



# TACOMA HOUSING AUTHORITY

## CHILDREN'S SAVINGS ACCOUNT PROGRAM

(last revised February 6, 2019)

In the fall of 2015 Tacoma Housing Authority (THA) launched an ambitious and innovative Children's Savings Account program for the children of Salishan. It seeks to help them, and their families, aspire to college, prepare for it, pay for it and feel they belong when they go. It seeks to get unbanked families banked with financial skills. It also seeks to unite the region's most diverse community by eliciting and enlisting its common expectation and shared hope that its children will graduate from high school and go onto secondary education. THA does this in partnership with the Tacoma Public Schools, the Prosperity Now (formerly CFED) and financial sponsors.

### What are Children's Savings Accounts?

Children's Savings Accounts (CSAs) are asset-building accounts. They start as early as birth, and often pay for students' education after high school. Program models vary from school-based initiatives to citywide efforts funded through public-private partnerships. Accounts typically start with an initial deposit, and grow with families' deposits and financial incentives offered by the CSA program. Financial incentives usually include matching families' deposits up to a limit or offering rewards for meeting certain goals. CSA programs also typically offer financial education programs.



Research from Prosperity Now reports that students who have education savings accounts score better on socio-emotional development indicators, do better in school and are more likely to expect that they will go to college than their peers who do not have savings accounts. Researchers also find that students with these accounts are 3 times more likely to attend college and 4 times more likely to graduate from college than peers who do not have savings accounts. To learn more about CSAs go to [www.prosperitynow.org](http://www.prosperitynow.org) or visit [www.childrenssavingsaccount.org](http://www.childrenssavingsaccount.org).

### THA's Children's Savings Account Program for the Children of Salishan

In the fall of 2015 THA launched its CSA program for children who live in or attend school in the community of Salishan. Salishan is THA's HOPE VI redevelopment. It is a mixed-income neighborhood of renters and homeowners. It has an elementary school, a middle school next door, a regional primary health clinic, parks and other community features all on an award winning design. To learn more about Salishan go to [www.tacomahousing.org](http://www.tacomahousing.org).

THA's CSA Program will have the following five elements:

- **Elementary School Stage:** When a Salishan student enrolls in elementary school, THA will open a savings account in his or her name. THA will remain the account custodian. THA will make an initial \$50 deposit into the account. THA will match the family's deposit into the account up to \$400 per year. This match will continue through 5<sup>th</sup> grade.



- *Middle School through High School Stage:* When students reach 6<sup>th</sup> grade the match stops and students are provided a menu of incentives with milestones. *E.g.:* improved attendance; improved Grade Point Average; enrolling in the College Bound Scholarship Program; taking the PSAT, SAT and ACT; taking college preparatory courses; applying to college; filling out the FAFSA; getting into college; graduating from high school, and starting college. Upon the student reaching each milestone, THA will deposit more money into the account up to \$700 per year.



- *Completing the Journey:* THA’s contribution to the student’s savings account balance will be available if and when the student completes the journey and then only for education or training purposes after high school. (Students who do not complete the journey forfeit THA’s contribution. Forfeited amounts will help fund future cohorts.) Most CSA programs do not have a plausible chance of paying for college. Tuition is just too high. In Washington, its College Bound Scholarship Program will pay for tuition. Yet even with tuition covered, low-income children struggle in other ways: (1) paying for the non-tuition costs of attending college, primarily housing; (2) their lack of preparation for college and their feeling that when they go they do not belong. THA’s CSA Program will help meet these challenges. THA wishes to expand this program city, county, or even statewide to all low-income children.
- *Financial Literacy:* Students and their families are offered financial literacy education.
- *Third-Party Evaluation:* A third-party evaluator tracks outcomes of participating children in comparison with other children, including:

<b>Mid-Term Outcomes</b>	Savings rates	Reading scores and attendance	Grade Point Average	Families getting banked
<b>Long term Outcomes</b>	High school graduation rates	College enrollment rates	College graduation rates	

### **Why is the Tacoma Housing Authority (THA) Investing in Children’s Savings Accounts?**

The Children’s Savings Account Program is part of THA’s Education Project. This project seeks ways to spend a housing dollar, not only to house needy families, but also to promote two other outcomes: to help their children succeed in school; to promote the success of schools serving low-income students. When it works it is a very good use of a housing dollar. THA does this work in partnership with the Tacoma Public Schools and other educational organizations. To learn more about THA’s Education Project go to [www.tacomahousing.org](http://www.tacomahousing.org)

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[www.childressavingsaccount.org](http://www.childressavingsaccount.org)