AEDI Changes its Name and Logo
Recently we went from being an Initiative to a Center in the School of Social Welfare at the University of Kansas. To reflect this change and our broader mission, we recently changed our name to the Center on Assets, Education, and Inclusion. However, we retained the acronym AEDI for continuity and name recognition. We also have a new logo displayed at the top of this newsletter.

New Blog – The Mobility Beat
We are very excited to announce that on December 1, 2014, AEDI launched a blog on our website. A few times a week, we have new content discussing our research findings, policy developments in the asset and economic mobility fields, and upcoming or recent events. The blog, The Mobility Beat, also features some guest posts by AEDI partners, as well as links to relevant asset-related content around the web. Recent posts have highlighted AEDI’s work on college debt and its long-term financial effects, shared a post from CFED charting a timeline of CSA policy developments, described our work on Children’s Savings Accounts in New England with the Federal Reserve Bank of Boston, and shared reflections on New America’s recent work around the financial status and prospects of Millennials. Upcoming posts will profile CSA programs around the country and discuss Child Support Savings Initiatives. We welcome your comments and suggestions for future posts on the site, and we look forward to the conversation.

Opportunity to Make Donations
Also new to AEDI is an online donation feature. In light of the changing funding environment and growing demands on AEDI to fulfill roles often not captured by traditional grants, such as advising CSA programs, traveling to speak at events, and seeding a small grant program to encourage research on relevant topics, there is a need to think outside the box about how AEDI is to be funded. As part of this process, we have added a link to make donations to AEDI on our website. Individuals can make a financial contribution to support AEDI’s important work around children’s savings as a catalyst for improved educational performance and greater economic mobility opportunities by visiting our Donate page. We are grateful for your support as colleagues and asset champions, and we welcome your financial support, as well, as we continue to advance this critical agenda.
Good News from Rhode Island!

Last month, Willie Elliott and Melinda Lewis were in Rhode Island, along with colleagues from the Center for Social Development, CFED, and the Federal Reserve Bank of Boston, to help Rhode Island Governor Gina Raimondo and her team announce the expansion of the CollegeBoundBaby program. The expanded program seeks to increase enrollment in the CollegeBoundBaby program by streamlining the sign-up process. Starting in 2015, families can just check a box on the form they use to request a Rhode Island birth certificate to be automatically enrolled in the state’s 529 college saving program. As an incentive and an investment in the educational attainment of youth in Rhode Island, Alliance Bernstein—the fund manager for the 529 plan—will make a $100 deposit into the account of every child born or adopted in Rhode Island. The new program offers an exciting opportunity to judge the effects of an expedited, versus automatic, enrollment system for Children’s Savings Accounts, and also signals that at least some financial institutions view children’s savings as a worthwhile financial commitment. Congratulations to Heather Hudson of the Rhode Island Governor’s office, Governor Raimondo, Patricia Roberts at Alliance Bernstein, and all who have worked to institutionalize college saving in the state. And, especially, congratulations to the Rhode Island children and families who will benefit from this new policy!

CSA Roundtable

Along with the Federal Reserve Bank of Boston, AEDI co-hosted a roundtable on CSA delivery systems last December. The roundtable brought together thought leaders from the children’s savings field to consider, specifically, the best approaches to deliver children’s savings accounts. Participants included representatives of CSAs within state-based 529 programs, such as in Maine, as well as San Francisco’s Kindergarten-to-College initiative, administered through CitiBank, and scholars and advocates with various perspectives on CSA systems and options to take them to scale. AEDI will prepare a paper on CSA delivery systems informed by the roundtable, in pursuit of continued policy momentum for these transformative interventions.

Recent Publications, continued


Investing with Kids

In August 2014, an interdisciplinary research team began piloting the *Investing with Kids* experiment in Lawrence Public Schools, randomly assigning kindergarten classrooms to different combinations of CSA and financial education treatment groups and a comparison or “education as usual” group. To advance understanding of how CSAs improve children’s outcomes, this experiment collects a wide variety of child development measures and includes researchers from diverse backgrounds. Now that baseline data collection is complete, attention has turned to delivering financial education lessons in classrooms every other week and opening CSAs at Truity Credit Union. In Spring 2015, AEDI will host a dinner for Lawrence Public Schools administrators and teachers to share findings from the baseline data and to plan for expansion beyond the pilot experiment. Read more in KU News’ coverage of this initiative.

Canada Webinar

On November 18, 2014, AEDI and New America co-hosted a webinar to discuss findings from our investigation of the Canadian Education Savings Plan and their implications for Children’s Savings Account policy development in the United States. More than 100 people from both countries joined in the conversation, with more downloading the report and video content after the event. We believe that Canada’s experiences hold significant lessons for CSA policy here, particularly in terms of the trade-offs involved in using an existing account delivery system versus developing a structure specifically for CSAs; thinking about the best roles for private financial institutions; and considering the value of initial seed deposits and other asset transfers instead of or in addition to savings matches. Our collaborations with asset practitioners, government officials, and scholars in Canada continue. In 2015, AEDI Founding Director Willie Elliott will be featured in a video promoting an expansion of the account facilitation process spearheaded by the Omega Foundation—MyRESP—and we are in talks with some asset researchers in Canada about some joint analysis, as well. We are grateful to New America for their valuable partnership in this work and, particularly, to our Canadian colleagues. To listen to the webinar, click here.
Continued Work on Assets as Investments in Child Well-Being

In March 2015, AEDI Assistant Director Melinda Lewis will be in Sacramento, California, at the invitation of the California Child Support Directors Association and the California Welfare Directors Association, to speak at the second annual Policy Symposium on Children, Youth and Families. Lewis will share AEDI's research about the educational and economic effects of children's asset building, with particular attention to how states can leverage existing policy systems like child support enforcement and public welfare as tools for asset development. This invitation was sparked by a presentation Lewis gave in August 2014, at the National Child Support Enforcement Association conference in Portland, Oregon, at the request of the Kansas Department of Children and Families, which recently started the nation’s first Child Support Savings Initiative. The Kansas CSSI uses the incentive of forgiveness of state-owed child support arrears to encourage non-custodial parents to open 529 college savings accounts for their children. With positive outcomes related to asset accumulation and the potential for gains in educational expectation and parent-child relationships, too, other states are considering similar initiatives. In support of these efforts, AEDI is helping child welfare and child support professionals around the country understand how and why asset building makes sense for vulnerable children and families.

Policy Update

New England States

New England has been a hotbed of Children’s Savings Account activity in recent years. Maine now automatically invests $500 in the CSA of every child born or adopted in the state, and Rhode Island made a big announcement in December (see p. 2). The Mayor of Boston included a CSA pilot in his plans for his first year in office. Connecticut has a statewide, opt-in education savings incentive, and Massachusetts, New Hampshire, and Vermont are all exploring CSAs, considering the different program models and delivery systems as they arrive at the best approach for their particular state. AEDI is excited about this regional momentum and particularly honored to be part of the conversation, as part of AEDI Founding Director Willie Elliott’s work with the Federal Reserve Bank of Boston. We have been extremely impressed by the great thinking around CSAs that we have observed in New England, facilitated in no small part by the extraordinary efforts of Anthony Poore at the Federal Reserve Bank of Boston. In the CSA field, all eyes are on New England, and we look forward to what 2015 will bring. Read more in the New England Journal of Higher Education.

Prize-Linked Savings

In December 2014, Congress passed legislation authorizing prize-linked savings, which opens the door for this approach to encourage asset...
accumulation within financial institutions around the country. Prize-Linked Savings use the chance of financial reward to encourage savings behavior, but federal banking rules formerly prohibited these incentives. While states still need to pass legislation consistent with their own statutory provisions, the new legislation would allow a financial institution to promote savings by offering the chance for savers to win prizes—in the form of additional deposits into their savings accounts—as rewards for the frequency of saving or other desired behavior. While an individual’s chance of winning is relatively small, it is theorized that these prize opportunities may encourage savings according to a similar mechanism that occurs with small-dollar children’s savings accounts. In CSAs, the potential for future savings may be overestimated in the mind of the individual saver, similarly to how one might overestimate the chances of winning with prize-linked savings. We are encouraged by this asset-building progress in Congress and excited about the potential of this approach to fostering savings habits. We look forward to working with advocates of prize-linked savings, including Kansas’ own Senator Jerry Moran, to explore other innovations that support asset-building goals.

ABLE Act
While the common wisdom in the United States today holds that this is a ‘do-nothing’ Congress, there has been considerable movement in the asset-building field, with some really promising developments. Among those is the passage of the ‘Achieving a Better Life Experience’ (ABLE) Act, which allows Americans to set aside tax-sheltered savings to meet the long-term expenses of family members with disabilities. While limited to a relatively small population and not progressively funded, ABLE is an encouraging step in the direction of lifelong ‘economic mobility’ accounts, not limited to higher education but conceived as a critical foundation for financial security and overall well-being. We congratulate the disability advocates who worked tirelessly to secure passage of the ABLE Act and look forward to being part of similarly far-reaching coalitions around other asset objectives in the coming year.

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