CHILD & FAMILY
RESEARCH PARTNERSHIP
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CFRP POLICY BRIEF

Seeding the College Dream: The Child Support for College Initiative

In recent decades, a college education has become increasingly important to earnings potential, upward mobility, and a host of positive life outcomes. Individuals with a college degree have higher paying jobs, increased career flexibility, and are less likely to be unemployed; meanwhile, broad shifts in the U.S. economy continue to trim the number of jobs available to those without a college degree, further amplifying the importance of higher education. Though many parents recognize the importance of sending their children to college, financing a college education has become increasingly difficult. Tuition costs continue to climb, raising the barrier to entry and saddling many low- and middle-income students with substantial student loan debt. This brief presents an overview of findings from the Child Support for College (CS4C) pilot program, an innovative collaboration between public and private entities developed to promote college attendance and financial literacy among those in the Texas child support system—a traditionally lower-income population with a strong desire to save for their children's education.

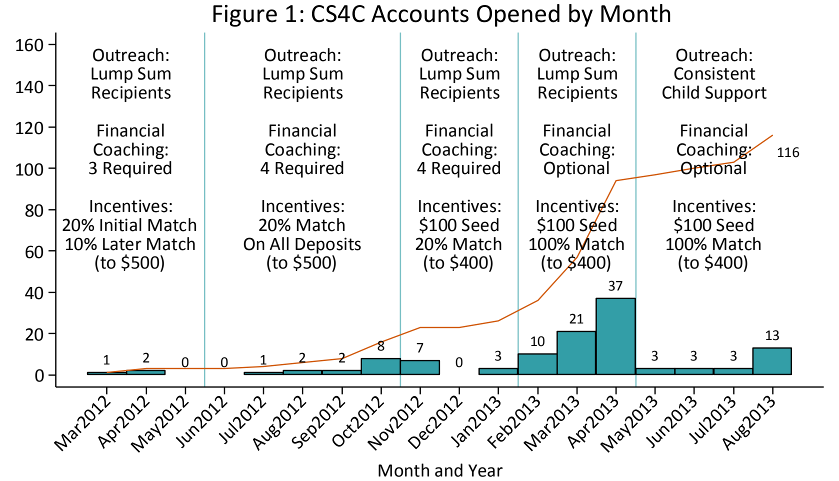
Modeled on the core principles of asset-building, the CS4C program provided seed incentives, matched contributions, and financial coaching services to encourage college savings among parents receiving lump sum child support payments. Though the program was originally targeted at custodial parents receiving larger than expected lump sums, any child support customer was eligible to open an account.

Table 1: CS4C Program Outputs	
Total Inquirers	298 individuals
Total Participants	99 individuals
Total Participants Opening Accounts	63 individuals
Total Accounts Opened	116 accounts
Total Financial Coaching Sessions	214 sessions
Total Participant Deposits	$50,888
Total CS4C Incentive Payments	$38,785

Throughout the 18-month pilot, CS4C encountered a number of successes and challenges. Though the program struggled to attract the interest of potential participants, over one-third of individuals who inquired about the program received at least one financial coaching session, and two-thirds of these individuals opened college savings accounts.

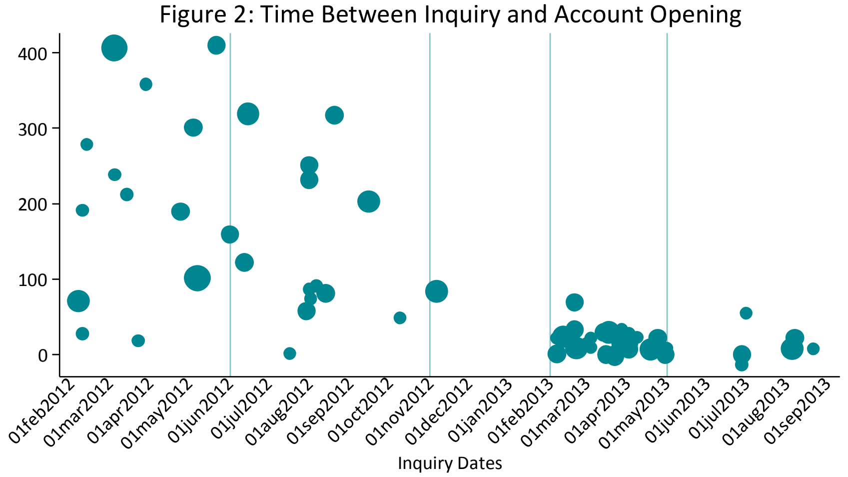
Over the course of the pilot, significant changes were made to the incentive structure and participation requirements. These changes resulted in considerable increases in the number of account openings [Figure 1]. Additionally, these changes correspond with a reduced lag between inquiry and account opening, which provides further evidence that the changes made to program incentives and requirements made opening accounts more attractive over the course of the pilot [Figure 2].

Figure 1: CS4C Accounts Opened by Month



Source: Account statements

Figure 2: Time Between Inquiry and Account Opening



Note: Weighted by number of accounts
Source: Inquiry forms and account statements

For many of those who opened accounts, CS4C also marked the beginning of college savings, a process which research indicates may carry important psychological benefits for account openers who now *believe* their child will go to college – an "actionable identity" linked to significantly higher rates of college enrollment and graduation.[1]

Participants were motivated to participate in CS4C primarily by a desire for their children to pursue higher education and a commitment to helping their children achieve this goal; in addition, participants cited the importance of CS4C savings incentives as a catalyst in their decision to open an account. Participants were not significantly motivated, however, by the receipt of a lump sum child support payment. In fact, participants who failed to open accounts often cited inconsistent child support and insufficient money as substantial barriers to participation, and those who opened accounts tended to have higher income and education than those who did not.

The CS4C program also revealed several programmatic lessons that will advance the field of asset-building. For example, through the pilot, program partners learned that the Texas Securities Act strictly limits the type of guidance financial coaches can provide to clients, leading to a push for new policies around financial coaching. Moreover, CS4C revealed the importance of carefully aligning the program design with the core principles of asset-building. Although the program aligned with the basic tenets of asset-building, CS4C also inadvertently incorporated adverse incentive structures and a number of barriers to account opening. As these barriers were removed, more accounts were opened. Finally, this pilot highlights the need to ensure consistency between program goals and the existing goals of participating institutions in order to facilitate long-term sustainability. Though the CS4C program was well-aligned with the mission of most program partners, including the Child Support Division of the OAG, it was not aligned with the Child Support Division's federal performance measures, rendering long-term participation by this integral partner difficult.

As one of the first programs to capitalize on the intersection of asset-building and the child support system, CS4C offers valuable lessons for future programs seeking to promote educational opportunity and financial stability among low-income families.

For more information on the CS4C program and related reports, please visit:
http://childandfamilyresearch.org/research/cs4c/

The Child and Family Research Partnership (CFRP) is an independent, nonpartisan research group at the LBJ School of Public Affairs at The University of Texas at Austin, specializing in issues related to young children, teens, and their parents. We engage in rigorous research and evaluation work aimed at strengthening families and enhancing public policy.

[1] Elliott, W. (2013). Small-dollar children's savings accounts and children's college outcomes. Children and Youth Services Review, 35(3), 572-585.