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Contacts:

Wallace Louie
Director of Communications
wallace@oaklandpromise.org
510-903-9714

Eric Young
Senior Public Affairs Manager
young-eric@norc.org
o: 301-634-9536 m: 703-217-6814

Lorna Fernandes
Senior Public Information Representative
lorna.fernandes@ucsf.edu
m: 510-410-0389

New Study Shows College Savings Accounts (CSAs) for Infants Bolster Parents' Expectations for their Children's Educational Attainment

Oakland Promise College Savings Accounts fuel college aspirations among BIPOC and underrepresented families.

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As the California state government debates how to structure a \$1-2 Billion investment in college savings accounts (CSAs) for young children, a new study of the Oakland Promise Brilliant Baby program offers evidence that this CSA approach will increase student success in school. It comes at the heels of the nationwide educational initiatives of the American Rescue Plan and American Families Plan, that altogether, bode well for lifting more children out of poverty, offering high quality preschool to all three and four year olds and two years of free community college. In concert with other scholarships available to college students, CSAs are becoming a cornerstone for beginning at a young age to prepare children with expectations and resources to complete the post-secondary education needed to secure good jobs and careers.

A new study conducted by NORC at the University of Chicago and UCSF Benioff Children's Hospital Oakland in partnership with Oakland Promise, shows positive indications that College Savings Accounts (CSAs) established for infants who are Medicaid eligible bolsters parents' aspirations for their children's education while also reducing their stress and increasing hope and financial well-being. This is the first study of CSAs in which the majority of participants were BIPOC families. This longitudinal, randomized controlled trial (RCT) evaluation, is underway of the Oakland Promise's Brilliant Baby program which offered parents the opportunity to open a 529 college savings account seeded with \$500 for their eligible baby. These CSAs are investment accounts to build assets for future educational expenses.

In this first report, just six months into the Brilliant Baby longitudinal study, there is strong empirical evidence that CSAs established for infants provide measurable benefits. With an early focus on the program's impact on parents, the research found an increase in parents' expectations about how much education their child will complete, improvements in their sense of hope, optimism and level of stress, as well as improved financial well-being.

The Oakland Promise Brilliant Baby study is following a cohort of 200 infants and their families enrolled into the study by UCSF Benioff Children's Hospital Oakland, as they grow up in the Oakland Unified School District, K-12 education system. This first phase of the study, focused on the early impact of securing a College Savings Account on parents aspirations and expectations for their children. Later phases of the research will explore the impact of the college accounts and services for improving parents financial wellbeing and access to early childhood services on children's development and early learning. *"This study is just the second randomized control trial to assess the impact of providing early investments in college savings accounts for low-income children on their development and educational trajectory.* says Marc Hernandez, principal research scientist at NORC at the University of Chicago.

Adds Mia Bonta, CEO of Oakland Promise, *"This research supports implications for wider impact at the state and national levels, where in the spirit of equity, CSAs are getting more deserved investment in helping college become a reality for children for all communities. And so we are delighted with state budget proposals to fund college savings accounts for low-income children."*

RCT Study:

The study recruited 200 families receiving medical care at UCSF Benioff Children's Hospital Oakland for their Medi-Cal eligible infant who was 2 to 9 months old. Study enrollment occurred May 2019 through March 2020 (prior to the pandemic). The report examined the initial program impact from baseline through 6 months post-enrollment. 47% of the children enrolled in the RCT are Black/African American, 22% are Hispanic/Latino, and 19% are more than one race/ethnicity. Three quarters of parent household income was less than \$30,000 and about half had completed high school or some college courses.

Summary of Findings:

- Increased parents' expectations that their children will complete on average one additional year of education. Parents with a college savings account for their child expected 15 years of school initially and then after 6 months, that estimate grew to 16 years. The control group's estimate declined from 16.5 years to 15.5 years over the same period.
- Parents with a college account for their child reported increased hope, as measured by the State Hope Scale, which measures feelings of determination and planning to meet one's goals. During the same period, the Hope scores decreased among parents in the control group.
- Lower parent stress at 6-month follow-up. A quarter more of parents with a college account for their child say they can fairly or very often control irritations in their life (71%) compared to the control group of parents (57%)
- Improvement in financial well-being was shown from baseline to 6-month follow-up among families with a college account for their child; whereas the control group showed no significant change. For example, more than twice as many parents with a college account for their child say they are not at all concerned that the money they have or will save won't last (24%), compared to those in the control group (11%).

“The RCT study offers powerful evidence that college savings accounts have a positive impact even after 6 months, on parents’ perceptions of their children’s educational futures. Parents are embracing this opportunity to support their aspirations for their children’s bright futures.” says Amanda Feinstein, Director of Oakland Promise Brilliant Baby program. *“Moreover, another benefit is how CSAs can support how parents can help children address adverse childhood experiences (ACES) and become part of the solution”* says Dr. Dayna Long, a principal investigator on the study and co-director of the UCSF Center for Child and Community Health. NORC, Oakland Promise and UCSF Benioff Children’s Hospital will do another 18-month RCT study to evaluate the longer term impact of CSAs.

About [NORC](#) at the University of Chicago

NORC at the University of Chicago conducts research and analysis that decision-makers trust. As a nonpartisan research organization and a pioneer in measuring and understanding the world, we have studied almost every aspect of the human experience and every major news event for more than eight decades. Today, we partner with government, corporate, and nonprofit clients around the world to provide the objectivity and expertise necessary to inform the critical decisions facing society.

About [Oakland Promise](#)

Oakland Promise (OP) is available to young learners (from newborns to college students) and their families who reside in Oakland. OP offers every child the financial resources, support, mentorship and incentives they need from birth and throughout their school years to empower them to seek out and thrive in the higher education and career of their choosing. OP provides services through four core cradle-to-career programs at each stage of a young person’s development: Brilliant Baby, Kindergarten to College, College Access and College Completion. Through these programs, OP offers college savings accounts (529s), Early College Scholarships, 2 to 4-year College Scholarships, financial guidance for parents and students, college building culture programs and critical resources to empower students to develop their college and vocational bound identity and persistence.

About [UCSF Benioff](#) Children’s Hospital Oakland

UCSF Benioff Children’s Hospitals are among the nation’s leading pediatric specialty hospitals, according to U.S. News & World Report rankings. Their expertise covers virtually all pediatric conditions, including cancer, heart disease, neurological disorders, pulmonology, diabetes and endocrinology, as well as the care of critically ill newborns. The two campuses in San Francisco and Oakland are known worldwide for basic and clinical research and are at the forefront of translating research into interventions for treating and preventing pediatric disease. They are part of UCSF Health, whose adult hospital ranks among the top 10 medical centers nationwide and serves as the teaching hospital for the University of California, San Francisco, a national leader in biomedical research and graduate-level health/sciences education. Visit www.ucsfhealth.org.

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