financial education, savings rates and financial knowledge, community roles, and other institutional features (Sherraden, Schreiner, & Beverly, 2003). Research will also measure effectiveness of CDAs, financial education, and strategic place-based interventions. In these ways, this initiative will generate knowledge about how to build financial and human capital among youth in urban communities.

Theory and Rationale

Growing socio-economic disparities, exacerbated by recent economic trends, including the foreclosure crisis, have created a dire situation for urban youth. In education, for example, only 18 percent of blacks and 9 percent of Hispanics between the ages of 25 and 29 have a bachelor's degree or higher, compared to more than one-third of non-Hispanic Whites in 2002 (US Census, 2008). Lack of higher education and training reduces the likelihood of later economic success (Wilson, 1987), and contributes to low earnings (King & Bannon, 2002; Mankiw, 2008), less stable employment (Topel, 1993), lack of family support (Axinn & Arland, 1992), and low levels of wealth (Oliver & Shapiro, 1997; Shapiro, 2004). Access to higher education for low-income youth is a fundamental strategy for achieving objectives outlined by in the *Mayors' 10-Point Plan for Strong Cities, Strong Families for a Strong America*.²

Unfortunately, high costs prevent many young people, especially poor and minority youth, from attaining post-secondary education and training. They are more likely to “judge four-year colleges to be out of their reach” (ACSFA, 2002, 21; see also Perna, 2000). Most families look beyond income streams to their net worth to help pay for college (Conley, 1999). Unfortunately, low-income and minority families hold little wealth of any kind. Over one-third of Black and Latinos households had zero or negative net worth in 2001 (Caner & Wolff, 2004). In 2002, net worth in Black and Latino households (\$7,932 and \$5,988 respectively) was only a fraction of median net worth in White non-Hispanic households (\$88,651) (Kochhar, 2004), providing little back up for education and other investments in the future. These data have negative implications for academic achievement and expectations among disadvantaged youth.

² Available online: http://www.usmayors.org/uscm/news/press_releases/documents/10-PointPlan_1107.pdf

Moreover, minority and low-income youth have less knowledge about and access to mainstream financial services. Many low-income children and their parents lack checking or savings accounts, investments, insurance, and access to employment-based retirement savings (Carr & Schuetz, 2001; Greenwald & Associates, 2001; Hogarth, Beverly, & Hilgert, 2003; Zhan, Anderson, & Scott, 2006; JumpStart Coalition, 2006b). Low-income youth are more likely to come from families who are “unbanked” or “under-banked” (Aizcorbe, Kennickell, & Moore, 2003). Fewer children in low income families have savings and investment accounts than children in higher income families (Greenwald & Associates, 2001). Families with low credit scores are often eligible only for high interest sub-prime loans and credit cards that further threaten their financial situation. Most important, low-income families do not benefit from policies—such as tax benefits for savings and home ownership--which build wealth in middle- and upper-income households (Sherraden, 1991; Howard, 1997). Differential access to services is also reflected in financial knowledge. In one study, Hispanics and African American students scored significantly lower (46.8% and 44.7%, respectively) than white students (55%) on a test of financial knowledge (JumpStart Coalition, 2006). Moreover, students from low income families scored significantly lower than high income students.

The theoretical foundation for this proposal comes from asset theory, which posits a range of outcomes resulting from owning assets, including greater economic opportunity, confidence, future orientation, focus and specialization, and personal efficacy (Sherraden, 1991). According to asset theory, if children grow up knowing they have a “nest egg” to help pay for future schooling, they will be more likely to believe college is within financial reach. In this way, children may link college savings with school performance, similar to very young children who understand the link between schooling and future economic success (Sherman, 1997). While savings’ effects on children’s academic engagement and expectations are largely untested, there is empirical evidence that parental assets are associated with positive educational outcomes, such as lower dropout rates (Green & White, 1997), higher test scores (Essen, Fogelman, et al., 1977), greater cognitive attainment (Yeung & Conley, 2008), and more planning for children’s education (McBride, Lombe & Beverly, 2001).

Focus and hope for the future may be embedded in college savings, and may foster greater engagement in academic pursuits and greater preparation for higher education (Sherraden, et al., 2007; Yeung & Conley, 2008). Experiential learning and financial capability

theories suggest that owning a savings account may engage children and their families in financial education efforts (Dewey, 1938; Johnson & Sherraden, 2007). Moreover, research in behavioral economics suggests that automatic enrollment in savings programs increases savings, suggesting that an “opt out” protocol for enrolling students in CDAs may be preferable (Madrian & Shea, 2001).

There is also evidence that linking people to financial instruments along with financial education increases knowledge and changes financial behavior. For example, Kotlikoff and Bernheim (2001) find that people who had an allowance, bank account, or investment when they were children saved more of their income as adults. Low income participants of a financial management training program scored higher if they had a bank account or filed a tax return (Zhan et al., 2006, p. 64), and another study suggests that “the use of mainstream banking services contribute[s] to positive financial behavior” (NEFE, 2004).

Little research examines neighborhood effects of asset accumulation, and there is potential for net positive or/and negative effects, especially in homeownership (Weber & Smith, 2003). However, outcomes for education avoid the biggest pitfall. While returns to homeownership can suffer from economic downturns in the form of depreciation, returns to human capital (through education) are less vulnerable.

Method/Implementation Strategy

Children’s Development Accounts (CDAs) will incorporate millions of young people into mainstream financial services, often for the first time. Especially for lower income urban youth and their families, this may be the first account they hold that has a significant amount of money targeted for higher education.

Eligibility is determined by enrollment in school. CDAs are opened automatically when children enroll in first grade, although students and their families may “opt out” if they choose. The federal government makes an initial “seed” deposit in each child’s account when the CDA is opened. The seed deposit (\$500 for children in families with incomes above 150 percent of the official US poverty line; \$1,000 for those below 150 percent of poverty) encourages families to open accounts for their children. The account and seed deposit also provide an opportunity to initiate financial education. A seed deposit offers a compelling moment to engage families, especially low income families, in thinking about their children’s future education. In addition to

having some financial resources to pay for college, success in higher education is a result of lengthy academic preparation. Saving for college beginning at a young age engages children and their families in building expectations for higher education (Sherraden, McBride, et al., 2006; Elliott & Sherraden, 2007).

Over the course of primary and secondary school, students and their families deposit savings in their CDAs, as finances permit. Benchmark savings deposits into CDAs from public and private sources celebrate academic achievements, community service, and other milestones. When students graduate from high school, they receive a \$500 graduation incentive in their CDA for post secondary education and training. Youth, whose families earn below 150 percent of poverty, receive a higher graduation incentive of \$1,000.

CDAs are held in state-level 529 College Savings Plans, named after the Internal Revenue Code section.³ College Savings Plans offer a potentially inclusive and progressive policy structure, a practical and immediate solution for implementation (Clancy, Orszag, & Sherraden, 2004). College Savings Plans are tax-advantaged savings plans for post-secondary education. Every state operates its own plans, although savers can choose to participate in any state's plan. Funds are held in a public and centralized accounting system, offering the possibility of a broad scale and progressive structure unlikely in the private sector because small accounts are typically unprofitable (Clancy, Orszag, & Sherraden, 2004).⁴ If a student does not use their college savings, they can name other beneficiaries (similar to College 529 Plans), including their siblings or children.

As currently designed, most College Savings Plans do not benefit the poor because they have little or no tax liability. However, modifications to state College Savings Plans can benefit low income youth. In fact, several states, including Maine, Rhode Island, Michigan, Minnesota, and Louisiana, offer plans that benefit the poor (Clancy, Han, Mason, & Sherraden, 2006). These include incentivized savings, small minimum deposits, simple investment options, and outreach and education to low income populations.

³ The description of 529 College Savings Plans is based on an analysis by Clancy, Sherraden and Orszag (2004).

⁴ Another important policy consideration is to protect CDACDAs from non-educational uses during elementary and high school. This can be accomplished by making the state the owner of the public and private CCDA contributions (see SEED for Oklahoma Kids demonstration below). CDAState ownership protects the assets from counting against asset limit tests and tests for financial aid.

Financial education, which accompanies CDAs, builds financial knowledge and “ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being” (Vitt, Anderson, et al., 2000, xii; see also, Lyons, Chang, & Scherpf, 2006; Hogarth, Beverly & Hilgert, 2003; Mandell, 2005). Owning a savings account, managing investment options, and monitoring its growth engages youth and their families in the financial services sector in a meaningful way (Johnson & Sherraden, 2007).

Youth and their families receive financial education in three principal ways, through the CDA, in school, and in the community. Financial education begins when the account is opened. Accompanying an account, participants and their families receive information that helps them understand (in age- and culturally-appropriate ways) the importance of savings, how to understand account statements, and the impact of compound interest on savings accumulations. Thereafter, savings account statements include newsletters and educational materials that engage children and their families in learning more about savings, financial decision making, and implications of owning savings on future higher education.

Financial education is also delivered through schools. Each participating state would be required to develop financial education plan before it would be eligible to receive federal funds for CDAs (seed deposits and high school graduation incentives). Teachers can use CDAs to demonstrate math (e.g., calculating savings accumulations and interest), reading and writing (e.g., stories about money and personal finance), and social studies concepts (e.g., opportunity costs, returns to higher education). There is a plethora of financial education curricula and products from organizations such as the Jump\$tart Coalition, the National Endowment for Financial Education, and the Federal Reserve. Special funding at the federal and state levels will be made available to poor school districts to supplement local property tax funding for schools. This will enhance in-school and after school curricula and activities that build financial knowledge and skills. Because CDAs help students pay for college, schools can also use CDAs to motivate students to engage academically and generate expectations for college.

Financial education is also delivered in communities by community-based organizations in partnerships with schools, universities, businesses, and service organizations. Some place-based interventions are underway through many financial education programs (e.g., NEFE, 2008), but it will be boosted substantially by special grants aimed at youth with CDAs and their families in low-income communities. Schools, community-based organizations, and other

partners also assist low income urban youth and their families to generate funds for CDAs through providing benchmark savings celebrating academic and civic service accomplishments and milestones. Finally, place-based initiatives provide financial education and counseling to youth and their families who are facing debt and foreclosure in effort to move them into low-cost and secure financial services.

Implementation Plan, Timetable, and Budget

Implementation occurs in several stages beginning with policy implementation, and followed by program implementation.

Policy Implementation Timetable

- US Congress passes legislation authorizing and appropriating funds for CDAs, and financial education grants to low income school districts and communities.
- The US Treasury develops regulations and invites states to apply for CDA funds
- States will amend existing legislation to include CDAs through state 529 College Savings Plans. Plans include collaboration agreements across the state agencies and with local school districts; financial education plans for participating schools; mechanisms for enrolling all children in CDAs at the time of inscription into first grade; and communications and financial education with students and parents.
- Each approved state finalizes its plan with the State office in charge of College 529 Savings Plans, and the Department of Elementary and Secondary Education.
- State departments of elementary and secondary education certify financial education plans with participating school districts.
- School districts develop proposals and apply for financial education grants in Title 1 schools.
- Communities in Title 1 school districts develop proposals and apply for strategic place-based financial education and benchmark grants.

Program Implementation Timetable

Children's Development Accounts (cohort 1)

- *Year 1:* Each student enrolling in first grade opens a CDA. CDAs automatically receive a “seed” deposit, with larger amounts for low-income families. Families may “opt out” of CDAs, although opt out numbers are anticipated to be low because of the incentive “seed” deposit.

- *Year 1:* Financial education begins immediately. Students and their families receive educational materials (printed and e-format) at enrollment, and subsequently through direct mailings and e-mailings to students and their families.
- *Years 1-12:* Students and their families make deposits in CDAs throughout elementary and high school up to the maximum permitted by the state's 529 College Savings Plan. Each state's plan establishes minimum deposit features.
- *Years 1-12:* Community organizations, foundation, businesses, individual donors, and others make benchmark deposits into low-income youths' CDAs to celebrate special accomplishments and milestones (e.g., academic, community service).
- *Year 12:* Upon graduation from high school, students receive an incentive in the CDA.
- *Year 12 and beyond:* The CDA funds are withdrawn to pay for qualified higher education expenses at an eligible educational institution when a student matriculates.

Financial education and benchmarks in low income communities

- *Years 1-12:* Eligible school districts apply for grants from U.S. Department of Treasury for financial education for students with CDAs.
- *Years 1-12:* Community-based organizations in eligible communities apply for earmarked funds from the Office of Community Services, US Health and Human Services, as well as state programs, private foundations, and other sources, to create benchmark opportunities for additional savings deposits into CDAs, financial education, and linkages to institutions of higher education.

Research and evaluation

- *Year 1:* Collect baseline data on participants.
- *Years 2-12:* Monitor account uptake, savings deposits, benchmark deposits, high school graduation incentives, matriculation in higher education, and CDA distributions.
- *Years 3, 6, 9, 12:* Assess educational, attitudinal, and financial outcomes.
- *Years 3, 9:* Assess community-based program implementation models.
- *Years 3, 6, 9, 12:* Assess financial education delivery and outcomes.

Budget

The budget is for a national program of CDAs for the first cohort of students from first grade through high school graduation. It includes seed deposits and high school graduation

incentives. It also includes financial education grants to schools and communities, and research and evaluation. Table 1 presents the budget figures, which are described below.

Table 1. National Program of Student Savings Accounts: Budget for Cohort 1

	Above 150% of poverty	Below 150% of poverty	TOTAL
Seed Deposits			
Total CDA students	2 million	878,424	2.8 million
Total Seed deposits	\$1 billion	\$879 million	\$2 billion
Graduation Bonuses			
High school graduates with CDAs (85%)	1.9 million	739,000	2.6 million
Graduation bonus	\$948 million	\$739 million	\$1.7 billion
Subtotal for CDAs	\$1.9 billion	\$1.6 billion	\$3.7 billion
Financial Education Grants to Title I Schoolwide Schools			\$10 million
Comprehensive Asset Building Grants to Title 1 Communities			\$10 million
Monitoring and evaluation (5%)			\$186 million
TOTAL			\$3.9 billion

- *CDA Accounts.* Figures are based on 3.7 million first graders.⁵ Children living in families over 150 percent of poverty receive a \$500 seed deposit; children living in families under 150 percent of poverty receive a \$1,000 seed deposit.⁶ Projected budget figures assume a Year 1 enrollment of 25 percent of students; a Year 3 enrollment of 50 percent; a Year 5

⁵ There were 3,690,854 in first grade in 2005, the most recent year for which data are available. Source: National Center for Education Statistics, Table 34. Enrollment in public elementary and secondary schools, by level, grade, and state or jurisdiction: Fall 2005. Available online: http://nces.ed.gov/programs/digest/d07/tables/dt07_034.asp

⁶ 28 percent of children live under 150 percent of poverty, according to ChildStats.gov (2008). *America's Children: Key National Indicators of Well-Being, 2007.* Child Poverty and Family Income. Available online: <http://www.childstats.gov/AMERICASCHILDREN/eco1.asp#3>

enrollment of 75 percent. Over time, the pace and numbers of students with CDAs will increase, as school personnel and parents become more familiar with and gain trust in the program.⁷ With assistance from community-based organizations and their partners, schools are projected to have 85 percent of students enrolled in CDAs by high school graduation.

- *Graduation Incentives.* Figures are based on 3.1 million high school graduates.⁸ It is assumed that 85% of students who graduate will receive the graduation incentive.
- *Financial Education Grants to Low-Income Schools.* Schools that qualify as “Title I schoolwide schools”, as defined by the US Department of Education, are eligible to apply for financial education grants.⁹ Nationally, there are a total of 23,563 Title I schoolwide schools (NCES, 2008).
- *Strategic Place-based Financial Education Grants to Low Income Communities.* Title 1 schoolwide schools, community-based organizations, and universities are eligible to apply for grants, with partnerships of two or more given funding priority.
- *Research and Evaluation.* Research and evaluation will be contracted to qualified researchers in savings and financial education (5%).

The estimated total cost for the cohort is \$3.9 billion.¹⁰ While a significant sum, especially as the program grows year by year, it is a fraction less than the federal government spends on grant aid and loans for higher education, estimated at \$86.3 billion in 2007 (College Board, 2007). This amount is dwarfed by public subsidies for retirement plans, estimated at \$750 billion between 2007 and 2011 (Perun & Steuerle, 2008). Moreover, the social and economic

⁷ Research with IDA programs, which are based on an “opt in” model, find that uptake is slow at the start and pick up after the program becomes known and trusted. Uptake should be higher in an “opt out” program, but we anticipate some lag nonetheless, as participants learn about the program and because implementation is likely to encounter delays at start up.

⁸ There were 3,103,000 high school graduates in 2004-05, the most recent year for which data are available. Source: National Center for Education Statistics (2008). Table 100. *High school graduates, by sex and control of school: Selected years, 1869-70 through 2007-08.* Available online: http://nces.ed.gov/programs/digest/d07/tables/dt07_100.asp

⁹ Schoolwide Title I schoolwide schools combine Title I funds with other federal program funds to support comprehensive reform and improve the entire educational enterprise for all students at the school, not just targeted students. (National Center for Education Statistics (NCES), Federal Title I Program. Available online: <http://nces.ed.gov/surveys/frss/publications/98025/index.asp?sectionID=9>)

¹⁰ In today’s dollars, this total is similar to a full one year budget once all cohorts are enrolled, and is almost the same as the project budget for the Aspire Act (see below).

dividends for a strategy that effectively keeps youth in school, facilitates a college education, and contributes to overall economic development will far outweigh the costs.

Although this proposal targets all youth, it could be targeted to low income youth. This would reduce the budget substantially (e.g., \$1.6 billion for CDAs for all low-income youth, under 150% of poverty). However, a national policy is desirable for several reasons. First, it raises thorny issues related to what happens when children move to a district where CDAs are not offered.¹¹ Second, there are multiple costs associated with targeting either through means testing or other means. Third, once enacted, policies that benefit everyone have greater public support.

Model/Pilot Demonstrations

This proposal builds on the applicants' experience in a national policy demonstration of Individual Development Accounts in 13 communities across the nation; two school-based university-community student savings account demonstrations in St. Louis; and a statewide policy demonstration for children's college savings accounts in Oklahoma. Rigorous evaluation and research accompanies each of these demonstrations. The model for CDAs developed in this National Urban Policy Initiatives proposal borrows from each demonstration, and clarifies the roles of key partners.

The American Dream Demonstration: Individual Development Accounts

The American Dream Demonstration (ADD), an ambitious social experiment, was the first large and systematic test of individual development accounts (IDAs) for low-income working families (Sherraden, 1991; Schreiner & Sherraden, 2007). ADD research, supported financially by a consortium of 11 philanthropic foundations led by the Ford Foundation, took place over six years (1997-2003). The purpose of ADD was to find out whether matched savings accounts are successful, in what ways, and for whom. Impacts were measured using multiple research methods, including account monitoring, surveys, benefit-cost analysis, case studies, and in-depth interviews.

Community-based organizations – including community development, social service, banks/credit union, and housing development organizations – operated ADD in 13 sites across the United States (Schreiner & Sherraden, 2007). Most had operated IDA programs in the past,

¹¹ In ICS, discussed below, there were significant problems with tracking children who moved out of the school

and had developed partnerships with local government, state agencies, businesses, development agencies, and financial institutions. Programs offered different savings incentives and financial education curricula, permitting a test of different approaches.

ADD demonstrated that adults are able to save given structure and incentives. Among the 2,350 adults participating, the average saved \$558, and approximately half ended the program with a net savings of at least \$100.¹² Given the average match rate, the average participant accumulated a total of \$1,609 in the IDA (Schreiner & Sherraden 2007, 123). Income, welfare reciprocity and marital status do not appear to be associated with savings performance (Zhan, Sherraden, & Schreiner, 2002; Grinstein-Weiss, Zhan & Sherraden, 2004; Schreiner & Sherraden, 2007). Finally, qualitative research suggests that people with matched savings accounts have greater hope for and focus on the future compared to those without matched accounts (Sherraden, et al., 2006; Sherraden & McBride, forthcoming).

University-Community Partnership Demonstrations: “I Can Save” and “Normandy School District Comprehensive Community Asset Building Project”

Since 2001, Beyond Housing/NHS (a community development corporation), the University of Missouri-St. Louis, and the Center for Social Development at Washington University have collaborated on two school-based college savings and comprehensive place-based asset building programs.

I Can Save. The first demonstration, “I Can Save” (ICS), is a university-community partnership administered by Beyond Housing/NHS, aimed at increasing college savings, academic engagement, and expectations for higher education among elementary school children (U-CAP, 2001; Gonzalez-Rubio, 2005; Calmes, 2006).¹³ Partners include community-based and community development organizations, the school district, two universities, the State Treasurer’s Office, banks, and other organizations and individuals. One of 11 demonstration sites supported by the Ford Foundation and 11 other philanthropic foundations (CFED, 2003),¹⁴ ICS provided

¹² See Schreiner and Sherraden (chapter 5, 2007) for discussion of saving, including other measures of saving, in ADD.

¹³ Partner organizations include University City Public Schools; Beyond Housing/NHS; Commerce Bank; Washington University’s Center for Social Development; the Schools of Social Work, Education, and the Center for Economic Education at University of Missouri-St. Louis; and the Missouri State Treasurer’s Office.

¹⁴ Saving for Education, Entrepreneurship and Downpayment (SEED) is a national policy, practice, and research initiative that tested efficacy of a national system of asset-building accounts for children and youth. Research

savings accounts with initial deposits of \$500 for all students; a one-to-one savings match for all savings deposits up to \$1,500; opportunities for children and parents to earn incentive money and save by participating in financial education; and a rollover into a Missouri 529 college savings account at the end of the program. Overall, research finds that low income children and their families in SEED saved successfully for college and other purposes (Mason, Clancy, et al., 2007).

In ICS, the 73 students saved in a local bank in savings accounts. They also received financial education in school and in an after-school *ICS Club* starting in kindergarten (Sherraden, et al., 2006).¹⁵ By June 30 of the fourth and final year of the program, deposits including benchmark incentives in the ICS students accounts averaged \$377 (median, \$157), not counting initial deposits and program savings matches; their total accumulations averaged \$1,219 (median, \$814) (Mason, et al., 2007). In-depth interviews suggest that even young students (4th grade) believe their accounts will help them pay for college (Elliott & Sherraden, 2008). Interviews over four years with school board members, principals, teachers, and local bank officials underscore a common desire for an ongoing college savings program.

The Normandy School District Project. The second demonstration is another university-community collaborative located in Normandy school district, comprised of 23 small low-income inner-ring St. Louis suburban municipalities. The lead organization, Beyond Housing, initiated a place-based comprehensive asset building strategy in 2001. Partners include a range of public and private sector organizations. The project, currently underway, aims to create and replicate a model of sustainable urban development linking improvement in public education, household asset building, and community revitalization (Krehmeyer & Harness, 2006). Since 2002, Beyond Housing has provided family services; improved housing conditions and affordability; and stimulated a sense of pride and high community expectations for the future (Winter & Elliott, 2008). Beginning in 2008, a pilot school-based savings program offers 31 ninth graders matched college savings accounts with financial education and scholarships from the St. Louis Scholarship Foundation for college-bound students. Beyond current college

included monitoring accounts for low- and moderate-income children across the U.S. and in Puerto Rico who participated in 11 non-profit community-based organizations.

¹⁵ A kindergarten and first grade cohort began the program in 2003 participated for four years each, ending in third and fourth grade, respectively.

preparatory programs at UM-St. Louis (e.g., GEAR UP and Bridge Program),¹⁶ Washington University and the University of Missouri-St. Louis are also developing models for partnership with the Normandy School District guiding more elementary and high school students in the district toward higher education, and aimed at placing college students in community service in the community.

College Savings Accounts: SEED for Oklahoma Kids

SEED Oklahoma (SEED OK)¹⁷ is a demonstration project (2007-2014) to test the policy concept of post-secondary education accounts at birth.¹⁸ In Oklahoma, approximately 2,700 parents of infants from a random sample of Oklahoma birth records will be interviewed. In December 2007 and May 2008, 1,360 randomly-selected SEED OK families received a deposit of \$1,000 into an Oklahoma College Savings Plan (OCSP) 529 account for the child. In addition, income-eligible families have their OCSP account savings matched up to \$250 each year over a four-year period. At the same time, a control group of about 1,360 families will not receive a SEED OK account. OCSP accounts for the SEED infants and other savings for both SEED OK and control families will be carefully tracked and analyzed (Sherraden & Clancy, 2008). SEED OK, designed as a social science experiment with randomly selected experimental and control groups, will permit researchers to measure a variety of dependent variables over time, and draw conclusions about impacts. Initial results from baseline data will be available later this year with longitudinal results to follow.

¹⁶ Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is federally funded program aimed at preparing students for post secondary education (<http://www.ed.gov/programs/gearup/index.html>), based at UM-St. Louis. The UM - St. Louis Bridge Program (<http://www.stlgearup.org/>), founded in 1986, aims to build strong academic proficiency for students in grades 9 to 12 essential to collegiate success. Bridge focuses on math and science enrichment, writing and effective communication skills, college exploration, and ACT preparation for students in St Louis metropolitan high schools. It offers a Summer Academy Program, Saturday Academy Program, and After School Clubs. http://www.umslbridge.org/index.php?option=com_frontpage&Itemid=1

¹⁷ http://www.ok.gov/treasurer/SEED_for_Oklahoma_Kids/index.html

¹⁸ SEED OK is part of a larger SEED initiative. SEED is a large-scale, multi-faceted demonstration of child development accounts. SEED includes community-based CDAs, a wide range of research, state policy innovations, federal policy development, market development, and communications. SEED is a partnership among CFED, the University of Kansas School of Social Welfare, the New America Foundation, RTI, the Initiative on Financial Security of the Aspen Institute, and CSD.

What We Have Learned

Results from these and other demonstrations of incentivized savings find that with the right incentives and institutional supports, low income youth and their families want to, can, and do save (Schreiner & Sherraden 2007; Sherraden & McBride, forthcoming). There are two critical lessons for implementation:

(1) The need for national policy that establishes an ongoing funding stream for saving incentives for low income youth and their families. Without ongoing funding, each community has to raise its own funds for savings incentives, placing undue burden on poor communities. Moreover, financial instruments such as savings should be portable, and without a federal funding stream this is difficult to achieve.

(2) The key role played by a partnership among state agencies, schools, community-based organizations, universities, and private sector organizations to implement incentivized savings for college programs in low income communities. Local initiatives and partnerships mobilize community resources and shape programs for local conditions.

Legislative Proposal

This section translates theory and prior on-the-ground experience into a three-part legislative proposal. The first part describes domestic and international policy precedents for incentivized savings accounts. The second part describes a legislative proposal for Children's Development Accounts and other supporting legislation. CDAs build on features of existing and proposed legislation described in this section. The final part makes the case that policy precedents, bipartisan support, and existing policy structures make CDAs practical and politically and economically feasible.

Policy Precedents for Children's Development Accounts

In the United States, a national system of children's savings accounts has been proposed and debated for many years, beginning with Haveman's "Even Start" that would establish \$20,000 in capital funds for the education, training, and health of all 18-year-olds (1988), Sherraden's lifetime Individual Development Accounts (1991), Lindsey's "child future savings" accounts (2004), Ackerman and Alstott's one-time grant to youth as citizen "stakeholders" (1999), Goldberg's "universal piggy bank" accounts (2005), and other proposals (Butrica, Carasso et al., 2008). Eighteen states and two federal programs – the Assets for Independence Act and

PRWORA – provide funding for matched savings programs (CSD, 2006). 529 College Savings Plans, which provide incentives for low-income families to save for their children’s education, are in operation in several states.

At the federal level, the ASPIRE Act was initially introduced in Congress in 2004 and reintroduced in 2007. It is among the most promising proposals for incentivized Children’s Development Accounts. ASPIRE would charge the federal government with opening a savings account for every child at birth.¹⁹ An initial ‘seed’ deposit, up to \$500 and based on a sliding scale, would be made by the federal government for accounts for poor children. Moreover, a one-to-one savings match for families earning less than the median income would encourage additional deposits and help build savings accumulations. A smaller incentive would be available for families over the national median income up to 120 percent, when the incentive phases out. Deposits up to \$2,000 per year would be allowed until children reach age 18. When accountholders turn 18, contribution limits and distributions would be much the same as for Roth IRA accounts. Between the ages of 18 and 25, savings would go to higher education. Thereafter, distributions could be made for other purposes, including homeownership and retirement.

At the state level, several states are developing proposals for children’s savings accounts. In California, for example, legislation for “California KIDS Accounts”²⁰ would establish savings accounts for low income youth, with an initial state-funded deposit of \$500 (New America Foundation, 2008). With additional deposits by family and friends, youth by age 18 would have accumulated savings for education, homeownership, or retirement.

Incentivized savings programs are also gaining support internationally. Outstanding examples include the UK’s *Child Trust Fund*, which provides a savings account for every baby born since September 2002 (with additional deposits for low-income children), and Singapore’s *Baby Bonus*, *Edusave*, and *Post-Secondary Education Account* schemes (Loke & Sherraden, 2006; Kempson, Atkinson, & Collard, 2006). Other programs include *LearnSave* in Canada; a recently adopted plan in Korea; and a demonstration of school savings for children orphaned by the AIDS epidemic in Uganda (Kingwell, Dowie, et al., 2005; Ssewamala, Stacey, Bannon, & Ismayilova, 2008).

¹⁹ This section is based on an analysis of the ASPIRE Act by the New America Foundation (2007).

²⁰ The full name is “California Kids Investment and Development Savings (KIDS) Accounts”.

The Child Trust Fund (CTF) is the most far-reaching program in existence today. CTF provides a savings account and initial deposit of £250 – about \$500 – for every child born after 2002. Poor children receive double this amount. Parents open the account, but it is owned by the child. If parents do not open an account, the government will. Types of accounts may vary (e.g., equities, cash deposit accounts, bonds, alternative equity investment) and may be transferred to any provider anytime (Gregory & Drakeford, 2006; Cramer, 2007). The goal is to ensure that youth have savings when they reach adulthood, encourage youth to develop a savings habit and learn about the benefits of saving, and help them gain knowledge and skills about personal finance (Kempson, Atkinson & Collard, 2006; Cramer, 2007). Individuals may withdraw savings for any purpose at age 18. Government estimates savings at age 18 (in real terms) from a low (no additional savings other than government contributions) of UK£911 pounds, to a high (assuming savings of UK£40 per month from birth) of UK£14,854 (HM Treasury and Inland Revenue, cited in Gregory & Drakeford, 2006).

Legislative Proposal Details for Children’s Development Accounts

The legislative proposal for CDAs includes three parts: one for Children’s Development Accounts, another for financial education, and a third for strategic place-based projects.

Children’s Development Accounts. CDAs will be created for all children who enroll in school. (This is a streamlined version of ASPIRE that also borrows key elements from the UK’s Child Trust Fund.) The federal government would open a savings account for child entering first grade with an initial ‘seed’ deposit of \$500. Children born to families with incomes under 150 of the official federal poverty level receive an additional \$500 in their account. Deposits up to \$2,000 per year would be allowed until children reach age 18. Families, friends, philanthropists, nonprofit organizations, businesses, states, and localities, and other individuals and groups may establish benchmarks for children throughout elementary, middle, and high school to celebrate academic achievements, community service, and other milestones. A local corporation, for example, could “adopt” a school or a district, by providing benchmarks deposits for all children successfully completing eighth grade.

Instead of savings matches proposed in ASPIRE and used in IDAs, students would receive a high school completion incentive of \$500. Children living in families below 150 percent of poverty receive a larger high school graduation incentive of \$1,000. The rationale for a high school graduation incentive instead of matched deposits is simplicity and lower financial

management costs. As the New America Foundation has pointed out, policies that include everyone but provide added benefits for those with greater need have proven to be most enduring, and also avoid the stigma attached to means-tested programs.²¹

Funding for CDAs would come primarily from the federal government, but management would be the responsibility of state governments through state College Savings Plans (529s). Investment decisions, accounting oversight, fund disclosures, and level of risk would be governed by the same rules as those of the 529 College Savings Plans (Clancy, et al., 2004). States would become eligible for savings ‘seed’ deposits and high school graduation incentives when the US Department of Treasury approves their plan.

After accountholders turn 18 years of age, contributions and distributions in CDAs would be treated much the same as for 529 College Savings Plans. Youths spend their savings on higher education or pass it along to a beneficiary. Unauthorized withdrawals result in 529-type penalties for non-educational uses.

The federal government will monitor implementation and monitor levels of uptake, deposits, and benchmark activities. States will be entered into the CDA network as they generate supporting legislation and implementation protocol for linking CDAs to the state’s 529 College Plan.

Financial Education in Schools. The second part of the legislative proposal is financial education grants to low-income school districts by US Department of Treasury, in cooperation with the Department of Education, for activities aimed at increasing student understanding of the CDA, participation in mainstream financial services, and individual financial capability. Department of Treasury’s Office of Financial Education already commits funds for economic education through its support of the National Council on Economic Education (US Department of Treasury, 2002; National Council on Economic Education, 2008). Special grants for financial education in school curriculum and other school-sponsored activities would be available only to districts with Title I-qualified school-wide schools (US Department of Education, 2008).

Strategic Place-based Financial Education. The third part of the legislation funds low-income communities to increase financial capability in low-income communities and assists families to make deposits to their children’s CDAs. Allowable activities include (a) creation of

²¹ The Aspire Act: Questions and Answers. Available online: http://www.assetbuilding.org/files/archive/Doc_File_1247_1.pdf

benchmark programs for deposits into youth CDAs for academic achievements, community service, and other milestones; (b) delivering financial education to youth and their families; (c) providing debt counseling and foreclosure protection for families; (d) other activities designed to support CDA deposits and move low income families into low-cost and secure financial services; and (e) provide the resource base and policy support for place-based community development efforts. Although local banks do not hold CDAs, they play an integral role in place-based strategies, holding benchmark deposits, and partnering with community-based organizations in these strategic place-based financial education and savings programs.

Economic and Political Feasibility

Key features of these legislative proposals contribute to the economic and political feasibility.

Incentivized savings structures have growing and bipartisan support. A variety of savings plans exist that demonstrate the poor can and do save when they are offered appropriate incentives, access, and support for saving. These plans have generated bipartisan support and sponsorship in the U.S. Congress, in state legislatures, and overseas. For example, President George W. Bush and several candidates in the 2008 presidential race endorsed the idea of “baby bonds”, a form of Children’s Development Accounts (Cramer, 2007; Lopez-Fernandini [Cramer, & O’Brien](#), 2007). Therefore, there is a precedent for a national Student Savings Account initiative.

Children’s Development Accounts dovetail with appeals for more financial education and access to financial services for low-income households and communities. CDAs would give every child a foot in mainstream financial services. It would also help meet growing demands for financial education in schools (Jump\$start, 2004; US Department of Treasury, 2002, 2006). With a CDA, financial lessons in school will have greater meaning for children and empower them to engage in financial services (Johnson & Sherraden, 2007).

A potentially universal and progressive account structure exists. 529 College Savings Plans can be expanded to include all youth, they offer long-term investment options, and provide a platform for CDAs at a scale that can lower costs (Clancy et al., 2004).

Public schools are a logical but significantly under-used site for reaching children and their families with financial education and financial services. Compared to a century ago, there

are relatively few school-based savings programs today, mostly because banks find them too expensive (Cruce, 2002). Old models of school-based savings programs can be modernized using the 529 College Savings Plan structure, using schools throughout urban areas as the entryway into financial services.

College savings are becoming an increasingly important part of the financial package required for higher education, however, low income students do not currently benefit from federal tax benefits that build college savings. According to the College Board (2007), federal grant aid and loans grew in the past decade by 82 percent and 61 percent, respectively. However, total federal aid *declined* as a proportion of total funds students spent for post secondary education from 66 percent to 58 percent. In contrast, the savings in College 529 Plans increased from \$2.4 billion to \$122 billion in 2007 (College Board, 2007). These trends show that savings play an increasingly decisive role in financing higher education. Yet low income youth do not benefit from this tax credit program. CDAs through 529 College Savings Plans would directly benefit low income youth and provide a platform for promoting financial education and academic engagement.

Evaluation and Research

Evaluation and research is an integral part of this proposal. Monitoring procedures will track program development, and experimental research studies will provide data on program effects.

Children's Development Accounts. Each state, in collaboration with the US Department of Treasury, monitors enrollment in CDAs; CDA savings deposits; CDA benchmark deposits; graduation rates from elementary, middle, and high school students; matriculation in higher education; and CDA distributions.

Research will examine the effectiveness of CDAs in selected sites, comparing older student cohorts (students not enrolled in CDAs) with CDA cohorts, with over-samples of groups of particular interest (e.g., ethnic/racial groups, regions of the country, types of schools). A variety of educational, attitudinal, and financial outcomes for students will be assessed and compared across cohorts. Research will include surveys and testing from baseline through high school graduation.

Finally, implementation research will provide insight into how the program unfolds in states with contrasting models.

Financial education in schools. The Department of Treasury, Office of Financial Education, in collaboration with state departments of education, will measure financial education outcomes in two ways. (a) Participating states will include financial education assessments in standardized tests that measure financial knowledge and skills among youth. A number of standardized instruments have been developed by independent researchers (e.g., National Council on Economic Education, 2004; Mandell, 2005). (b) Financial education outcomes (e.g., financial skills and knowledge, personal financial management, use of financial services) also will be measured in targeted school districts compared to non-participating districts.

Strategic place-based financial education. Benchmarks for place-based initiatives will be proposed based on each community's goals and objectives. Effort will be measured by assessing numbers of youth and families receiving financial education, families receiving case management and debt/foreclosure counseling, programs for benchmark deposits, funds raised and distributed for benchmark deposits, financial aid for higher education, and programs that link communities to institutions of higher education and training (e.g., visits to college campuses and other institutions of post secondary education and training). Place-based programs will also be evaluated by measuring individual and household outcomes, such as high school completion rates, student test scores, and higher education matriculation, bankruptcies, residential turnover, and property values.

Conclusion

This is a visionary and bold proposal to link low income youth to financial services, build savings for college, engage youth and their families in financial education, and open a pathway for youth in low income urban communities to future education and training. CDAs, while costly at the outset, are an investment in youth that will pay substantial economic and social dividends in future development.

It is important to ask about the ongoing economic and social costs if we do not make substantial investments in the future of America's youth. The current record – poor school performance, low rates of college matriculation, persistent poverty, financial services exploitation, deteriorating and unsafe communities, and growing prison populations – are underscore the fact that existing strategies are not working. We must test bold new approaches.

CDAs offer a promising place to begin. If more children, their parents, and their teachers view higher education as attainable, and invest energy in their schooling as a result, levels of

human capital will rise in low-income communities, leading to higher economic performance and lower public and private social expenditures. From a social development perspective, children and families will be more likely to envision and redouble their efforts to build a positive future. Moreover, children and their families will be more invested and more likely to remain in and be invested in communities that generate benchmarks and other support for college.

By high school graduation, students will be better prepared for higher education; they will own a savings account that links them to formal financial services; they will have savings to help pay for future schooling; and they will possess financial capability. Saving for college throughout elementary and high school will signal an intention to graduate from high school and attend higher education. Through increased financial capability and college savings, CDAs will increase the probability of attending higher education. The time is right to bring low-income youth into the financial services sector in a meaningful way that will benefit them, their families, and their communities.

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EDUCATION

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BOOKS

Sherraden, M.S. & McBride, A.M. (under contract). *Saving in Low Income Households: Building Assets Amid Uncertainty* [Working title]. University of Michigan Press.

Sherraden, M.S., Sanders, S.K., & Sherraden, M. (2004). *Kitchen Capitalism: Microenterprise in Poor Households*. State University of New York Press.

Sherraden, M.S. & Ninacs, W.C., Editors (1998). *Community Economic Development and Social Work*. Binghamton, NY: Haworth Press. Published simultaneously as special double issue of the *Journal of Community Practice*.

RECENT REFEREED JOURNAL ARTICLES

Sherraden, M.S., Laux, S., & Kaufman, C. (2007). Financial Education for Social Workers. *Journal of Community Practice*, 15(3), 9-36.

Johnson, E. & Sherraden, M.S. (2007) From Financial Literacy to Financial Capability among Youth. *Journal of Sociology and Social Welfare*, 34 (3), 119-145.

Vonderlack, R. & Sherraden, M.S. (2007). Microfinance, Women's Savings, and Financial Security in a Honduran Barrio, *Social Development Issues*.

Sherraden, M.S., Johnson, E., Elliott, W., Porterfield, S., & Rainford, W. (2007). The I Can Save Program: School-Based Children's Saving Accounts for College. *Children and Youth Services Review* 29(3), 294-312.

Sherraden, M.S., Stringham, J., Costanza Sow, S., & McBride, A.M. (2006). Forms of International Voluntary Service: A Sector of Global Civil Society. *Voluntas* 17 (2), 156-173.

Sherraden, M.S., McBride, AM., Hanson, S. & Johnson, L. (2006). Short-term and Long-term Savings in Low Income Households: Evidence from Individual Development Accounts. *Journal of Income Distribution* 13 (3-4), 76-97.

McBride, AM, Sherraden, M.S. & Pritzker, S. (2006). Civic Engagement among Low-Income and Low-Wealth Families: In Their Words. *Family Relations* 55 (2), 151-262.

RECENT BOOK CHAPTERS

Sherraden, M.S. (forthcoming). Community Economic Development. In T. Mizrahi & L. Davis (eds.), *Encyclopedia of Social Work*.

Sherraden, M.S. (2007). International civic service: A step toward cooperation in a global world. In A.M. McBride & M. Sherraden (eds.), *Civic service worldwide: Impacts and inquiry* (pp.181-205). New York: ME Sharpe.

Sherraden, M.S., Gonzalez, R. & Rainford, W. (2006). Hacia Un Futuro Más Seguro: Pregnancy and Childbearing Among Latina Adolescents. In F. Yuen, et al. (Eds.) *Teenage Pregnancy and Parenthood: Global Perspectives, Issues and Interventions*. Taylor and Francis.

Rubin, H.J. & **Sherraden, M.S.** (2004). Community Economic and Social Development (pp.475-493). In Marie O. Weil (Ed.), *Handbook of Community Practice*. Thousand Oaks, CA: Sage Publications.

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PROFESSIONAL EXPERIENCE

New America Foundation (Washington, DC)

Vice President, Domestic Policy Programs January 2008-present

Director, Asset Building Program July 2002-present

Corporation for Enterprise Development (CFED) (Washington, DC)

Policy Director November 1996-July 2002

The Aspen Institute (Washington, DC)

Consultant August 1996-November 1996

United Nations International Fund for Agricultural Development (Rome, Italy)

Consultant November 1993-June 1996

U.S. House of Representatives, Select Committee on Hunger and Office of Congressman Tony P. Hall (Washington, DC)

Professional Staff Member, Senior Legislative Aide April 1990-October 1993

Ray C. Bliss Institute of Applied Politics (University of Akron, Ohio)

Research Assistant July-August 1988 and June-July 1989

Committee for a SANE Nuclear Policy (Washington, DC)

Director, Membership Fundraising Program September 1985-June 1987

Ernst & Whinney, Certified Public Accountants (Charlotte, North Carolina)

Senior Staff Accountant November 1983-April 1985

SELECTED PUBLICATIONS and TESTIMONIES

- “Forget Easy Money. Try Saving a Few Bucks,” The Washington Post, October 2007
“The Next Social Contract,” The Washington Post, May 2007
“Invest \$500 in Every NY Newborn,” New York Daily News, August 2006
“Can California Import a British Plan?” San Francisco Examiner, July 2006
“IDAs and Savings Policy for the Poor,” Brookings Institution, March 2005
“Building Assets for Low-Income Families,” Testimony before the Senate Finance Committee, April 2005
“Share the Ownership,” The Washington Post, February 2005
“For Every Child, A Stake in America,” The New York Times, July 2003
“American Stakeholder Accounts, New America Foundation, June 2003
“Federal Policy and Asset Building,” Social Development Issues, Volume 25, 2003
“The \$6,000 Solution,” The Atlantic Monthly, January 2003
“The Big Idea: Asset Building,” Esquire, December 2002
“Poverty is More Than a Matter of Income,” The New York Times, September 2002
“Building Asset: A Report on the Asset Development and IDA Field,” CFED, December 2001
“H.R. 7, the Community Solutions Act of 2001,” Testimony before the House Ways and Means Committee, June 2001

EDUCATION

Harvard University, Kennedy School of Government

Master in Public Administration, June 1996

Yale University Divinity School

Master of Arts in Religion, concentration in ethics, May 1989

Ohio State University

Bachelor of Science in Business Administration, *cum laude*, major in accounting, September 1983

AWARDS and PROFESSIONAL ACCOMPLISHMENTS

Asset Building Innovation Award, CFED, 2004

“Best and Brightest,” *Esquire* Magazine, 2002

Littauer Fellow, Kennedy School of Government, Harvard University, 1996

Certified Public Accountant (inactive), State of Ohio

PaceSetter Award, Ohio State University, 1983

MARGARET M. CLANCY

WORK EXPERIENCE

Washington University in St. Louis, Center for Social Development, 1999 – present,
Policy Director

- Leads the SEED for Oklahoma Kids experiment project and SEED Account Monitoring research, a 10-year national children and youth savings initiative.

- Researches features of 529 college savings plans as a possible model for inclusive asset-based policy.
- Provides national leadership in research and policy on inclusive features of 529 State College Savings Plans. Constituents include State Treasurers, state officials, savings plan administrators, and other asset-building leaders.
- Designs databases and leads web-application design for research projects
- Lead state and national Individual Development Account data collection and reporting, including the Account Monitoring Research in the American Dream demonstration, the first national, systematic study of IDAs.

Boatmen's Trust Company, St. Louis, Missouri, 1981 - 1999

Vice President and Senior Master Trust Administrator

Education

Washington University, George Warren Brown School of Social Work, St. Louis, MO,
Master of Social Work (MSW), December, 1997.

University of Pennsylvania, Wharton School of Business and The International Foundation of Employee Benefit Plans, Certified Employee Benefit Specialist (CEBS), June 1991.

Southern Illinois University, Edwardsville, IL
Bachelor of Science, Business Administration, June 1981.

Selected Publications

- Clancy, M., Han, C-K., Mason, L.R. & Sherraden, M. (2006). Inclusion in College Savings Plans: Participation and Saving in Maine's Matching Grant Program (CSD Research Report 06-03). St. Louis
- Clancy, M., Cramer, R. & Parrish, L. (2005). Section 529 Savings Plans: Access to Post-Secondary Education, and Universal Asset-Building, issue Brief. Washington: New America Foundation.
- Schreiner, M., Sherraden, M., Clancy, M., Johnson, L., Curley, J., Zhan, M., et al. (2005). Assets and the poor: Evidence from Individual Development Accounts. In M. Sherraden (Ed.), *Inclusion in the American Dream: Assets, Poverty, and Public Policy*. New York: Oxford University Press
- Clancy, M., Orszag, P., & Sherraden, M. (2004). College savings plans: A platform for inclusive saving policy? Perspective. St. Louis: Washington University, Center for Social Development.

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Higher Education Experience

University of Missouri-St. Louis (2004-present)

Currently responsible for research and logistical support of social justice activities and initiatives; previously served as Urban Education Specialist for St. Louis Teacher Enhancement Partnership (STEP) grant partnering University's teacher preparation program with St. Louis Public Schools for improved urban teacher preparation and increased new teacher retention; Adjunct Faculty for three graduate level courses in College of Education focusing on social justice education; staff support to Dean's Committee on Social Justice; doctoral student

Webster University, Adjunct Professor (1997-present)

Instruct undergraduate media majors and other undergraduate students in critical analysis of the impact of media on formation of perceptions about race, class, gender, sexual orientation, ability, and religious/spiritual identities; teach an interdisciplinary introduction to multicultural studies course to undergraduate students

K-12 Education Experience

School District of University City, Director of Adult Basic Education (1987-1994)

Direct operations of school with 1200 adult students and a staff of 25 part-time teachers; managed instructional programs for adult English language learners, GED students, and adult literacy students

American Youth Foundation, Senior Program Facilitator (1994-1997)

Provide training, technical assistance and other resources to staff and governing boards of 16 Community Education Centers in the St. Louis Public Schools

St. Louis Public Schools, Divisional Assistant - School Partnership Program (1984-1987)

Plan and implement resource programs to reinforce and enhance pre-K to 12th grade curriculum in 40 schools

St. Louis Public Schools, Community School Coordinator (1981-1984)

Assess community needs and design and implement programs at Walbridge Community School

Education

BA in History, 1976 University of Missouri-St. Louis

MA in Urban Studies, 1981 Occidental College, Los Angeles

PhD in Social Justice Education, December, 2008 University of Missouri-St. Louis

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Education

M.P.P.A. (Public Policy Administration), University of Missouri – St. Louis, December 1985.

B.A. (Psychology), Illinois State University, December 1975.

University Experience

Director, Community Partnership Project, University of Missouri – St. Louis, March 2006 – present. Provide leadership to programs and initiatives linking University of Missouri Extension, University of Missouri – St. Louis and St. Louis communities. Directed two U. S. Department of Housing and Urban Development Community Outreach Partnership Center grants, development of Neighborhood Leadership Academy training initiatives for community organizations, and community-based learning and applied research activities for students.

Director of Community and Neighborhood Development, Public Policy Research Center, University of Missouri – St. Louis, January 2000 – March 2006. Provided leadership to programs and initiatives linking the University and St. Louis neighborhoods.

Regional Director, University of Missouri Extension, July 1992 – August 1998. Administration of University Extension programs and off-campus faculty in an eleven-county region of East Central Missouri.

Community Development Specialist, University of Missouri Extension, December 1986 – July 1992. Training and technical assistance services for local governments and community organizations.

Selected Grants and University-Community Partnerships

Old North Neighborhood Partnership, funded by U.S. Department of Housing and Urban Development Community Outreach Partnership Center grant, 2001. \$397,063.

Afton Community Partnership, funded by U.S. Department of Housing and Urban Development Community Outreach Partnership Center New Directions grant, 2005. \$199,893.

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EDUCATION

WASHINGTON UNIVERSITY, St. Louis Missouri

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Major: Urban Studies Minor: Political Science

CAREER RELATED EXPERIENCE

BEYOND HOUSING

September 1993 - Present

PRESIDENT/CEO - September 1993 - Present

Provide leadership and guidance to 32 year non-profit organization. The organization owns and manages more than 200 single family homes that are rented to low-income families and provides supportive services and programming to those families. Guide the

organization in regional homeownership creation, preservation and education for families and individuals and in the targeted community of Pagedale, Missouri where Beyond Housing provides leadership training, fosters economic development, service delivery and community building. Oversee \$5 million annual budget, \$15 million in real estate assets and act as lead fundraiser for organization. Guided the organization through four fold growth, name change and merger in fourteen year tenure.

HOUSING AUTHORITY OF ST. LOUIS COUNTY

June 1988 - September 1993

DEVELOPMENT SPECIALIST - Contact administrator for the Authority's portion of St. Louis County's HOME Program - program includes production of housing for low income households and the newly created Accessible Housing Program; administered the Rental Rehabilitation Program -- program dispersed over \$2 million in funds to assist in the Rehabilitation of low income housing units (Nationwide, the St. Louis County Rental Rehabilitation Program ranked in the top 5% in dispersing funds for this program); aided in writing the proposal for a Public Housing Homeownership Program; coordinator of the Urban Homesteading Program that provides homeownership opportunities for low to moderate income households; assisted in the implementation of Public Housing Development program that will provide new low income housing units; reviews tax-exempt, low income housing bond issuance applications for Housing Authority to external groups and the community.

HOUSING AUTHORITY OF ST. LOUIS COUNTY

April 1986 - May 1988

SENIOR HOUSING SPECIALIST - Authorized payment to owners of a subsidized housing program; certified prospective tenants for subsidized housing; mediated conflicts between the Housing Authority and owners concerning payments for rental property; collected, entered and maintained computerized information on tenants, landlords, and the subsidized housing program.

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1. Educational History

University of Massachusetts	Amherst, MA	Ed.D in teacher education	1973
University of Stockholm	Stockholm, Sweden		1964-1966
Texas Lutheran College	Seguin, TX	B.S. in Chemistry	
	1964		

2. Work History

1999-Pres.	University of Missouri Saint Louis, <i>Emerson Electric Endowed Professor of Technology and Learning.</i>
1994-1999	Cooperating Schools Districts, Saint Louis MO, <i>Director of Educational Technology.</i>

July/August 1991 Shanxi Education College, Republic of China, *Visiting Professor*
 1984-1994 Regional Consortium for Education Technology, Saint Louis, MO,
Executive Director.
 1984-1989 Washington University, Saint Louis MO, *Adjunct Associate Professor of*
Education.
 1977-1984 Incarnate Word College, San Antonio TX, *Associate Professor and*
Division Chair of professional studies, Moody Foundation Professor,
 1984
 1975-1977 United Nations Scientific and Cultural Organization (UNESCO), National
 Teacher Training College, Maseru, Lesotho Southern Africa, *Expert.*
 1973-1976 Webster University, Saint Louis MO, *Assistant Professor.*
 1971-1972 Museum of Science, Boston MA, *Assistant Director of Education.*
 1970-1971 University of Massachusetts School of Education, Amherst MA,
Instructor.

3. Selected Papers and Presentations

- Navarro, V., & Hoagland, C., (2004). *Creating online classroom activities: A Constructivist approach.* Presentation at the University of Missouri –St. Louis, March, 2004.
- Holstrum, L., Scordias, M., Fowler, T., & Hoagland, C. (2004). *Online Modules to prepare urban educators.* Paper and Panel member at the Society for Information & Teacher Education Conference sponsored by AACE, March, 2004.
- Song, K., Scordias, M., Huang, C., & Hoagland, C., (2004). *Implementing electronic portfolios: An enterprising solution.* Paper and presentation at the Holmes Partnership Annual conference, January, 2004.
- Hoagland, C., Scordias, M., Catapano, S., Navarro, V., Bielema, C., Seuss, P., et al. (2004). *Lessons learned: Stages to becoming an online instructor.* Society for Information Technology and Teacher Education International Conference, 1, 475-481. (Paper presented at SITTE 2004 Conference.).
- Baskerville, B., & Hoagland, C. (2002). *Focus on teaching and technology.* Presentation at the University of Missouri St. Louis, November, 2002.
- Hoagland, C. (2002). *Putting the web to work for the fed.* Presentation on choosing the right technology for the task. Held at St. Louis executive Conference Center. November, 2002.
- Hoagland, C., (2001). *Brainstorming session leader for community trip.* Teaching and Learning Division at the University of Missouri St. Louis, November 2001.
- Bielema, C., & Hoagland, C. (2001). *The Ins and Outs of a Team Web Course Development Strategy.* Proceedings of the 17th Annual Distance Learning and Teaching Conference, Madison, WI.
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Education

AB (Social Relations), *cum laude*, Harvard University, 1970
MSW (Social Administration), University of Michigan, 1976

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Professional Positions

Faculty of Washington University in St. Louis, 1979-present.
Zellerbach Visiting Professor, University of California, Berkeley, 2003-04.
Fulbright Research Fellow, National University of Singapore, 1992-93.
Visiting Professor, National Autonomous University of Mexico, 1987-88.

Recent Books

Sherraden, M.S., & McKernan, S.M. (Eds.) (forthcoming 2008). *Poor finances: Asset accumulation in low-income households* (working title). Washington: Urban Institute Press.

McBride, A.M., & Sherraden, M. (Eds.) (2007). *Civic service worldwide: Impacts and inquiry*. Armonk, NY: M.E. Sharpe.

Schreiner, M., & Sherraden, M. (2007). *Can the poor save? Savings and asset building in Individual Development Accounts*. New Brunswick, NJ: Transaction.

Sherraden, M. (Ed.). (2005). *Inclusion in the American Dream: Assets, poverty, and public policy*. New York: Oxford University Press.

Sherraden, M.S., Sanders C., & Sherraden M. (2004). *Kitchen capitalism: Microenterprise in low-income households*. Albany, NY: State University of New York Press.

Recent Journal Articles and Book Chapters

Lombe, M., & Sherraden, M. (forthcoming). Effects of participating in an asset-building intervention on social inclusion. *Journal of Poverty*.

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