

Building Wealth, Building Community, Building Children's Futures

Introduction to the NYC Kids RISE Save for College Program Approach

What would New York City look like if every NYC public school student had a financial asset for college and career training, starting from their first days of kindergarten, and support from every part of their community to achieve educational and economic success?

Over the past four years, stakeholders from the public, private, philanthropic, and nonprofit sectors have come together with school partners, community leaders, and more than 10,000 families to design and pilot a model that brings that vision to life.

The NYC Kids RISE Save for College Program is a universal, community-driven wealth-building platform that expands access to mainstream financial products, puts real financial assets in the hands of low-income families and communities of color, regardless of their immigration status, provides financial education for families and students, and brings schools and communities together to support all of their children's futures. In Fall 2017, the Save for College Program launched a pilot phase across 39 public schools in Western Queens. NYC Kids RISE manages the Save for College Program in partnership with the NYC Department of Education and the City of New York, with founding support from the Gray Foundation.

THE CHALLENGE

Upward economic mobility is increasingly rare—and increasingly unequal. Higher education is a critical component of increasing economic mobility and reducing inequality. Yet, in an era of growing income disparities and a growing racial wealth gap, NYC public school students and their families face unequal opportunities to achieve economic mobility through higher education. The COVID-19 health crisis and economic fallout have only exacerbated these trends, fraying families' already dwindling safety nets and threatening the long-term economic trajectories of New York City's children—particularly its Black and Brown children. But the trends threatening NYC children's path from education to economic mobility are long in the making:

- **College costs are skyrocketing.**¹ Even as some states, like New York, have created free-tuition programs at public universities, non-tuition costs and other restrictions continue to be a barrier for lower-income students.² An unexpected non-tuition expense of \$500-1500 can be the difference between a college student completing their degree and having to drop out.³

- Students of color take on disproportionate debt loads despite attending less expensive schools.⁴
- **Structural barriers limit access to college savings vehicles, including 529 plans, for diverse low-income families.** In 2014, there was just one NY 529 account for every 91 children in the lowest-income NYC neighborhoods, versus one account for every four children in the highest-income neighborhoods.⁵
- **Neighborhoods differ dramatically in the ingredients that promote economic mobility.**⁶ For example, a low-income child born in Queensbridge Houses—a public housing development in western Queens—is expected to earn about \$24,000 per year as an adult, on average, compared to \$51,000 for a low-income child growing up just a mile east.⁷

THE OPPORTUNITY

A universal, community-driven platform for asset building across every NYC school and neighborhood can promote economic mobility and equity for New Yorkers.

- A child in a low-income household with a college savings account of just \$1-500 is **3x more likely to go to college and over 4x more likely to graduate** than a child without an account.⁸
- Providing universal asset-building accounts at a young age to every child with substantial, progressive deposits—while expanding access to capital markets and investment returns—can **meaningfully combat wealth disparities and the racial wealth gap.**⁹
- Investing in neighborhood ecosystems and social infrastructure can increase social capital—the strength of social networks and community involvement—which contributes to **creating neighborhoods of greater economic opportunity and mobility.**¹⁰

THE SAVE FOR COLLEGE PROGRAM APPROACH

The Save for College Program model brings together diverse economic opportunity approaches into an innovative model for a universal, decentralized platform that is **embedded in homes, schools, and neighborhoods**; that operates at the **student, family, school, neighborhood, and system-wide levels**; and that recognizes and supports other stakeholders and their **critical and connected roles as part of an ecosystem**. The Save for College Program has two key goals:

PROJECT GOALS

1. **Every student who enters a NYC public elementary school graduates from high school with a financial asset to be used toward college and career training**
2. **Students, families, schools, and communities have increased expectations of college and career training attendance and graduation for every child.**

This approach is organized around six pillars:

THE SIX PILLARS					
1	2	3	4	5	6
Universal Scholarship and Savings Accounts	Community Scholarships	Integration with the Social Infrastructure	Democratizing Capital Markets	Financial Empowerment & Education	Convening & Organizing
A dual account structure that enables universal access and connection to financial services for every public school student.	Local organizations, businesses, neighbors, and other institutions can direct additional funds to, and fundraise for, students' futures.	Neighborhood institutions use the platform to enhance college + career readiness, financial empowerment, and strengthen social capital.	Inclusive enhancements to savings tools, expanding access to benefits of capital markets, investment earnings, and tax incentives for NYC families.	Customized, standards-aligned financial education lessons in the classroom and workshops and coaching for entire families.	Communities convening, learning from one another, and organizing to advance shared goals.

SUCCESSSES OF THE PILOT PHASE

In the first three years, the Save for College Program drove impacts at the individual, school, neighborhood, and system-wide levels across the pilot area in Queens, home to one of the most diverse school districts in the country, including:

- **More than 10,000 K-2 students**, representing 95% of all the students in those grades from pilot schools, enrolled and have an NYC Scholarship Account invested in a 529 plan
- These students accumulated **more than \$3.5 million** in assets toward their college and career training futures through contributions from NYC Kids RISE, community scholarships, and families' own savings.
- Approximately **1,600 participating families opened and connected their own college savings accounts**, and as a result, a five or six year old in participating zip codes is **over 4x more likely**, on average, to have an NY 529 account for their own savings than in 2014.
- **All 39 public elementary schools** in the district are incorporating the Save for College Program into their activities with students and families as a way to enhance college and career readiness from students' first days of kindergarten.
- **Teachers across the school district are teaching financial education in their classrooms**, and schools and community partners have co-hosted hundreds of financial empowerment and college access workshops, events, and one-on-one sessions for parents/guardians with **more than 7,600 attendees**.
- **Community based organizations** across the district are integrating the account platform into their programming to increase access for their families and enhance their empowerment missions.
- NYC Kids RISE and its partners successfully advocated for **systems changes to the NY 529 plan to make it more inclusive to NYC's diverse low-income families**, including elimination of the minimum initial and subsequent contribution requirement, simplification of the online application, translation of plan materials and services into Spanish, acceptance of money orders as a deposit method, and more.

WHAT'S NEXT?

Based on the successes of the pilot phase, NYC Kids RISE and its partners are working to begin expanding the Save for College Program to other NYC school districts, with the goal of ultimately reaching every NYC public school. Together, we have built the platform, the model, the team, and the momentum. We now have an opportunity to expand this platform city-wide through a highly-leveraged model. **Every dollar raised is multiplied through public, philanthropic, family, and community investments.**

Particularly in this moment of compounding crises facing NYC's families, this platform provides a critical opportunity to drive real financial assets directly into the hands of low-income communities and communities of color that have been systematically excluded from wealth-building opportunities. By bringing government, philanthropy, local businesses and organizations, schools, and community members together to build financial resources and resiliency for every family, this platform **provides both a safety net in times of crisis and a springboard for students and families to succeed in the long term.** Join us!

Learn how you can help bring this platform to every family in every school across New York City at nyckidsrise.org.

ENDNOTES

- 1 College Board, "[Trends in College Pricing 2017](#)," 2017.
- 2 Institute for Higher Education Policy, 2018. <http://www.ihep.org/research/publications/state-free-college-tennessee-promise-and-new-yorks-excelsior-scholarship>
- 3 Association of Public and Land Grant Institutions, "[Completion Grants: Lessons from a Pilot Program](#)."
- 4 Pell Institute, "[Indicators of Higher Education Inequity in the United States](#)," 2016 Historical Trends Report, based on Mortenson, T. (2015, December). Unequal Family Income and Unequal Higher Education Opportunity, 1970 to 2014. Postsecondary Educational Opportunity, 278. Washington, D.C.: Pell Institute for the Study of Opportunity in Higher Education.; Elliott and Rauscher, 2018. <https://www.scirp.org/journal/PaperInformation.aspx?paperID=84330>
- 5 Based on analysis by the NYC Department of Consumer Affairs Office of Financial Empowerment using data from the NY 529 Plan and American Community Survey, 2015.
- 6 Chetty, Hendren, Klein, & Saez, "[Where is the Land of Opportunity?: The Geography of Intergenerational Mobility in the U.S.](#)" 2014.
- 7 Based on NYC Kids RISE analysis of U.S. Census Bureau and Opportunity Insights data from "[The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility](#)," 2018.
- 8 Elliott, W., Song, H., & Nam, I. (2013). *Small-dollar Children's Savings Accounts and children's college outcomes by income level.* *Children and Youth Services Review* 35(3): 560-571.
- 9 See, for example, Annie E. Casey Foundation, "[Investing in Tomorrow](#)," 2016.
- 10 See, for example, Chetty 2018 https://opportunityinsights.org/wp-content/uploads/2018/10/atlas_summary.pdf; Wilson, *More than Just Race*, 2009; Sampson, *Great American City*, 2011.

The NYC Kids RISE Save for College Program is a scholarship and savings program administered by NYC Kids RISE, Inc., a nonprofit, in partnership with the NYC Department of Education and the City of New York. NYC Kids RISE is neither affiliated with, nor an authorized distributor of, New York's 529 College Savings Program and does not solicit investments or provide investment advice. The City of New York and the NYC Department of Education offer no endorsement or recommendation about, and do not control, own or are affiliated with the program manager for New York's 529 College Savings Program and any particular college savings or other investment vehicle, including ones which families may learn about through the Save for College Program.

The NYC Kids RISE Save for College Program is a public-private-community partnership that provides families, schools, and communities with a way to work together to save for their children's futures. It's a universal scholarship and savings platform designed to make college and career training more accessible and achievable for all NYC public school students—regardless of their family's income or immigration status. NYC Kids RISE, a nonprofit organization, manages the Save for College Program in partnership with the NYC Department of Education and the City of New York.

