

# 2017 REPORT TO OUR COMMUNITY





*A NEW IDEA.*

*A NEW METHOD.*

*A NEW PRODUCT.*

*A NEW WAY  
OF LOOKING  
AT AN OLD  
PROBLEM.*



# LETTER TO THE COMMUNITY

Hon. Tishaura O. Jones  
City of St. Louis Treasurer's Office

Look up “innovation” in the dictionary, and you’ll find this definition: “A new method, idea or product.”

That’s exactly what I had in mind when I created the College Kids Children’s Savings program. An idea to use government—specifically residual parking meter revenue—in a different way and to make it work for the people. So we took something that people don’t like (parking tickets and paying for parking) and used it to support something people do like (investing in children).

A new idea. A new method. A new product. A new way of looking at an old problem.

Embracing innovation is paying off for College Kids. We finished the second year of the program with almost 6,400 students enrolled at 65 City of St. Louis public schools. Our College Kids families saved almost \$21,000 of their own money in the first two years of the program. This is significant because research shows that children with less than \$500 saved are three times more likely to enroll in college and four times more likely to graduate from college than children without college savings accounts.

Another way College Kids embraces innovation is by using research and strategic partnerships to grow and improve the program. In this report, you will learn more about our partnership with Duke University’s Common Cents Lab and how their research has helped identify positive change for College Kids. We look forward to continuing our Common Cents partnership as we start the third year of College Kids.

This attention to innovation and solving an old problem in a new way has not gone unnoticed. College Kids was honored this year by Focus St. Louis with a What’s Right with the Region Award in the category of Demonstrating Innovative Solutions. We are grateful to Focus St. Louis for this honor, and we are grateful to everyone who has supported us on our mission to make college possible for the children of St. Louis.

Thank you for your support of College Kids!

Tishaura O. Jones  
Treasurer, City of St. Louis





# LETTER TO THE COMMUNITY

## 1st Financial Federal Credit Union

1st Financial Federal Credit Union is honored to participate in the College Kids program again. We are proud to host Family Savings Nights, provide financial education and credit building workshops, and to provide the vehicle for families to make deposits into their College Savings Accounts. We have been impressed with the constant commitment of Treasurer Jones and the Office of Financial Empowerment to pursue continued growth of participation in this important program.

In 2017, we have seen deposits into College Savings Accounts grow by more than 174%. The growth in the number of regular depositors for these accounts has also been significant. In addition, the number of children and families that attend Family Savings Night events continues to exceed our expectations. These successes are only possible because of dedicated partners and the engagement of our amazing participating families.

1st Financial Federal Credit Union has a core purpose to help people achieve their financial dreams. Our partnership in this program has allowed us to provide credit building education and services to many families in 2017. These services help families save money by increasing their credit scores and providing access to low cost banking services.

It is an exciting season in the life of the College Kids program that is working to provide hope, college resources, positive

banking habits, and reduce the racial wealth divide in the City of St. Louis. We are blessed to have had the opportunity to get involved with the program from inception and are looking forward to continued growth in 2018.

Thank you for allowing us to be your partner in this important program.

Carol Minges  
CEO, 1st Financial Federal Credit Union



## OUR MISSION

The City of St. Louis Treasurer's Office provides college savings accounts to all kindergartners enrolled in City of St. Louis public schools. College Kids' mission is to improve college access and attainment among youth, increase assets for low-to moderate-income families living within the city, and promote the use of safe and affordable mainstream financial services and products among students and their families.

## OUR VISION

Our vision is that every child in the City of St. Louis will have concrete hope and a fiscal pathway to achieve postsecondary education. Equipped with financial knowledge and skills, all families will have access to asset-building products and services to combat the racial wealth divide in our region.

# THE COLLEGE KIDS PROCESS

## Steps to Building College Savings

### STEP 2

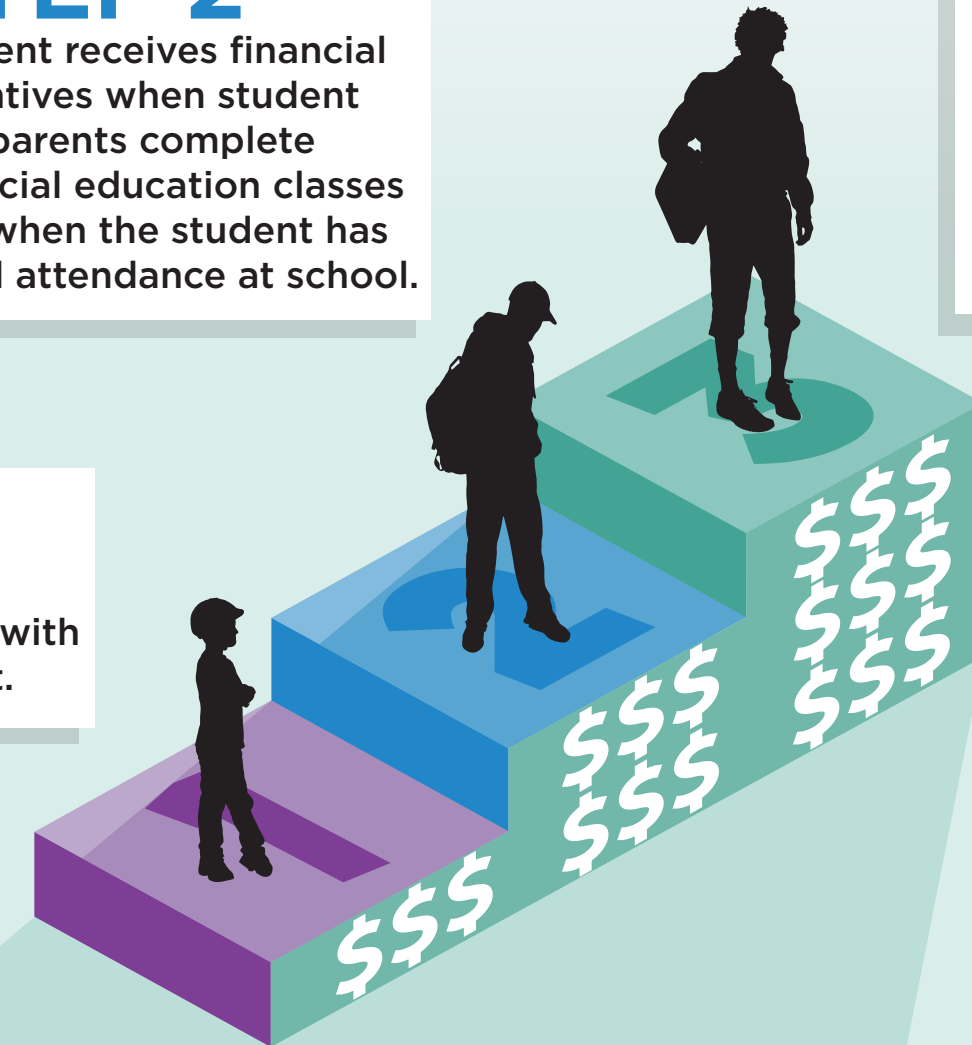
Student receives financial incentives when student and parents complete financial education classes and when the student has good attendance at school.

### STEP 3

Savings continue to build as family and friends contribute money to the account. Deposits are matched dollar for dollar up to the first \$100.

### STEP 1

College savings account is opened with a \$50 seed deposit.







*Parents and children with early savings have greater college expectations.*

William Elliott, At-Risk Children's College Aspirations and Expectations: The Potential of College Savings Accounts (St. Louis, MO: Washington University St. Louis Center for Social Development, 2008).

# PARENT SPOTLIGHT

## Denean Vaughn

Denean Vaughn did not graduate from college, but she sees the College Kids Children's Savings Account program as a promise that her son, Sean Farrington, will achieve his goal of a college education.

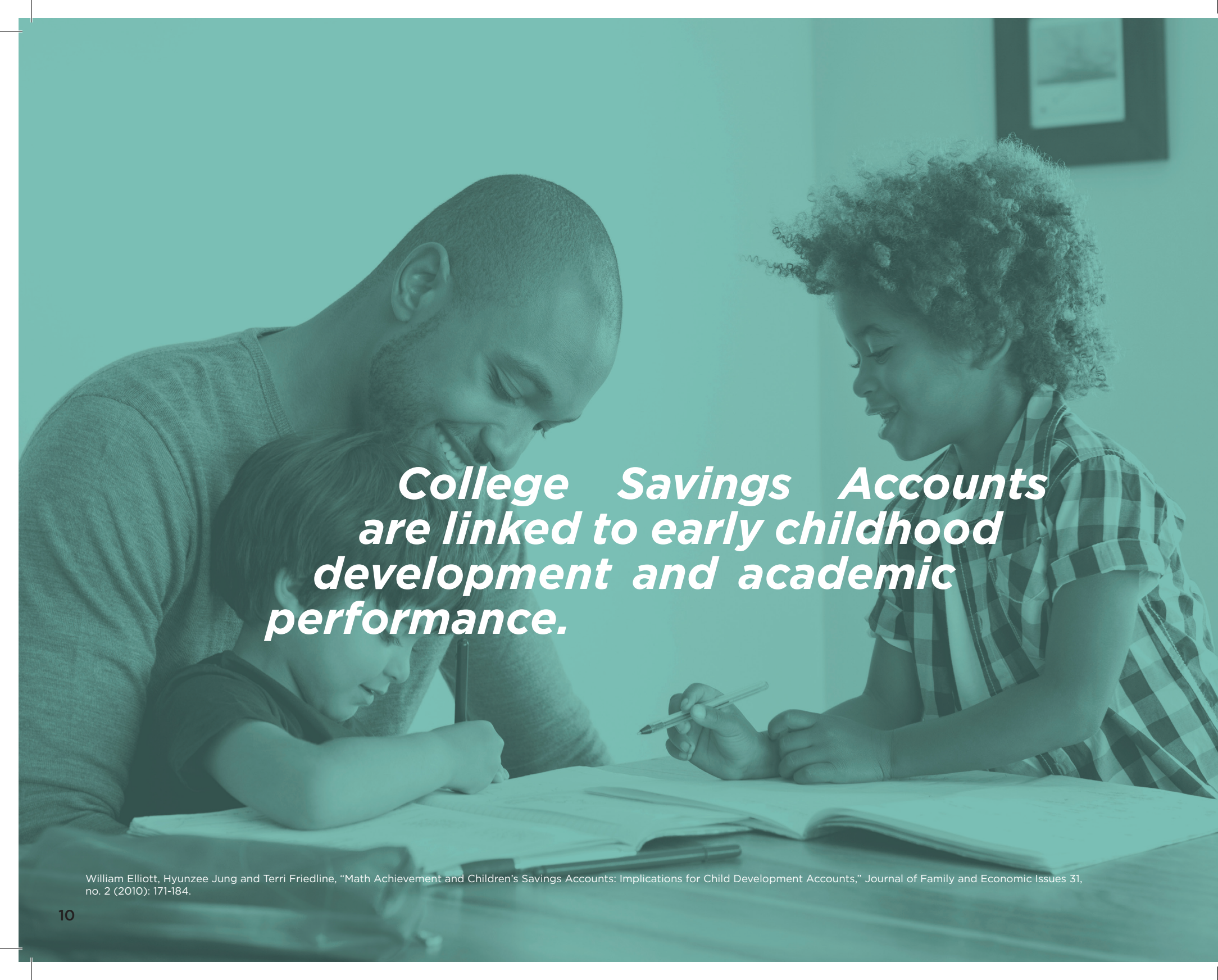
Sean, a student at City Garden Montessori, enrolled in College Kids in 2015. Denean was interested in participating when she learned the City of St. Louis Treasurer's Office not only opened college savings accounts, but also made an initial deposit of \$50 to jumpstart savings.

Sean's account is now up to almost \$2000 because of Denean's active participation in College Kids matches and incentives, including Family Savings Night, attending Lunch and Learns in the Office of Financial Empowerment, and getting dollar-for-dollar matches for making monthly deposits.

Denean and Sean are invested in College Kids, and look forward to Sean attending college. "I wonder today how different my life would be if I had someone 'invest' in my future and 'cast' a vision for my life as a young child," said Denean. "The program is [designed] to help you succeed in reaching your college aspirations for your bright, amazing little person."







***College Savings Accounts  
are linked to early childhood  
development and academic  
performance.***

William Elliott, Hyunzee Jung and Terri Friedline, "Math Achievement and Children's Savings Accounts: Implications for Child Development Accounts," Journal of Family and Economic Issues 31, no. 2 (2010): 171-184.

# KID SPOTLIGHT

## Lucian Bica

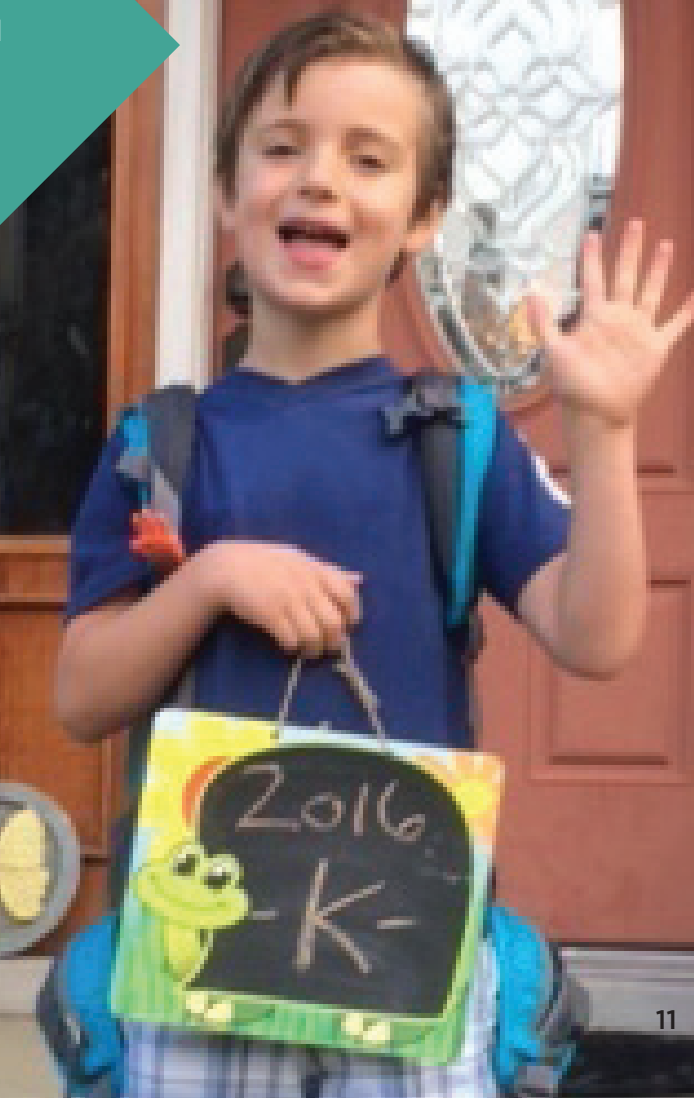
Meet Lucian, a kindergartner at Wilkinson Elementary.

Lucian knows that he will go to college but hasn't decided which one yet. He does know that he wants to stay close to home. Lucian has already saved for college by depositing \$70 of his own money into his College Kids savings account. He participated in research studies through Washington University, saved money from his birthday and from chores. Jodie Bica, his mother, has noticed that Lucian thinks about money and savings more often than he did before the College Kids program.

When Lucian receives money, he considers how much to save versus how much to spend. Lucian's advice to other College Kids is to save for college by "completing research studies with me and save some of their money from chores."

Lucian's parents, Nicolae and Jodie Bica, have always aspired for Lucian to attend college. "We've talked to Lucian about going to college since he was two. We want to make sure college isn't overwhelming for him," the Bicas stated. They describe the College Kids Children's Savings Accounts Program as the jump start their family needed to begin saving for Lucian's college education.

The Bicas encourage all families in St. Louis Public Schools to participate in the College Kids program. Referring to the attendance incentive, the Bicas stated, "It's super easy to sign up. It's a great way to help families and get kids to think about future goals."

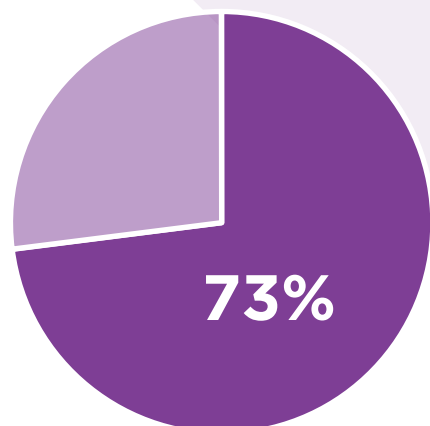




# COLLEGE KIDS TOP 5 SCHOOLS

## Farragut Elementary School

4025 Sullivan  
St. Louis, MO 63107



73% of students are actively growing their savings

**\$3,650**

in total college savings

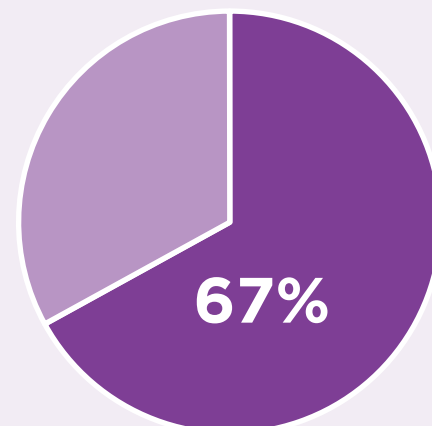
50 students enrolled



= 10 students

## Pamoja Preparatory Academy at Cole

3935 Enright Ave.  
St. Louis, MO 63108



67% of students are actively growing their savings

**\$8,115**

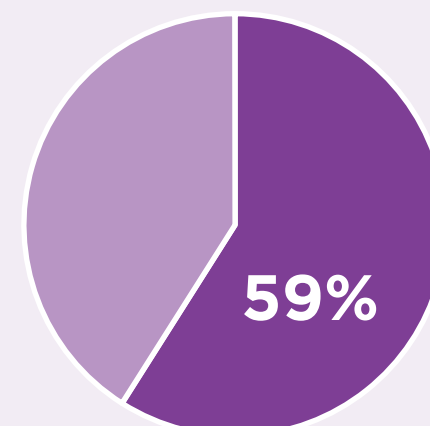
in total college savings

103 students enrolled



## KIPP Wisdom Academy

2647 Ohio Ave.  
St. Louis, MO 63118

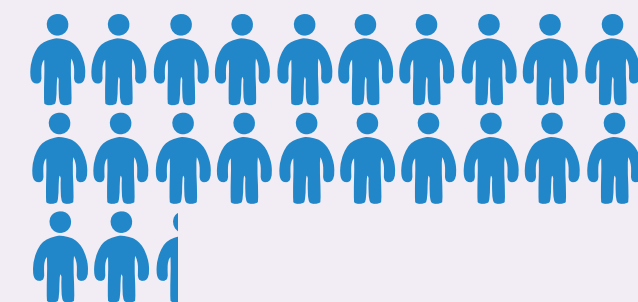


59% of students are actively growing their savings

**\$15,733**

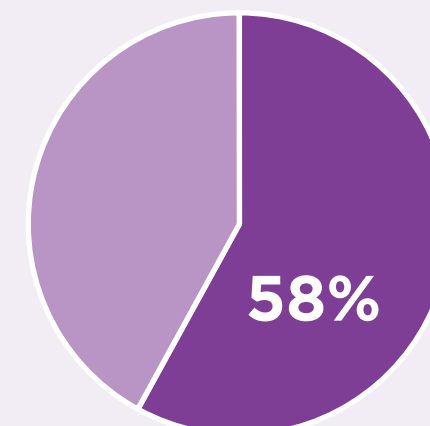
in total college savings

222 students enrolled



## EAGLE Tower Grove East

2900 S. Grand Blvd.  
St. Louis, MO 63118



58% of students are actively growing their savings

**\$2,550**

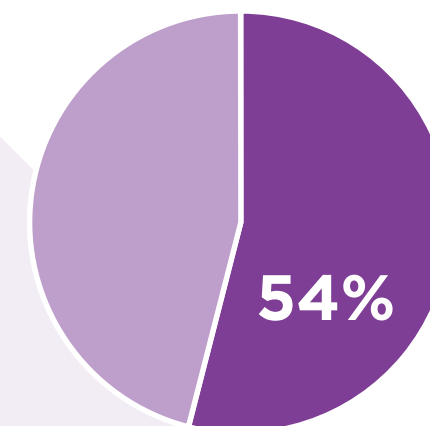
in total college savings

34 students enrolled



## Walbridge STEAM Academy

5000 Davison Ave.  
St. Louis, MO 63120



54% of students are actively growing their savings

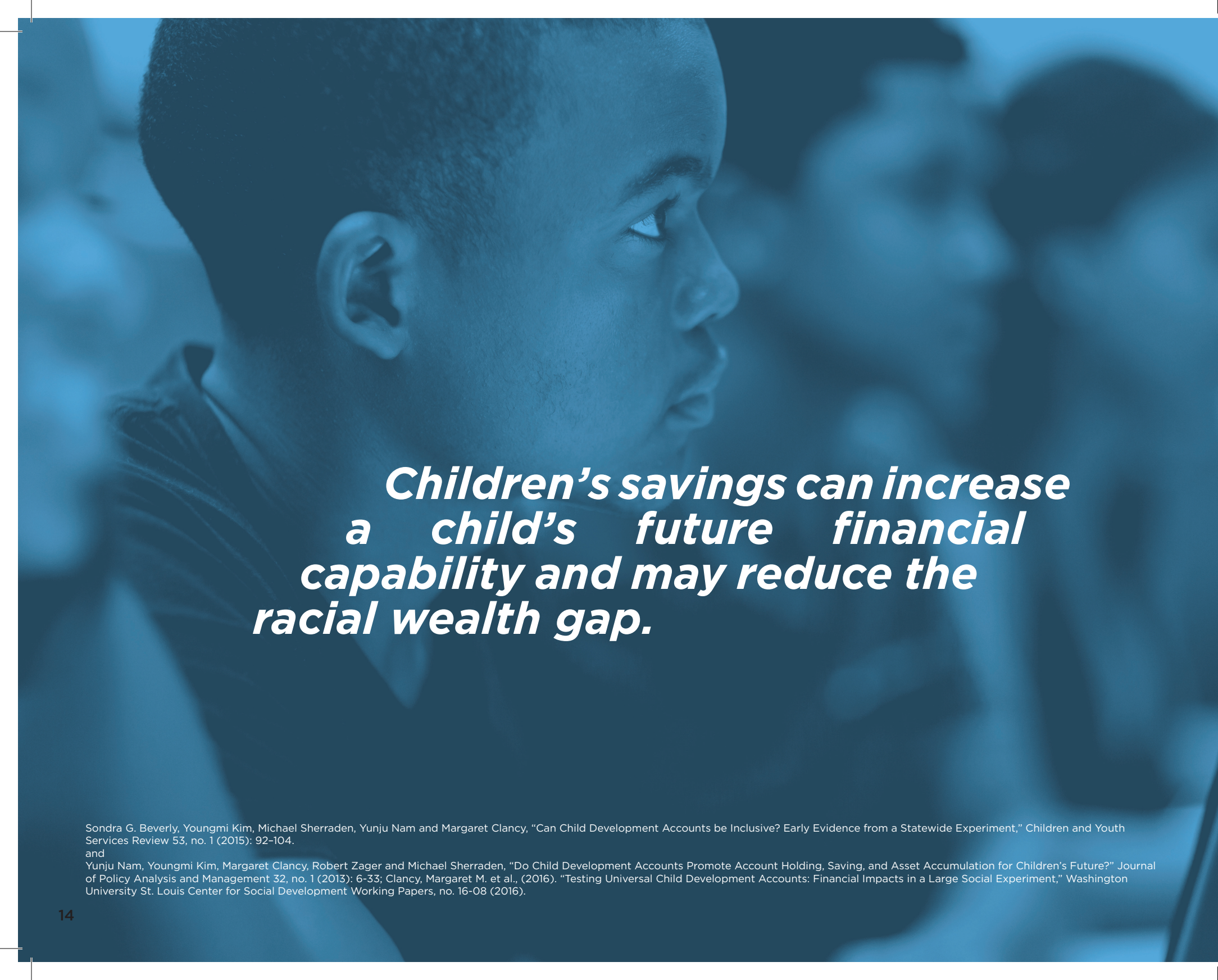
**\$4,648**

in total college savings

72 students enrolled







***Children's savings can increase  
a child's future financial  
capability and may reduce the  
racial wealth gap.***

Sondra G. Beverly, Youngmi Kim, Michael Sherraden, Yunju Nam and Margaret Clancy, "Can Child Development Accounts be Inclusive? Early Evidence from a Statewide Experiment," *Children and Youth Services Review* 53, no. 1 (2015): 92-104.  
and  
Yunju Nam, Youngmi Kim, Margaret Clancy, Robert Zager and Michael Sherraden, "Do Child Development Accounts Promote Account Holding, Saving, and Asset Accumulation for Children's Future?" *Journal of Policy Analysis and Management* 32, no. 1 (2013): 6-33; Clancy, Margaret M. et al., (2016). "Testing Universal Child Development Accounts: Financial Impacts in a Large Social Experiment," Washington University St. Louis Center for Social Development Working Papers, no. 16-08 (2016).

# INNOVATION PARTNER

## Common Cents Lab

College Kids is committed to evidence-based practices and policies. Our program has benefitted from decades of research on children's savings from the Center for Social Development at Washington University in St. Louis, AEDI at Kansas University, and Prosperity Now. We know that automatically providing a savings account with an initial deposit for all kids works.

However, there more to a children's savings program than creating the structure. The Treasurer's Office is in a constant process of seeking out best practices in program implementation and family engagement. That's why we partnered with the Common Cents Lab at Duke University, a financial research lab that helps low-to-moderate income households improve their financial well-being. The Common Cents Lab is part of the Center for Advanced Hindsight at Duke University and is comprised of researchers and experts in product design, economics, psychology, public policy, advertising, product design, and business administration.

The Lab's behavioral researchers design and test solutions to increase the financial well-being for low- to moderate- income individuals. Our work with the Common Cents Lab began with a basic question: how do we increase savings for low-income families?

After a site visit from the behavioral economics team, Common Cents Lab designed an experiment centered on the distribution

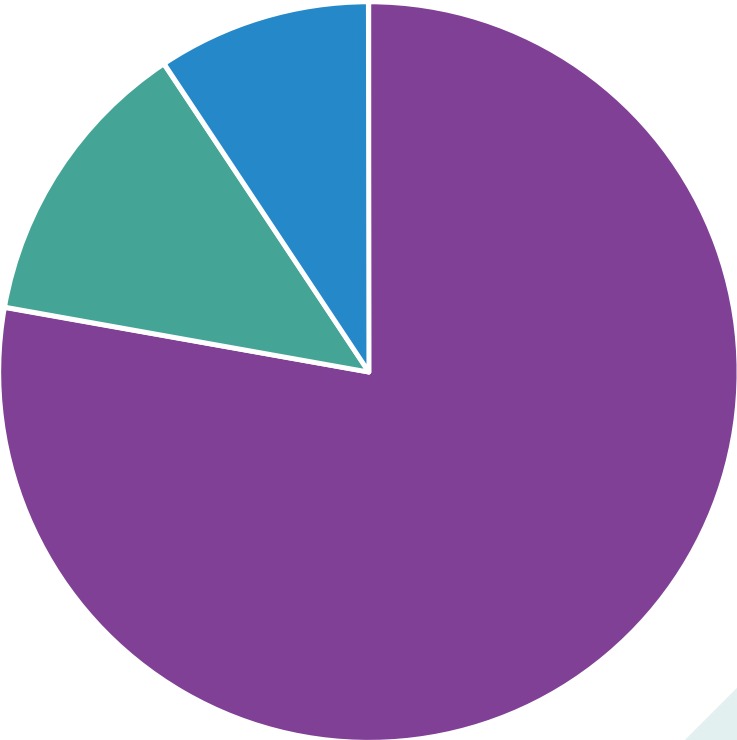
of an end of year account statement. We wanted to take an informational piece and turn it into a prompt for savings.

The test found that sending home information through a child's backpack is more effective than sending information by mail. Research suggests that the messenger of information impacts how it is received. By changing the messenger to the child participating in the program, we increased the likelihood by 3.5% that families would engage with their child's savings account. Sending the account statement home with the child also led to an increase in the number of deposits, especially the number of families signing up for direct deposit. Through one low-cost intervention, we more than doubled the number of families using direct deposit to save. Helping families sign up for direct deposit is the most surefire way to help families save more over the next decade for college compared to saving on their own.

Going forward, we have several research experiments planned with the Common Cents Lab, including designing a streamlined direct deposit form for city employees, testing pre-commitment to savings, and using texting to engage with families.



# 2017 STATEMENT OF ACTIVITIES

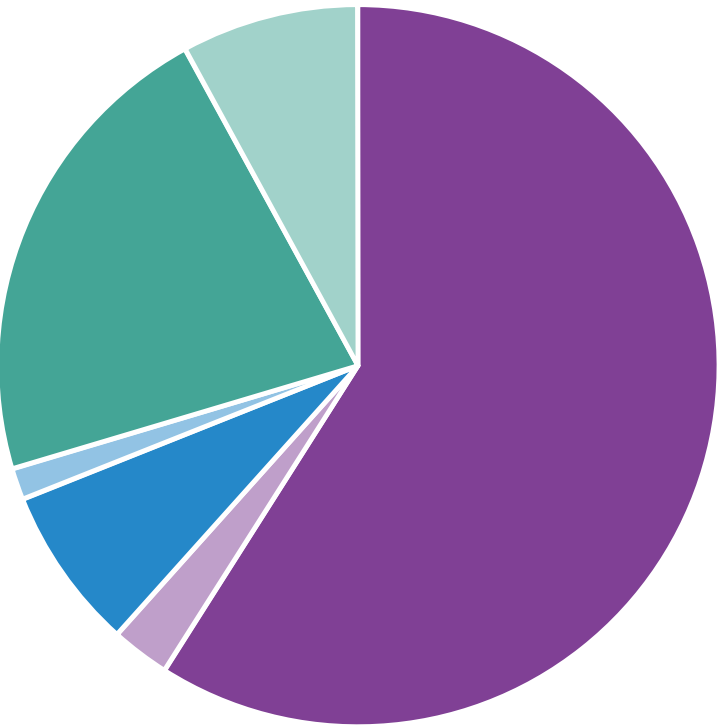


## REVENUE SUPPORT

**PARKING RESIDUALS  
(SEED DEPOSITS)**  
**\$175,000**

**INDIVIDUAL DONORS  
(\$5-\$500)**  
**\$28,912**

**CORPORATE DONORS**  
**\$21,000**  
Reinsurance Group of America  
United Way of Greater St. Louis  
Wells Fargo Advisors



## EXPENSES

**SEED DEPOSITS**  
**\$163,450**

**MATCHING INCENTIVES**  
**\$7,245**

**ATTENDANCE INCENTIVES**  
**\$20,330**

**FINANCIAL EDUCATION INCENTIVES**  
**\$3,923**

**STAFF AND ADMINISTRATION**  
**\$60,000**

**SOFTWARE AND MARKETING**  
**\$22,000**



# COLLEGE KIDS PARTNERS

*Children with college savings are more likely to go to and graduate from college.*



1st Financial Federal Credit Union holds the College Kids savings accounts, hosts Family Savings Nights, provides credit-building workshops for families, and partners with the OFE for financial literacy events.



St. Louis Public Schools assist with the enrollment of all SLPS students into the College Kids program, and hosts informational meetings for families and school staff.



Missouri Charter Public School Associations assists with the enrollment of all students attending a charter school within the City of St. Louis, and hosts family outreach events at individual schools.