



TACOMA HOUSING AUTHORITY

CHILDREN'S SAVINGS ACCOUNT PROGRAM for the CHILDREN of NEW SALISHAN, Tacoma, WA

(last revised September 19, 2018)

1. SUMMARY

In the Fall of 2015, the Tacoma Housing Authority (THA), in partnership with Tacoma Public Schools (TPS) and other partners, began offering children's savings accounts (CSAs) for the children of New Salishan. This program will help students, and their families, aspire to college, prepare for it, pay for it and feel they belong when they go. It will get unbanked families banked, with financial skills. It will knit the region's most diverse neighborhood together by eliciting and enlisting its shared hope and expectation that its children will graduate from high school and go to college.

New Salishan is THA's largest and most diverse community. It is a HOPE VI mixed-income community of 1,350 renter and homeowner households on an award-winning neighborhood design. Lister Elementary School sits in the middle of Salishan; First Creek Middle School is next door.



THA's CSA has several elements, all linked to schools. In elementary school, the program will encourage families to save for their children's education. When a student enrolls in kindergarten at Lister Elementary School, THA will offer a savings account in his or her name. (Even Lister students who do not live at Salishan are eligible). THA will remain the account custodian and will control withdrawals. THA will deposit \$50 deposit into the account to get it started. THA will match the family's deposit into the account up to \$400 per year. This match will last through fifth grade.

As companion goals, the program seeks to improve the financial literacy of the students and parents. Lister Elementary School incorporates Junior Achievement financial literacy curriculum into each cohort's classroom yearly. Parents will also receive financial training. The program will also help parents into the mainstream banking system. Financial training of this sort is more effective when the children and the parents have real money of their own to contemplate, as the CSA will give them.

The next stage takes the student from 6th grade through high school. It is for students who live in Salishan and who enroll in 6th grade at First Creek Middle School. They receive a menu of incentives that pay a specific amount for academic achievements and extra-curricular activities. Upon reaching high school in 9th grade, students meet with their assigned counselors to devise individualized plans to take the students through high school and enrollment in a qualified education or training program afterward. The plan will set milestones along the way, largely



of an academic nature. Upon hitting a milestone from 6th grade through high school, the program will make a deposit into the account, up to \$700 per year.

Students who participate fully, with their families, from kindergarten through high school will accumulate a balance of at least \$9,700. The program’s contribution to this balance will be available only if a student graduates from high school and enrolls in a qualified post-secondary educational program, and then only for the costs of attendance, including housing. Students who do not complete the journey will forsake THA’s contribution to the accounts. THA will use those unused amounts to fund future cohorts of students.

Research suggests that even modest balances in such accounts greatly increase the prospects that a student will attend college. In comparison with peers without accounts, they do better in school. They are more likely to expect to go to college. They are 3 times more likely to attend college. They are 4 times more likely to graduate. They score better on socio-emotional development indicators.

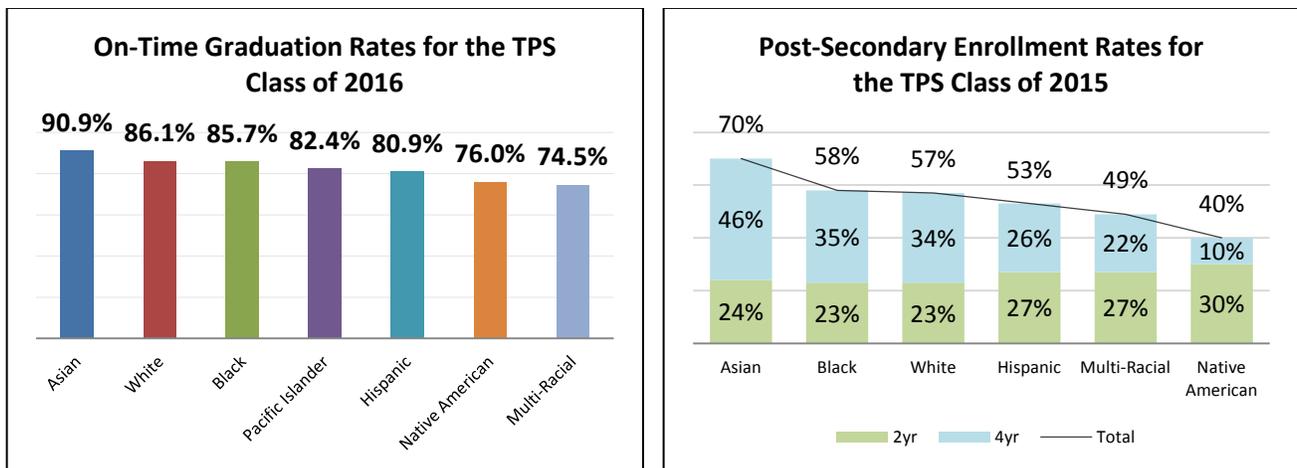
THA plans this effort in collaboration with Tacoma Public Schools (TPS), Prosperity Now (formerly CFED), initial funding from the Bill & Melinda Gates Foundation, the Bamford Foundation, Heritage Bank, Medina Foundation, Walsh Construction Foundation, other funders and social service partners in Tacoma.

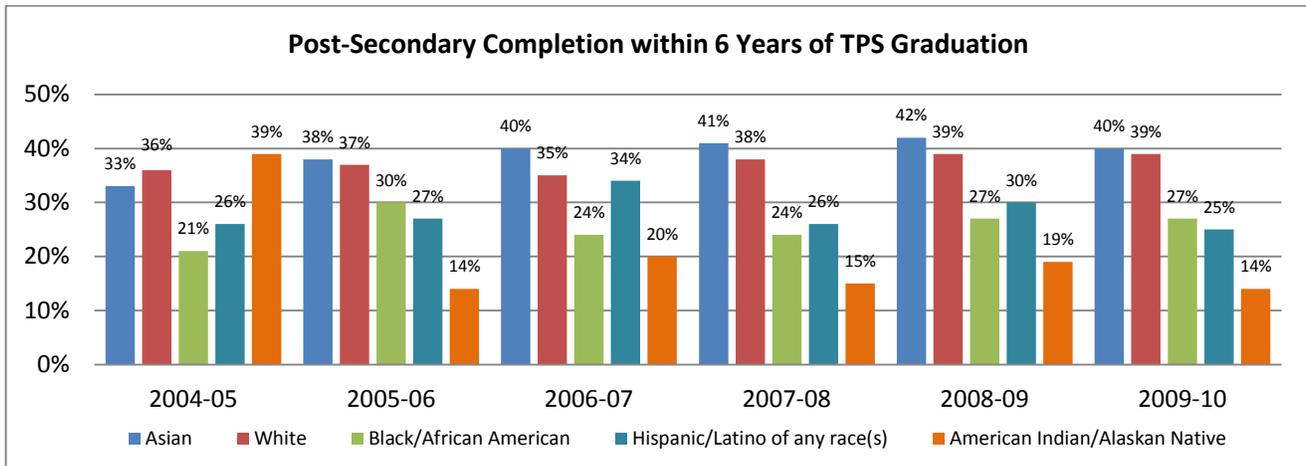
The Urban Institute will serve as the third party evaluator tracking and assessing an array of medium and long-term metrics. The main long-term ones are high school graduation rates, college enrollment rates and college graduation rates.

THA’s fund raising is well underway. Further funding will determine the scope and schedule for this initiative’s expansion.

**2. LOW-INCOME STUDENTS AND THEIR EDUCATIONAL ATTAINMENT:
THE PROBLEM IN TACOMA**

Tacoma Public Schools has made great strides in improving high school graduation rates. Yet, post-secondary educational achievement is also important for a person’s success. By this measure, Tacoma has work to do. These charts show the problem:





Source: Graduate Tacoma – Graduation Rates from OSPI, Post-Secondary Enrollment Rates from ERDC, TPS graduates who complete a certificate, 2-yr, or 4-yr degree within 6 years, accessed 8-14-2017

Post-secondary enrollment rate: Rate at which before high school graduation a student submitted verification of enrollment in a post-secondary educational or training program.

Low-income students face several challenges that keep them out of college:

- Their rate of high school graduation is not high enough.
- Many do not expect to attend college. They do not expect college to be affordable. They do not expect to be ready for college. They may be uninformed about the possibilities. Or in other ways, they do not think college is for them.
- College may indeed be unaffordable. Students in Tacoma and Washington State, however, have an advantage. The College Bound Scholarship program of Washington insures that tuition will be affordable for eligible students up to the average cost of a public 4-year college. This is an enormous advantage. However, even with tuition covered in this way, low-income students usually cannot afford the non-tuition costs of attendance. The primary challenge is the cost of housing. A large scale 2016 survey of Tacoma Community College students makes this clear. 69% of the TCC survey respondents reported housing insecurity within the 12 months prior to the survey (could not pay rent or utilities in full, moved 2 or more times, moved in with others for financial reasons); 27% reported an instance of homelessness within the 12 months prior to the survey (evicted, slept in a shelter, slept in an abandoned building, vehicle or other place not meant as housing, did not know where he or she was going to sleep that night). *See* Goldrick-Rab, S., Richardson, J., & Hernandez, A. HUNGRY AND HOMELESS IN COLLEGE: RESULTS FROM A NATIONAL STUDY OF BASIC NEEDS INSECURITY IN HIGHER EDUCATION (2017) Wisconsin HOPE Lab. <http://www.wihopelab.com/publications/Hungry-and-Homeless-in-College-Report.pdf>.

In all these ways, the main barrier to college is hopelessness, either realistic or imagined. THA's CSAs are intended to address these barriers. It will help students, and their families, aspire to college, prepare for it, pay for it and feel they belong when they go.

3. CHILDREN'S SAVINGS ACCOUNTS GENERALLY

Children's savings accounts (CSAs) can greatly increase the prospects that children will attend college. CSA programs generally have the following features:

- The program establishes a bank account in the name of the participating child. A custodian organization controls the account.
- The program matches the family's deposits at a stated ratio and within limits. (THA's program for elementary school children will do this. Its program for middle and high school students will link program deposits to academic achievement.)
- The program limits withdrawals.
- The account balance is available only for specific purposes, generally education related.
- CSA programs often offer related services, such as financial literacy courses.

CSAs can serve five purposes. **First**, they help a child and a family save for college. **Second**, they help them get used to saving. **Third**, they can ease an unbanked family into mainstream financial services. **Fourth**, they allow a child and a family to think more positively about their future. In the case of Salishan, a CSA serves a **fifth** purpose. It will help unite that very diverse community.

Research suggests that even modest balances in such accounts greatly increase the prospects that a student will graduate from college. In comparison with peers without such accounts, they do better in school. They are more likely to expect to go to college. They are 3 times more likely to attend. They are 4 times more likely to graduate. They score better on socio-emotional indicators. This data comes from PROSPERITY NOW. PROSPERITY NOW is the nation's premier source of expertise on CSAs. For more information about CSAs and PROSPERITY NOW, go to www.prosperitynow.org.

4. NEW SALISHAN

New Salishan is THA's largest community. It has 1,350 households. About 1,000 of them are low-income renters. The remaining households are homeowners with a wide range of incomes. THA built New Salishan as a HOPE VI redevelopment of an old, worn out public housing community. It is now a walkable mixed-income community of apartments, townhomes and single-family homes, an elementary school, a middle school next door, a regional primary health clinic, hood playgrounds, and gardens, all on an award winning design, wrapped by a 250-acre Swan Creek Park.

New Salishan is also the region's most diverse community. It is diverse in ways that in other parts of the housing market are segregating factors. At New Salishan, they are integrating factors: homeowner/renter, race, income, language, national origin, ethnicity, age, and ability/disability. The challenge and charm of New Salishan is to help this community live across these lines. A CSA program available to all its children will help do that.



5. **THA’s CHILDREN SAVING ACCOUNTS FOR THE CHILDREN OF NEW SALISHAN: MAIN ELEMENTS**

These are the main elements of THA’s Children Savings Account program for the children of New Salishan:

5.1 **Elementary School Children Savings Account Program: Kindergarten through 5th Grade**

- The program will offer a CSA for every child that enrolls in kindergarten at Lister Elementary School regardless of whether or not the child lives in Salishan, and for every Salishan child enrolling in kindergarten at another Tacoma public school. This will serve children of both Salishan renters and Salishan homeowners.
- The program will start each year with a kindergarten cohort. As funds allow, the goal is to cover all 6 grades within 6 years. Each grade will constitute a cohort of about 80 students. At full measure, this part of the program will serve about 480 elementary children at any one time.
- The program will match deposits for each child up to \$400 per year through 5th grade. This contemplates a maximum annual program commitment per cohort of \$36,000. The maximum annual commitment for 6 elementary school consorts would be \$196,000, assuming full participation and full family deposits for each child.
- A student who starts at kindergarten and whose family participants fully, by the end of 5th grade, would have at least \$2,400 in family deposits and \$2,400 in program match deposits, for a minimum total of \$4,800.
- Lister Elementary School will incorporate a highly regarded financial literacy into the curricula. THA will offer financial training to the parents. This sort of instruction is most effective when the children and parents have real money to contemplate, as will be the case with the CSA accounts.
- The match of funds ends after 5th grade. The child then moves to the next stage in 6th grade at First Creek Middle School.



5.2 Middle through High School Children's Savings Account Program: 6th Grade through High School

- First Creek Middle School is adjacent to New Salishan.
- The CSA Program will enroll all New Salishan children at First Creek Middle School.
- A student will remain eligible for the CSA program even if he or she leaves First Creek for another middle school in Tacoma Public Schools.



- A student's participation in the CSA program will remain active through high school graduation, as long as he or she continues in Tacoma Public Schools.
- The elementary school stage of the CSA program, which serves younger children, provides a deposit to match the family's deposit. In contrast, the middle through high school stage of the CSA program provides no match. Instead, it rewards the student's behavior and achievement, incentivizing academic performance and participation in college preparatory activities.

For this purpose, the program will begin by providing students in the 6th – 8th grades with a menu of incentives. These will provide the middle school students with a clear list of incentives to strive for. At the start of 9th grade, students are matched with a counselor. The counselor and the student will devise an individualized plan that takes the student high school graduation and enrollment into a qualified post-secondary program. The plan will set academic milestones along the way for each year. These milestones may include: improving attendance, attaining a certain grade point average, enrolling in the College Bound Scholarship, taking college preparatory courses, taking the PSAT, SAT or ACT, applying to qualified post-secondary programs, getting accepted, filling out the FAFSA early, graduating from high school and then enrolling in a qualified post-secondary program.

- Upon achieving each milestone, the program will deposit money into the student's CSA. The amount of the deposit will vary with the type of milestone. THA projects a maximum annual deposit for each student of \$700.
- After 7 years of such deposits, starting in 6th grade, a student who achieved fully would have a balance of \$4,900, **plus** any balance brought over from the elementary school CSA. That additional balance would be \$4,800 for a student whose family participated fully in the elementary school CSA, for a total of \$9,700 from kindergarten through high school.

- Once a student graduates from high school, the balance in the CSA will be available for life expenses while attending a post-secondary institution or training program. A cohort student who fails to enroll in a qualified post-secondary program will forsake the program's contribution to his or her account. Those unused funds will then help fund future cohorts.
- At a maximum of \$700 per year, a cohort of 60 middle and high school students will cost a maximum of \$42,000. All 7 cohorts from 6th to 12th grades will cost a maximum of \$294,000 per year, assuming full participation and full achievement by all students.

5.3 College Bound Scholarship Enrollment Project

Washington's College Bound Scholarship Program (CBS) offers tuition for low-income students who (i) graduate from high school; (ii) with at least a 2.0 grade point average; (iii) stay out of serious trouble; and (iv) get admitted to an approved in-state post-secondary program. Students must enroll in the CBS by the end of their 8th grade year. Starting in school year 2008-2009, THA began an effort to enroll 100% of its 8th graders every year. THA accomplished that by 2010-2011 and in each year since then. For information on this successful enrollment effort, see www.tacomahousing.org. Also since that time, TPS has enrolled 100% of eligible 8th graders throughout the city.

All students enrolled in THA's CSA program will also enroll in the CBS. This is important. It means that the CSA account balances upon high school graduation will likely not be necessary for tuition if a student attends college in state. Instead, those balances will be available for the many non-tuition expenses that often make college attendance unaffordable to low-income students, *e.g.*, housing, food, transportation, books.

5.4 Educational and Family Support

Other elements of the THA experience will fortify the CSA programs' ability to influence school achievement:

- Prosperity Now reports that even low-income families are able and willing to save for their children given a favorable structure to do so. THA's families have the added advantage of living in housing that is affordable to their income. This will free up family income to better allow a family to save for college.
- New Salishan hosts a range of enrichment activities, including after school and summer programs.
- THA provides tailored support services to its. These services help families achieve the stability, self-sufficiency, and increases in household income that will make the best use of CSA programs. THA's service model emphasizes trauma-informed care and strength-based intervention.
- THA knits educational and employment attainment into all of its service plans with families who receive its community services.

5.5 Outcomes and Evaluation

THA has engaged the Urban Institute to track and evaluate medium and long-range performance measures. THA will use the following performance measures of cohort students, all of which it will compare with the same measures for other TPS students and other TPS low-income students:

- performance on standardized reading and math tests in 5th grade;
- performance on standardized reading and math tests in 10th grade;
- high school graduation rates; (THA will also compare these rates with College Bound Scholarship students who do not participate in the CSA programs);
- rates of enrollment in post-secondary programs. (THA will also compare these rates with College Bound Scholarship students who do not participate in the CSA programs);
- rates of graduation from post-secondary programs.

Non-academic performance measures:

- increase in mainline banking activity of participating families;
- increase in financial literacy for students and adult members of the household;
- more positive attitude toward saving for students and adults;
- more positive orientation toward future goals;
- other indicators of student behavior and engagement (*e.g.*, school discipline, participation in school clubs).

6. BUDGET

The two main program costs will be the expense of administration and the expense of the program deposits. Most administrative costs should not vary greatly with the number of cohorts served. This means THA can increase the number of cohorts while only marginally increasing operational costs.

THA has resolved not to launch a cohort unless it has money committed to see the cohort through to high school graduation. THA's fund raising is well underway. THA presently has funding enough to support three cohorts (240 students) from kindergarten through grade 12 and three cohorts (180 students) from grades 6-12. THA seeks to add one new kindergarten and one new 6th grade cohort each year until THA has thirteen active cohorts spanning grades K - 12.

*

*

*

2017 Operational Budget – Annual Costs for Full Cohorts Covering K – 12

Program Element	Cost
Administrative Costs	
Program Specialist (2.0 FTE)*	\$223,200
Project Manager (1.0 FTE)*	
Program Manager (0.1 FTE)*	
THA Indirect	\$25,000
Training/Travel	\$10,000
Equipment/Materials	\$6,000
Third Party Evaluation	\$50,000
Subtotal	\$314,200
CSA Deposits Costs [assume 100% family deposits in the elementary school CSA and 100% student achievement in the SIP]	
Elementary CSA [initial deposits; up to \$400 per student per year]	\$196,000
Middle through High School CSA [up to \$700 per student per year]	294,000
Subtotal	\$490,000
ANNUAL TOTAL**	\$804,200

* Staff positions include salary and benefits.

** Assumes cohorts of 80 students in the K-5 stage and 60 students in the 7-12 stage of the program.

Total Cost of Deposits for One Cohort's Journey through Program	
Elementary School K – 5 th	\$196,000
Middle through High School 6 th – 12 th	\$294,000
Both Programs K – 12 th	\$490,000

7. PARTNERSHIPS

Partnerships are essential to a successful CSA program. THA is fortunate in its partners:

7.1 Operations Partners

- *Tacoma Public Schools*
TPS's collaboration, expertise and enthusiasm have been essential throughout THA's Education Project. For this CSA project, Lister Elementary and First Creek Middle School will be the main operational hubs. The CSA will follow students to high school. Most of them will attend Lincoln High School. THA seeks to add financial literacy instruction to the curricula of all these schools.
- *Prosperity Now (formerly CFED)*
Prosperity Now is the nation's premier source of data and expertise on CSAs generally. THA consults closely with Prosperity Now

- *Heritage Bank*
Heritage Bank will manage the CSA program accounts. Heritage Bank has partnered with THA on a number of initiatives. Heritage has been THA's very capable and community-minded business bank for many years in a relationship that has served THA and Tacoma very well. Heritage is also the sponsor for the 2017-2018 Cohort and has committed to opening a bank branch in New Salishan Fall of 2017.
- *YMCA, Eagle Center at First Creek Middle School*
This staff will also provide advising support and general program support for the middle through high school stage of the CSA program.

7.2 Funding Partners

- *The Bill and Melinda Gates Foundation*
The Gates Foundation is providing \$350,000 to THA over a three-year period to develop and implement the Children's Savings Account Program and other initiatives. These dollars are for operational use only, and do not include funding for incentive payments.
- *Tacoma Housing Authority*
THA committed \$150,000 to directly fund incentive payments for the 6th grade 2015 -2016 cohort.
- *The Bamford Family Foundation*
The Bamford Foundation funded the first Lister Elementary School 2015 – 2016 cohort.
- *Medina Foundation*
The Medina Foundation is providing \$20,000 in 2017 for program support.
- Walsh Construction Foundation is providing \$15,000 for program support.
- *Other Funding Partners*
THA has received a generous \$500,000 gift from an additional funder to fund the entire 2016-2017 second cohort of students' journey from kindergarten through 12th grade.

THA seeks the additional funding these programs will require.

Visit www.childrenssavingsaccount.org
for more information on the
Children's Savings Account program.

8. THA's EDUCATION PROJECT

The CSA program is part of THA's Education Project. The Education Project has two main purposes:

- to help the children THA houses succeed in school;
- to promote the success of the schools serving all low-income children in Tacoma.

THA is interested in education for three reasons. **First**, THA's strategic mission is to house people in ways that help them succeed not just as tenants but also as "parents, students, wage earners and builders of assets who can live without assistance." THA wants families to come to its housing and prosper. In this way, it wants their time with THA to be transforming, and temporary. It wants this especially for the children. School success is part of this transformation.

Second, THA is a real estate and community developer. It develops properties and communities, some of them very large, like New Salishan. THA's mission is to make its properties and neighborhoods "attractive places to live, work, attend school, shop and play" and to help make Tacoma a place that low-income families experience that is "safe, vibrant, prosperous, attractive and just." All this requires successful schools.

Third, public schools face challenges that low-income and homeless children bring to the schoolhouse door. The schools cannot solve them without help. THA seeks to do its part.

THA began this project surmising that it does have an influence to exercise over educational outcomes. This surmise arises from facts that are likely true for most public housing authorities and their communities. They are certainly true in Tacoma:

- Except for the school district and the public assistance agency, THA serves more low-income children in Tacoma than any other organization. It houses about 1 out of every 7 Tacoma public school students and about 1 out of every 4.5 low-income public school students;
- In serving them, THA is deep into the lives of their families, as landlord, as provider of highly regulated rental assistance or housing, and as provider of supportive services. This gives THA an influence over behavior and choices.
- THA owns communities, some quite large, that can be staging grounds for educational initiatives, especially those that are more effective when focused on discrete communities and when part of the visible walking landscape.
- THA resources can leverage investments from schools districts and others.

THA's Education Project comprises several elements and initiatives in addition to its CSA program. *E.g.:*

- College Bound Scholarship Enrollment Project
- McCarver Elementary School Housing Assistance Program
- Tacoma Community College Housing Program

- Rapid rehousing for homeless families with children
- Rapid rehousing for homeless youth without families
- Head Start classrooms in THA communities

- Book distribution program in all THA offices and community buildings

- Arlington Drive Youth Campus – Crisis Residential Center and housing for homeless youth and young adults

THA now adds its Children’s Savings Account Program to its educational initiatives.

To learn more about THA’s Education Project go to: www.tacomahousing.org

For additional information contact:

Amy Van
Project Manager
Tacoma Housing Authority
902 South L Street
Tacoma, WA 98405
(253) 253-448-2793 | avan@tacomahousing.org

