Financial Education

Financial Access

Savings

In Brief

- Students have accounts
- Accounts are used as teaching tool for financial education
- Students and parents have incentives to save (for college)
- Programs track outcomes, such as:
  - Financial literacy
  - Saving and other financial behaviors
  - Math proficiency
  - College enrollment

Rationale

- 25 % households (50% Black and Hispanic) unbanked or underbanked
- Lack of financial literacy barrier to college access and success
- Research indicates financial education more effective when applied
- Research indicates students with accounts up to 7x more likely to enroll in college, controlling for other factors
- Existing infrastructure in place (e.g. Bank On programs)
- Interest among scholarship providers to start earlier
- Examples begin to show what's possible

Examples

- *Kindergarten to College*
- *Partnership for College Completion*
- *Harold Alfond College Challenge*
- *Ariel Community Academy*

Project Considerations

- Accounts
  - Account type (basic savings account, something else)
  - Enrollment (opt-out, opt-in)
  - Custodian (parent, organization, none)
  - Restrictions (college only, similar to IDA, none)
  - Access (debit card, online, mobile, branches, school branches, etc)
- Savings
  - Seed funding (to get students started)
  - Savings matches (to encourage them to save; match ratio, match cap)
  - Incentive contributions (parents taking workshop, registering students for free lunch)
- Financial education
  - Venue (in school or out; integrated into math or other subject, or stand-alone)
  - Educators (teachers, program staff, volunteers, others)
- Evaluation
  - Impact on financial knowledge, savings behaviors over time
  - Impact on student academic success (math scores, hs graduation, college enrollment)
  - Level of rigor (experimental, quasi-experimental, other)

Partnership Roles

- Champion (design program, develop partnerships)
- Content experts (access, asset-building, financial education)
- Venue for identifying students (school, after school program, children of members, etc)
- Account holder (credit union, bank)
- Account custodian
- Financial contributors (foundations, businesses, federal programs, non-profits)
  - Seed funds
  - Savings matches
  - Incentive contributions
  - Program design, implementation, and evaluation costs
- Financial educators (teachers, people to train teachers, program personnel, volunteers, older students)
- Evaluator (university, private company, relevant non-profit organization)
- Others

More Information

Webinar hosted by New America Foundation and CFED

"Financial Education, Financial Access and Savings Strategies for GEAR UP Applications"

Wednesday, May 18, 2011
4 pm – 5 pm Eastern Time

Email Diana.Hayman@ed.gov with "webinar" in subject to receive link