



# Building Wealth, Building Community, Building Children's Futures

The NYC Kids RISE Save for College Program Approach



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# 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.**<sup>1</sup> 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.<sup>2</sup> An unexpected non-tuition expense of \$500-1500 can be the difference between a college student completing their degree and having to drop out.<sup>3</sup>

- Students of color take on disproportionate debt loads despite attending less expensive schools.<sup>4</sup>
- **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.<sup>5</sup>
- **Neighborhoods differ dramatically in the ingredients that promote economic mobility.**<sup>6</sup> 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.<sup>7</sup>

### 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.<sup>8</sup>
- 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.**<sup>9</sup>
- 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.**<sup>10</sup>

## 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
<b>Universal Scholarship and Savings Accounts</b>	<b>Community Scholarships</b>	<b>Integration with the Social Infrastructure</b>	<b>Democratizing Capital Markets</b>	<b>Financial Empowerment &amp; Education</b>	<b>Convening &amp; Organizing</b>
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](https://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](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.*



# Universal Scholarship and Savings Accounts for All NYC Public School Students

## Introduction to the Save for College Program's Account Infrastructure

*The Account Infrastructure is the first pillar of the Save for College Program's model. Through the NYC Kids RISE Save for College Program, having a financial asset for higher education is part of what it means to go to public school in New York City.*

**WHAT:** Through the Save for College Program, NYC Kids RISE automatically opens an **NYC Scholarship Account** invested in a 529 college savings plan for every student in a participating school starting in kindergarten, unless their family opts out. Each account has a \$100 initial deposit from NYC Kids RISE, and families can earn up to \$200 in additional scholarship rewards for early engagement and savings. Once a student has this account, their family can then open their own **College Savings Account**—either a 529 account or a bank savings account—to save funds for higher education in parallel to their child's NYC Scholarship Account and earn rewards. The funds can be used for both tuition and non-tuition expenses at four-year colleges, two-year college, and vocational and technical training programs in New York and across the country.

**WHY:** The scholarship and savings accounts are a universal foundation that enables families, schools, and communities across New York City to both build financial assets and support college- and career-going expectations for every child, regardless of the child or family's income or immigration status. Research suggests that 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 more than 4x more likely to graduate than a child without an account, as a result of the role these accounts can play in promoting and reinforcing college-going expectations.<sup>1</sup> Research also suggests that providing accounts with substantial, progressive deposits and expanding access to capital markets and investment returns can meaningfully reduce wealth disparities and the racial wealth gap.<sup>2</sup>

**HOW:** Public sector institutions, school and community partners, and private philanthropy came together to inform and design the infrastructure of the scholarship and savings accounts that advanced the values and goals of the Save for College Program and could scale citywide.

Starting in the Fall 2014, the City of New York began an effort in collaboration with the NYC Department of

Education and the Gray Foundation to explore ways to expand access to higher education and economic opportunity for the City's public school students. From 2014 to 2016, these program partners worked with researchers, practitioners across the country, and NYC family and community stakeholders to design a universal scholarship and savings platform that would

- **Remove barriers** through automatic (opt-out) enrollment;
- **Be inclusive** to all students, regardless of income or immigration status;<sup>3</sup>
- **Be accessible** to families of many language groups by translating Program materials into the nine most common languages spoken in the NYC public school system;
- **Expand access** to capital markets by investing students' NYC Scholarship Accounts in a 529 plan and enabling families to open their own 529 account if they choose, allowing families to benefit from compound earnings and 529-specific potential state and federal tax benefits;<sup>4</sup> and
- **Serve as a platform** for community engagement by enabling students, families, local organizations, businesses, anchor institutions, and other stakeholders to contribute to students' accounts, and integrating opportunities to access and engage with these accounts into existing activities in communities.

Since the Program's pilot phase launched across 39 public schools in Queens, NYC Kids RISE (the nonprofit created to manage the Program as a public-private-community partnership) has partnered with families, school staff and leadership, and community based organizations, the Office of the New York State Comptroller, Amalgamated Bank, and others to further refine the account infrastructure to ensure it best meets the needs, desires, and aspirations of this highly diverse school district—and ultimately, the entire NYC school system.

## SELECTED METRICS FROM THE PILOT PHASE

(as of June 30, 2020\*)

- **95% of kindergarten, first-, and second-grade students** attending a participating elementary school were enrolled in the Save for College Program
- **More than 10,000 NYC Scholarship Accounts** opened across the first three cohorts, one for each enrolled student
- **\$1.25M deposited in scholarship funds** from NYC Kids RISE, including over **\$1M in seeds** and **\$250K in rewards** earned. (This does not include another \$580K in Community Scholarships.)
- **More than 5,058 families** activated their NYC Scholarship Account through the online Savings Tracker (Building Block 1)
- **More than 1,592 families** opened or connected their own college savings account (529 account or bank account) through the platform (Building Block 2)
- **Families saved \$1.7M total** in their own college savings accounts (529 account or bank account) since opening or connecting an account

**WHAT'S NEXT:** Thanks to the technology and partnerships across the public, private, and community sectors that the Save for College Program successfully established during the pilot phase, this financial platform has been built to scale citywide—automatically equipping every NYC public school student with a real financial asset for college and career training.

**Learn how you can help bring this platform to every family in every school across New York City at [nyckidsrise.org](https://nyckidsrise.org).**

*\*Due to the COVID-19 pandemic, all NYC public schools transitioned to remote learning in March of 2020 for the remainder of the school year and through the end of the pilot in June 2020, impacting metrics and milestones for the final quarter.*

### ENDNOTES

- 1 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.
- 2 See, for example, Annie E. Casey Foundation, "[Investing in Tomorrow](#)," 2016.
- 3 For more information about how undocumented and mixed status families can participate in and engage with the Save for College Program, see this [Q&A for families here](#).
- 4 Tax benefits vary by individual circumstances and the state in which an account owner pays income tax.

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*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.*



## Leveraging Local and Citywide Assets to Build Wealth in Neighborhoods

### Introduction to the Save for College Program's Community Scholarships

*Through its Community Scholarships, the Save for College Program is both a universal and a targeted platform for New York City to build real wealth in communities and reinforce expectations of success for all of its children.*

**WHAT:** Community Scholarships are a way for communities to leverage their unique assets, institutions, and traditions to visibly and tangibly support their children's educational futures by contributing to and fundraising for students' NYC Scholarship Accounts. Community Scholarships also provide a mechanism for policymakers, business leaders, philanthropists to work with communities to build new systems that drive resources into low-income communities and communities of color that have been systematically excluded from wealth-building opportunities.

Functionally speaking, Community Scholarships are contributions to groups of NYC Scholarship Accounts through a donation to NYC Kids RISE. NYC Kids RISE deposits 100% of the donations received for Community Scholarships into the NYC Scholarship Accounts of the designated group of students.

**WHY:** The Save for College Program is not only about families saving their own money. It's about bringing together what families can contribute, what school communities can contribute, what neighbors and community members can contribute, and what institutions and systems throughout the city can come together to contribute to equip every child with resources for their future. By enabling local stakeholders (businesses, neighbors, civic organizations, etc.) to support the NYC Scholarship Accounts in the ways and amounts that make sense for them, Community Scholarships are a tool for demonstrating community-wide support for every child's future, encouraging families to continue planning and saving for higher education, strengthening social capital, and building generational wealth in neighborhoods.

Community Scholarships are a key lever by which the Save for College Program has the potential to build significant wealth and combat the **racial wealth gap**. Black and Hispanic families own less than 10% and 12% of the wealth, respectively, of white families.<sup>1</sup> If left unaddressed, research suggests the median Black and median Hispanic family in the U.S. will

have zero *net assets* within the next 50 years.<sup>2</sup> While the Save for College Program alone is not the answer to this challenge—which is rooted in policies and practices of structural racism and discrimination—it has the potential to be one piece of an agenda to combat the racial wealth gap by providing a mechanism to drive targeted financial assets into communities of color via investment accounts that have the potential to grow over time.<sup>3</sup>

**HOW:** NYC Kids RISE's approach to Community Scholarships is driven by the fundamental belief that the institutions in a neighborhood will either reinforce or hinder both the real opportunities for and the expectations of success. Community Scholarships bring the institutions within and across neighborhoods together to invest in their children's success. Since the first Community Scholarship effort in late-2018, communities have come together through various campaigns, including

- **The Concert for College**, a Black History Month gospel concert organized by two churches in Long Island City and Astoria, which brought nearly 1,000 community members together to raise money for the accounts of students at eight schools in these neighborhoods;
- **Seamless's "Donate the Change" Campaign**, which raised more than \$300,000 in one month—about \$49 for every participating student in the Program—by enabling Seamless diners to round up their order and donate the change to NYC Kids RISE;
- **The P.S. 92 Parent-to-Parent Community Scholarship**, a contribution from public school parents in Brooklyn who had recently sent their kids off to college to support the next generation of families at P.S. 92 in Corona, Queens;
- **Community Scholarship for P.S. 111 First Graders**, an online campaign supported by friends and neighbors in Long Island City, which raised \$108 for every first-grader at P.S. 111 to show support for that school community;

- **Funding Long Island City's Future**, a community-wide, grassroots fundraising campaign supported by more than 100 local businesses, community organizations, parents, residents, and other supporters who came together to show that Long Island City is a neighborhood that supports all of its children to succeed;
- **Astoria Houses Community Scholarship**, a community campaign led by the Astoria Houses Resident Association to raise \$1,000 for every kindergarten, first, second, and third grader that lives in Astoria Houses and attends a pilot school, to let the kids know that their community supports them.

## SELECTED METRICS FROM THE PILOT PHASE

(as of June 30, 2020\*)

- **\$580K raised** through Community Scholarships initiated during the pilot phase
- **6,606 individual students** received funding through these Community Scholarships
- **40+ community based organizations and businesses** involved in Community Scholarship campaigns and events
- **More than 1,000 donors** to community scholarship efforts (not including Seamless diners)

**WHAT'S NEXT:** Ultimately, NYC Scholarship Accounts through the Save for College Program will become a universal financial infrastructure across every neighborhood. This opens up many creative opportunities for community-driven, progressive wealth-building that can combat wealth disparities and legacies of exclusion from the financial mainstream, all while visibly engaging the institutions that impact neighborhood-level opportunity and supporting children's expectations of success from an early age.

Learn how you can help bring this platform to every family in every school across New York City at [nyckidsrise.org](https://nyckidsrise.org).

*\*Due to the COVID-19 pandemic, all NYC public schools transitioned to remote learning in March of 2020 for the remainder of the school year and through the end of the pilot in June 2020, impacting metrics and milestones for the final quarter.*

## ENDNOTES

- 1 Board of Governors of the Federal Reserve System. 2016 Survey of Consumer Finances (SCF) (Washington, DC Federal Reserve Board, 2017)
- 2 Collins, C., Asante-Muhammad, D., Hoxie, J., Nieves, E. (2017). "The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America's Middle Class." Institute for Policy Studies and Prosperity Now.
- 3 Preliminary internal projections, based on early outcomes, suggest that the average student enrolled in the Save for College Program could have approximately \$3,000 in total assets in their accounts by the time they graduate high school. In addition, this platform provides the opportunity to direct larger institutional funding streams toward the accounts of students in low-income neighborhoods and communities of color, building even greater assets in those students' accounts.

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## Enhancing College and Career Expectations across School Communities

### Introduction to the Save for College Program's Integration with the Local Social Infrastructure and the Role of Schools

*By providing a tangible financial asset for every student's educational future from their first days of kindergarten, the Save for College Program provides a powerful mechanism for school communities to rally around their children's long-term success. The 39 founding partner schools of the Save for College Program have integrated this platform into their day-to-day operations to enhance their schools' college- and career-going culture, co-creating a model for new school districts across New York City.*

**WHAT:** Throughout the pilot area—home to one of the most diverse school districts in the country—public elementary schools have integrated the Save for College Program into their operations to promote their goals around post-secondary readiness, family empowerment, and family-community ties in alignment with the DOE's Equity and Excellence Agenda and College Access for All initiative. Participating schools are using this platform as a tool to:

- Engage students and their families in conversations about their college and career aspirations from a young age through school-wide events and community partnerships;
- Support participating families to activate their children's NYC Scholarship Accounts, earn more funds for their children's scholarship accounts, and learn about the resources available to them through the Program;
- Partner with NYC Kids RISE and community based organizations to host financial empowerment and college access workshops, events, and one-on-one sessions for parents/guardians; and
- Teach customized, standards-aligned financial education lessons in the classroom, starting in kindergarten. These lessons introduce students to important financial concepts and teach them about their NYC Scholarship Accounts and how the Save for College Program can support their future.

**WHY:** Elementary schools are at the heart of every neighborhood and are a core component of the neighborhood social infrastructure, defined as “the physical places and organizations that shape the way people interact.”<sup>1</sup> The Save for College Program is designed to support, leverage, and reinforce this neighborhood social infrastructure—the ecosystem of associations, organizations, and institutions in each neighborhood that impact a child and family's likelihood

of educational and economic success. The Save for College Program is also rooted in the principle that each community is unique and must have ownership in shaping the ways in which it interacts with the platform.

For these reasons, the Save for College Program is designed not as an add-on or outside program that NYC Kids RISE “provides” and schools “host.” Rather, it is a tool that schools can integrate as a core component of their day-to-day operations and customize to meet the needs and desires of their own school community. The Program can increase schools' capacity to get all of their students on the path to post-secondary education by complementing, strengthening, and deepening the work they already do every day.

**HOW:** The district administration and school leadership and stakeholders in the pilot schools co-created core components of the Save for College Program with NYC Kids RISE and integrated it into each school community.

**Co-creation.** Prior to the Program's launch, the district leadership, school principals, parent coordinators, and other key stakeholders provided extensive feedback about the Program's structure, informational materials, and how it could be best adapted to each school community. This feedback informed core elements of the platform's design and rollout. Further, since the Program's launch, NYC Kids RISE has worked to foster Communities of Practice within each school and across the district for ongoing professional learning and feedback, best practice sharing, and iteration to further refine the model and make it work better for each school.

**Integrating into School Operations.** Schools have worked with NYC Kids RISE and the DOE to develop, prototype, and iterate upon systems for integrating this platform to build and reinforce a college- and career-going culture in their school. One piece of that approach is a calendar of six family empowerment “anchor events”

that each participating school leads during the school year to engage parents/guardians with the Program and support them to activate their children's NYC Scholarship Accounts. Based on the successes and possibilities of the first two years, the district superintendent made supporting every parent/guardian to activate their child's NYC Scholarship Account a district-wide goal in Year 3. According to the superintendent, activating this account "encourages families to think about post-secondary education early, and it ensures they know that the community is investing in their future."<sup>2</sup> To support schools to reach these goals, NYC Kids RISE has expanded its professional learning and technical assistance offerings to build greater capacity and strengthen communities of practice.

These relationships and networks enabled NYC Kids RISE and its partners to take swift action together when COVID-19 severely and unexpectedly impacted pilot school communities: \$1.1million in emergency cash relief was raised and distributed, in collaboration with school partners, directly to participating families enrolled in the Save for College Program between April and July.

**WHAT'S NEXT:** Thanks to the leadership, creativity, and insights of pilot school communities, the Save for College Program is now a tool that NYC public schools can use to better support their students' journey to post-secondary education and economic success. Going forward, the pilot schools will be critical partners in continuing to build out and deepen the model, particularly as both families and schools adapt to a blended and remote learning context during the ongoing COVID-19 pandemic. As the Program expands to other schools and districts, it will be an important tool for strengthening post-secondary possibilities across NYC's elementary, middle, and high schools—from the first days of kindergarten, to high school graduation and beyond.

**Learn how you can help bring this platform to every family in every school across New York City at [nyckidsrise.org](https://nyckidsrise.org).**

*\*Due to the COVID-19 pandemic, all NYC public schools transitioned to remote learning in March of 2020 for the remainder of the school year and through the end of the pilot in June 2020, impacting metrics and milestones for the final quarter.*

## ENDNOTES

- 1 Klinenberg, Eric. *Palaces for the People: How Social Infrastructure Can Help Fight Inequality, Polarization, and the Decline of Civic Life.* 2018.
- 2 Dr. Philip A. Composto, "District 30's Plan to Support Our Children's College and Career Futures This Year," 11.6.2019.

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## SELECTED METRICS FROM THE PILOT PHASE

(as of June 30, 2020\*)

- **756 school staff and stakeholders** attended a Save for College Program professional learning and feedback session
- **78 professional learning and feedback sessions** held for school stakeholders
- **690 Save for College Program workshops** and events hosted by participating schools
- **136 school-led** Save for College Program events and activities
- **92% of school stakeholders** who attended a 2019-2020 professional learning and feedback session reported being equipped to support families to activate their NYC Scholarship Accounts
- **\$1.1M in emergency cash** distributed to over 4900 unique families with the support of schools between April and July 2020



## A Tool for Community Based Organizations, the Lifeblood of Neighborhoods

### Introduction to the Save for College Program's Integration with the Local Social Infrastructure and the Role of Community Based Organizations

*Community based organizations (CBOs) can use the Save for College Program to advance their own organizational missions and strengthen their existing work supporting educational and economic success in their neighborhoods. CBOs are critical partners in the Save for College Program's decentralized, community-driven wealth-building approach and central to the model for scaling the Program citywide.*

**WHAT:** During the Save for College Program's pilot phase, NYC Kids RISE partnered with community based organizations that serve families in the pilot area's neighborhoods to determine how these organizations can best use and leverage the Program as a part of their work. CBOs have played three key roles within the Save for College Program model:

- 1. CBOs bring culturally competent scalability.**  
 As trusted institutions in neighborhoods, CBOs can leverage their local knowledge and expertise to support families to access and use the Save for College Program in a more culturally competent and effective way than a single organization with a one-size-fits-all approach can.
- 2. CBOs can catalyze and strengthen a neighborhood's social capital as part of community-wide efforts.**  
 CBOs can use the platform to work together in new and different ways with other networks and institutions within their neighborhoods that are also using and engaging with the Save for College Program—be it a school, a parent organization, a local business, or another CBO. These community-wide collaborations can both advance the CBOs' priorities for their neighborhoods, including advocacy for policy and systems changes, and strengthen the social capital ties that promote neighborhood economic mobility.
- 3. CBOs can use the Save for College Program to advance their missions and strengthen their own work.** CBOs can use the Save for College Program to advance their organizational missions by integrating the initiative's universal account platform and related rewards, information, and resources into their programs and services for families. In this way, partnering with CBOs can not only boost individual outcomes for families, but also strengthen the CBOs services.

**WHY:** Similar to a neighborhood's schools, CBOs play critical roles in the educational and economic opportunities of students and their families in their community, and they are a central piece of the neighborhood social infrastructure ("the physical places and organizations that shape the way people

interact").<sup>1</sup> Numerous studies have found the strength and concentration of community based organizations to be a key ingredient for creating vibrant neighborhoods and promoting greater economic opportunity.<sup>2</sup> In addition, integrating the initiative into CBOs' programmatic offerings is part of the Save for College Program's decentralized, scalable model that can better reach families where they are, across each of NYC's diverse school districts.

**HOW:** Particularly in an area as diverse as the pilot area in Queens, engaging with the local organizations that know their communities best was critical to the Save for College Program's design and launch. In the first year, CBOs across pilot neighborhoods provided feedback on the initiative's design and materials, hosted family engagement events at the public housing developments in the district, and worked with NYC Kids RISE and the City's Office of Financial Empowerment to integrate relevant Program information and support into the NYC Financial Empowerment Centers' free financial counseling services.

In Spring 2019, with support from Citi, NYC Kids RISE launched an initiative to pilot deeper partnerships with a set of community based organizations that serve families in the pilot area. Through this year-long initiative, this collaborative of six CBOs each developed and executed proof-of-concept projects for integrating the Save for College Program into their services for families, with technical assistance and a small grant from NYC Kids RISE. The six partner organizations spanned all of the pilot area's neighborhoods and provided services to families with young children that ranged from anti-poverty and financial empowerment, to after-school programs and summer camps, to citizenship services and immigrant rights organizing and advocacy. Through the year-long partnership:

- **Urban Upbound's** Astoria Houses Jobs-Plus site integrated the Save for College Program into the customer flow of their financial counseling and tax preparation services, creating a new incentive to encourage families with young children to use their services;

- **Make the Road New York** trained and equipped their “Padres en Acción” (Parents in Action) committee to distribute Save for College Program information to other immigrant families in their community, including undocumented families, and supported these families to access their scholarship and savings accounts through a train-the-trainer community organizing approach;
- **Sunnyside Community Services** led a college trip for first- and second-grade families in their summer camp, promoting college-going expectations for both students and their parents, including parents who had never seen a college campus;
- **Queens Community House’s** Community Schools program at P.S. 149 in Jackson Heights collaborated with the school’s parent coordinator, teachers, and other school staff to add capacity to the school’s support for families around the Save for College Program;
- **Jacob Riis Neighborhood Settlement** integrated the Save for College Program into their after-school programs at three schools in Long Island City, coordinating not only with the school teams but with other community organizations and civic groups to best support their families, most of whom live in public housing; and
- **Emerald Isle Immigration Center** held events to support families in their citizenship classes, immigration legal services, and health services to learn about the initiative and complete the foundational steps.

NYC Kids RISE also worked with the CBO partners and an external user design firm to create sets of CBO-facing and parent-facing materials that CBOs can use to better integrate the Save for College Program into their work, both in the pilot area and throughout the city.

In addition, these prototypes revealed opportunities for integrating the initiative within system-wide partnerships between City agencies and community based organizations (e.g. afterschool programs and Community Schools). They also demonstrated the need for dedication of greater resources (financial and otherwise) to lower-resourced neighborhoods with less CBO capacity.

## SELECTED METRICS FROM THE PILOT PHASE

(as of June 30, 2020\*)

- **15 community based organizations** engaged with and used the Save for College Program
- **29 CBO staff** were trained to support families to access the Save for College Program and complete the three Building Blocks
- **92 events** were held by CBOs that incorporated the Save for College Program
- **100 Building Blocks** that CBO Partnership Collaborative partners supported families to complete through their pilot projects
- **11 community based organizations** provided feedback on the Program’s design, materials, and engagement tools

**WHAT’S NEXT:** The ongoing health and economic fallout from COVID-19 has only reinforced the critical role that CBOs play in empowering and stabilizing their communities. NYC Kids RISE is continuing to work with CBO partners across the pilot area and beyond to determine how the Save for College platform can best amplify, support, and connect their efforts in fostering neighborhoods of economic and educational success. These partnerships will continue to play an important role as new communities begin to use the Save for College Program to build intergenerational wealth and to propel the futures of New York City children.

**Learn how you can help bring this platform to every family in every school across New York City at [nyckidsrise.org](https://nyckidsrise.org).**

*\*Due to the COVID-19 pandemic, all NYC public schools transitioned to remote learning in March of 2020 for the remainder of the school year and through the end of the pilot in June 2020, impacting metrics and milestones for the final quarter.*

### ENDNOTES

- 1 Eric Klinenberg, *Palaces for the People: How Social Infrastructure Can Help Fight Inequality, Polarization, and the Decline of Civic Life*, 2018.
- 2 See, for example, Small, Mario Luis, 2009. *Unanticipated Gains: Origins of Network Inequality in Everyday Life*. Oxford, UK: Oxford University Press; and Sampson, Robert J. 2012. *Great American City: Chicago and the Enduring Neighborhood Effect*. Chicago: University of Chicago Press.

*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.*



## Creating Inclusive College Savings Vehicles with and for NYC's Diverse Families

### Introduction to the Save for College Program's Approach to Democratizing Capital Markets and Savings Options

*In 2014, a five-year-old growing up in one of NYC's highest-income neighborhoods was at least 20 times more likely to have a NY 529 Direct Plan account than a child growing up in one of NYC's lowest-income neighborhoods. Such a stark disparity in 529 account usage—and the potential investment returns and tax benefits that come with them—is part and parcel of the broader inequalities in access to mainstream financial products that have helped to drive the racial wealth gap. NYC Kids RISE worked with its partners to expand access to the NY 529 Direct Plan and other college savings vehicles by removing structural barriers that particularly hinder low-income families, families of color, and non-English speaking families.*

**WHAT:** Since the inception of the Save for College Program, NYC Kids RISE has worked with the Office of the New York State Comptroller to expand access to capital markets for NYC's families. The Save for College Program automatically opens an NYC Scholarship Account in the NY 529 *Direct Plan* for every participating student—a process that does not require a Social Security Number of Individual Tax Payer Identification Number (ITIN) and does not impact a family's public benefits. NYC Kids RISE and its partners also successfully advocated for enhancements to the NY 529 *Direct Plan* disclosure booklet, website and forms that make it easier for families to open their own NY 529 account alongside their scholarship account, including:

- Elimination of the initial and ongoing minimum contribution, meaning a parent/guardian can open an account without a deposit and can deposit as little as \$1 at a time;
- Translation of the NY 529 *Direct Plan* into Spanish;
- Planned addition of money orders as an accepted deposit method, enabling unbanked families to more easily contribute to these accounts; and
- Simplification of the online enrollment application.

These and other changes accomplished since the Program's launch in 2017 have expanded access to this important wealth-building tool not only for families in the Save for College Program, but for families throughout the city, state, and country who can now take advantage of the more inclusive features of the NY 529 *Direct Plan*, the nation's largest direct-to-consumer 529 plan.

NYC Kids RISE also worked with Amalgamated Bank to provide a customized, FDIC-insured college savings account option for participating families who choose not to open an investment account for their own savings. This option has no account maintenance fees or account minimums, accepts IDNYC (NYC's municipal ID) as a form of identification, and allows for various methods of deposit, including cash.

**WHY:** 529 plans are the country's main state-administered, tax-advantaged investment products created to help families save for college and career education.<sup>1</sup> With \$371 billion<sup>2</sup> invested in 529 plans across the country, they are a potentially powerful tool to promote wealth-building and economic opportunity for families. However, data at both the national and local levels show that the benefits of 529 plans have overwhelmingly gone to families toward the top of the income ladder.<sup>3</sup> This unequal access to 529 accounts is one glaring example of broader disparities in access to mainstream financial products among low-income communities and communities of color.<sup>4</sup> For families without access to a 529 account or even a bank account, building savings for their children's post-secondary education is fraught with obstacles.

**HOW:** The Save for College Program's work with the Office of the NYS Comptroller and Amalgamated Bank to create inclusive college savings options has been guided by academic and original research, best practices from across the country, and feedback from the pilot area's highly diverse communities. In 2016, Program partners held a series of focus groups with diverse low- and moderate-income families in key neighborhoods to better understand the vast disparities in use of college savings vehicles.<sup>5</sup> These focus groups revealed a set of barriers that, along with other research and best practices, became the foundation for a set of requested enhancements that the Save for College Program partners brought to the Office of the NYS Comptroller.

Since then, NYC Kids RISE has continued to synthesize and present the feedback from its 70+ stakeholder feedback sessions and the hundreds of college savings and financial empowerment workshops held with families. This real-time information about diverse families' and communities' experience with college savings products was instrumental in making the case for the enhancements that NY 529 has made, as well as the college savings bank account that Amalgamated created.

## SELECTED METRICS FROM THE PILOT PHASE

(as of June 30, 2020\*)

- **1,592 bank** or 529 accounts opened or connected through the Program
- **299 informational workshops** about families' college savings options held
- **2,214 attendees** at workshops about college savings options
- **1,094** of 529 accounts opened through the Program with less than a \$25 initial deposit
- **4x average increase** in likelihood of having a 529 account in each zip code from 2014 (before the Save for College Program) to 2019
- **351 people without a savings and/or checking account** that opened their own college savings account

**WHAT'S NEXT:** NYC Kids RISE continues to work with the Office of the NYS Comptroller and family, school, and community partners to make the NY 529 *Direct Plan* a more inclusive college savings product. Requests NYC Kids RISE shared with the Office of the NYS Comptroller to increase the NY 529 *Direct Plan's* inclusivity include the following:

- Creation of FDIC-insured investment option;
- Translation of 529 materials, including the online application, into additional languages;
- Additional NY 529 marketing dollars for education and communication in communities with the lowest level of participation in the NY 529 plan;
- Additional resources for nonprofits and community based organizations to provide outreach, education, and permitted navigational assistance about 529 plans in their communities;
- Matching grants for low and moderate income investors in NY 529;
- Inclusion of a default investment option;
- Enabling students with disabilities to use the funds in both their NYC Scholarship Accounts and their own college savings accounts for a broader set of expenses after high school, if they do not end up being able to use the funds for qualified college or career education expenses;
- Exploring opportunities to offer new investment options in the NY 529 plan for affordable housing, local businesses, and other local, socially responsible impact investments in New York communities.

**Learn how you can help bring this platform to every family in every school across New York City at [nyckidsrise.org](https://nyckidsrise.org).**

*\*Due to the COVID-19 pandemic, all NYC public schools transitioned to remote learning in March of 2020 for the remainder of the school year and through the end of the pilot in June 2020, impacting metrics and milestones for the final quarter.*

## ENDNOTES

- 1 Tax benefits vary by individual circumstances and the state in which an account owner pays income tax.
- 2 College Savings Plans Network, [2019 Year-End Data Infographic](#).
- 3 See, for example, U.S. Government Accountability Office, "A Small Percentage of Families Save in 529 Plans," GAO-13-64; Published: Dec 12, 2012. Publicly Released: Dec 12, 2012.
- 4 "Underbanked" means the individual has a bank account but still relies on alternative, non-bank financial services, including those with high fees or other predatory features. For more information, see "Where are the Unbanked and Underbanked in New York City?", Urban Institute, September 2015.
- 5 MDRC, "Possibilities, Promise and Potential: Low- and Moderate-Income Parents' Views of College Savings," 2016, unpublished (available upon request).

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