

Identifying Short-Term Outcome Metrics for Evaluating Whether Children's Savings Accounts Programs Are on Track

Asset Funders Network Webinar

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The Importance of Interim Metrics

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- When thinking about Children's Savings Accounts (CSAs), researchers, practitioners, and policymakers tend to focus on their ability to help children pay for college. That is **too narrow** a frame.
- The emerging research suggests that CSAs may be a valuable tool for addressing long-term barriers to **closing the college attainment** gap—including **inadequate achievement along the way**—as well as **insufficient financial resources**.
- Because the CSA programs considered in this presentation start at birth or in kindergarten and have increasing college enrollment as one of their primary long-term goals (i.e., long-term outcome metrics), it is **critical to identify interim outcomes that have been shown to be strong predictors** of children's enrollment in college (i.e., short-term outcome metrics).
- There **must be theoretical and/or empirical evidence** that suggests that CSAs are expected to have a positive effect on the metric that, in turn, is shown to be an important predictor of college enrollment.

Our Definition of CSAs & Their Potential Impact

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- CSAs are savings vehicles, most commonly designed to help families and children begin planning for college at birth or starting in kindergarten. CSAs usually allow deposits from children, their parents, other relatives, as well as third parties.
- These investments are leveraged with an initial 'seed' deposit and ideally include the following components: universal, inclusive, auto-enrollment, matched and incentivized.
- Significantly, this early initiation of a savings intervention may afford not only greater asset accumulation but also the cultivation of educational expectations and engagement that, then, can catalyze superior achievement.

Why Interim Metrics Matter

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- There is mounting evidence that shows early investment in children is critical to how they perform in school.
- As programs are being implemented across the nation, it's important to measure the effectiveness of the program across multiple indicators (cognitive & non-cognitive).
- Political realities & economic concerns by states and municipal governments require the proper stewardship of public dollars and monitoring and evaluation is a prerequisite.

Savings Behaviors

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Predictor	Measure
Take Rate (Opt-In Programs ONLY)	Program Savings Data
Percent of Accounts With At Least One Contribution	Program Savings Data
Direct Deposit into CSA	Program Savings Data
Net Savings as a Percentage of Family Income	Program Savings Data
Savings Frequency	Program Savings Data

Socio-Emotional Development

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- Children who are socially and emotionally developed are better able to “manage their emotions, calm themselves when angry, establish positive relationships, make responsible and safe decisions, and handle challenging situations constructively and ethically” (Price, 2015).
- Rigorous experimental studies conducted by education researchers show a causal link between socioemotional well-being and academic achievement (Durlak, Weissberg, Dymnicki, Taylor and Schellinger, 2011).
- Research from [SEED OK](#) indicates that infants randomly assigned to receive CSAs demonstrated significantly higher social-emotional skills at age four than their counterparts who did not receive a CSA (Huang, Sherraden, Kim, & Clancy, 2014).

Socio-Emotional Development

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Predictor	Measure
Parental Stress	Parenting Stress Index
Child Abuse Potential	Child Abuse Potential Inventory
Quality of Home Environment	Home Observation
Maternal Depression and/or Anxiety	Center for Epidemiological Studies Depression Scale

Math & Reading Scores

- Children's academic achievements are important as reflections of children's academic preparation and, then, likelihood of future academic success.
- Children who cannot read well in third grade cannot use reading as a tool to engage with school, do their homework, or study for exams (Lloyd, 1978).
 - Effects are particularly strong for low-income and minority students. Other research indicates that third-grade reading is a positive predictor of college attendance (Lesnick, Goerge, Smithgall, & Gwynne, 2010).

Math & Reading Scores

- Lee (2012) demonstrates the effects of early math performance on the likelihood of entering and completing two- and four-year colleges.
 - ▣ Moreover, a lack of math proficiency may also preclude students' consideration of certain career paths, including highly compensated science and technology fields (Nicholls, Wolfe, Besterfield-Sacre, Shuman, & Larпкиattaworn, 2007).
- The strong correlation of reading and math proficiency with enrollment in college may make them ideal outcomes to measure for CSA programs that explicitly focus on college access and completion, particularly if the CSA programs are located within educational institutions, with easier access to student's academic data/measures.

Math & Reading Scores

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Predictor	Measure
Academic Records	State Assessments
Academic Records	Grade-Level Test Scores
Academic Records	End-of-School-Year Grades
Teacher's Expectations	Teacher Questionnaire/Survey
Achievement Goal Orientation of Children	Achievement Goal Orientation Scale
Teacher's Evaluations of Children's Effort	Teacher Questionnaire/Survey

Parents' and Children's Educational Expectations

- Evidence to date suggests that CSA programs might have important impacts on children's noncognitive functioning (e.g., children's socioemotional wellbeing and identity formation).
- Effects on noncognitive skills might be particularly important because while noncognitive skills promote the development of cognitive skills, there is little evidence to suggest that cognitive skills promote the development of noncognitive skills (Cunha & Heckman, 2008).
- One of the driving forces behind interest in CSAs is the potential they have shown for changing the way people think about their futures.
- Yadama & Sherraden (1996) find evidence of what they call a "virtuous circle," where assets increase the chance of having more positive attitudes and behavior, and attitudes and behavior, in turn, increase the chance of having assets.
- Zhan and Sherraden (2011) find that financial assets are positively related to parents' and children's educational expectations (i.e., financial assets are associated with college expectations).

Parents' and Children's Educational Expectations

- To help explain the effects of small-dollar accounts and help others understand the value of even low levels of asset accumulation, Elliott (2013a) hypothesized that when a child reports designating savings for college, it indicates that college is on the child's mind and that the child perceives college as near, not far away.
 - ▣ In a study of 51 fourth-grade children in a college savings program, Elliott, Sherraden, Johnson, and Guo (2010) find that children who are in the school savings program are statistically more likely to perceive that saving is a way to help pay for college than are children in a comparison group.
- Educational expectations are one important way of measuring how CSAs may change the way children and parents think about children's academic futures.

Parents' and Children's Educational Expectations

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Predictor	Measure
Attendance	Attendance Records
Help-Seeking Behaviors	High School Planning
Parental Involvement	Survey
Child Post-Secondary Expectations	Survey
Teacher's Post-Secondary Expectations	Teacher Questionnaire/Survey

Trade Offs CSA Programs Must Consider

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- Evaluations that are factored into the design of the program have the potential of being much more rigorous than those that start after.
- Due to the cost of evaluations, programs have to decide on whether to invest their limited resources into the evaluation or to provide larger initial deposits, matches, or incentives.
- Evaluation increases the cost of programs and also may delay their implementation because evaluators need time to put together a defensible research design.
- There are also tradeoffs when trying to determine which interim measures programs should be evaluated.

Thank You

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