



Fund My Future Milwaukee

Milwaukee Children's Savings Account Initiative

Growing Prosperity Partners Meeting

May 2, 2018



BACKGROUND

- Chapter 5 of *Growing Prosperity* called for investigating national CSA models that change the educational aspirations of low-income youth
- Department of Administration tasked with leading this action item
- CSA work group formed and reached conclusion that Milwaukee needs a large scale CSA program
- CSA work group comprised of local and national partners including Prosperity Now, MPS, Greater Milwaukee Foundation, United Way of Greater Milwaukee & Waukesha County and many others



WHAT ARE CSAs?

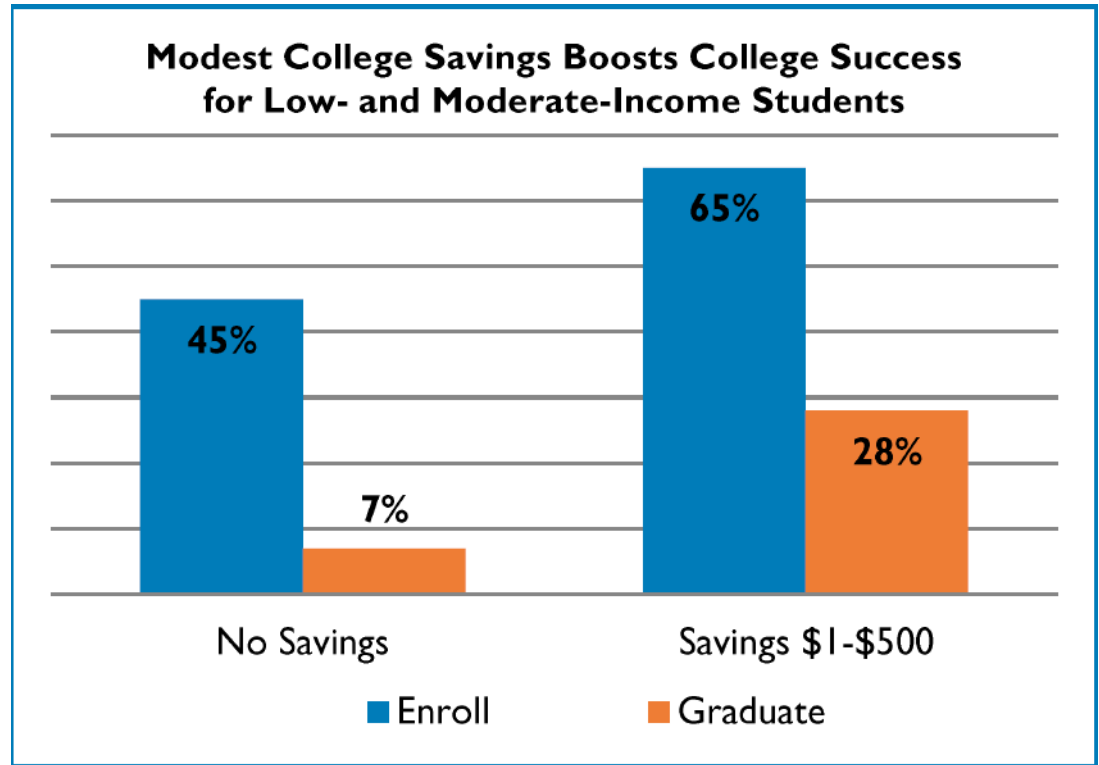
CSA programs help children ages 0-18 - especially low-income youth - save for their future, and all have three defining features

- **Incentive structures to grow savings** - such as initial seed deposits and savings matches
- **Savings designated for postsecondary education** (i.e., college, vocational/technical school)
- **Incentive funds that are restricted** to paying for postsecondary education or another allowable asset (i.e., home or business)



THE POWER OF CSAs

Low- and moderate-income children who have between **\$1 and \$500** in savings for college are **3 times** more like to enroll in college and **4 times** more likely to graduate than those whose families do not have college savings



*Source: **Assets and Education Initiative**, Building Expectations, Delivering Results, Asset Based Financial Aid and the Future of Higher Education, July 2013*

STAKEHOLDER ENGAGEMENT

- Fund My Future Milwaukee reflects a community centric design
- P3 Development Group formalized process to gather feedback from education, business, financial, philanthropic and community leaders and organizations
- Neighborhood and resident feedback sessions held at:
 - Longfellow Elementary School (18 parents)
 - Children's Outing Association (7 students)
 - Wisconsin Women Business Initiative Corp (15 parents)
 - Next Door Foundation Head Start (12 parents)
 - MPS District Advisory Council (60 parents)



STAKEHOLDER ENGAGEMENT

Key CSA Work Group Members

- City of Milwaukee
- MPS & MPS Foundation
- Edvest & TIAA CREF
- Greater Milwaukee Foundation
- United Way of Greater MKE & Waukesha
- Great Lakes Higher Education
- Journey House
- FDIC

Other Philanthropy

- Herb Kohl Philanthropies
- MATC Foundation
- Bradley Foundation
- Milwaukee Bucks Foundation
- Northwestern Mutual
- Wisconsin Philanthropy Network

Education & Policy

- UEDA and Financial Equity Group
- Bruce-Guadalupe Community School
- Milwaukee College Prep
- Seton Catholic Schools
- Community Advocates Public Policy Institute
- Urban Economic Development Association

Corporate & Civic

- Greater Milwaukee Committee
- MMAC
- M7

Regional/National

- Prosperity Now
- Upper Midwest CSA Coalition

PROGRAM GOALS

Goal 1: Increase educational attainment rates to ensure Milwaukee has a 21st century workforce positioned for greater economic mobility

Goal 2: Improve the financial capability of participating children and their families



KEY PROGRAM FEATURES

All Milwaukee K5 kindergarteners will have a CSA seeded at \$25 (26,400 by end of 2020-21 school year)

- **Automatic Citywide Enrollment** – Children automatically enrolled, parents can opt out
- **No cost accounts** – City will work with Edvest to open master 529 account - 71% of large scale programs use 529 accounts
- **Rewards or Bonus Savings** – Program offers benchmark incentives to encourage student achievement (good attendance included)
- **Outreach and Engagement** – Program manager will conduct outreach to connect families to financial services



Age	Children/Youth Services and Programs	Parents Services and Programs
Kindergarten	The Big Read CSA SEED Programming	<u>Organizations/Activities:</u> Financial Opportunity Centers (LISC) <ul style="list-style-type: none"> • Journey House • Riverworks • Milwaukee Jobs Work, • Milwaukee Urban League Goodwill Industries of SE WI GreenPath Financial Wellness Money Smart Week Resource Guide Annual Free Tax Preparation Sites (VITA/EITC) available at: <ul style="list-style-type: none"> • Social Development Commission • Journey House • Riverworks Wisconsin Saves WWBIC/HACM Make Your Money Talk YWCA Southeast Wisconsin
Elementary School	Money Smart Week Teach Children to Save Day	
Middle School	Money Smart Week (Essay Contest) Mapping Your Future	
High School	Secure Futures Milwaukee Summer Earn & Learn Junior Achievement Asset Builders of America (investment clubs, money conference, FICB) <u>Online:</u> Adventures in Education (AIE) FastWeb Mapping Your Future	
Post Secondary	Financial Opportunity Centers (LISC) Look Forward to Your Future (web) Wisconsin Dept. Financial Institutions (DFI) WI Student Loan Debt Task Force	

INCENTIVE PROGRAM ROLL OUT

- Incentives will be phased in over time with a mix of public, charter and private schools (over 200 serve K5 students)
 - Year 1** – 15 schools (7% of schools, 750 students)
 - Year 2** – 50 more schools, 65 (30% of schools, 3380 students)
 - Year 3** – 146 more schools, 211 (100% of schools, 26,400 students)
- Schools will be selected through RFP process
- Phased roll out allows for testing and refining incentive program with most motivated schools



MEASURING SUCCESS

Program success will be measured against set of short-, medium- and long-term outcomes that track progress toward program goals

Outcome Measure	Data Source
Attendance rate	School Data/DPI WISEdash
Children with savings for college	Program database
Children and family postsecondary education expectations	Surveys of children and parents/guardians
High school graduation rate	School Data/DPI WISEdash
Postsecondary enrollment	National Student Clearinghouse/WI DPI
Postsecondary completion	National Student Clearinghouse



BUDGET

THREE YEAR SNAP SHOT

	Year One	Year Two	Year Three	Total
	Year 1	Year 2	Year 3	3-Year Total
Program Delivery	\$177,390	\$179,657	\$183,148	\$540,195
Seed Deposits	\$220,000	\$220,000	\$220,000	\$660,000
Benchmark Incentives	\$10,125	\$43,095	\$106,275	\$159,495
TOTALS	\$407,515	\$442,752	\$509,423	\$1,359,690



KEY NEXT STEPS

- Continue onboarding schools and community partners
- Launch aggressive fundraising effort building off March 23 donors convening (invites to submit LOIs and proposals are coming in)
- Hire program manager
- Software selection
- Execute partnership agreements
- Enroll first cohort of kindergarteners and alert parents 2018/19 school year
- Implement public awareness campaign



FOR MORE INFORMATION

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