

Child Savings Accounts put more kids on track for success in education

House Bill 2776 and **Senate Bill 6577** directs the Washington Student Achievement Council (WSAC) to explore design options and develop an implementation plan to establish child savings accounts (CSA) at birth for every child born in Washington state.

CSAs are long-term savings or investment accounts that provide incentives to help children – especially children with low incomes – build dedicated savings for postsecondary education.¹ **CSA programs structured to advance equity can set kids up for lifelong success, particularly many kids of color in families who may face additional barriers to economic opportunity.**

The study produced by WSAC would include design options and an implementation plan that would include the following program options:

- » Automatic enrollment for all Washington children at birth
- » An initial seed deposit as well as progressive incentives for families with lower incomes
- » Outreach and engagement plans
- » Options for funding the program and making the program financially self-sustaining
- » Options for collaborating with the philanthropic sector

CSAs can have life-changing impacts

The broad-ranging benefits of CSAs for kids and families include:

- » **Raising the educational expectations of kids and their families:** Parents of children with a CSA account are more likely to see their child as college bound, which in turn has a positive influence on children's expectations of themselves and their academic performance in school.²

- » **Improving educational attainment and outcomes:** Low- and moderate-income children with college savings (even with modest amounts) are three times more likely to go to college and four times more likely to graduate than those with no college savings.³ Black kids with CSAs are six times more likely to go to college and four times more likely to graduate.⁴
- » **Health benefits:** CSAs have been tied to lower rates of maternal depression for mothers as well as better social-emotional development for kids.⁵ One study found that participation in a CSA program had a similar effect to participation in an Early Head Start program.

The CSA program would advance equity

CSAs can be especially beneficial for children from low- and middle-income families and for kids of color. Due to persistent historically racist policies, institutions, and structures, many families of color and their kids are starting off on uneven footing – facing multiple and intersecting barriers to meaningful opportunities that prevent them from thriving throughout their lifetimes. By making this investment early in life, there is the potential to generate positive benefits for the kids farthest from opportunity and help set them up for lifelong success.

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¹ Campaign for Every Kids Future.

² Kim et al. (2015); Meni (2016); Rauscher et al. (2016); Elliot et al (2010).

³ Elliot et al (2013).

⁴ Friedline et al (2013).

⁵ Huang et al. (2014); Huang et al. (2014)