This is a quarterly newsletter produced by the Center on Assets, Education, and Inclusion (AEDI). It is a Center in the School of Social Welfare at the University of Kansas.

New Paper--Wealth as Security: Growth Curve Analyses of Household Income and Net Worth During a Recession

Building on evidence of increasing inequality with the 2008–2009 recession, Drs. Emily Rauscher and William Elliott asked whether households experienced different financial trajectories through the recession depending on initial income and net worth. Using growth curve models of households headed by young adults in the Panel Study of Income Dynamics, we compared the relationship between initial income and net worth and the rate of change of income and net worth from 1989 to 2011 among households with income above and below $50,000. We found different patterns of income change and different relationships among income, net worth, and their rates of change between high- and low-income categories. Results suggest initial wealth helped to stabilize income and wealth changes among higher income households, reducing financial insecurity. These findings provide further evidence of the importance of an asset foundation for household economic security, with implications for public policy in the post-recession economy.

New Paper--Moving toward a Policy Agenda for Improving Children’s Savings Account (CSA) Delivery Systems

The accounts that form the core intervention within Children’s Savings Account (CSA) programs are delivered through two principal delivery systems: traditional deposit institutions (banks and credit unions), relied on primarily by local and community-based efforts, and state-sponsored 529 college saving plans, the vehicle of choice for most state-level CSAs. At this point in CSA development, individual programs and the field as a whole face critical questions about the best ways to build CSAs in order to maximize their potential for potent effects while facilitating sustainable replication.

A new paper on CSA delivery systems, jointly produced AEDI and the Federal Reserve Bank of Boston, was informed by a roundtable held at the Boston Fed in December 2014. It describes the design, key features, and respective challenges of each principal delivery system and charts some action items for an agenda to improve the systems available to CSA programs. Assessed in light of the CSA field’s guiding principles for delivery system design (universal and automatic enrollment, national footprint, cultivation of a saver identity, asset-building, administrative efficiency, and adequate consumer protection), these models have distinct advantages and limitations. This paper attempts to

In case you’ve missed it, there has been a lot of new content on AEDI’s blog, *The Mobility Beat*. Recent posts have highlighted some CSA programs around the country, including Promise Indiana and Prosperity Kids; discussed innovations in Prize-Linked Savings legislation; shared findings from AEDI’s Wealth Transfer Project Faculty Director Emily Rauscher; commented on economic mobility research by colleagues at the Brookings Institution; and updated visitors on AEDI’s work with the Federal Reserve Bank of Boston. We post approximately three times per week during the academic year and will have periodic new content during the summer, as well, including a series related to Dr. Elliott and Melinda Lewis’ upcoming book, *The Real Student Debt Crisis*. This series will contain posts by:

- Martha J. Kanter, Distinguished Visiting Professor of Higher Education and a Senior Fellow at New York University. She served as the U.S. Under Secretary of Education for President Barack H. Obama from 2009 through 2013.
- Thomas M. Shapiro, Director, Institute on Assets and Social Policy, The Heller School for Social Policy, Brandeis University
- Reid Cramer, Director, New America
- Dr. Willie Elliott, Founding Director of AEDI

You can also look for a series profiling some of the pioneering funders in the asset movement and one sharing results of models that estimate potential asset accumulation within typical CSA programs. AEDI welcomes your suggestions for blog content, as well as guest posts from those in the field and our academic colleagues. We appreciate the conversation and enjoy the opportunity to talk together, on *The Mobility Beat*.
contribute to the critical task of building the knowledge base needed to help CSAs programs begin to weigh the pros and cons of each approach.

**Book Release on July 15, 2015**

AEDI is pleased to announce the upcoming publication of a new book by our own Dr. Willie Elliott and Melinda Lewis. The book traces the evidence regarding student debt’s corrosive effects on higher education’s ability to serve as a catalyst for upward mobility and an arbiter of equity in the U.S. economy, and makes a case for a revolution in financial aid, away from debt dependence and toward an asset-empowered future. Willie and Melinda will release the book at New America in Washington, DC on July 15 and will travel, speak, and write about the book, its findings, and its policy implications in the coming months. We are excited about the conversation this book can help to stoke and look forward to making a contribution to the urgently-needed paradigm shift in higher education policy and financing.

**A Convening on Financial Capability and Asset Building (FCAB): Advancing Education, Research and Practice in Social Work - Conference**

Dr. Terri Friedline and Ms. Stacia West presented at the FCAB conference organized by the FCAB Initiative at the Center for Social Development at the University of Maryland, Baltimore. Dr. Friedline and Ms. West tested the relationship between Millennials' financial capability and their financial health by using the 2012 National Financial Capability Study (NFCS), with generous funding from the FINRA Investor Education Foundation. Their findings will be condensed into a report and released this summer during an event at New America in Washington, DC, so stay tuned for more details.

**A Glance at Places AEDI Has Been & Is Going**

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**Center for Social Development 20th Anniversary**

March 10, 2015, AEDI hosted the first webinar in a series of four webinars to celebrate the 20th anniversary of the Center for Social Development at Washington University.

**The Federal Reserve in Boston New England/Mid-Atlantic CSA Convening**

March 25, 2015, AEDI presented on CSA delivery systems at this regional gathering.

**California Policy Symposium**

Melinda Lewis presented on asset policies for child well-being at this public welfare and child support symposium in Sacramento, CA on March 4, 2015.

**Access to Healthier Credit Markets, Protection from Risky Debt**

Dr. Terri Friedline presented new research on the role of a savings account for the debt side of young adults' balance sheets at the Federal Reserve System Community Development Research Conference in Washington, DC on April 2-3, 2015.

**Asset Funders’ Network**

Dr. Elliott spoke at this gathering in Dallas in April 2015.

**Two Day Seminar by the Education Commission of the States**

The Education Commission of the States will be providing a two-day seminar to members of the Legislative Education Staff Network focusing on state-funded student financial aid programs on June 28-29, 2015, in Denver, Colorado. This seminar is intended to reach a unique audience of 35-45 legislative staff from a variety of states who are responsible for providing quality research and guidance for state legislators. Dr. Elliott will take as part of a session titled, “Idea Generating Session: State Responses to Student Debt.”

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**Ongoing CSA Policy Development in New England**

AEDI’s partnership with the Federal Reserve Bank of Boston continues. Dr. Willie Elliott and Melinda Lewis were in New England in March for meetings with state officials and CSA champions from Rhode Island and Maine, as well as a meeting of the New England CSA Consortium and collaborations with leaders at the Boston Fed. We are releasing a variety of publications in partnership with the Federal Reserve Bank of Boston, including the delivery system paper, a policy paper describing CSA developments in the New England states, and ‘roadmaps’ for the development of interim CSA outcomes for programs, beginning with Rhode Island and
Maine. In July 2015, AEDI will be back in Boston for the next Consortium meeting, to present the CSA policy paper and help constituents chart a regional research agenda for their children’s savings work. All the while, CSA policy is advancing on the ground. Rhode Island has seen strong uptake of their $100 CollegeBound Baby seed, after the initiation of the checkbox option, described in our last newsletter. Vermont and New Hampshire have seen considerable interest in their CSA proposals in the legislature and from philanthropic partners. The City of Boston is continuing plans for a CSA pilot through the local school district, and Connecticut is conducting increased outreach to make more families aware of the savings incentives and initial deposits they offer, as well. The work with the Boston Fed has been particularly fruitful, and AEDI is grateful for the chance to be part of the tremendous CSA momentum in the region. Special thanks to Anthony Poore of the Federal Reserve Bank of Boston, and to the thoughtful, gracious, dedicated CSA colleagues with whom we have had the opportunity to work in New England.

**Expansion of Wabash County Promise Model: Promise Indiana**

Last month, Dr. Elliott and Melinda Lewis had the chance to visit Wabash County, Indiana, to be on hand for some of the activities surrounding the rollout of the Wabash County Promise Model to other counties around the state. As we have described on The Mobility Beat, Promise Indiana’s approach is tremendously exciting, yielding strong outcomes and shaping what the CSA field thinks about opt-in approaches, high touch within a scaled intervention, and the workability of a 529 platform for an inclusive CSA. Promise Indiana has raised funds to expand the intervention that began in Wabash County, eventually to cover the state. In April, we presented on Identity-Based Motivation and the parallel outcomes of CSAs within the asset accumulation and account ownership realms, to county teams ready to go back home and recruit champions, encourage family saving for college, and surround children with investments that increase their college-bound identity. One of the most rewarding parts of this work is the chance to meet people who live their commitment to equipping children with transformative assets, every day. Clint Kugler of the YMCA of Wabash County and his team across Indiana are among those who most inspire us. Thank you for the invitation, but, mainly, thank you for your trailblazing work to connect kids and families to accounts that open doors of opportunity. We can’t wait to see what’s next for Indiana!

**AEDI Adds New Publication Search Feature to its Website**

Please visit our site at http://aedi.ku.edu/ and try out the new search function under the Publication’s tab. You can search by author, title, project type, or publication type. This feature will allow you to more easily find publications. Further, it allows us to start a working paper series, in order to expediently share findings and analysis with a broad audience, including those without reliable access to academic journals.

**Media**

*The Wall-Street Journal* - College-Savings Accounts Could be a Key Tool for Reducing Student Debt, New Research Says by Josh Mitchell

This article discussed research conducted by Dr. Elliott and colleagues and published in the Federal Reserve Bank of St. Louis’ Review. The article discusses the potential of having college savings to reduce the likelihood of having debt and the amount of debt students have when they leave college.

*The Atlantic* - How Student Debt Stunts Financial Growth by William Elliott

This article discusses how income-based repayment misses the mark when it comes to addressing the most damaging effects of educational loans.

*Saving for College* Podcast on AEDI Research Regarding the Effects of Parental Savings on Student Debt
In this podcast, Melinda Lewis discusses AEDI findings regarding parental savings for college and student debt assumption. Lewis also previews the upcoming book on student debt for this site, which provides information about college saving options to parents and others confronting the challenge that is financing higher education today.

**PBS News Hour – Why American Students are Struggling with, and Defaulting on, Small Debt by Judy Woodruff**

Student loan balances climbed to $1.2 trillion at the end of 2014, and delinquencies are rising even as they fall for most other types of debt. In fact, students with the smallest balances are most likely to default. In this [interview](#) Judy Woodruff learns more from Megan McClean of the National Association of Student Financial Aid Administrators and William Elliott of the University of Kansas.

### Employment Opportunities at AEDI

1. Research Project Coordinator
2. Post Doc

### Donation

Our mission is to create and study innovations related to asset development, education, and financial inclusion that result in opportunities across the life course for low-income children and families, in the U.S. and around the globe, for the purposes of climbing out of poverty and up the economic ladder.

In a changing funding environment, even small donations can play a vital role in the ability of AEDI to carry out its mission. We would greatly appreciate any support you may be able to provide. You can donate by going to [https://aedi.ku.edu/donate](https://aedi.ku.edu/donate).

### Contact us

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