

## The Milwaukee Children's Savings Account (CSA) Initiative

The City of Milwaukee, in partnership with a diverse group of cross-sector partners, seeks to launch the Milwaukee Children's Savings Account (CSA) program to help put all of Milwaukee's children on a path to a successful future. As highlighted in the *City of Milwaukee's Growing Prosperity Plan*, CSAs are an important strategy for raising young people's expectations for their futures, increasing their educational attainment and ensuring they are equipped to succeed in the workforce. By investing in our children, the CSA program helps pave the way for a brighter future for all Milwaukeeans.

### Why are CSAs important?

Research has shown that **even small dollars saved can have a big impact on the lives of low-income students**. These small savings help create a college-bound identity in children, in which they see themselves as someone who will go to college. In other words, having even small college savings raises children's expectations for their future. Research shows a strong link between children's expectations for educational attainment and their outcomes.<sup>1</sup>

"Students from low-income families who have \$500 or less saved for college are **three times more likely to attend college** and **four times more likely to graduate** than those whose families do not have college savings."<sup>2</sup>

### Why Does Milwaukee Need a CSA Initiative?

Milwaukee's economic future depends on an educated, prepared, and skilled workforce. A 2009 survey by the Regional Workforce Alliance found that more than half of the job openings in the Milwaukee area require at least some postsecondary education, and that percentage is expected to rise. Many Milwaukee residents do not have these educational credentials, and this gap in educational attainment poses a significant challenge for the economic future of the city.

### What are CSAs?

CSAs are long-term investment accounts established as early as birth and grown until adulthood. The accounts grow through program incentives such as initial deposits and matches and contributions made by the children and their family members as their household finances allow. Money in the accounts is generally restricted to paying for postsecondary educational expenses.

### What is the Milwaukee CSA Initiative?

Starting in 2015, a working group—led by the City of Milwaukee and including key stakeholders from schools, financial service providers, and community groups—developed a business plan for the CSA program. With support from CFED—a national nonprofit experienced in designing CSA programs -- the plan now serves as a guide for program implementation.

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<sup>1</sup> William Elliott and Kelly Harrington, [\*Identifying Short Term Outcome Metrics for Evaluating Whether Children's Savings Accounts Assets and Education Initiative, Building Expectations, Delivering Results, Asset Based Financial Aid and the Future of higher Education\*](#), July 2013

## Program Goals

- Increase postsecondary education rates to ensure Milwaukee has a 21<sup>st</sup> century workforce that is positioned for economic mobility
- Improve the financial capability of participating children and their families' to enable them to effectively manage financial resources and improve their financial security

## Program Features

The Milwaukee CSA program will initially be managed by the City of Milwaukee, in partnership with Milwaukee Public Schools and Edvest, Wisconsin's 529 plan.

- **Who benefits?** The program will serve Milwaukee children in kindergarten beginning with MPS students and expanding to charter, private, choice, and home school in future years.
- **How will they enroll?** Children will be automatically enrolled with parents having the choice to opt out of the program.
- **Who holds the account?** The program will open a master 529 account through Edvest to hold incentives on behalf of all participating children. Parents will be encouraged to open their own personal 529 account to make contributions for their child. All incentives will be held in the master account until children are ready to use them for postsecondary education.
- **What will be offered?** Children will receive an initial deposit of \$25 when they enroll in the program to jumpstart their savings. The program will offer additional annual incentives for accomplishments, including school attendance, proficiency on reading tests, and opening a 529 for family contributions.

### CSA Work Group Partners

City of Milwaukee  
 Boys & Girls Club  
 Great Lakes Higher Education  
 Guaranty Corp.  
 Greater Milwaukee Foundation  
 Guaranty Bank  
 Journey House  
 Make a Difference Wisconsin  
 Milwaukee Public Schools  
 Milwaukee Succeeds  
 TIAA-CREF  
 United Way of Greater  
 Milwaukee & Waukesha Co.  
 WI 529 College Savings Plan

## Program Budget

The estimated CSA program budget includes expenses for program delivery and funding for an initial deposit and incentives earned for each child.

	Year 1	Year 2	Year 3	Total
Program Delivery Costs	\$177,095	\$175,842	\$179,838	\$532,775
Deposits & Incentives	\$238,830	\$325,185	\$522,050	\$1,086,065
<b>Total Costs</b>	<b>\$415,925</b>	<b>\$501,027</b>	<b>\$701,888</b>	<b>\$1,618,840</b>

## Contact Information

To learn how you can support the program, please contact Sharon Robinson, Director of the City of Milwaukee Department of Administration at: 414-286-3828 or [srobins@milwaukee.gov](mailto:srobins@milwaukee.gov).