THE 1:1 FUND HELPS CHILDREN’S SAVINGS PROGRAMS EXPAND COLLEGE SUCCESS

Postsecondary education is the surest route to financial security, but the rising cost of college discourages many students from pursuing higher education. In the absence of college savings or other financial resources, low-income students face the prospect of large amounts of debt, dropping out or never attending college. The result is that less than 10% of students from low-income families graduate from college by their mid-twenties.

Children’s Savings Accounts (CSAs) are long-term savings accounts, established for children as early as birth. CSA programs seed accounts, match deposits, and boost financial literacy for children and their families. CSAs are seeded with an initial deposit and built by subsequent deposits from family, friends and the children themselves. Contributions are often matched by adding an additional dollar to the account for each dollar deposited. These programs also often promote lifelong savings habits by combining a savings product with financial education for children and parents. Research shows that low-income students with just $500 or less in college savings are three times more likely to enroll in college and four times more likely to graduate.

The 1:1 Fund supports the college dreams of low-income children by ensuring that those dreams are matched with savings in the bank. The 1:1 Fund makes it easy for donors, large and small, to help kids save for college by matching their contributions to CSAs. These accounts help low-income families save for college while giving them the confidence that postsecondary education is a real and attainable goal.

THE PROBLEM

Children’s Savings Account (CSA) programs across the country struggle to provide savings matches because philanthropic sources are limited and public funds are difficult to come by. For this reason, many CSA programs search for private funding sources.

AN INNOVATIVE SOLUTION

The 1:1 Fund was conceived and capitalized by CFED in September 2012 with a simple idea of generating a pool of private dollars to provide critically needed matching funds for CSA programs. While a growing number of programs around the country offer CSAs, many struggle to find donors for the matching funds that incent families to save. The 1:1 Fund addresses this problem by connecting donors to savers.

HOW DOES IT WORK?

The 1:1 Fund partners with leading CSA programs that work with low-income families saving and striving for college. As of April 2014, the 1:1 Fund partners with five CSA programs:

1. Children’s Aid Society in New York City
2. Kindergarten to College Program in San Francisco
3. College Track in the Bay Area
4. Nevada College Kick Start Program
5. Mississippi College Savings Account Program

In addition to attracting major donors offline, the 1:1 Fund has developed a web-based platform to attract online donors. The 1:1 Fund’s partners have begun using the 1:1 Fund’s online platform to increase awareness of their programs, attract supporters and raise critical matching dollars.

The 1:1 Fund’s vision is to become the premiere crowdfunding platform for CSA programs in the country, similar to DonorsChoose for education projects in the classroom or Kiva for microfinance loans. By working with CSA partner programs to raise a pool of crowd-sourced contributions, 1:1 Fund is able to raise money from a large number of donors. Donors can choose from a number of CSA programs and choose which program they want to support. The 1:1 Fund provides services and resources in order to make fundraising for matching dollars more strategic and efficient. The 1:1 Fund provides:

- A simple and user-friendly crowdfunding platform that programs use to entice potential donors and raise matching funds for their savers. The 1:1 Fund’s website, 1to1fund.org, provides this platform. This is vital to CSA programs because it allows them to leverage this online infrastructure to collect donations and to turn donors into fundraisers via social media.
Connections to larger donor opportunities. The 1:1 Fund has deep partnerships with major national funders and leverages this support to help 1:1 Fund partners to raise larger pools of matching funds. For example, in April 2014, the Nevada College Kick Start Program initiated a month-long fundraising effort, using a $10,000 donation from Charles Schwab Bank to incent contributions from the community.

Campaign design and outreach. The 1:1 Fund helps programs strategically design and implement campaigns to raise private matching funds in their various regions or states. This technical assistance ensures that programs capitalize on community campaigns and online support to the highest degree.

A national communication channel to showcase milestones and programmatic design for each CSA program. These programs are often showcased on the 1:1 Fund blog and the CFED blog, covering stories from savers and other communication products, like ‘Impact Reports,’ which can help a program build its brand and national recognition amongst private and public funders.

WHAT’S THE IMPACT?

Since inception in September 2012, the 1:1 Fund has:

- Raised 610,000 matching dollars.
- Attracted 140+ donors and 9,000+ online visitors.
- Served 13,750+ students and families in partner CSA programs.
- Helped students and families save over $1,300,000 for college.

Beyond the numbers, CSAs have a real impact on students’ and families’ lives. One testimony from a parent of a child enrolled in California’s Kindergarten to College savings program remarked, “Between my wife and me, we always intended for our kids to go to college. The issue was on the backburner—now it is front and center… It sends a message to this generation that we need to do this together. For our children to be in an environment in which they hear the underlying message [about college] is the most powerful thing of all.”

CSA programs also present the opportunity for children and parents to combine hands-on learning with financial education. For example, in Mississippi’s College Savings Account Program, participating children receive at least five hours of financial education through classroom instruction and field trip activities, introducing them to money basics that help lay the foundation for lifelong sound financial decision-making.

Mississippi College Savings Account Program parents have access to 8-10 hours of education through the Money Smart Curriculum developed by the FDIC and the NeighborWorks America Financial Literacy Program. Money Smart is designed for people who have little or no banking experience. The program enhances their money skills and creates positive banking relationships, making them more likely to increase savings, buy homes, and improve their financial health and well-being.

By providing strategic technical assistance and a much needed online crowdfunding platform, the 1:1 Fund enables these programs to expand their reach and impact on low-income students’ and families’ lives.

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