

Financial Empowerment Initiative for Reach Up Families

- Current Pilot in Barre District to provide financial coaching, classes and financial incentives for Reach Up and Reach Ahead families. Capstone Community Action employs the financial coach and coordinates with the Reach Up team, and will also provide training to Reach Up staff using the federal [Consumer Finance Protection Bureau Your Money, Your Goals toolkit](#).
- Review of the statewide proposal endorsed by the Reach Up Work Group in 2014.

Children's Savings Accounts

- Children's Savings Accounts (CSAs) are long-term, incentivized savings accounts for children, usually established at birth and in this case, dedicated towards financing post-secondary education. In a CSA program, accounts are seeded by a third party with an initial deposit, built by contributions from family, friends and the children themselves, and augmented by savings matches or other incentives.
- [There remains a strong connection between a household's income and educational attainment](#). The problem of low income postsecondary education completion in low income households effects [families](#) and the [Vt economy](#).
- [Research has been building in recent years around the impact of college savings accounts on children and youth](#).
 - Low income children with \$500 or less saved for college are 3 times more likely to attend college and 4 times more likely to graduate – [a powerful impact, especially when compared to our current "debt-dependent" financial aid system](#).
 - Children's savings also improve early child development and future financial capability.
 - A CSA program can offer [a two-generation approach to asset building](#) by encouraging both children and parents to build financial knowledge, developing savings habits, and connecting parents to asset-building services.

The research that has proven the concept of Children's Savings Accounts as a strategy for improving postsecondary education achievement for low income kids.

- Pioneer program in our backyard: Highlights of the [Harold Alfond College Challenge](#) in Maine.
 - \$500 initial "seed" deposit, 50% matched savings (up to \$100/year or \$1000 lifetime)
 - Uses the 529 account as a platform (vs. bank account)
 - Opt-out (automatic)
 - Education efforts & special outreach to low income communities (e.g., Head Start initiative)
- The Convening by the [Federal Reserve Bank of Boston \(NE\)](#) & the Child Poverty Council (VT)
 - Other NE efforts – RI CollegeBound Baby - \$100 seed for all Rhode Island residents born on or after 1/1/15
 - Child Poverty Council's led conversations with VSAC, Treasurer's Office, foundations, Community Action Agencies and others
- Expected legislation from Representative Jill Krowinski