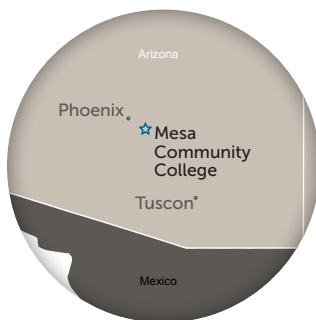


Case Study | 5

Educational Matched Savings Program: Mesa Community College Fast Tracking The Dream Program



City, State	Mesa City, AZ
City population estimate 2013	457,587 ¹
Campus setting	City: Large
Fall 2013 student enrollment	23,678
Part-time	68%
Female	51%
White	52%
Latino or Hispanic	22%
Black or African American	7%
Other	19%
Age (25 and older)	40%
Pell grants received by full-time beginning undergraduate students	51%
Federal student loans received by full-time beginning undergraduate students	25%

Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013–14, <http://nces.ed.gov/ipeds/datacenter/>.

Mesa Community College (MCC) is located in Mesa City, Arizona, just east of Phoenix. Of the community colleges in the state, MCC is the largest with a fall 2013 enrollment of 23,678.²

Summary

Vision and opportunity merged in Mesa, Arizona, when in 2006 a funder worked with leadership from Mesa Community College and a local social services agency to leverage untapped resources for educational matched savings programming. As an institution serving many at-risk students, in 2008 MCC worked closely with a social services provider to help implement the program called “Fast Tracking the Dream.” Serving 60 students in the first year, by 2012, Fast Tracking the Dream had served close to 400 students. The program won an innovation award to fund the replication of the model across the Maricopa Community College District.

Area of Need

A large percentage of MCC students and prospective students have overlapping health, wellness, and financial needs. Funding their education while trying to address competing financial demands is one of many challenges. Some are caught in the cycle of poverty, whereas others are enduring homelessness, dealing with domestic violence, or managing a mental health issue. Many prospective MCC students are in need of not just financial but also comprehensive support. The financial challenges that accompany attending school are real, but they are made much more difficult when there are overlapping issues.

Program Description

In partnership with a local social services agency called A New Leaf, Mesa Community College began offering an educational matched savings program to eligible students beginning in 2008.³ Named Fast Tracking the Dream, the program offers MCC students an opportunity to earn \$3 in matching dollars for every \$1 they save, up to a maximum of \$1,000 over a two-year period. Matching funds are raised through the federal Assets for Independence (AFI) program and local sources such as foundations, financial institutions, colleges, and individual donors. The students make regular monthly deposits into personal savings accounts set up by A New Leaf. With the 3-to-1 match, students can earn up to \$3,000 over and above their personal savings, which they can use for education-related expenses, including tuition, fees, books, supplies, and electronics. The program has evolved to also offer a tiered approach for students who have smaller financial needs. Instead of saving a maximum of \$1,000, for instance, some students who enroll in Fast Tracking the Dream commit to a lower savings goal of \$500 or \$750, which is still matched at a rate of 3 to 1.

To participate in the program, students must take a free financial literacy workshop offered by A New Leaf either online or at its facility in downtown Mesa. It requires three hours of in-person instruction or five hours of online instruction. The instructors for the in-person workshop are from a local credit union that is housed in the same building as A New Leaf. With a focus on basic money management and savings strategies, the workshop is designed to build the capacity of students to make sound spending and savings decisions.

Students may request withdrawals from their savings plus the matching dollars after they've reached half of their savings goal and fulfilled the workshop requirement. Withdrawal requests are reviewed by A New Leaf, and, if they are approved, they are processed accordingly. Checks are sent by A New Leaf to the appropriate institutional office (for example,

to the Office of Financial Aid for tuition and fees payments or to the bookstore for books and computers).

In order to enroll in the Fast Tracking the Dream program, students must have a personal income of less than 200% of the poverty level and a net worth below \$10,000.⁴ Students must also be earning income. While Fast Tracking the Dream is open to all students who meet the eligibility criteria, its location in the Center for Community & Civic Engagement, which operates the AmeriCorps program, attracts many AmeriCorps members, who are eligible to earn education awards in exchange for service to their local communities.⁵

Depending on the term of service completed, students enrolled in MCC's AmeriCorps program receive stipends in exchange for their service as well as education awards that can be applied to qualified school loans or current tuition costs. In 2013, MCC's average annual tuition was \$2,280, and the maximum annual AmeriCorps Education Award was \$1,458.⁶ AmeriCorps members who participate in Fast Tracking the Dream may deposit money from their stipends into their savings accounts.

Fast Tracking the Dream participants are required to deposit a minimum of \$25 consecutively for six months to stay enrolled in the program, and active AmeriCorps members must deposit a minimum of \$10 consecutively for six months. Whenever missing monthly deposits extends beyond six months, a case manager from A New Leaf is assigned to assess the situation and then attempts to help the student get back on track. By making the minimum six months of deposits, students can remain enrolled in the program as long as they continue to meet the requirements (for example, completing the financial literacy workshop, staying enrolled at MCC, and making deposits or working with a case manager if they are unable to do so).

Exploration and Adoption Phase

In March 2006, the United Way of Mesa was involved in helping A New Leaf assume operational control of a community action network called MesaCAN. In the process, it was observed that MesaCAN was entitled to, but not using, federal grant funding of approximately \$1 million for matched savings programs. The United Way of Mesa understood the need to act quickly to prevent the loss of these funds and also realized that they had an opportunity to shape the use of the funding. Given the CEO's strong commitment to increasing the educational attainment of low-to-moderate income residents of Mesa, starting an educational matched savings program at MCC seemed like a viable option.

MCC wasn't actively searching for a new intervention when it was approached by A New Leaf and the United Way of Mesa. However, leaders were receptive to the idea because of the overlapping needs that existed among its students. Leaders from the United Way of Mesa, A New Leaf, and MCC convened to assess the program's potential and the shared buy-in of the group.

MCC's leadership was aware of the social services needs of its students, given their high rates of poverty, homelessness, domestic violence, and mental health issues. The CEOs of A New Leaf and the United Way of Mesa approached MCC to discuss an educational matched savings program. Because the program would be administered by a well-regarded social services agency, MCC agreed to a partnership. The next challenge MCC faced was in educating potential supporters and implementers about matched savings programs.

Building the interest of stakeholders was the easy part; they were on board from the start. But as is required for all matched savings programs, the partners needed to identify sources of local matching funds to implement the program. Representatives from the United Way of Mesa, A New Leaf, and MCC devoted significant time to presenting the idea to potential supporters, including friends, local banks, and local businesses. They described the program mechanics and assured them of the viability of the plan.

Dedicated infrastructural support for the program took the form of virtual space dedicated to the program on MCC's website, physical space on campus, and the cooperation of the Financial Aid Office to anticipate and apply tuition and fee payments processed by A New Leaf on behalf of MCC's students.

Upon signing a memorandum of understanding (MOU) and making major decisions about the program design, administrators turned their attention to getting the program operational. MCC staff would be assuming new roles with new partners and assessing student interest.

Implementation Phase

One major decision that faced MCC was where to house the Fast Tracking the Dream program. They considered the Financial Aid Office, because its staff members were keenly aware of student financial challenges and how they can impede ongoing enrollment at MCC. But with enormous caseloads, Financial Aid did not have the capacity to work with every student facing financial challenges. Moreover, MCC was concerned that housing the program in the Financial Aid Office would make Fast Tracking the Dream seem like "just another program." Ultimately, MCC decided to house the program in the Center for Community & Civic Engagement, which opportunistically placed it in close proximity with the AmeriCorps effort on campus.

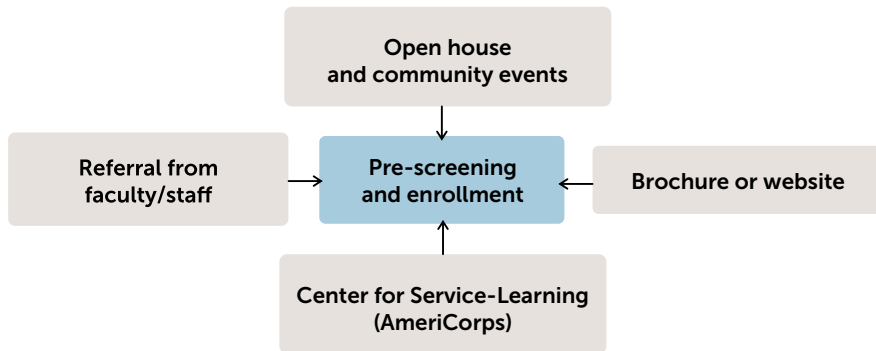
Students in the AmeriCorps program are likely candidates for Fast Tracking the Dream for several reasons:

- AmeriCorps members tend to be financially disadvantaged, and they work in local communities as a way to fund their education.
- Through stipends, AmeriCorps members earn money regularly, which would enable them to deposit monthly savings, a requirement of the Fast Tracking the Dream program.
- By leveraging A New Leaf's social services model, the AmeriCorps members would readily find opportunities to fulfill their service commitment.

MCC students would learn about the benefits of the Fast Tracking the Dream savings program, its eligibility requirements, and how to apply for the program in a variety of ways: at the Center for Community & Civic Engagement, through brochures or in advertising on the college website, through community events, at school open houses for parents and students, and through referrals by college faculty or staff. (See Figure 1.)

A New Leaf representative was onsite at MCC a few days per week to assist with recruitment, enrollment, and case management.

Figure 1
Fast Tracking the Dream Outreach and Recruitment



Students having difficulty making regular savings deposits work with a Fast Tracking the Dream liaison. The liaison is able to monitor student progress through transactional data shared by the participating financial institution, which enables the liaison to follow up with case management, whenever needed. A New Leaf considers the student's situation and prioritizes the problems that he or she is facing in order to address the most serious problems first, which may necessitate a referral to a partner agency. If a student leaves MCC, his or her enrollment in the Fast Tracking the Dream program is terminated. The student is contacted and reminded that he or she can gain access to the personal savings but must forgo the matching funds. If the student cannot be tracked down, the savings revert to a beneficiary whom the student had listed on the account.

Fast Tracking the Dream participants are case-managed by A New Leaf staff, according to requirements that MCC had outlined in the MOU. The application of the matching funds to education-related expenses is treated like a scholarship by the MCC Office of Financial Aid. Students must maintain a C average (a 2.5 GPA equivalent) to be eligible to have the funds applied. Otherwise, funds are returned to the pool of matching dollars to make it possible for other Fast Tracking the Dream participants to leverage them.

Another decision MCC and A New Leaf faced was how best to deliver the financial education piece to Fast Tracking the Dream participants. Initially, MCC administrators wanted to offer it through the institution. But students were already too time-constrained, and building the infrastructure to offer the content to participants was impossible. Instead, MCC and A New Leaf agreed to leverage A New Leaf's free financial literacy workshop that is offered in coordination with a local credit union in downtown Mesa. The workshop is also available online.

Invisible to participants of the Fast Tracking the Dream program is the back-end administration required to operate the program. As the matched savings program administrator, A New Leaf establishes a partnership with financial institution(s) to set up the custodial account for each participant's savings deposits and to hold the reserve dollars for allocating the matching funds.⁷ In their own name, students make monthly savings deposits into these special accounts at the specified financial institution. This occurs regardless of whether a student already has a relationship with another bank or credit union. Neither the program participants nor MCC are involved in the selection of the financial institution(s)

or even aware of the parameters of such partnerships. This illustrates the critical role of A New Leaf in facilitating the asset-building component of the program.

Utilization and Effectiveness

During the first year of implementation, 60 students were enrolled in Fast Tracking the Dream. Between August 2008 and December 2012, the program served 391 students. The program has helped students leverage savings of \$261,309 with matching funds of more than \$783,926 to finance their education and education-related expenses.⁸ More recently, in 2012–2013, the program has paid out \$133,581 in matching funds to help MCC students pay for tuition, books, and supplies. Most students (90% in 2012–2013) applied the funds to tuition and fees, followed by books and supplies. On average, 80–85% of participants graduate from the Fast Tracking the Dream program. Reasons for attrition include voluntary withdrawals as well as noncompliance with the requirements of the program.

In its role as the matched savings program administrator, A New Leaf uses applicant tracking system software to monitor participants' status and progress in the program, their savings goals, and amounts spent across educational expense categories. Data analysis enables A New Leaf to recommend possible program improvements to MCC. For instance, an unexpected pattern was observed: enrolled MCC students had been requesting amounts to be applied to their tuition that were less than the maximum savings plus matched amount of \$4,000. This pattern led to the recommendation and implementation of a tiered savings approach in which participants still need to commit to a specific savings goal but may choose from lesser amounts at the time of enrollment.

In another instance, A New Leaf personnel realized that certain students had been struggling to use the on-campus computer lab in the evening to complete school assignments (due to limited bus schedules). Including computer equipment as an allowable, but verified, education-related expense allowed these students to purchase the necessary equipment that would enable them to access computing services remotely.

In addition to tracking the financial behavior of student participants, A New Leaf has access to the participants' educational outcomes, as agreed to by MCC. Such data can be included in its reporting to MCC and funders. Analysis of this educational data has demonstrated the greater persistence and higher-than-average GPAs of Fast Tracking the Dream participants relative to average levels for MCC students. This has helped justify the continuation and growth of the program.⁹ The fall 2011 term-to-term retention rate for Fast Tracking the Dream participants was 94.2% compared with 63.6% for MCC overall.¹⁰ Without demographically identical comparison groups, however, MCC cannot wholly attribute differences in retention rates to Fast Tracking the Dream. But the outcomes are useful for understanding aspects of the program that are more or less effective and for understanding how different target audiences interact with the program.

Success, Challenges, and Funding

MCC's Fast Tracking the Dream program was the recipient of the 2012–2013 Maricopa Community Colleges Innovation of the Year and Paul Pair Award. The award consists of a five-year grant of \$500,000, of which up to \$100,000 per year can be used for matching funds and to support the replication of Fast Tracking the Dream across the Maricopa Community College District, which includes 10 community colleges.

Part of the reason for the award was the demonstrated effectiveness of MCC's program. But an equal—if not greater—impetus was that longtime funder of the Fast Tracking the Dream program, Helios Education Foundation, recommended that the program be expanded throughout the Maricopa Community College District.

The United Way of Mesa has also been involved since the start and has committed to providing \$60,000 to the Fast Tracking the Dream program for the next three years.

While the innovation award and continued support are certainly encouraging, there are still areas that MCC considers challenges. For instance, it sees the financial literacy workshop offered by A New Leaf as an area of opportunity and future improvement. Additionally, the case management offered by A New Leaf to MCC students who miss their scheduled savings deposits is a possible area to expand upon so that the social services needs of students who are in good standing in the Fast Tracking the Dream program are not overlooked. In both of these cases, more resources would need to be allocated to expand the services, and a greater level of student engagement would be required. They remain on the radar as possible program improvements.

Endnotes

- ¹ U.S. Census Bureau, State & County QuickFacts. Data was derived from population estimates, the American Community Survey, the Census of Population and Housing, County Business Patterns, the Economic Census, the Survey of Business Owners, the Building Permits Survey, and the Census of Governments.
- ² Details for this case study were gathered from phone interviews with Kristen Litt, Eva Felix, and Kathy DiNolfi of A New Leaf on August 16, 2013, December 16, 2013, and December 18, 2013, respectively, and with Jared A. Langkilde, director of development, Mesa Community College on December 24, 2013. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), <http://nces.ed.gov/ipeds/datacenter/>.
- ³ A New Leaf is a nonprofit 501(c)(3) human service agency founded in 1971 to address drug problems plaguing Mesa's public schools. It has grown to provide services across a spectrum of needs to nearly 20,000 individuals annually. See http://www.turnanewleaf.org/a_new_leaf.
- ⁴ Income and asset eligibility requirements are stipulated by the U.S. Department of Health and Human Services Assets for Independence Program (AIP). AIP contributions are used to fund half of the matching dollars of MCC's Fast Tracking the Dream program. Additional details were provided by Jared A. Langkilde, director of development, Mesa Community College on December 24, 2013.
- ⁵ AmeriCorps is a national service program initiated by President Bill Clinton. AmeriCorps members help address the nation's needs in the areas of economic opportunity, education, environmental stewardship, disaster preparedness, veterans and military families, and healthy futures.
- ⁶ See <http://www.mesacc.edu/its-all-at-mcc/exceptional-value> and <http://www.mesacc.edu/service-learning/ameriCorps>.
- ⁷ It is possible for matched savings programs to be set up at more than one financial institution where one holds custodial accounts and another reserve accounts.
- ⁸ See <http://mcli.maricopa.edu/innovate/winners>.
- ⁹ Students participating in Fast Tracking the Dream are required to have a minimum 2.5 GPA to leverage matching funds. The extent to which program involvement motivates academic performance is unknown.
- ¹⁰ Personal communication with Mesa Community College Office of Research and Planning (February 2014).