The Limits of Children's Savings Accounts

UNDERSTANDING HOW CURRENT PROGRAMS, POLICIES, AND NARRATIVES AROUND COLLEGE SAVINGS HAVE FAILED LOW-INCOME FAMILIES AND LEFT FAR TOO MANY CHILDREN BEHIND.



Springboard to Opportunities

Introduction

Founded in 2013, Springboard to Opportunities is a nonprofit organization based in Jackson, Mississippi that connects families living in federally subsidized housing with resources and programs that help them advance themselves in school, work, and life. Guided by our radically resident-driven model, family voice is at the center of all we do, and our strategies and initiatives are informed by the voices and wisdom of our residents and implemented in partnership with them.



Even in the earliest days of our organization, Springboard heard from families how important their child's education was to them. Parents not only wanted their children to succeed in elementary, middle, and high school, but to go on to achieve post-secondary educational goals after high school, as well. Children in the communities also expressed big aspirations for future careers and educational experiences after high school. At the same time, there was emerging research being pushed out by national funders and policymakers that stated a low- and moderate-income child who has school savings of $1 to $499 prior to reaching college age is over three times more likely to enroll in college and four times more likely to graduate from college than a child with no savings account.[1]

With this in mind, in 2017, Springboard launched its Children's Savings Account (CSA) program. We believed, based on this research and national best practices, that we had a real opportunity to help our families achieve their educational dreams and create new pathways toward more stable, higher-paying careers for the children of low-income families. Initially, these accounts were a $50 deposit in a custodial savings account held in partnership with Hope Credit Union – a local banking partner providing financial services, leveraging resources, and engaging in advocacy to strengthen the financial health of people in under-resourced Deep South communities. Families had opportunities to receive additional deposits by attending Springboard programming, reporting grades and school attendance, and engaging with other resources and partners.

In 2020, again based on national research and guidance, Springboard transitioned from the custodial accounts to 529 savings accounts. It was our belief that these accounts would offer faster growth, give more parental control, and continue to keep the accounts focused on savings for higher education. Simultaneously, Springboard launched The Magnolia Mother's Trust (MMT) – a guaranteed income program providing $1,000 per month for twelve months to Black mothers living in federally-subsidized housing in Jackson, Mississippi. Recognizing the power of a two-generation economic family strategy, we began offering the deposit into a 529 account for each child of an MMT mom. With additional philanthropic support, we were able to increase the deposit amount from $50 to $1,000 per child and offer families with previously set up custodial accounts the opportunity to convert to a 529 account and receive the larger deposit, as well. We continued this model for six years, ultimately setting up over 900 CSAs for children in low-income families in Jackson. According to our initial premise and belief, that should have meant that over 900 students in Jackson were three times more likely to enroll in college and four times more likely to graduate than many of their peers.

> **But after 10 years of investment in this work and supporting families with these accounts... We believe it is time to name we were wrong.**

But after 10 years of investment in this work and supporting families with these accounts, we cannot claim that impact has played out for our families. In fact, we believe it is time to name we were wrong.

When we started this work, we hoped to release a paper at 10 years that would highlight a stunning number of these 900 students who were either in college or on track to head that way upon graduation,

1 Elliott, W., III, Song, H-a., & Nam, I. (2013). Small-dollar children's savings accounts, income, and college outcomes (CSD Working Paper No. 13-06). St. Louis, MO: Washington University, Center for Social Development. https://doi.org/10.7936/K73N22XD

but unfortunately that is not the case. Over the past 10 years, the cost of higher education has skyrocketed, federal aid and support programs have been rolled back, and the progress that had been made on limiting the influence of for-profit colleges and predatory loans is being reversed. Given the changing landscape of higher education, savings generated from a $1,000 deposit in an investment account like a 529 simply cannot generate enough savings to even put a dent in the cost of higher education when the current average cost to attend a public four-year college for an instate state student living on campus is $30,990 per year.[2] At the same time, the pressures low-income families feel to meet their immediate needs and care for their families in the present moment make the prospect of keeping $1,000 in savings – let alone adding more to it – feel nearly impossible.

This paper, which is firmly grounded in the voices and expertise of our families who received the accounts, looks to honestly name how the landscape has shifted, what we believe went wrong within our own program and work, and utilize the insights and wisdom of our families to demonstrate where we believe the field needs to go next to ensure that low-income families, particularly in the South, do not get left behind.



10 Years of CSAs at Springboard

Early in 2026, as Springboard approached 10 years of a Children's Savings Account (CSA) program, we wanted to better understand the impact the program has had in the lives of families served. While we had some anecdotal stories and information, the consistent turnover in federally subsidized housing meant there were a significant number of families who had received accounts but were no longer actively involved in Springboard's programs or living within the housing communities we served. Springboard hired Younge Consulting Strategies to serve as an external evaluation partner to help us track down and contact families who had moved from communities and subsequently conduct a program evaluation to help us understand the impact of our CSA program over the last decade.

Ultimately, the evaluation was guided by these three questions:

- To what extent did families actively engage with the CSA program?
- How did participation in the CSA program influence parents' educational expectations or postsecondary planning?
- Were there differences in experiences or outcomes based on account status?

The evaluation team used a mixed-methodological design that included surveys, interviews, and focus groups. Surveys were sent to the CSA account owners representing the approximately 900 accounts Springboard had opened since the program's

2 Ma, J., Pender, M., & Hu, X. (2025). Trends in College Pricing and Student Aid 2025, New York: College Board. https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2025-final_1.pdf

inception. A similar survey was sent to 113 non-CSA Springboard respondents to serve as a control group. The survey results were then used to conduct purposive sampling of respondents for interviews. Interviews included individuals who had open and active CSAs, closed CSAs, others who didn't know the status of their CSA, and members of the control group. Finally, focus groups were conducted with mothers who had CSAs for young children (aged 13 and under), mothers who had CSAs for older children (aged 14 and older), and with older youth (high school and post-high school aged).

Taken together, the evaluation produced five key themes:

1. **Families have high aspirations for school, careers, and meaningful work regardless of whether or not they had access to a CSA.**
2. **Parents were aware and understood the accounts, but experienced challenges accessing or using the accounts for their intended purpose.**
3. **Families expect to use a variety of strategies to pay for college, but they face significant constraints and competing needs.**
4. **CSAs did increase positive thinking, motivation, and hope, but that does not translate to tangible action or results without further support.**
5. **Clearer information, resources, and guidance are needed and must recognize family life-stage to provide appropriate support and tools that meet families where they are.**

HIGH COLLEGE AND CAREER ASPIRATIONS

One of the clearest themes that came through in survey and focus group data is that all families have high aspirations for school, careers, and meaningful work. This was true for families who have CSAs and families who were a part of the comparison group. In both groups, just under 70% of respondents hoped that their children would attain at least a bachelor's degree and approximately 55% in both groups hoped their children would complete a graduate or professional degree.

> **Families already have goals for themselves and their children and want to ensure from a young age that their children can dream big and pursue the type of work and life that they want.**

Additionally, while participants with open and active accounts were the most likely group to report having increased college and career conversations with their children, close to half of all parents, regardless of account status, reported regularly having these conversations. Focus group data and interviews also confirmed that these conversations are starting early and happening often and those conversations helped spark college and career aspirations for the youth themselves.

What the data clearly shows is that an active CSA is not what creates or sparks college and career

Educational Aspiration	CSA Group	Comparison Group	Difference (CSA - CG)
High School Diploma/GED	13%	18.8%	-5.8
Technical/Vocational Certificate	4%	1.4%	+2.6
Associate's Degree	7%	2.9%	+4.1
Bachelor's Degree	14%	11.6%	+2.4
Master's Degree	21%	29%	-8.0
Doctor/Professional Degree	33%	27.5%	+5.5
Unsure	8%	8.7%	-0.7
Bachelors' Degree or Higher	**69%**	**68.1%**	**+0.9**
Graduate/Professional Degree	**55%**	**56.5%**	**-1.5**

aspirations for low-income families. Families already have goals for themselves and their children and want to ensure from a young age that their children can dream big and pursue the type of work and life that they want. It is the process of actualizing those hopes that becomes more difficult.

PARENTS UNDERSTAND ACCOUNTS; THE CHALLENGE IS USING THEM

Families reported clear increases in understanding the purpose of the accounts and being familiar with how they worked from before the program started to the time of the survey. Prior to program participation, over half said they were not at all familiar with CSAs, and another quarter were only slightly familiar. At the time of the survey, over 60% said they understood the accounts either somewhat or very well and only 16% reported not at all understanding the accounts.

However, the knowledge and understanding of the accounts did not necessarily translate into active use – either utilizing the accounts to pay for postsecondary education expenses or actively contributing to the accounts to continue to build savings. In some cases, even despite having this knowledge, participants chose to withdraw the funds from the account and close it altogether. When asked why they chose to close the accounts, respondents cited bills, immediate needs, and prioritizing the expenses that come with their child's education now. For families living in poverty with extremely low incomes, the hopes and aspirations they have for the future cannot outweigh the immediate survival needs they have now.

In addition, some families reported challenges with the online platforms needed to access the CSA status and information. Low-income families are often navigating changing phone numbers and email addresses, which can lead to log-in challenges, especially with certain multi-factor authentication methods. Families with limited access to technology also found certain platforms challenging to access from phones or mobile devices.

> **The gap in account usage had less to do with education and understanding and rather reflected a family's economic circumstances.**

Respondents, particularly those with open and active accounts, relayed that the information and education Springboard provided around the accounts was supportive and appropriate. The gap in account usage had less to do with education and understanding and rather reflected a family's economic circumstances. Most families said that they planned to contribute to the accounts once their finances became more stable, but particularly for families in poverty undergoing the economic uncertainty that has been present over the last decade, it is impossible to know when that time of stability might arrive.



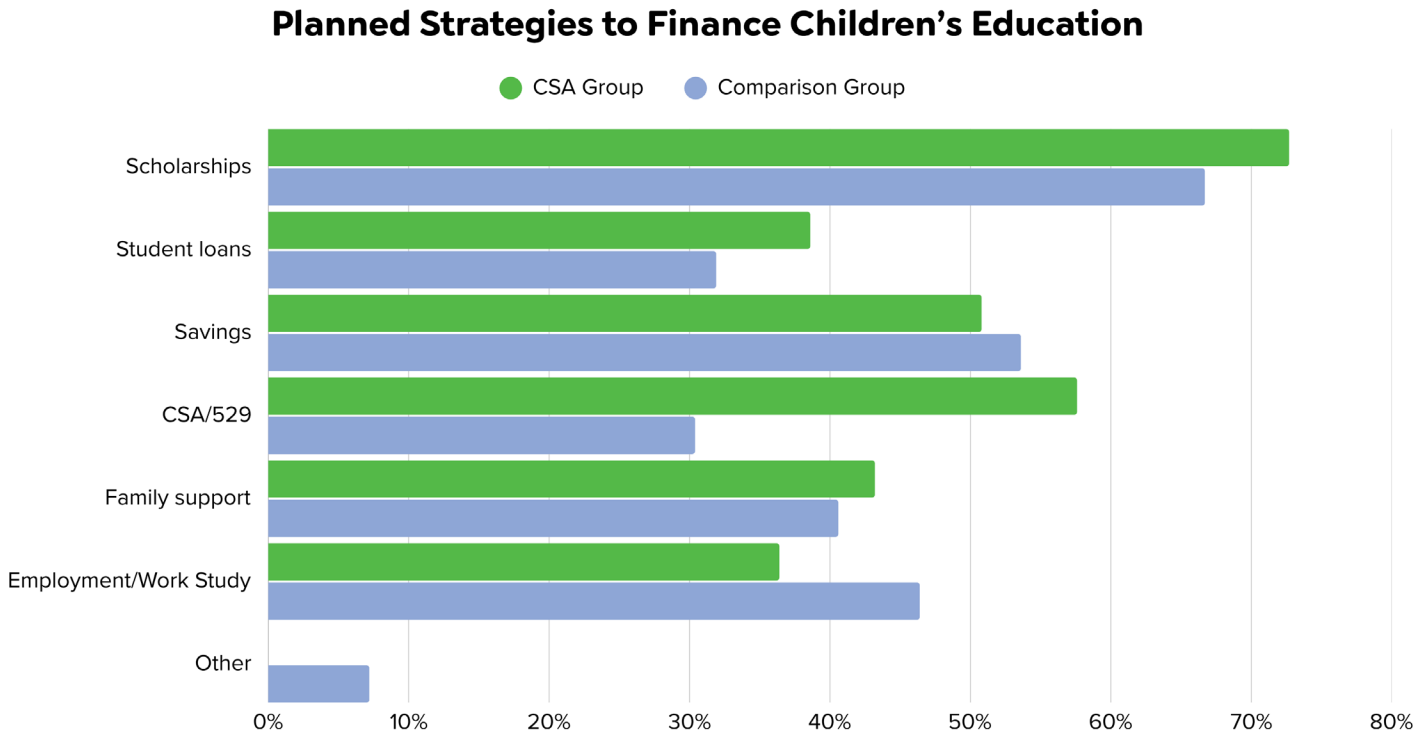
FAMILIES EXPECT TO USE A VARIETY OF STRATEGIES TO PAY FOR COLLEGE

Most families, again regardless of account status or program participation, expected to use a variety of strategies to pay for college including scholarships, financial aid, employment and work study programs, and money from savings. CSA program participants were significantly more likely to expect that they could use funds from a CSA or 529 to pay for college, but approximately half of both the CSA and comparison groups expected to use savings of some sort.

Most notably, a majority of participants in each group expected their children to receive scholarships to help with the costs of postsecondary education. However, participants seemed to recognize that the traditionally held methods of paying for higher education were not the stable sources they once were. As one mother said, "Right now, we hope they still have scholarships around by the time they graduate. So they can get scholarships, since they are A, B students."

CSAs increase positive thinking and motivation, but cannot translate to tangible action without more support

Respondents with an "open and active" account status were much more likely to say that having the CSAs influenced how they thought about their children's future education and more likely to say they were having conversations with their children about college, career training, or education after high school. Two-



thirds of open and active account holders reported having these conversations in comparison with those with closed accounts (50%), withdrawn or transferred accounts (55%), and inactive/unsure respondents (45%).

Yet while some families reported that the CSA helped them think more positively or seriously about college given how expensive higher education can be, others said their educational expectations had not changed because they always expected their children to go to college anyway. This was just another helpful tool for them to get there.

However, despite increased conversations, motivation, and positive thinking, a persistent aspiration-to-action gap limited what families were actually able to do. When families are barely making enough money to survive, putting additional funds in savings – or even maintaining funds already in a long-term savings account – is an impossible task. Families knew they needed to prioritize meeting their needs now if there was even going to be a future to save for. Without increased income, livable wages, or additional support, the hope of saving additional money was going to remain a dream.

> *I think differently after having the CSA account – I think it's something to look forward to. I didn't have that growing up so I'm happy that my kids have it.*

Youth participants were particularly demonstrative of the aspiration-to-action gap. As previously noted, they had high educational and career goals for themselves and were very familiar with different job possibilities and what they believed would be meaningful work. However, those aspirations did not always translate into confidence or a clearly defined plan for getting there. While they envisioned successful futures for themselves, they also expressed a desire for more structured support that could help them define the pathway there.

> *Having the account changed how I think about [my children's] college careers – I didn't know about the 529 account until I got with Springboard. I feel good about having this account.*

PROGRAM IMPROVEMENT AND RESOURCE NEED

In all of Springboard's socioeconomic well-being work, we emphasize the need for "cash plus." In other words, we always pair cash or asset benefits with additional supports based on what our families have told us they need. While our CSA program was paired with additional education and knowledge products, the data from this report revealed that there was a need for additional program improvements and resources.

Parents connected education, career preparation, savings, homeownership, investing, and financial independence to the goal of building generational wealth. The desired outcome from the CSAs was not simply college attendance, but helping children enter adulthood with greater choice, stability, and assets than the previous generation. This suggests that

parents are looking for something beyond education and information that is specific to 529 savings accounts and want to think about wealth and asset building as a whole.

Additionally, the data collected suggests that the information given to families should not adhere to a one-size-fits-all approach and instead needs to align with their stage of life and the age of their children. While families with adolescents face the more immediate questions about college costs, scholarships, financial aid, and career pathways, families with younger children need more basic information about savings and account growth. Just as 529 accounts are often set up to shift investment strategies based on a child's age, educational savings information can and should take a similar approach.

Youth participants were also particularly looking for support in translating their aspirations into concrete plans to reach their goals. Youth responses indicated that they were not getting the type of one-on-one direct support through their high schools to help with this planning, and while their parents were key to instilling dreams and aspirations, they were also less sure of the steps and resources needed to get their children there.

Youth participants requested concrete, experiential support including college tours, introduction to less familiar majors and careers, employment opportunities, scholarships, financial education, and professional-development experiences. While Springboard had been an important source of exposure and confidence, they still wanted more opportunities, which suggests there is room for more community partnerships and organizations to help fill that gap.



The National Landscape

While our program evaluation helps us understand part of what has happened in Springboard's CSA program over the past decade, the story is not complete without also understanding what has happened within the national landscape. The past ten years have included sweeping changes in how higher education operates, how families can reasonably expect to fund a postsecondary education, and even what a college degree really means for a young adult. Most significantly, we have seen a rollback of policies and government supports that were working to make higher education more affordable and meaningful for low-income students.

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For-profit colleges, which had for years targeted low-income individuals with promises of quick and flexible career certifications financed through student loans, had begun to be curtailed under the Obama Administration's Department of Education due to the schools' failure to actually move students into careers. Those who did get jobs often found themselves stuck in a low-wage job with no room for advancement because of the limitations of the certification and inability to transfer those credits toward more advanced degrees. However, those safeguards were quickly wiped out during the Trump Administration's first term in office.[3] These schools continue to target low-income students and have staggeringly high delinquency rates when it comes to student loan repayment.[4]

Additionally, attempts to create stronger federal loan repayment programs to support individuals who had borrowed money to finance the increasingly

3 Whitman, D. & Duncan, A. (2018). Betsy DeVos and her cone of silence on for-profit colleges, Brookings. https://www.brookings.edu/articles/betsy-devos-for-profit-colleges-education-america/#section5

4 Turner, C. (2026). When students attend these colleges, taxpayers often pay. Here's why. NPR. https://www.npr.org/2026/09/16/nx-s1-5946419/student-loans-repayment-for-profit-college

high price of higher education – such as the Biden Administration's SAVE program – were challenged in court and ultimately were shut down both by the courts and legislatively in the sweeping 2025 H.R. 1 bill passed by Congress.[5] H.R. 1 also capped the amount of federal student loans families will be able to borrow through Parent PLUS loans at $20,000, which will force families to either take out high-interest private student loans or other personal loans with no federal payback support.[6]

But if the rollbacks to federal loan availability and payback support were not enough, H.R. 1 also changed the formula used to determine the amount of money students receive from the Federal Pell Grant program. The Federal Pell Grant program was created to support students with exceptional financial need to afford higher education. Unlike student loans, Pell Grants do not need to be paid back. While the final reductions and rollbacks were not as extreme as initially proposed in H.R. 1 legislation,[7] they still signal this administration's willingness to cut financial aid resources – particularly those intended to support the students who need it most.[8]

Perhaps most demonstrative of any policy choice to limit the support of student aid is the current administration's attempts to dismantle the Department of Education (DOE) altogether. While framed as an opportunity to "return education to the states" and solve an "educational crisis" in K-12 schools, the reality is the DOE provides limited financial support or oversight to K-12 schools. Most K-12 funding and oversight is already in the hands of local communities and states. In reality, 70% of the DOE's budget is spent on federal student aid programs for higher education.

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Even if distribution of that aid is given to other federal departments, the loss of a central hub and expertise of long-term DOE employees would likely do irrevocable harm to the programs that currently make higher education possible for low-income families.[9]

> **Programs that rely almost exclusively on individual savings and contributions also layer on guilt for low-income families who believe their inability to save or provide for their children's education is their own personal failure, rather than the result of a system that does not set them up for success.**

As these rollbacks are happening, there have simultaneously been proposals for new types of accounts and children's savings mechanisms. While on the surface, many of these appear promising, ultimately the policy design of these mechanisms mean that the families who need them most will likely be left behind. A recent example is the 530a "Trump Accounts" which put $1,000 in a tax-advantage savings account for every U.S. citizen born between January 1, 2025 and December 31, 2028. While on its surface, these accounts appear to recognize the importance of wealth and asset building for all families, they are ultimately limited in scope. 530a accounts rely on charity and contributions from family members in order to meaningfully grow. Even with investment earnings, an account set up for a child at birth is unlikely to be worth more than $4,000 by the time that child turns 18.[10]

However, we at Springboard have to acknowledge that the new Trump Account program essentially mirrors what we were doing through Springboard's CSA program. While the $1,000 deposit in a tax-advantaged savings account might seem like a promising idea, when we look at how the results play out, it does very little for the families who actually need it most. Our

5 Nove, A. & McNair, K. (2026). Federal appeals court orders end to SAVE plan used by millions of student loan borrowers. CNBC. https://www.cnbc.com/2026/03/10/save-plan-for-student-loan-borrowers-is-over-federal-appeals-court-.html?msockid=39ac5f7215d7682122124f1e14766902

6 Guevara, E. (2025). Parents Face New Federal Loan Limits: What Families Need to Know Before Paying for College. Investopedia. https://www.investopedia.com/parent-plus-loans-will-be-restricted-next-year-here-are-some-other-ways-to-help-your-child-afford-college-11845344

7 Nove, A. & Dickler, J. (2025). Trump aims to slash Pell Grants, which may limit low-income students' college access. CNBC. https://www.cnbc.com/2025/06/08/what-pell-grant-changes-in-trump-budget-house-tax-bill-mean-for-students.html

8 Pérez, D. (2025). Pell Grants escape 'One Big Beautiful Bill Act' mostly unscathed. San Antonio Report. https://sanantonioreport.org/pell-grants-escape-one-big-beautiful-bill-act-mostly-unscathed/

9 Dismantling the Department of Education: An Overview. University of New Mexico Center for Social Policy. https://csp.unm.edu/assets/documents/doe-cuts-and-dismantlement-overview.pdf

10 Institute on Race, Power, and Political Economy. Baby Bonds 530a ("Trump") Accounts. https://racepowerpolicy.org/530a/

program has already demonstrated that accounts that rely on individual family savings and limited charitable contribution simply cannot produce the type of results that actually lead to equity.

As economist and racial scholar Darrick Hamilton notes, while Trump Accounts do acknowledge that wealth matters, they fail to recognize the root of the problem that has prevented low-income Americans – and particularly low-income Black Americans – from building wealth. As he points out, wealth begets wealth and when we only rely on active savings by families who have not been able to build wealth because of systemic, political, and historical racism, we are failing to create a solution that addresses the true problem.[11]

> **Our programs and policies have long touted tax advantaged accounts as solutions for all families rather than recognizing they are tools that only work for those with the income and generational wealth that allows them to benefit most from them.**

While some states can offer opportunities through additional state Child Tax Credits, Earned Income Tax Credits, and tax credits for contributions to 529 or other tax advantaged accounts that allow low-income residents to better benefit from some of these opportunities, these are extremely limited – particularly in the Deep South – and ultimately fail to create an equitable playing field for all families.

But even beyond the failure of these tools to produce results, programs like Springboard's CSA program or Trump Accounts that rely almost exclusively on individual savings and contributions also layer on guilt for low-income families who believe their inability to save or provide for their children's education is their own personal failure, rather than the result of a system that does not set them up for success. If we present 529 or 530a accounts with a limited charitable contribution as a grand solution for families to build wealth, advance careers, or actually achieve their aspirations, when families are unable to see those dreams actualized, it is reflected back on them as a personal failure. We reinforce the narrative that the problem is with the user, rather than honestly naming the problem is with the tool itself.

Ultimately, this is why we believe it is so important for us to be clear that our CSA program did not achieve its goals. While we could just highlight cherry picked success stories or specific promising results, we want to acknowledge that on the whole, the program will not provide a pathway to higher education for most of the 900 children that received accounts.

But in doing so, we want to emphasize that this is not the fault of the families who received those accounts. It was a program design failure on our part and a policy failure from our government systems that have long touted these tax advantaged accounts as solutions for all families rather than recognizing they are tools that only work for those with the income and generational wealth that allows them to benefit most from them.

Where We Go From Here

We do not think that it is just at Springboard where we need to start having honest conversations about this. It is time for philanthropy, national think tanks, and community organizations to have candid discussions about where we are, the real harm that has been done to families by pushing flawed tools as solutions, and reckoning with how we can move forward in a way that promotes equity and does not leave families behind – particularly low-income Black families in the South like the ones Springboard serves. Based on our own learnings and conversations with families, we are proposing three potential opportunities that we believe the field should turn its attention to as it considers what might be next.

BABY BONDS

We cannot talk about wealth and asset building for children without highlighting the important and groundbreaking work of economist Darrick Hamilton regarding Baby Bonds. Baby Bonds are a government policy solution where every child who is born into poverty would receive a publicly funded trust account at birth that can be used to access education, home ownership, and entrepreneurship opportunities as young adults. Rather than relying on individual savings and charitable contributions, Baby Bonds emphasize endowments – or the government investing money on behalf of children that is dedicated for their future use

11 Hamilton, D. (2025). Baby Bond vs. Trump Accounts. Bloomberg. https://www.bloomberg.com/news/videos/2025-12-24/baby-bonds-vs-trump-accounts-video

when they are adults.

With a focus on equitable outcomes, Baby Bond programs ensure that households with the lowest amount of wealth are the ones who ultimately receive the largest endowment. Unlike 529 or 530a accounts that rely on additional elective savings and contributions in order to make substantial money, current Baby Bond programs and proposals create investments that could be worth much more. Connecticut's Baby Bond program – the first fully funded statewide Baby Bond program that launched in 2023 – is projected to have up to $24,000 in an account by the time a participant is ready to withdraw. A current federal proposal estimates account values could reach up to $50,000 by the time a child reaches 18.

Professor Hamilton and his team at the Institute on Race, Power, and Political Economy at the New School have compiled the most comprehensive information regarding Baby Bonds – including a primer for how states and cities can structure their own programs on their website: racepowerpolicy.org.

TRADE SCHOOLS AND CAREER OPTIONS

Throughout focus groups and interviews, we heard from families that when they thought about a future career for their children, it was not necessarily jobs that required a bachelor's degree. Skilled trades like plumbers, electricians, HVAC techs, and technical jobs within the medical field were often mentioned as alternatives. However, for many families the paths to achieving these goals were less clear.

The lack of clarity when it comes to training for these careers is a significant reason why for-profit schools have been able to take hold within low-income communities. With significant advertising budgets and targeted outreach, for-profit colleges are some of the first programs to pop up when individuals search for pathways to these careers. With promises of flexible hours, online options, and financial aid these schools seem like a quick and easy solution to vocational training – until students are stuck with the bills. Despite many community college and non-profit schools offering the same programs at a much lower cost and better outcomes, the aggressive and easy admission process at many for-profit schools seem more attractive, especially for low-income individuals who need that flexibility.

Time and again, we have seen Springboard families fall victim to these schools and end up with no career and an immense amount of debt.

To frame vocational training as a solution then requires more than just highlighting potential career paths. It will require clear and early education for families about the difference between for-profit and non-profit schools, helping families map steps toward credible programs, and more policy change at a state and federal level to curtail for-profit schools and their influence, such as reinstating the "gainful employment" regulation at a federal level.[12] State workforce systems should also be working to build connected and collaborative systems between community organizations, community colleges, employers, and industry leaders to help create accessible pathways to careers with living wages.



Beyond just policy change, though, we also need to consider how we change the narrative and current rhetoric around vocational careers. For at least the last half century, we have promised students that a four-year degree is the ticket to a higher-paying career and financial security. For a myriad of reasons that are beyond the scope of this paper, that is no longer true. Technical and vocational careers are often seen as "less-than" white collar or office jobs, which discourages individuals from pursuing them. We have also gendered these careers, pushing women toward the lower-paying technical careers such as medical assistants and cosmetology instead of providing clear and open pathways for women to pursue more lucrative vocations.

Community organizations, like Springboard, can begin to be a part of this solution by providing more information about these careers and opportunities early on. Particularly as we build savings program for

12 U.S. Department of Education, "Program Integrity: Gainful Employment," Federal Register 79, no. 211 (October 31, 2014): 64889–65103, https://www.govinfo.gov/content/pkg/FR-2014-10-31/html/2014-25594.htm

parents with younger children, the focus cannot be on a singular "how to get to college" strategy. Rather, we can begin exposing families to a larger variety of career options and sustainable pathways for getting there, so that when the time comes for more concrete planning, families are aware of all the options and young people do not feel shame for picking one other than a four-year degree.

GUARANTEED INCOME FOR YOUTH

Finally, building on Springboard's own expertise and experience, we believe creating a guaranteed income program for youth as they finish high school and pursue postsecondary options is another solution worth testing and pursuing. In 2027, Springboard will launch a proof-of-concept youth guaranteed income pilot that will support students through this pivotal transition moment.

Springboard began its own guaranteed income program for mothers, The Magnolia Mother's Trust (MMT), in 2018 providing Black mothers in federally-subsidized housing $1,000 per month for twelve months, no strings attached. Over the last eight years, we have seen again and again the ways that guaranteed income promotes self-efficacy and agency for recipients, skills that are essential for young adults as they begin their lives post-high school.[13] Regular cash payments during this pivotal transition moment for students would not only provide an income floor of support as they navigate postsecondary opportunities, but would also provide resources with flexibility that would allow them to use funds for expenses not always covered by financial aid or education-specific savings tools like transportation costs, healthcare, and food expenses.

Over the last eight years, we have seen again and again the way that guaranteed income promotes self-efficacy and agency for recipients, skills that are essential for young adults as they begin their lives post-high school.

Springboard believes in a "cash plus" model for any cash-based benefit program. Building on what our young residents shared in their focus group, a youth guaranteed income program would include supports around education and post-high school planning such as school tours, career mapping, financial planning support, and resource navigation. Additionally, like Springboard's current MMT model, we would include a built-in option for savings that would allow recipients to begin saving for emergencies and personal goals during this period.

Springboard already has a network of community partners who are experts in supporting high-school and post-high school students and can aid in these efforts. The consistent and flexible support that cash offers alongside expert guidance means that students can choose an education pathway that is right for them, work with experts to navigate other opportunities for scholarship and financial aid, and not see their plans derailed by unexpected expenses that inevitably come up along the way.

Just as we did with MMT, we will work alongside our youth to build a program where the timeline, cash amount, and additional resources and supports are determined by their expertise and lived experience. In doing so, we believe we can build a model that provides the support, flexibility, and opportunity our youth have asked for to help them navigate this transitional time in their lives.



13 Social Insights. (2024). Magnolia Mother's Trust Alumni Study Report: A Dual-Generational Examination of the Long-Term Impacts of Guaranteed Income (report prepared for Springboard to Opportunities), https://springboardto.org/wp-content/uploads/2024/09/MMT-Alumni-Study-Report.Final_-1.pdf

Conclusion

We believe that it is time that we and the wider field of advocates supporting low-income families - and particularly low-income students transitioning out of high school - begin to honestly name the limitations of solutions that we have been promoting for years. Tax advantaged savings accounts do not work for families who barely have income to meet their basic needs. They are a middle-class solution that allows those who already have more opportunities and access to resources stay ahead while leaving behind the families who need support the most. For those of us who care deeply about racial and economic equity, we must start to consider alternatives that are tailored to the root of the problem, rather than continuing to promote one-size-fits-all solutions that are failing families.



A $1,000 deposit in a 529 or 530a account at birth will leave a low-income child with maybe $4,000 by the time they reach 18. While it is more than nothing and perhaps enough to supplement a semester of school or support with books and technology expenses, it is not nearly enough to fund a college education. Even if that young adult is working, seeking scholarships, and applying for financial aid, a medical emergency, family crisis, or broken down car, could derail all of their plans and put them in student debt and a financial hole they'll spend years trying to climb out from.

We imagine instead a world where that child has a Baby Bond set up for them at birth. By the time they graduate from high school, that account has enough to get them through school without taking on more debt than they can handle or forcing high-interest loans. Since a young age, they have had access to community support who has helped them and their caregivers think about potential career paths and before they graduated from high school, they had a plan mapped out to pursue an associate degree in nursing at their local community college that they can continue to build upon. They're receiving a consistent cash support through a guaranteed income as they graduate from high school and begin college, which allows them to pay to fix their car when it breaks down on the way to school instead of missing weeks of class, and they're not worried about where their next meal is coming from.

They graduate from nursing school with a good paying job with opportunities for career advancement and money still in their Baby Bond account that can be used to pursue homeownership or other goals in the years to come. They have income, assets, and limited debt and are set up not only to succeed in the moment, but well into the future.

We believe that this is the type of world all of us want to see, and we do believe it is possible. But it has to start with honest conversations about where we have gone wrong and how our solutions have not been set up to fix the true problem. Yet if we are willing to do that hard and honest work, we really can build a future where all children have pathways to pursue the lives they desire and deserve.

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