



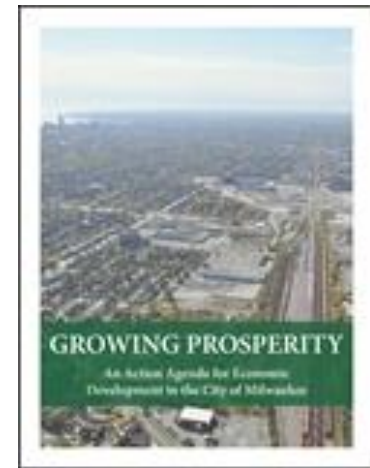
Milwaukee Children's Savings Account Initiative

Finance & Personnel Committee Update
December 13, 2017



BACKGROUND

- The Milwaukee Children’s Savings Account (CSA) program is an action item in *Growing Prosperity: An Action Agenda for Economic Development in the City of Milwaukee*
- *Growing Prosperity* called for investigating national CSA models as a strategy to change the educational aspirations of low-income youth and grow the local workforce employers need
- CSA workgroup, including cross-sector stakeholders from schools, financial service providers, and community groups formed to explore national models and determine the feasibility of launching a large-scale CSA initiative in Milwaukee
- *Prosperity Now* – a national nonprofit experienced in designing CSA programs – supported the development of a plan that serves as a guide for program implementations



WHAT ARE CSAs?



- CSAs are long-term investment accounts established as early as birth and grown until adulthood
- Accounts are seeded with initial deposits and grow through family contributions and incentives, such as savings matches
- Savings are generally restricted to paying for post secondary educational expenses
- Often paired with financial empowerment tools and asset building services for children and families

WHY DOES MILWAUKEE NEED A CSA INITIATIVE?

Figure 5.6: Post-Graduation Plans for Milwaukee Public Schools Class of 2012

Growing Prosperity (Figure 5.6)

Only 36.5% of African American students and only 32.3% of Hispanic or Latino students had plans to go to college compared to 45.9% of White students and 51.6% of Asian students

	College	Vocational or Technical School	Job Training
Asian	51.6%	14.4%	0.8%
African American	36.3%	23.6%	0.5%
Hispanic or Latino	32.3%	21.2%	1.7%
White, Non-Hispanic	45.9%	13.7%	0.8%

Source: Wisconsin Department of Public Instruction, 2012

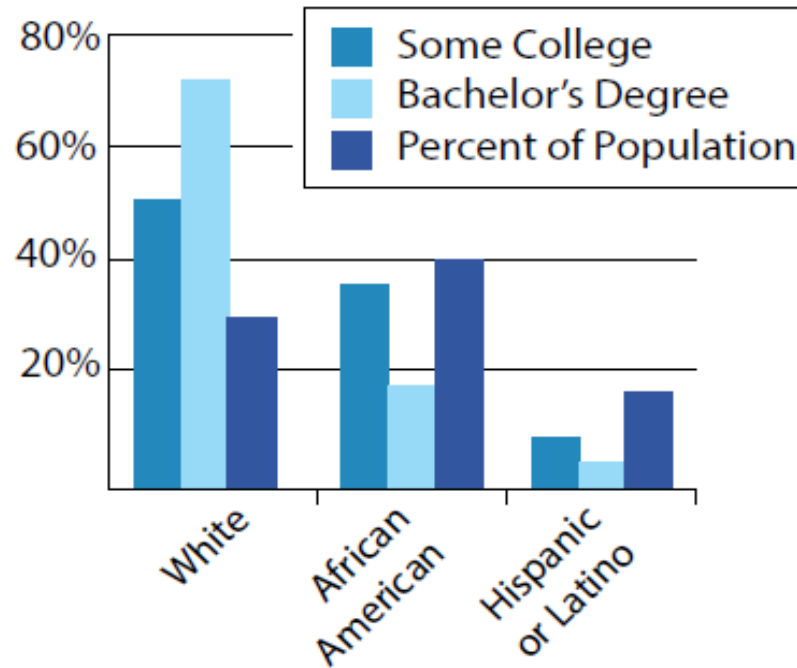
CSAs are an important strategy for raising young people's expectations for their futures.

WHY DOES MILWAUKEE NEED A CSA INITIATIVE?

Figure 5.5: Educational Attainment by Race/Ethnicity for the City of Milwaukee

Growing Prosperity (Figure 5.5)

White residents (37% of population), hold 71% of bachelor's degrees. In contrast, African Americans (40% of population), hold only 17%. Hispanics or Latinos (17% of population), hold only 5% of bachelor's degrees

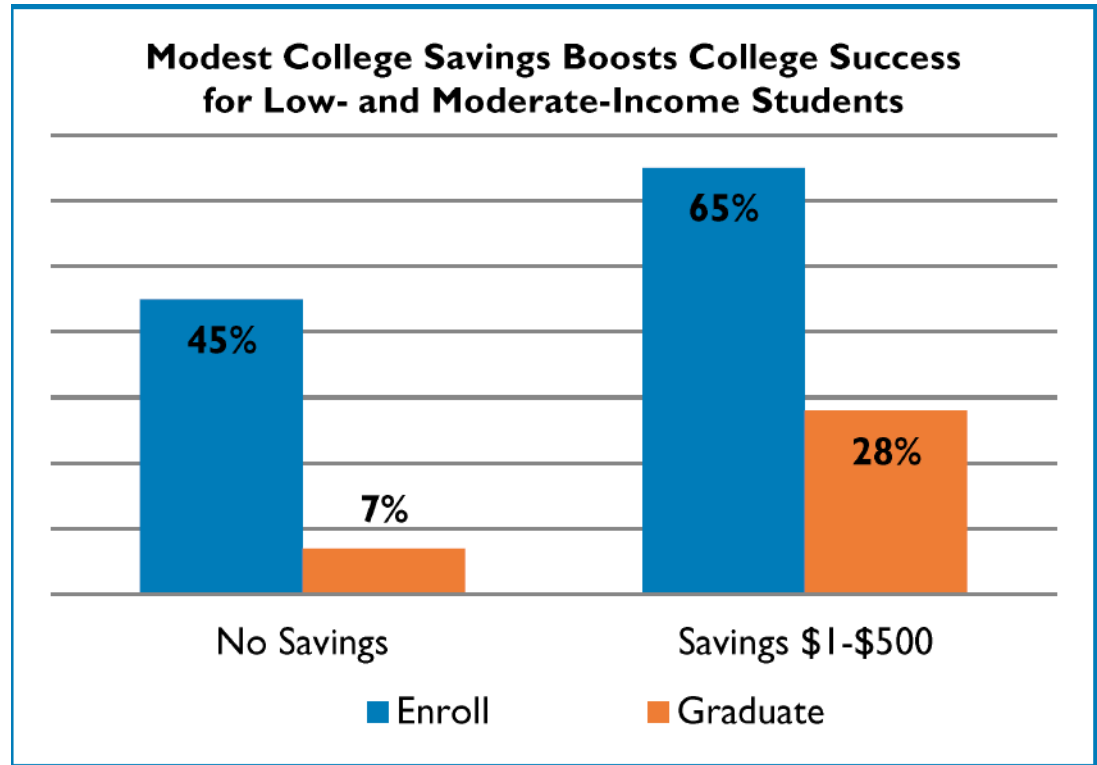


Source: U.S. Census Bureau, 2010

CSAs increase educational attainment and ensure young people are equipped to succeed in the workforce.

THE POWER OF CSAs

Low- and moderate-income children who have between **\$1 and \$500** in savings for college are **3 times** more likely to enroll in college and **4 times** more likely to graduate than those whose families do not have college savings.



Source: *Assets and Education Initiative, Building Expectations, Delivering Results, Asset Based Financial Aid and the Future of higher Education, July 2013*

MILWAUKEE CSA INITIATIVE GOALS



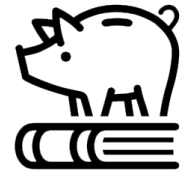
1. Increase postsecondary educational attainment rates

Reduce the gap in educational attainment and increase the percentage of students who complete postsecondary education to ensure Milwaukee has a 21st century workforce that is positioned for economic mobility

2. Improve financial capability

Increase participating children and their families' financial capability to enable them to effectively manage financial resources and improve their financial security

KEY PROGRAM FEATURES



- Automatic enrollment in kindergarten (K5) with parents having the choice to opt out
- Led by a public private partnership with *Edvest*
- Program will open a master 529 *Edvest* account and parents will be encouraged to open their own personal 529 account
- Paired with financial empowerment tools and asset building services for children and families
- Initial deposit of \$25 upon enrollment and incentives for student and family accomplishments
- Intended to serve over 24,000 students served during first three years of the initiative

STAKEHOLDER ENGAGEMENT (Sep – Dec 2017)

Key CSA Workgroup Members

- Edvest
- Greater Milwaukee Foundation
- United Way of Greater Milwaukee & Waukesha
- Great Lakes Higher Education

Other Philanthropy

- Herb Kohl Philanthropies
- MATC Foundation
- Bradley Foundation
- Milwaukee Bucks Foundation

Corporate & Civic

- Milwaukee 7
- Greater Milwaukee Committee
- Metro Milwaukee Assn of Commerce (MMAC)

Education & Policy

- UEDA and Financial Equity Group
- MPS and MPS Board
- Bruce-Guadalupe Community School
- Milwaukee College Prep
- Community Advocates Public Policy Institute

National Networks

- National League of Cities
- Upper Midwest Consortium
- College Kids (St. Louis)
- Promise Indiana
- Harold Alfond College Challenge (Maine)

Focus Groups: MPS Parents & District Advisory Council; WWBIC; COA teens

STAKEHOLDER INSIGHTS

- **Go big:** Continue to promote a large scale, inclusive approach and launch a campaign that reaches as many families and children as possible (*cradle to career*)
- **Framing and language matters:** Consider a broader *financial inclusion* and *workforce pipeline* frame. Use language that focus on post-secondary options and plants seeds of hope
- **Issue, initiative and organizational alignment:** Identify and align CSA with economic inclusion and workforce strategies that Milwaukee's diverse school communities
- **Voice of the consumer:** Speak directly with parents and youth to ensure their lived experience drives program design and elements
- **Convene donors and champions:** Seek early endorsement. Bring donors together to garner support and build momentum. Confirm how donors can make philanthropic contributions

KEY NEXT STEPS

1. Confirm data sharing and partner agreements
2. Identify key partners and champions (i.e. funders, college access and success leaders, corporations, etc.)
3. Identify university partners who can lead research/evaluation and support college access and exposure
4. Convene funders and champions (1st Quarter 2018)
5. Launch Initiative (2018-2019)