



New Strategies in Delivering Education IDAs: Rethinking Program Design

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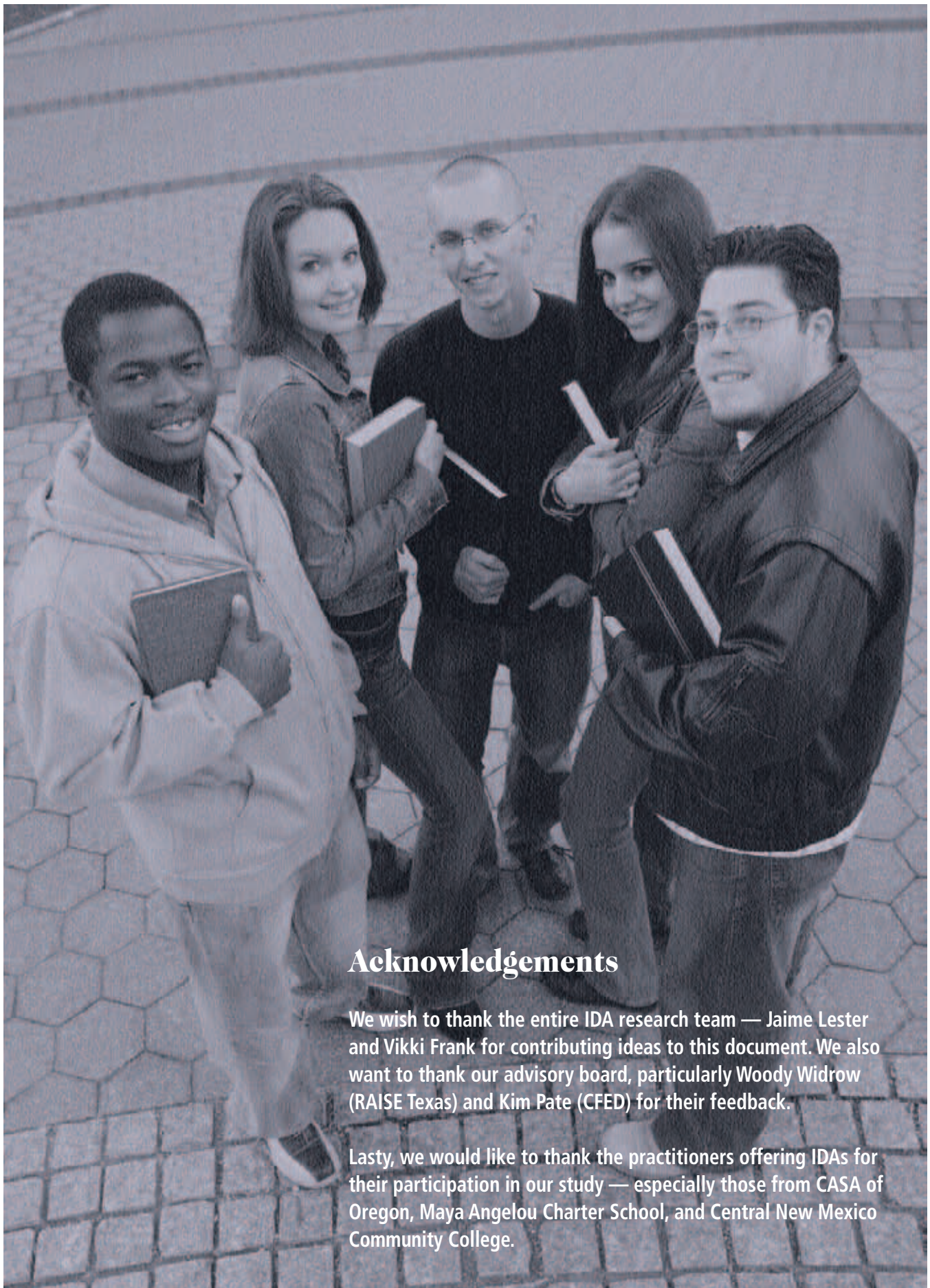


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Acknowledgements

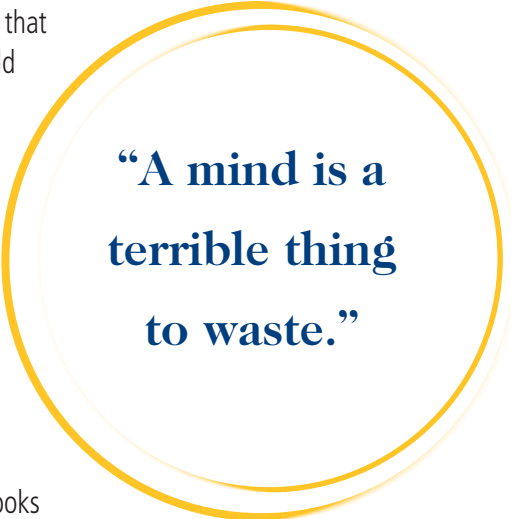
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Lastly, we would like to thank the practitioners offering IDAs for their participation in our study — especially those from CASA of Oregon, Maya Angelou Charter School, and Central New Mexico Community College.

Part I: Introduction and purpose

Why education IDAs are important

Everyone who has seen the ad campaign first launched by the United Negro College Fund in the 1970s remembers this catch phrase: “A mind is a terrible thing to waste.” It is memorable because it speaks to a basic American value, the belief that any young person who shows the desire to achieve scholastically should not have their dreams squashed for a want of funds. However, many young Americans find the dream of achieving a postsecondary education out of their reach financially. Perhaps just as important, many believe that a postsecondary education is out of their reach financially. Study after study demonstrates that low-income students are severely underrepresented in higher education. In fact, the attendance rate of low-income students appears to be declining rather than growing. Recent studies demonstrate that low-income students’ rate of participation in college is lower than their peers and that only 59% of low-income students graduate from college, while the rate of graduation for all students is 77%.¹ Low-income students face a particularly difficult battle in finding ways to cover the costs of attending higher education. The gap between the price of tuition, fees, and books and a family’s ability to pay has been growing for many years, particularly for low-income families. Need-based aid has declined in recent years and merit aid has risen. Subsidized loans tend to make up larger percentages of students packages than in the past. Families at the lower end of the economic spectrum are struggling most, as the distribution of income has become more unequal over time.



“A mind is a terrible thing to waste.”

Individual Development Accounts or IDAs used for postsecondary education can help address the problem. With an IDA, youth can afford to enroll in college and adults can gain the necessary funds to remain in college. Not only is their financial need met, but these students also develop life skills through the asset-specific training and financial education they receive. In the end, these students earn a great reward — an education. Education is a highly effective route out of poverty, and there are many economic benefits to gaining an education. For example, over one’s work life, individuals who attend college earn a higher annual salary as a result of their higher levels of education. Studies have found that college graduates with a bachelor’s degree earn 60% more per year than those with only a high school degree.² In the United States, the job market for those with a postsecondary degree is growing. For those without a

¹ Wyner, J., Bridgeland, J., & Dilulio, J. (2007). *Achievement trap: How America is failing millions of high-achieving students from lower-income families*. Landsdowne, VA: Jack Kent Cooke Foundation.

² Baum, S. & Ma, J. (2007). *Education pays: The benefits of higher education for individuals and society*. New York: College Board. Available online at: http://www.collegeboard.com/prod_downloads/about/news_info/trends/ed_pays_2007.pdf.

postsecondary degree the job market is actually shrinking. The advantage of obtaining a postsecondary degree is clear. Yet the financial hurdle to obtaining an education remains a formidable obstacle for many individuals, which is why IDAs are so important.

Purpose of the report

The asset building and education fields will benefit from a wider use of IDAs for education. However, this potential is unlikely to be reached unless the IDA field moves from the current program design, which is based on homeownership, to a unique program designed to meet the specific needs of education IDAs. We identified this need for a unique program design in our three-year Lumina funded study of education IDAs. Education IDAs need to break from the housing mold to be successful. The differences are important:

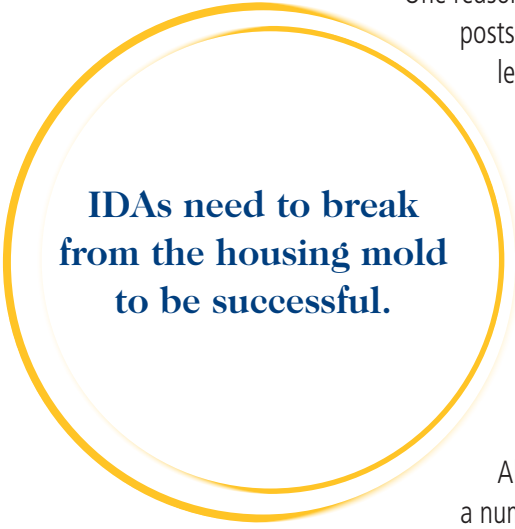
- Education is not purchased in one payment
- Students need a longer time to save
- IDAs need to be processed through financial aid
- Youth are often involved
- Financial education needs to be customized
- Asset specific training is completely different and focused on scholarships, financial aid, and college planning
- Postsecondary partners are large, bureaucratic and require a distinctive partnership approach

These are just a few of the many differences that need to be addressed in order for education IDAs to be more successful and reach their potential.

One reason that the unique design components for education IDAs are unknown is that postsecondary stakeholders were left out of the IDA demonstration projects, research, and legislation. Because none of the national organizations that represent postsecondary institutions were brought into discussions as IDAs were being developed, the program design, legislation, and other logistical issues do not reflect the interests or expertise of the postsecondary sector. No document currently exists to help IDA practitioners develop a program design for education IDAs.

Because of this gap in our understanding, we developed this report which highlights how to rethink your program design when offering education IDAs and how to maximize such efforts by partnering with postsecondary institutions.

Although our conclusions rely significantly on interviews and case study research with a number of IDA practitioners, we will largely use the experience of three organizations as exemplars: See Forever Foundation and Maya Angelou Charter School (MA charter school) in Washington, DC, Community and Shelter Assistance Corporation of Oregon (CASA) in Portland, OR (with two separate programs: VIDA and MESA) and Central New Mexico community college (CNM) in Albuquerque, NM. MA charter school is a public high school serving youth. They partner with a nonprofit, Capital Area Assets Building Corporation (CAAB), to offer IDAs to their students. CNM community



**IDAs need to break
from the housing mold
to be successful.**

college is a postsecondary institution housing IDAs to serve returning adult students. They partner with a Community Action Agency to offering IDAs to their students. And CASA is a statewide nonprofit that offers IDAs to their partner organizations in Oregon. More recently, they have partnered with high schools, a foundation of private colleges, and a community college to offer education IDAs to students. For more detailed profile of these three organizations please see Appendix A. Each of these examples provides distinctive insights into offering education IDAs.

Here we will focus on a few advanced subjects. For more of the basics of starting IDAs, see The Center for Enterprise Development's handbook — *CFED's IDA Program Design Handbook: A Step-by-Step Guide to Designing an IDA Program*. To gain more information about partnering with postsecondary institutions and other subjects with respect to the basics of offering education IDAs, please see our project website: <http://www.usc.edu/dept/chepa/IDApays/>.

Audience

Several types of organizations might find this examination useful:

1. Your organization may *already offer microenterprise or homeownership IDAs and might be interested in offering education IDAs*, even though it has never tried. Some of your accountholders may be looking for an option beyond housing because of the price of home purchases, the newly tightened loan environment, or a simple personal need to build new skills. It is a fairly common occurrence for an accountholder to discover in the middle of their participation in an IDA program that they may be unable to meet the requirements to purchase a home.
2. Your organization may simply discover that *expanding its permissible uses to include education IDAs will better help you serve your mission and your community*, but you may not have a background in working with the education community.
3. You may already *provide the education IDA option and simply seek to serve your population base more effectively* and focus in on youth or adult populations more effectively.
4. You may be an *education nonprofit or postsecondary institution* that wants to examine ways to start up and design an IDA. You should also seek materials on designing an IDA program.



Part II: New strategies for education IDAs

While education IDAs are similar to other types of IDAs in many ways, there are a significant number of distinctive issues to explore when offering education IDAs. The seven elements below are key to all IDA programs (postsecondary education, homeownership, and microenterprise). However, there are some unique considerations within each element which practitioners need to consider when offering education IDAs.

1. **Target market:** Youth versus adult students, students outside financial aid, foster youth, and your partners' clients are different populations to consider when offering education IDAs.
2. **Product design:** Education IDAs may require different match rate, use of IDA, timing of account, contacts, distribution, savings options, and fees and dues. This section will highlight each of these components and how they are unique.
3. **Partnerships:** Postsecondary institutions are important partners to help recruit students and possibly even offer asset-specific training to students with education IDAs. We will help you to contact and begin conversations with this potential partner.
4. **Financial education:** Education IDAs require a different financial education curriculum because students have particular financial needs. We will highlight different organizations offering education IDAs and their variety of approaches.
5. **Asset-specific education:** Education as an asset covers essential topics for students, some of which include choosing a school, the admissions process, choosing a major, and building basic academic skills, like test anxiety.
6. **Marketing and outreach:** In this section we will discuss how to recruit accountholders for education IDAs and how to recruit postsecondary partners to assist in offering education IDAs to students.
7. **Funding:** Postsecondary partners may be able to help fundraise either by leveraging scholarship money or by the foundation raising funds.

In the following sections we will highlight the new strategies for offering education IDAs within each of the seven elements of an IDA program.

Postsecondary Institutions

Postsecondary institutions include a range of institutions from vocational schools, community colleges, universities, liberal art colleges, technical and career colleges, and for-profit institutions.

Centers for Working Families (CWF)³

The Center for Working Families (CWF) is a new approach to help low-income families reach financial stability and move up the economic ladder. Pioneered by the Casey Foundation and now supported by other major funders, the CWF offers an innovative framework for how families can increase their earnings and income (“Earn It”), reduce their financial transaction costs (“Keep It”), and build wealth for themselves and their communities (“Grow It”). The CWF approach brings together — or bundles — access to a full range of essential economic supports in a convenient location to help families build self-sufficiency, stabilize their finances, and move ahead. CWFs make it easier for families to tap into all of the services and supports for which they qualify, filling in the gaps and helping them weather unexpected setbacks. CWFs are integrated into trusted community organizations and institutions and work with families on a long-term basis, providing supports to them as their needs change. There are around 12 Centers in the nation, 3 of which are located in postsecondary institutions.

³ The Annie E. Casey Foundation website: www.aecf.org/MajorInitiatives/FamilyEconomicSuccess/CentersforWorkingFamilies.aspx

1. Target Market

Like all IDA programs, organizations offering IDAs must consider their target market. For example, each regional area will have certain target populations that would be well served by IDAs. In an urban area the target population might be foster care youth, single mothers, or immigrants; in rural areas, it might be workers displaced from jobs or Native Americans. The decision to serve adults versus youth is a fairly fundamental decision that affects many other aspects of the design, so we highlight it in this section. Then we review other key populations, such as foster care youth, and end by considering postsecondary clients.

Adults vs. Youth

For education IDAs, one must keep in mind that there are generally two different types of postsecondary students to be served: 1) youth who are in high school and young adults who directly enter a university, junior college, or professional school; and 2) adults who may have had some time away from school for a variety of reasons and are returning to higher education. These groups enter the asset building world with different challenges and require different types of attention.

Targeting Adults

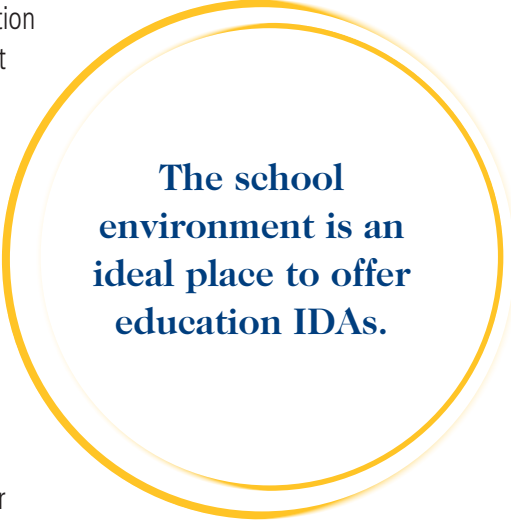
IDA practitioners offering microenterprise and homeownership IDAs are familiar with serving adults. Some considerations for practitioners serving adults who seek to use IDAs to obtain postsecondary education is that they often have significant life challenges, such as working multiple jobs, and often have children. However, adult students are usually very motivated to attend classes and take their education seriously. The main obstacle in their way of obtaining a higher education is the cost. One trend is that adult students complete a couple of classes, stop to save up more money, and then come back and take a couple more classes. This cycle continues until they earn their respective degree or certificate. The IDA, however, allows these students to stay in school and finish sooner. If you work with adults or want to reach out to this population, education IDAs are a tool to encourage adults to enroll in a postsecondary institution. See Appendix B for a resource sheet we developed to market education IDAs to low-income individuals: *Why is education important for your future and how can education IDAs help you reach your educational goals?*

One model of how to identify the target market for education IDAs is the example on Page 6 of Central New Mexico Community College (CNM) offering IDAs through their Center for Working Families program. CNM works with a student population that ranges from 17 to 55, and most of these students are adults who have been out of the school system for sometime. Their account holders come from their Center for Working Families program which provides an array of services to low-income students. Many of their students wish to go on to get a degree from a four-year institution, but they are low-income savers who often have trouble paying their bills. Without the guidance of the Center and without the asset provided by the IDA, a postsecondary education would simply be out of reach.

Targeting Youth

Practitioners working with education IDAs for youth note that working with youth is extremely challenging and requires much more case management than working with adults. For example, they often need to provide additional services like transportation and find it difficult to motivate students to save. Furthermore, they need to make the process entertaining (by providing games, for instance) and provide role models, all of which takes additional time and planning. Therefore, education IDAs involving youth add additional layers of complication. Many practitioners felt that their expertise working with adult populations did not transfer to youth.

MA charter school serves 420 high school and middle school students at five sites in Washington, DC. Their student body consists largely of at-risk students — previously incarcerated youth, special education students with emotional and learning disabilities, and mainstream students who have had problems succeeding in the regular school system, for example. MA charter school takes these kids in and provides them with vocational education and jobs. These students would normally have a very thin chance to graduate from high school much less attend a postsecondary institution. But MA charter school offers their students tools and an opportunity to attend a postsecondary institution if they so desire. As such, MA charter school saw IDAs as a way to help their students afford the rising cost of a postsecondary education, which would thus help MA charter school more effectively serve its mission.



The school environment is an ideal place to offer education IDAs.

The school environment is an ideal place to offer education IDAs. For practitioners who seek to serve youth they may wish to form a partnership with a secondary school to help with both recruitment and instruction. For example, CASA is partnering with seven GEAR UP high schools, each of which are housing the IDA in programs already existing school programs. For example, ASPIRE (Access to Student assistance Programs In Reach of Everyone), Oregon's official mentoring program, is housed in some of the high schools and helps to administer the IDAs. The Advancement Via Individual Determination (AVID) program is another Oregon program that has taken on the responsibility of assisting in offering education IDAs to their students. See page 8 for more details about the ASPIRE and AVID program.

Both of these programs have the infrastructure to support students through the IDA program and are skilled in working with the youth populations. In particular, the staff are specially trained to assist youth in applying for college and financial aid and to help bring out the best in their students. These programs are located on high school campuses so students have easy access to their mentors and/or counselors.

ASPIRE Program:

Students receive information about college options, admission, and financial aid from trained and supportive ASPIRE volunteer mentors who work one-on-one with them throughout the year.

ASPIRE serves students by:

- Helping high schools build a sustainable community of volunteer advisors
- Educating students and families about the scholarship application process and other options for paying for postsecondary education
- Providing advising, encouragement to help students' access education and training beyond high school, and resources. For example, they have a youth-friendly website for students and their families to learn about planning ahead for college in high school, the college application process, choosing a school, and applying for financial aid.

AVID Program:

AVID is a program designed to help underachieving middle and high school students prepare for and succeed in colleges and universities. AVID offers a rigorous program of instruction in academic "survival skills" and college-level entry skills. The AVID program teaches study skills, reading comprehension, note taking, and time management. Students participate in collaborative study groups or tutorials led by tutors who use skillful questioning to bring students to a higher level of understanding. The AVID program is configured as a cohort, allowing the students to build strong bonds with one another and increase morale. The program also makes the curriculum enjoyable by adding activities, class speakers, and community projects. College students who are trained as tutors also come in to assist AVID students and many former AVID students go back to their high school to tutor current AVID students.

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⁴ The ASPIRE program website: www.aspireoregon.org/about.html.

⁵ The AVID program website: www.pac.dodea.edu/edservices/EducationPrograms/

Working with parents

Another consideration when working with youth is working with their parents (or legal guardians). When working with youth IDA accountholders some interaction with parents may be necessary. The younger the accountholder, the more likely you will have contact with parents. At CASA a number of the youth are too young to work legally, so they baby sit, have paper routes, cut lawns, or engage in some similar 'off the books' activity. Parents are allowed to contribute to the child's account (a portion of the student's birthday money, for example), but generally the parental contribution is not to exceed that of the youth's contribution. Parent involvement is also needed to assist the student in saving. CASA found out that if the parents did not know that their child was in the IDA program then the students were not saving. Now CASA holds 'Family Nights' to inform students and their parents about education IDAs. We will discuss parents again in Section 4 titled financial education.

Current or aspiring students

Another fundamental decision in examining the target population, which we have eluded to above, is whether you want to work with current students on college campuses or individuals aspiring to postsecondary education who are either in the community or in high school. Your program design will be very different depending on whether you work with aspiring students or current students.

Some IDA practitioners prefer to work with aspiring students because they feel they need the most help. These aspiring individuals can be much more difficult to find, therefore partnerships with community organizations and high schools can help to better identify aspiring students. Above we mentioned programs in high school that work with low-income youth can be very strong partnerships for identifying and working with aspiring students. Other IDA practitioners believe it is important to collaborate with students who are already in postsecondary institutions but who may be in jeopardy of dropping out. They like the idea of supporting and helping students stay in college. They also express that students are more likely to meet their goal of obtaining a degree or certificate if they are already enrolled in school, which helps to meet their IDA tracking objectives. We will come back to the differences in serving current students versus aspiring students in sections 4 and 5.

Once you have decided which population you will work with, even if you choose both, your decision will affect each of the remaining six elements of program design. In each section you will notice that we highlight some considerations that are specific to one of these two populations.

Key populations

In addition to the age of your target market there are some key populations to target for education IDAs in particular.

Students outside the financial aid system

Three student populations do not have access to the federal financial aid and could use IDAs to support college going — students who defaulted on their loans, students who become ineligible for financial aid because they are not making satisfactory academic progress, and student in non-degree programs. There is little existing support or funding for these three groups of students. Students who have defaulted on loans are unable to obtain federal financial aid. An important use of IDAs is to help students raise money to pay off their loans so that they can obtain federal financial aid again. Students who do not have satisfactory academic progress often lose financial aid. This is another population that would benefit until they can bring their grades up and complete courses to become eligible for financial aid. Also, students taking certain non-degree courses do not have access to federal financial aid and the IDA provides a way for them to get additional training.

IDAs can be used with groups that need additional support because of the difficulty of their life circumstances.

Some populations, particularly Hispanic students, may not take out loans

A variety of studies have demonstrated that certain populations are hesitant to take out loans and IDAs present an alternative for these populations.⁶ Many financial aid officers in our study had data that suggested that many of their low-income students were not taking out loans and that some students were dropping out because of financial hardship, therefore the IDA would be an ideal alternative. Institutions should continue to encourage populations to take out loans when it makes sense. However, postsecondary staff may not always be successful in promoting loans. In this case IDAs can serve as an effective alternative. In some situations it is not be a good idea for students to take out any more loans because doing so would increase their debt burden.

Foster care youth

A study from the Institute for Higher Education Policy (2005) identified that even with funding from the Federal Education and Training Voucher Program and state funding (among 30 states), foster care youth will typically have a gap in funding (as do other low-income populations).⁷ Gap funding is a gap between the estimated cost of attendance and the amount of aid a student receives. The average cost of college attendance for commuter students at a community college (at that time) was \$11,000 and \$30,000 for a private college. Federal and state aid for foster care might be approximately \$6,000 to \$7,000. These important studies show that low-income populations still have funding gaps which need to be covered.

⁶ Burdman, P. (2005). *The student debt dilemma: Debt aversion as a barrier to college access* (Paper CSHE 13 05). Berkeley, CA: Center for Studies in Higher Education, University of California.

⁷ Wolanin, T. R. (2005). *Higher education opportunities for foster youth*. Washington, DC: Institute for Higher Education Policy.

Three of the IDA programs we spoke with worked successfully with foster care youth and believed that focusing on this population was important.

Helping high-need communities

IDAs can be used with groups that need additional support because of the difficulty of their life circumstances. IDAs have been used with single mothers, Native Americans, and other high risk populations. IDAs can be best targeted at the most needy populations.

Postsecondary clients

In Section 3 we will discuss partnerships with postsecondary institutions, but here we would like to emphasize that education institutions serve different low-income students. Some institutions have particular programs based on the low-income people's ethnicity, work place, or family responsibilities. In conversations between the postsecondary institutions and nonprofit organizations they can determine between themselves which low-income population to serve depending on the needs in that area.

2. Product design

After you decide on the population you will target, next you may need to rethink your program to better deliver education IDAs. An IDA consists of savings and match on one hand and financial and asset-specific education on the other. In this section we will talk about savings and match and in Sections 4 and 5 we will cover financial and asset-specific education. In this section, we review match rate, use of IDA, timing of account, a key contact, distribution, savings, and fees and dues. These items are crucial to all IDA programs, and when offering education IDAs practitioners need to understand some unique differences.

Match rates

Match rate calculation with education IDAs is different from typical IDAs because the asset has many different costs (from books to four years of tuition), the savers may not have a steady income (perhaps only working in the summer), and they typically have to save over a longer time period (saving and spending over four years). All these variations affect the choice of match rate. For example, college tuition at a public four-year in 2007-2008 was \$6,185 a year (up 6.6 percent from last year).⁸ If you also include fees and room and board the total is \$13,589. And the prices are rising each year. Although most low-income students receive the Pell grant and other institutional money, there is usually a gap in funding. For example, after federal grants are considered, Pell grant recipients still face an average unmet need of \$8,873 for all institution types; after all aid received, including student loans, Pell grant recipients faced an average unmet need of \$3,516 for all institution types.⁹ IDA practitioners offering education IDAs need to research the costs of the colleges in their areas, take into account the average gap funding need per student, and then consider how much the

After you decide on the population you will target, next you may need to rethink your program to better deliver education IDAs.

⁸ Baum, S., & Ma, J. (2007). *Trends in college pricing*. New York: College Board. Also available online at: http://www.collegeboard.com/prod_downloads/about/news_info/trends/trends_pricing_07.pdf.

⁹ Cook, B. & King, J. (2007). *2007 Status report on the Pell grant program*. Washington, DC: American Council on Education.

student can save based on their income. This calculation will allow practitioners to decide what would be the appropriate match.

The match rate calculation here has real-life effects. For example, the CASA match increased to 5:1 (from an already high 3:1) after conversations with their partners (postsecondary institutions and high schools) and also with local agencies working with the target population. When talking to the high schools they were particularly skeptical about students being able to save even \$50 a month, which they thought would be a stretch because the students' eligibility was lower than the AFI qualifications. They received free or reduced lunch, which means they are at 150%-185% of poverty and therefore were not able to maximize the potential of their education IDA. Because CASA required that the students (not just parents) save in these accounts, it became evident that a higher match was needed in order to engage students of the lowest incomes and also ensure that they (not their parents) contributed to the account. In addition to the youth not having a disposable income; the nontraditional student account holders (single mothers in college, working, and supporting their family) also did not have as much discretionary income. And the research shows that financial difficulty contributes to individuals not attending college and not being retained. Therefore, CASA saw the high match as an opportunity to allow these students to attend school without having to stop-out (take one class, stop schooling to earn more money, then take another class, etc.) or drop-out completely. In the end, the higher match rate allows their adult students to stay in college and earn an AA degree and their youth students to enroll in a postsecondary institution and pay at least the first year of tuition.

As you probably realize, a higher match rate means that a larger percentage of the host organization's total amount available will go to each account holder. This means that fewer account holders can be served. There are also some who tend to see a higher match rate as coming closer to a gift, rather than an earned asset. Still, CASA made a planned decision based on the needs of their service population and through many conversations with the higher education institutions with which they work. Without the higher match rate the students CASA serves would not be able to afford the cost of school. Indeed CASA was not receiving very many applications for its education IDA program until they increased the match rate.

Use of education IDAs

In addition to calculating a proper match rate, practitioners must also take into consideration which postsecondary institution the account holder will attend or is currently enrolled. Tuition costs differ largely by institution type. Depending on the cost of tuition and the other scholarships and awards students may receive, the IDA money could go to tuition or books. Below we cover some of these considerations.

Choice of postsecondary institution affects the use of IDA

The IDA product must fit the needs of both the account holder and the educational

Pell grant.^{10 11}

A federal Pell grant, unlike a loan, does not have to be repaid. Pell grants are awarded usually only to undergraduate students who have not earned a bachelor's or a professional degree. Pell grants are considered a foundation of federal financial aid, to which aid from other federal and nonfederal sources might be added. Grant amounts are dependent on: the student's expected family contribution (EFC); the cost of attendance (as determined by the institution); the student's enrollment status (full-time or part-time); and whether the student attends for a full academic year or less.

¹⁰ Office of Federal Student Aid: <http://studentaid.ed.gov/PORTALSWebApp/students/english/PellGrants.jsp>.

¹¹ U.S. Department of Education Federal Pell grant program website: www.ed.gov/programs/fpg/index.html.

institution. In designing the IDA product for their particular communities, practitioners must do a detailed examination of the amount that accountholders will be required to spend to purchase an asset — in our case a postsecondary education — in their area. For example, universities are usually more expensive than community colleges. Therefore, it is good to get a general idea of what colleges these students are more likely to attend and plan accordingly. Practitioners should also be aware that the cost of schooling affects how the accountholder uses their IDA funds.

Nonprofits are advised to talk with their postsecondary partners about gap funding. For example, if tuition is low and covered by other financial aid than students may use their IDA money for a computer. However, if their tuition is high they may use their IDA money to cover any gap in tuition. In the early years of MA charter school's IDA program, students largely used their IDA funds to purchase books and laptop computers. But costs have changed, as have trends in enrollment. MA charter school's graduates are applying in greater numbers to Historically Black Colleges and Universities (HBCUs), the cost of which is slightly more expensive. This higher cost is changing the use of IDA funds, since 80% of the funds are now going to pay for tuition.

Paying for school is more than just tuition

However, if the student's cost of tuition is covered by the Pell grant and by other grants and scholarships, practitioners should know that books, laptop computers, and other equipment costs can be quite extensive. The cost of books can be over \$1000 per year, a burden which is too great for many low-income students. In addition, there is an assumption that students can afford the equipment for many vocational programs, but students often end up dropping out because they cannot afford the equipment costs. For example, nurses often require medical equipment, architecture students require CAD software, and automotive students require tools. Various studies have demonstrated that some students drop out of school because of financial concerns, often related to purchasing books and other equipment.¹² Another consideration when using the education IDA for books or equipment is who will receive the check. Usually, in this case, IDA practitioners will work with the bookstore staff.

Timing of account

High tuition costs and other fees, such as books, also contribute to the need to lengthen the duration of the account for student savers. Programs with short time frames present difficulties for both youth and adult savers. You must estimate how long it will take an accountholder to reach their savings goal. For example, if the accountholder is a freshman in high school then he/she will need four years to save to go to college and may not use all of the IDA in the first year of school. To assuage this issue, MA charter school has students saving for an IDA during their four years in high school, but does not enroll them into the IDA until they are seniors in high school. This allows the students to use the IDA throughout their college career. In addition, some students are enrolled in IDAs their freshman year of college, but it takes them five years to graduate. Lengthening your savings period will allow these students to use their IDA savings each year and help them to persist in college and not drop out.

¹² Government Accountability Office. (2005). *College textbooks: Enhanced offerings appear to drive recent price increases* (GAO-05-806). Washington, DC: United States Government Accountability Office.

Postsecondary contact

In order to best calculate your match rate and account time limit, by considering both the cost of tuition and the average gap, IDA practitioners will need to work with staff at the postsecondary institutions their clients attend. It is useful to have postsecondary institutions at the table while designing the product and program procedures. This is true for several reasons. First, postsecondary institutions can be involved with shaping the interpretation of financial aid most favorable to the accountholder. Second, the postsecondary representatives can provide expertise during the design process. Third, this will provide the schools with familiarity about the concept and will aid in the administration of these funds.

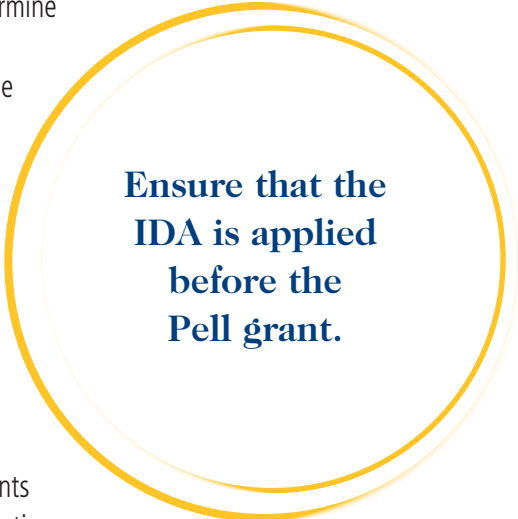
Consultation with postsecondary representatives is especially recommended when addressing the IDA in the financial aid process. On one hand, they will help you better understand how to design your program according to the students' need, and on the other hand you will help them better understand IDAs and their purpose. When financial aid officers understand the economic situation of the IDA saver, the structure of the IDA account, and the purpose of the IDA account, they tend to apply the IDA more favorably. For example, IDA practitioners have found that if any changes are made, the IDA lessens the students' loan amount. In order to assist in these conversations with financial aid officers we also wrote a paper on financial aid and IDAs, which is available on our website: http://www.usc.edu/dept/chepa/IDApays/publications/financial_aid.pdf. This paper includes best practices and strategies for maximizing benefits of IDAs in financial aid and frequently asked questions about financial aid and IDAs.

Distribution

After familiarizing financial aid officers with the IDA concept, practitioners need to determine the best timing for the financial aid office to receive the disbursement check. Also the IDA money may not be a one-time payment but rather multiple payments. Below we describe various reasons why these two program changes are needed for education IDAs.

Timing of distribution

The practitioner and the accountholder should work with the financial aid office to find out when the financial aid office needs the funds disbursed. Since AFI IDA funds have limited uses (tuition, books, supplies), timing the IDA distribution correctly can ensure that the postsecondary institution allocates other funding effectively. Most institutions are used to handling "tuition only" funding. For example, if they know they will get the funds by a specific date they can allocate other money, like the Pell grant, to non-tuition costs of education. Most nonprofits do not realize that the Pell grants can be used more liberally than the IDA. Pell grants cover all aspects of the cost of education, including housing needs. When IDA and Pell grants are timed and accounted for properly, Pell grants can even be given back to students as a reimbursement for housing costs for students not living on campus. To take advantage of this, nonprofits need to work with universities to time IDA disbursements and the tuition bill to ensure that the IDA is applied before the Pell grant. Often, colleges are already accustomed to doing this for other "tuition only" scholarships.



Ensure that the IDA is applied before the Pell grant.

Multiple distributions

Disbursements may not come all at once, as they do for homeownership and microenterprise IDAs. Depending on the decision of the accountholder and the postsecondary institution partner's financial aid office, final

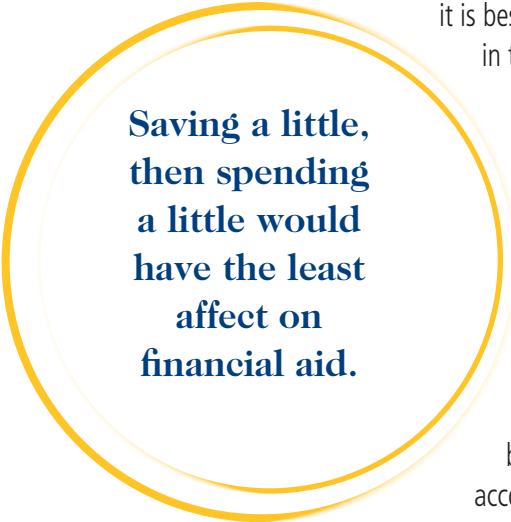
draw down of funds may not occur at one time. Also, financial aid opportunities are usually most abundant in a student's first year and decrease each year the student is in school. While multiple distributions of funds cause some hesitance from community-based organizations, we encourage them to think strategically about when a student most needs the IDA distributions. It may not make sense to spend the entire IDA distribution in year one. Not only does the student possibly have access to more financial aid that year (which could be impacted by a large distribution), but it also may leave student short on funds to stay in school.

You could use this opportunity to leverage the IDA as an alumni tool for your program. By requiring multiple disbursements over multiple years, you are ensuring that students keep in touch with you and check-in with you over the long-term. This is a great opportunity to assess the student's needs, provide counseling, and track progress for your evaluation measures.

Savings

If you choose multiple disbursements, IDA practitioners need to help the student work with the financial aid officer and bursar's office to calculate the amount of funds the student needs from the IDA each year.

Students must complete a new Free Application for Federal Student Aid (FAFSA) each year, therefore it is best for a college student not to save all four years and then spend all of their IDA funds in their last year. That would mean that their growing savings account would be an asset each year they fill out the FAFSA and their early savings would count against them multiple years. Saving a little, then spending a little would have the least affect on financial aid. Caveat: We have rarely seen the student's IDA savings being counted against them in the financial aid process because the amount is usually under \$2,000 and the students' income level is so low that this amount of savings does not hurt their financial aid package.



**Saving a little,
then spending
a little would
have the least
affect on
financial aid.**

If you choose to continue one-time disbursements, IDA practitioners may want to structure the deposits and withdrawals in an IDA savings account to maximize the benefits of the IDA and financial aid. For example, you might transfer non-AFI IDA accounts into a 529 account prior to application. This allows you to convert the savings and match into an asset of the parent. With the parents assets protected, you will receive the most financial aid benefits. Or, you could put the IDA account in the name of a parent and not a dependent student. However, we know that many IDA practitioners, and some IDA participants, do not want IDA accounts in their parent's names as the money. In a few cases, having the account in the student's name may be safer (for instance, the parent may not use money to pay bills, there may be mental health or drug abuse issues, there may be violence in the home, etc.), as they may be young adults seeking greater independence from their families and do not want their parent's names on their accounts.

Fees and dues

Once you have met with your partner and assessed the partnership, you will want to meet as a nonprofit to discuss some program design issues:

Are you going to ask education IDA participants to pay an application fee? Some feel that participants will value the program more and will show a greater commitment if they are charged a fee — even a nominal

one. Others feel that there is no need to add an additional cost to the lives of people who are already living on the financial edge. Another option is charging your partner for the application fee.

Are you going to cover your partner's administrative costs? CASA, for example, does not pay administrative fees to its postsecondary partners who already offer financial education as part of their normal activities. But, they offer some administrative funding to the high schools who do not offer financial education as a matter of course.

In closing, the unique issues to consider when designing a program for education IDAs are: a higher match, lengthening the time of the IDA account, the broader use of education IDAs, key contacts such as the postsecondary institution and their financial aid office, the timing of distribution and the need for multiple distributions, saving a little and then spending a little or rolling IDAs into 529s or holding the IDAs in the parents' names, and fees and dues for students and partners. Altering your program design to better offer education IDAs will make your savers happier and will allow your program to run smoother.

3. Partnerships

The formation of effective partnerships is at the heart of a strong IDA program. A university, community college, or professional school is every bit as much a partner of the IDA organization as the financial institution that holds the accounts or the credit counselors who offer financial education training. But with education IDAs, the schools can be a partner not only at the end of the accountholder savings period as a vendor, but also at the beginning and middle of the program planning and product design process as an advisor. In addition to the information we present here, we have developed a separate document about strategies for IDA practitioners to effectively partner with postsecondary institutions (Please see: http://www.usc.edu/dept/chepa/IDApays/resources/strategies_psei.pdf).

Practitioners should map out the services that they wish to provide to their accountholders and then look to a postsecondary partner to see how the partner might help to deliver services such as housing the IDA program, marketing and recruitment, match funds, financial education, asset-specific training, or case management. To begin this discussion with your postsecondary institution partner you need to consider the following questions:

- With which postsecondary institution should I partner?
- Who should I contact initially?
- Who should be involved in the follow-up conversation?

Below we will answer the above three questions based on our research findings from conversations with IDA practitioners partnering with postsecondary institutions to offer IDAs:

Right fit postsecondary institution partner

Through our research we identified several characteristics of institutions that tend to understand the need for IDAs and who are likely able to be strong partners to offer IDAs.

Institutions with:

- A large numbers of low-income students
- Awareness of the needs of low-income students
- A small size — Less than 5,000 students
- TRIO or GEAR UP programs or other special programs for low-income students
- Campuses with public assistance programs such as TANF (Temporary Assistance for Needy Families)

We also identified certain types of institutions that show promise for community agencies to partner with because they maintained some of these characteristics and have a special mission.

- **Rural and urban community colleges**
Rural and urban community colleges often have large populations of low-income students. In addition, rural community colleges enrollments are smaller, which allows the staff to give more personal attention to students. The rural community college staff also find the idea of including the IDA — even though it is a high-touch program — to be very workable with their institutional goals and structure.
- **Minority-serving/special mission institutions**
Tribal colleges, Historically Black Colleges and Universities, and Hispanic-serving institutions tend to be smaller institutions with more high-touch programs and are a good fit for the IDAs.
- **Technical and occupational colleges**
Technical and trade colleges located in urban areas, in particular, serve large numbers of low-income students. Their programs are shorter-term and tend to meet the needs of low-income students who often do not have the luxury or time to seek a four-year degree.
- **Campuses with extension offices — land-grant institutions**
Extension units typically offer financial education courses and are connected with community members (but not always with low-income families). Extension services can be used as a partner for offering financial education and asset-specific training.

A staff person at CASA who worked with migrant and seasonal farmworkers in a previous job became aware of the TRIO program at Mt. Hood Community College, located in rural Eastern Multnomah County. She contacted the college president, who then organized a campus team that met as a group and signed a memorandum of understanding for IDAs. Initially, they considered offering IDAs to all students at Mt. Hood, but instead plan to start with the community college's TRIO program students.

Initial contact

It helps to have an initial meeting with someone in a leadership position who can ensure that the IDA has institutional support. Otherwise, an IDA practitioner can get caught up in campus bureaucracy and red tape.

President of postsecondary

institution: The President has full responsibility for the operation and management of the postsecondary institution. If the president of the college is a champion for the IDA, then he/she has the power to convene the appropriate offices to offer IDAs.

Vice President (VP) of student

affairs: The office of student affairs is in charge of providing services that promote the academic, social, cultural, personal and physical growth and development of students. Typically, the VP of student affairs reports to the president of the postsecondary institution. As such, the VP of student affairs is well-positioned to assess the fit of the IDA program for the school and seek approval from the president if a fit exists.

TRIO/GEAR UP director:

TRIO and GEAR UP directors administrate government supported programs that assist low-income students by providing them with a quality education. These directors report to the university and are aware of the low-income population at their institution.

Follow-up conversation

In designing the program, practitioners will be more successful if they work with staff from multiple departments across the campus. On campuses where we found success, they involve a campus-wide team including the financial aid office, bursar's office, student advising, and the TRIO program. While the whole team does not have to meet every time, it is important for them to meet as the program design is created and the partnership implemented.

There are two groups we would like to describe in detail because they work exclusively with first generation, low-income college students — TRIO and GEAR UP programs. The mission of these programs is closely aligned with the work of IDA practitioners.

Key partners for success: TRIO and GEAR UP programs**TRIO¹³**

The federal TRIO programs are educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds. TRIO (initially just three programs) includes six outreach and support programs targeted to serve and assist low-income, first-generation college students, and students with disabilities to progress through the academic pipeline from middle school to postbaccalaureate programs. As mandated by Congress, two-thirds of the students served must come from families with incomes under \$28,000, where neither parent graduated from college. More than 2,700 TRIO programs currently serve nearly 866,000 low-income Americans. Many programs serve students in grades six through 12. Over 1,000 colleges, universities, community colleges, and agencies now offer TRIO Programs in America. TRIO funds are distributed to institutions through competitive grants.

The federal TRIO programs are Talent Search, Upward Bound, Upward Bound Math/Science, Student Support Services, Educational Opportunity Centers, and the Ronald E. McNair Post-Baccalaureate Achievement Program (Each program is described in detail on page 29).

TRIO services include: assistance in choosing a college; tutoring; personal and financial counseling; career counseling; assistance in applying to college; workplace and college visits; special instruction in reading, writing, study skills, and mathematics; assistance in applying for financial aid; and academic assistance in high school or assistance to reenter high school or college.

GEAR UP¹⁴

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a discretionary grant program that increases the number of low-income students who are prepared to enter and succeed in postsecondary education. GEAR UP provides six-year grants to states and partnerships to provide services at high-poverty middle and high schools. GEAR UP grantees serve an entire cohort of students, beginning no later than the seventh grade, and they follow the cohort through high school. GEAR UP funds are also used to provide college scholarships to low-income students.

¹³ U.S. Department of Education Federal TRIO program website: www.ed.gov/about/offices/list/ope/trio/index.html.

¹⁴ U.S. Department of Education GEAR-UP website: www.ed.gov/programs/gearup/index.html.

During your first conversation with the initial contact, arrange a follow-up meeting with staff from the following offices:

Admissions/Enrollment/Outreach: The role of most admissions offices is to recruit potential students, process and evaluate applications, admit students, and assist in enrolling students. This office can assist you in marketing the IDA during the recruiting process and provide you with information about outreach opportunities.

Financial education for students needs to focus on the environment they are in — high school or college and their work place.

Financial aid office: The financial aid office is primarily responsible for processing the students' FASFA applications and determining the amount of assistance they may receive. Your relationship with this office is important because the financial aid officers will need to know how to best apply the IDA.

Bursar's office: The bursar's office (sometimes referred to as financial aid disbursements or student accounts) applies financial aid to the student's account, disburses checks, and processes refunds as needed. You will be working with this office when you cut the IDA check for your students.

TRIO/GEAR UP or other programs for low-income students: These programs work closely with low-income students and will be able to assist with recruiting students for the IDA.

As you will see, the importance of postsecondary institutions as key partners in offering education IDAs will be a recurrent theme throughout this paper.

4. Financial education

An IDA consists not only of savings and match, but also of financial education and asset-specific education. Of course financial education is a key piece of any IDA program. Most accountholders report that in the long-term they value the lessons that they learned in the classes and the habits they acquired in the saving process as much as the asset itself. Like the other elements of the program design, financial education for education IDAs differs in the topics it covers, the approach to curriculum, and the ways that community agencies work with partners to offer financial education.

Different curriculum

Financial education for students needs to focus on the environment they are in — high school or college and their work place. In addition to learning financial basics such as budgeting and financial planning, banking their money, and protecting their credit, students need information on the following topics:

- Paying for college
- High school and college life expenses
- Working while in school

These topics will differ based on whether you work with adults or youth or if students are aspiring to or already in college. Below we will give examples of these topics. The organizations mentioned below are also found in Appendix C.

Paying for college

For high school students the topic of paying for college will include information on understanding the costs and benefits of college, understanding financial aid, choosing the best types of financial aid, scholarship information, federal aid programs, other sources of financial assistance, and comparing financial aid awards. Students already in college will learn about paying back loans and other general financial education information to help them to remain in school and finish their degree – like making a budget. The Money Skills for Real Life, GEAR UP’s financial education program for middle and high school students has a section called ‘my education’ that answers questions that high school students and their parents may ask. For example:

- What should I know about saving for college?
- Can my parents or I get any tax breaks for my college costs?
- What is financial aid and why do I need it?
- How do I get financial aid?
- What does the FAFSA do?
- How do I find out more about financial aid?

Also since GEAR UP is for first-generation, low-income students, the financial education curriculum is designed specifically for students in these programs and is also culturally sensitive.

High school and college life expenses

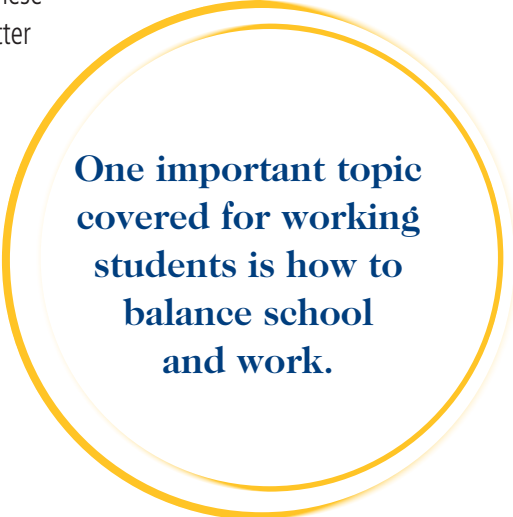
High school extracurricular activities as well as college room and board costs are additional financial considerations that students have to consider. For example, in NEFE’s CashCourse college program their college life section deals with topics like living at college, buying or leasing a car, replacing lost items, studying abroad, handling peer pressure, paying for fraternities and sororities, and paying for spring break.

Working while in school

Much of the financial education directed specifically at students highlights working options for them to gain experience, build skills, save for college, and pay for extracurricular activities. These programs stress how working can usually help students to learn self-discipline and better manage time. One important topic covered for working students is how to balance school and work. Some students take on too many hours because they see the money coming in and forget that their main priority is school. Decision Partners’ financial education program includes a section in which students fill in how many hours they work along with a financial stress questionnaire. These questions allow them to provide personal advice on work/school balance.

Approach to curriculum

In this section we will cover a variety of ways that different organizations offering education IDAs have fulfilled the financial education requirement for their IDA program.



One important topic covered for working students is how to balance school and work.

At MA charter school, the program does not have enough participants or graduates to conduct a formal evaluation/statistical analysis. But, the staff has noticed that students in the toughest circumstances actually seem to perform better as savers. Indeed this fits well with the findings of the American Dream Demonstration with adults. In that project the poorest savers actually saved a greater percentage of their monthly income than did less poor savers.¹⁵

Combining and customizing curriculum

There are a plethora of financial education curricula that are available for practitioners to use serving all age ranges and levels of academic achievement. All practitioners are encouraged to examine a few curricula and choose one that fits the abilities, interests, and needs of their accountholders. Often practitioners initially worry that they will need to use a given curriculum in its entirety. But in practice, that is not what occurs. Practitioners generally combine the set curriculum with either modules or examples and handouts of their own design in order to customize the material to the students they serve.

For example, CNM staff realized that their financial literacy program targeting low-income students was ineffective. Therefore, they started to work with a staff person at the New Mexico Project for Financial Literacy and she adjusted the program to meet the needs of these students. These were low-income adults in school with jobs and families, and most of these students were also in financial crisis. Therefore, the financial education first focused on their vulnerable state. The CNM staff realized that if they did not help students to stabilize and reach some equilibrium, they were in too much chaos to talk about savings, budgeting, or the future.

Integrating financial education into class time

Yet, some providers innovate even further. The MA charter school serves mostly at-risk middle and high school students in Washington, DC. In their schools there are very few textbooks, so their teachers already have a good amount of leeway to create a study program that fits the needs of their pupils. For the financial education component of the IDA they begin with VISA's Practical Money Skills for Life as a base from which to build. This curriculum is crafted specifically for a youth audience. MA charter school students often see financial education concepts woven into their math or English classes, with real-life issues used as examples. While this integrated method of teaching makes it hard to track how many hours of financial education the students receive, it gives meaning to the sometimes abstract principles being taught in math or English class and makes the financial education concept more memorable as well.

Real-life application

In addition to including financial education in class, MA charter school has students applying financial education concepts by working and saving while in high school. At MA charter school all of the students work and get a pay check. The school has a vocational and culinary arts program, and all student earnings are subject to a payroll deduction for savings, which are then placed in a savings account. Once the students are seniors they are all eligible to enroll in their IDA program. At that point, their savings are matched 3:1. Students also take a class during their senior year that helps prepare them for college or work life. This helps IDA accountholders understand the realities of paying for school and the financial aid process. The financial education lessons that the students gain in the classroom are made tangible by the visible growth of the savings that they already have in the bank, the

¹⁵ Mills, G., Patterson, R., Orr, L., & DeMarco, D. (2004). *Evaluation of the American Dream Demonstration: Final evaluation report*. Cambridge, MA: Abt Associates Inc.

match funds that they receive from the IDA program, and the tangible effect that their efforts and the IDA have on their future goals.

Furthermore, the MA charter school staff found that students who join the IDA program tend to be better savers than the youth who do not participate in the IDA program. That is true despite the fact that all of the students at MA charter school receive financial education and asset-specific education. There can be many explanations for this trend, but one explanation is that having the goal of acquiring the asset of a college education creates a significant and essential improvement on financial education instruction. These are points for practitioners to keep in mind as they seek to fund their work and advocate for IDAs as a tool and plan their programs.

Group and individual sessions

More commonly, financial education is taught in a workshop or in a one-on-one format. At CNM community college they hold both group and individual training. Their one-on-one meetings allow for real customization of classes to meet student needs. It is also easier in such an environment for the student to deal openly with personal financial challenges. Of course, it is also important to consider that this type of instruction is more expensive to deliver. But, this type of contact is important for the students who do not want to talk about their financial situation in front of their peers. Mixing methods is very successful.

Extended study

Although most IDA programs require 10-12 hours of financial education, some organizations think more is better. For example, at CNM community college, the students currently receive 20 hours of financial education. The classes currently last for two hours a week for a 10 week period. That is a significant amount of instruction. The school is looking at instituting a full-scale financial education course, which would provide approximately 45 hours of financial education to pupils. Many observers question the strength of financial education as a stand-alone benefit. But a semester-long course combined with the application provided by the IDA may well present a different result. The class would also be more cost-effective to deliver and students would gain the benefits of learning in a classroom setting.

Although most IDA programs require 10-12 hours of financial education, some organizations think more is better.

Distance learning

If you cannot use class time to teach financial education or if your students are rarely on campus or have difficulties getting to campus for a workshop or a counseling meeting, there are other ways for students to learn financial education. At CNM community college they are looking to develop a distance learning financial education program because the student body is spread out among four locations in Albuquerque, NM. Their students tend to face a variety of life issues that are hurdles to successful participation in an IDA program. This will make classes more accessible for students with difficult schedules and challenges with transportation. It is also less expensive to deliver since a live instructor is not needed.

Be flexible

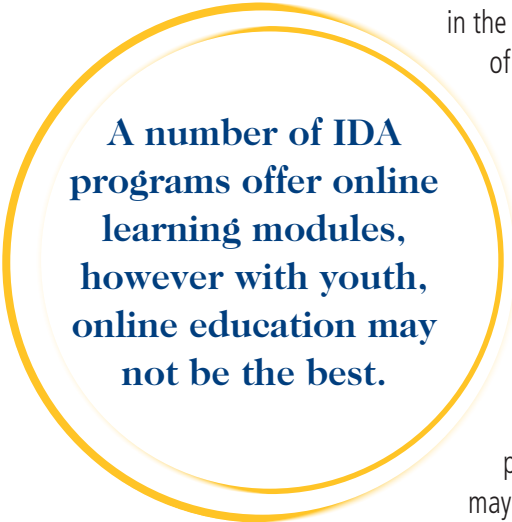
As evident in the point above, when offering financial education and asset-specific training practitioners need to be flexible with students' schedules. Also note that with adult students it is essential to make getting to class as easy as possible since most students work and have families. At CNM financial

education is offered on nights and weekends and if they miss a class they can make it up the next term. In terms of asset-specific education, these students can accomplish these tasks while they are on campus either before or after their class. These are also important considerations when working with parents of your youth participants.

Youth who receive financial education in school or as part of an after-school program are relatively easy to reach. Instruction can be provided as part of their regular school day as MA charter school does. But many nonprofits do not have such an advantage. Some programs offer meals and child care for some classes as an incentive to draw students to class. A number of IDA programs offer online learning modules, however with youth, online education may not be best. Youth savers may need more in-depth financial education with interpersonal and longer-term, training. Many youth IDA programs have relied on online education to meet the financial aid requirements of an IDA.

Working with parents (or a guardian)

Another consideration when working with youth around financial education is involving the parents in the financial education component of the IDA. In addition to providing an understanding of the program their child is enrolled in, this is an opportunity to educate the parents on everyday financial issues. Parental involvement is also necessary when the youth is at the point of applying for financial aid, at which point the family's financial information is needed.¹⁶



A number of IDA programs offer online learning modules, however with youth, online education may not be the best.

Working with partners

As already described, financial education can have a variety of faces depending on where or how it is housed. Working with your partners to offer financial education can also provide new ways of approaching this aspect of the IDA program. When partnering with postsecondary institutions there are a variety of on-campus players that may already offer financial education within their office or department. Here are a couple of examples of financial education offered at postsecondary institutions:

TRIO programs: About 50% of TRIO programs offer financial education to the students in their program. CASA partners with Mt. Hood community college's TRIO, Transitions, and Transiciones programs, which were already offering some financial education to their students. When they started offering IDAs with CASA, more financial education components were added to the programs. Now, workshops, one-on-one counseling, and an online program are also offered.

Freshman orientation: In the summer before students' freshman year some schools hold an orientation where during this time there are optional and mandatory sessions. Some freshman orientation curricula include a financial literacy aspect.

¹⁶ Currently in the AFI program, accountholders must have reached the age of majority at the end of the savings period. They also do not permit use of AFI to contribute to a 529 or Roth IRA. That rules out using AFI funding for younger children. Privately or locally funded IDAs may have different rules and restrictions. A prime example of this type of program is the SEED Policy and Practice Initiative which is testing the concept of asset building as it applies to children, youth, and their families. As a private initiative, SEED offers a varied approach to savings with not only savings accounts, but also 529 accounts and investment accounts available to accountholders. Moreover, the children and youth involved range from 0-18 years of age.

Freshman seminar/First year experience course/University 101: These are non-credit courses that may include financial literacy as a component.

Business School: Business schools usually have financial education included in their 100-level courses.

Financial aid offices: Some financial aid offices include financial education during their financial aid workshops.

Student money management services: A small number of postsecondary institutions are offering financial counseling to their students.

Only a small percent of postsecondary institutions are offering financial education, IDA programs could use this to their advantage and sell their financial education component to their potential postsecondary partner. There is a general lack of resources and staff in schools, and IDA programs can fill this lack. However, if you do not want to offer financial education you could provide the school with administrative money to provide these services to the students in the IDA program.

If your program does not have a financial education component in place and if your postsecondary partner does not offer financial education, we have compiled a list of financial education resources in Appendix C. Most of these resources are free or have a small fee. We have also listed IDA nonprofits offering education IDAs who have been kind enough to share their curricula and resources with us.

5. Asset-specific education

The other key part of the educational process for an IDA accountholder is asset-specific education. This, in our case, means providing the accountholders with information that they will need to be successful in saving for education, using their savings and match intelligently to get the most “bang for their buck,” and effectively balancing their school/work/life challenges. Among AFI grantee sites, education accountholders receive less asset-specific education than homeownership and small business accountholders. Homeownership accountholders receive about 12 hours of asset-specific education, small business accountholders receive about 10 hours of asset-specific education, and education accountholders receive about 8 hours of asset-specific education. There are many resources available to help IDA practitioners offer rich and deep asset-specific training. Here we will discuss some common topics that need to be covered when speaking to clients about education as an asset and important postsecondary partners to offer asset-specific training.

Common Topics

During our conversations with IDA practitioners one of the main difficulties expressed was offering training for the education asset. The IDA practitioners did not feel comfortable with this subject and wanted resources to help them in their struggles. We compiled a list of asset-specific resources for IDA practitioners that can be found in Appendix D. Here we will also highlight some of those resources and the common topics you should cover when dealing with education as an asset.

The topics will differ based on whether students are aspiring to or already in college and under those categories topics may be specific to adults, youth, or both. Below we list the topics followed by a short description.

Aspiring to go to college

The following topics should be covered with both youth and adults:

Benefits of going to college — The Department of Education webpage has a link to college.gov, which addresses why go to college. Subjects discussed in that section are: increasing your earning power, finding your passion, proving your potential, growing with help and support, and lifting your family. Each of these subjects has a page or two of resources for the student to read over.

Find support — Support is essential even before students enter college. The education websites in Appendix D stress that family members, school counselors, friends, neighbors, and mentors are all resources with much experience in life. It is important for aspiring college students, regardless of age, to talk to these people about their college plans and seek their advice or if they went to college, to ask them about their experience.

Take the tests — The College Board and ACT websites highlight each of the following tests and have test preparation information included: SAT & Subject Tests, PSAT/NMSQT, AP, CLEP, and ACT. Students need to check with the college they want to attend to see which standardized tests are required.

Choose a school — The Center for Student Opportunity College Center is a college guide website made specifically for low-income, first-generation college aspiring students. Their website has a national database of colleges and universities active in the recruitment and retention of first-generation and historically underserved students.


Admission process — The admission process can be quite extensive, especially if students are applying to more than one college. There will be multiple applications with essays and short-answer questions. Students will need assistance when considering what to write and how to write.

In addition to the website resources mentioned above, we would like to highlight that GEAR UP also as a program that provides information and counseling on all of the above topics to low-income students in their programs.

Youth in high school also need to consider:

Classes to take in high school — The Know How 2 Go website campaign's second step to preparing for college is to take the tough classes – algebra 2, a foreign language, and biology are three college preparatory courses mentioned. High school students can also take Advanced Placement courses, which can help them earn college credit in high school.

Co-curricular activities — For example, joining clubs and community service are activities that colleges look at when they go through the admissions process. They like to see a well-rounded person – good grades



The topics will differ based on whether students are aspiring to or already in college.

and test scores and someone involved in co-curricular activities. High school counselors usually have resources to give to students regarding how and where to get involved.

In college

As you will notice the asset-specific training for youth and adult students in college is usually offered through the postsecondary institution they attend. The following topics are usually covered by university staff.

Class schedule — Each semester or term students have to choose classes to take. These decisions are based on the school they attend. Most universities and colleges have general and major requirements that students have to fulfill. Academic advisors at the students' school can guide them through this process.

Education plan — Education plans are used by IDA practitioners; academic advisors also work with students to write out their education plan in order to graduate on time.

Choosing a major — Depending on the type of postsecondary institution you choose, most schools have the student choose a major in a particular subject. Majors typically correspond to the post-college career the student is interested in pursuing. Usually academic advisors or staff of low-income programs help students to think through which major they would like to choose. Career centers also have personality tests that students can take to see which professions fit them best.

Choosing a career — Career centers have a myriad of resources for students to look through and are staffed with counselors to help students walk through their interests and choose a career. Building basic academic skills like setting goals, taking notes, and overcoming test anxiety can be taught in an academic counseling center. Each school will have a different name, but academic advisors can direct students to the appropriate program.

Adults in college should be advised concerning:

Work/school/life balance — Balancing life as a student with work and a family can be difficult for adult students. Academic counseling offices usually have information sessions or one-on-one counseling for students in these situations.

Laying the initial groundwork to provide students with the proper asset-specific education is not an uncomplicated task. As such, we have included a section on partnering with postsecondary institutions to assist in these services. In the section below – working with partners – we discuss the various offices and departments at a postsecondary institution that can assist students in their pursuit of and success in higher education.

Working with partners

Partnerships with postsecondary institutions can make asset-specific training more effective. For example, it may be helpful to have a postsecondary institution provide the training themselves. They are well-suited to provide instruction on the college application process, scholarship opportunities, navigating the FAFSA forms, study skills, school/work/life balance, credit cards, summer work, creating a path towards graduation, etc.

In CASA's statewide model, CASA does all the back-office work of the IDA while postsecondary institutions and high schools are encouraged to recruit IDA accountholders and provide them with financial and asset-specific education. CNM community college also delivers the asset-specific training themselves. They do not approach the training with classes but instead provide one-on-one coaching sessions in the Center for Working Families. While the face-to-face instruction only lasts only two hours, there is a significant amount of homework for the students to complete. That homework may include going to an academic advisor.

Partnerships with postsecondary institutions can make asset-specific training more effective.

The following postsecondary offices could be potential partners to offer asset-specific education:

Career Centers: Most Career Centers provide career services to all students, which include career counseling, workshops, company profile events, career panels, internships, job listings and searches, career fairs. Students can go to the career centers to fulfill the hours of their asset-specific training and a staff member in the office can sign off for them.

Academic Advisors:¹⁷ Academic advisors assist students in developing intellectual potential and exploring educational opportunities and life goals. Through the relationship established between adviser and student within a friendly, helpful, and professional atmosphere, a student has the opportunity to learn about educational options, degree requirements, and academic policies and procedures. They can also clarify educational objectives, plan and pursue programs consistent with their abilities, interests, and life goals, and learn how to use all the resources of the university to their best advantage. Most students are assigned to an academic advisor and can make an appointment to visit him/her.

TRIO/GEAR UP program support staff: Similar to academic advisors, TRIO and GEAR UP support staff assist low-income students in their academic pursuits and co-curricular activities. They also have the training to work with low-income students. Only students in these programs have access to these counselors. In CASA's partnership with Mt. Hood Community College's TRIO, Transitions, and Transiciones program, the program staff already provides academic counseling to their students and assists them with their education plan. They also refer their students to the Career Center or the academic advisor in their major if they need further assistance.

Financial aid office: Financial aid offices have financial aid officers that can meet with students to discuss their financial aid package and any other concerns they may have regarding financing college. In CASA's partnership with Oregon Independent College Foundation (OICF), the foundation has their private college financial aid officers recruit the students for the IDA program.

The offices mentioned are fully prepared and trained to help students in their pursuit of an education and are there to help each student at their school succeed.

¹⁷ McCombs School of Business academic advising statement: www.mcombs.utexas.edu/udean/advising/advisors/mission.asp.

6. Marketing and outreach

You have built it, now will they come? Marketing and outreach travels in two directions for practitioners: recruiting and attracting accountholders, and recruiting and attracting both functional and funding partners. First, let us tackle attracting accountholders.

Attracting and recruiting accountholders

Most people are unfamiliar with IDAs. So when a student, a parent, or school counselor first hears of the program, they may not immediately jump at the chance. It takes some time to understand IDAs and it may take several meetings or a testimonial of someone's experience to spark potential new accountholders to join the program. For a listing of education IDA testimonials highlight the following link: http://www.usc.edu/dept/chepa/IDApays/resources_why_should_i%20offer_an_ida.html#ed.

Postsecondary education seems out of reach to low-income populations

Many of your accountholders may have to be persuaded to even consider school as an option for them. For example, at MA charter school, which has a population consisting largely of formerly incarcerated youth, students with learning or emotional disabilities, and other students who have been unsuccessful in the regular school track, these students have been given little reason to believe that college is in their future. Even with the promise of an IDA and significant financial and asset-specific education they receive, a significant number of students still choose not to join the IDA program or pursue a postsecondary education. They will choose instead to go directly from high school to the working world. Convincing students to simply finish high school is enough of a challenge in some circumstances; convincing these students to attend college is harder. Therefore, marketing materials that speak to these populations are important. See Appendix B for a tool we developed to market education IDAs to low-income individuals. In addition, adding education IDA information on websites (like Facebook, Myspace, and You Tube) and fancy flyers can make a difference in attracting youth.

When working with adults, they will need to be convinced that a postsecondary institution is a possibility. Going back to school is not only a financial hurdle, but also a mental one. Many accountholders do not realize the potential long-term benefits of a postsecondary degree. The route out of poverty may seem more indirect, and the facts surrounding the significantly increased earning potential that a postsecondary degree affords them are not commonly known. Many accountholders have had negative experiences with school in the past, which are perceived barriers to taking on the challenge again. Appendix B also includes a list of common myths about education, along with good responses to these concerns.

Attracting and recruiting partners

Second, the practitioner may need to do some significant outreach to postsecondary institutions in their community. This allows the practitioners to work with a postsecondary partner that can recruit low-income students at the school. On the next page we will discuss some issues that affect marketing and how to work with postsecondary institutions:

Postsecondary institutions are unfamiliar with IDAs

Educational institutions are largely unfamiliar with IDAs as a product and should be approached accordingly. It makes particular sense to use any existing relationships that you may have with an

educational institution to make inroads. Most of the IDA practitioners with successful partnerships identified, met, and persuaded a person of influence to take ownership for the program. This person of influence, once identified, can recruit key individuals across the institution to gather together and begin conversation around offering IDAs. After much discussion, postsecondary institutions like to have a formal document, such as a memorandum of understanding, to seal the deal. We have power point slides available and handouts that make the IDA program more understandable:

http://www.usc.edu/dept/chepa/IDApays/resources_what_is_an_ida.html.

Cultural differences between nonprofits and postsecondary institutions

Education institutions are not social service agencies. IDA practitioners need to learn to speak the language of the school and be flexible. It is your responsibility to understand them and make them beneficiaries in the decision making process. This may even mean changing the name of IDA. For example, CASA offers education IDAs under the name Matched Education Savings Accounts (MESA) because the participants had difficulty understanding the concept of Individual Development Accounts, but understood the concept of matched savings account or scholarship.

Using the partner to attract accountholders

Once you have attracted postsecondary institutions to partner with your nonprofit, use this connection to attract more accountholders. Using postsecondary institutions as a referral base and housing IDAs within a campus office are a couple of ways to begin.

Postsecondary partners as a major referral base

IDA practitioners should seek referrals from partners. The organizations with whom the host agency works with will probably have valuable contacts. These partners will serve a target population that may be eligible to join the IDA program, but that are not currently served by the host agency itself. Partners can assist in recruitment with calls, letters, presentations, and/or simple flyers in the lobby.

For example, CNM has already identified the students on their campus with the greatest challenges. There are 30,000 students at the community college and 6,000 of these are in adult developmental education, which is the population they are trying to reach. Some of these students are in particular classes (preparatory, English as a second language, English 99, Math 99, etc). In the beginning of the term they send out informational flyers to all of these classrooms and have staff from the Center of Working Families tell the students about the IDA program. They also mail information to the students' homes.

On-campus offices to house the IDA program

Education IDAs are much more successfully offered if they are bundled with an existing program on a college campus that supports low-income students, whether it be a TRIO, GEAR UP, or public assistance office. The programs/offices listed below can assist the nonprofit by recruiting participants and providing case management, asset-specific training, and in some cases financial education. These services are easily understood by the partner because they already offer these services. The IDA replicates the kind of work they are conducting and they do not have to perform any tasks beyond their current responsibilities. Instead, the collaborative facilitates teamwork and makes education IDAs more seamless. Programs that are designed in isolation with a financial aid office and are not bundled with other support services for low-income students are generally unsuccessful. See examples on Page 30 of MA charter school and CNM's partnerships.

TRIO programs¹⁸

As noted earlier, TRIO programs already work with low-income populations, therefore a large percentage of their population would qualify for an education IDA. CASA partnered with Mt. Hood Community College's TRIO, Transitions, and Transiciones. In this partnership the TRIO staff market and recruit students and teach the financial and asset-specific education.

TRIO is a program designed to help low-income people prepare for college and progress effectively through college. The students receive academic support and instruction as well as help with basic study skills. By statute, at least two-thirds of TRIO program participants live in households with under \$28,000 in annual income and neither parent attended college. These participants are likely to be eligible for IDA programs. Over 1,000 colleges, universities, community colleges, and agencies now offer TRIO Programs. TRIO programs are a good place for IDA practitioners to market IDAs and, if needed, to house the IDA program because the IDA fits into TRIOs existing program goals. Below is a list of each of their programs to make it easier to find and partner with them:

Educational Opportunity Centers located throughout the country primarily serve displaced or underemployed workers from families with incomes under \$24,000. These Centers help people to choose a college and a suitable financial aid program. There are 138 Educational Opportunity Centers in America serving 210,000 individuals.

Ronald E. McNair Postbaccalaureate Achievement programs are designed to encourage low-income students and minority undergraduates to consider careers in college teaching as well as prepare for doctoral study. Students who participate in this program are provided with research opportunities and faculty mentors. This program was named in honor of the astronaut who died in the 1986 space-shuttle explosion. Currently, there are 179 programs, serving 4,100 students.

Student Support Services helps low-income students to stay in college until they earn their baccalaureate degrees. Participants, who include disabled college students, receive tutoring, counseling, and remedial instruction. Students are now being served at 930 colleges and universities nationwide.

Talent Search programs serve young people in grades 6-12. In addition to counseling, participants receive information about college admissions requirements, scholarships, and various student financial aid programs. This early intervention program helps people from families with incomes under \$24,000 (where neither parent graduated from college) to better understand their educational opportunities and options. Over 386,000 students are enrolled in 471 Talent Search TRIO programs.

Upward Bound helps young students to prepare for higher education. Participants receive instruction in literature, composition, mathematics, and science on college campuses after school, on Saturdays and during the summer. Currently, 774 programs are in operation throughout the United States.

Upward Bound Math & Science helps students from low-income families to strengthen math and science skills. In addition, students learn computer technology as well as English, foreign language, and



**TRIO programs are
a good place for
IDA practitioners to
market IDAs.**

MA charter school is a member of the Capital Area Asset Building Corporation (CAAB) consortium. This seven member group provides IDAs to various residents of Washington, DC. MA charter school relies on CAAB to do most of the administrative work involved in the IDA program such as fundraising, interacting with financial institutions, mailing statements to the accountholders, and disbursing funds to vendors. This partnership allows MA charter school to concentrate on what it does best: recruiting accountholders, providing them with financial and asset-specific education and with quality case management. While it is true that many IDA practitioners acquire new skills as they operate programs, it is generally beneficial, when possible, to help partners play to their strengths.

CNM as a community college is itself a postsecondary institution. It is well-positioned to recruit accountholders and even provide asset-specific education, but it partners with the New Mexico Foundation to provide financial education training to its students. This is a service that the New Mexico Foundation already provides in the community. There are two other key issues with CNM: it should be noted that the CNM accountholders are recruited from the Center for Working Families program at the community college. Thus specific programs that already work with the desired target market can be valuable recruiting partners. It should also be noted that, as a postsecondary institution itself, CNM can help students pay for community college or transfer to a four-year institution.

¹⁹ U.S. Department of Education GEAR-UP website: www.ed.gov/programs/gearup/index.html.

²⁰ TANF's work-participation mandates have shifted the focus of welfare-to-work programs away from education and training toward immediate job placement. The new system of welfare provision includes a number of regulations that discourage welfare recipients from pursuing postsecondary education, which makes this a more difficult program for encouraging postsecondary participation. In Jacobs and Winslow's article titled "Welfare reform and enrollment in postsecondary education" in *Annals of the American Academy of Political and Social Science* (2003) they show that in the last few years, the college attendance of welfare recipients has decreased. The Center for Social Development has already examined the TANF issue — please see: <http://gwbweb.wustl.edu/csd/Publications/2005/PR05-02.pdf>.

study skills. More than 130 programs are serving students throughout the country.

GEAR UP¹⁹

Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) is a key partner to contact to recruit youth. CASA, and the seven high schools they worked with in Oregon, partnered with GEAR UP. GEAR UP high schools house the IDA program and the school staff market to and recruit students, and teach the financial and asset-specific education.

If you are serving youth this is a crucial contact for you. This six-year grant program serves cohorts no later than the 7th grade, and services must be provided to the students in the cohort through the 12th grade. Each cohort must include all of the students in a particular grade level at a participating school that has a 7th grade and in which at least 50 percent of the students are eligible for free or reduced-price lunch under the National School Lunch Act. These participants are likely to be eligible for IDA programs.

For a 2007 Directory of TRIO and GEAR UP programs see: http://www.coenet.us/ecm/AM/Template.cfm?Section=Directory_of_TRIO_GEAR_UP.

Public assistance offices

Many campuses already have public assistance offices on their campus such as Temporary assistance for needy families (TANF),²⁰ retraining programs, trade adjustment act, worker's assistance programs, and VITA tax site. These offices can be used as a place to recruit students and offer case management. Each campus varies on what federal and state public assistance programs are offered on or through campus, so it is important to ask staff what programs exist and to develop a connection with this office.

College access programs

College access programs are usually education nonprofits that work with low-income, first-generation, minority, underrepresented students to help them to gain access to college. For a listing of the college access programs in your area see the National College Access Network college directory: <http://www.collegeaccess.org/accessprogramdirectory/search.aspx>.

7. Funding your program

Postsecondary institutions can also be funding partners. Postsecondary institutions have access to institutional funds which the IDA practitioner cannot access (or may be totally unaware of). And postsecondary institutions are particularly interested in funding IDA programs if doing so brings more low-income students into their school. To postsecondary institutions these students are more likely to persist and be successful because of they are contributing to their education and because they are connected to a community agency. Below we list some examples of postsecondary institutions involvement in funding education IDA participants.

School foundations

Some postsecondary schools have their own foundation funding to use for match. For instance, there is a Central New Mexico Foundation whose board raises money for the Center for Working Families program. Some of this funding is used to run the IDA program and raise match for the accountholders. Similarly, CASA has a partnership with OICF and they both fundraise to match the federal IDA money. CASA uses state IDA tax credits and OICF raises scholarship money and sets aside a certain amount of resources specifically for the students in their private colleges that have IDAs. OICF represents ten independent colleges in Oregon. In 2003-2004 OICF had a programmatic shift and created four core initiatives, one of them being a diversity initiative, which education IDA program fits into perfectly.

Scholarships

Most postsecondary institutions will have access to some scholarships. The potential to see internal scholarship funds matched by an outside source can be promoted to the school as a way to leverage their scarce funds. The Institutional Advancement Office/Development Office is the place to contact first because this office is responsible for generating private contributions through relationships with alumni, corporations, foundations, and other friends and organizations. CASA has been having conversations with their community college partners' foundation and development office around leveraging scholarships and they mentioned that their donors would love to see their dollars matched by CASA (state tax credits) and the student.

Some postsecondary schools have their own foundation funding to use for match.

In-kind funding

Even if postsecondary institutions decide not to use their scholarships as match funds, they can be a useful resource for your IDA program. For example, schools are a perfect place to deliver classes. CNM and MA charter school do not have to take any special steps to provide space for the classes. MA charter school provides its own instructors as the teachers weave the financial and asset-specific education into their classroom work. CNM has a partnership with the New Mexico project for Financial Literacy that provides their financial education training at no cost. For practitioners who are not educational institutions, you can partner with postsecondary institutions to use their facilities or have your clients join a financial education workshop that the school already offers. Developing these sorts of relationships can save your nonprofit a large amount of money.



Part III: Conclusion and questions

As you come to the close of this paper and rethink program design issues and a new postsecondary institution partner, you may wonder if IDA practitioners are needed in this initiative. Here we would like to emphasize that although the postsecondary partner may be able to provide assistance in recruiting, marketing, financial and asset-specific education, and even funding, they like to collaborate with nonprofit organizations because these organizations have expertise in working with low-income students in the community and already understand the work of running an IDA program. This partnership allows each organization to thrive according to what it does best.

For some practitioners offering an education might seem like extra work, but there are important benefits to the community when practitioners offer this asset. The practitioner will in many cases be helped in their effort to achieve their mission. The postsecondary institution partner can also be a great source of advice and assistance. We hope that the suggestions offered here will provide some meaningful guidance. As you seek to launch and run their education IDA program, you will be best served by keeping some important factors in mind.

Let's Play Twenty Questions: Here are some questions that you should consider as you design and operate your IDA program for education.

1. What does your market need? Will members of the community be better able to fill this need by obtaining a postsecondary degree?
2. Who do you seek to serve? Youth who are facing the challenge of paying for a postsecondary education for the first time or adults who may be returning to school because they need more job-training.
3. Do you want to work with aspiring or current students?
4. Do IDA participants understand the tangible benefits of a postsecondary education?
5. Do you have to address the prospective accountholders' fears about school performance?
6. Have you done the math? Do you have a handle on the projected cost of obtaining a degree in your area for four-year colleges, community colleges, and professional schools?

Here are some questions that you should consider as you design and operate your IDA program for education.

7. Have you calculated the real disposable income of your target population? Is your product designed in a way that the accountholder will be able to acquire their asset at the end of the savings period?
8. Have you sought the advice of a postsecondary institution on your program or product design?
9. Have you recruited a “right” fit postsecondary institution partner to help with recruitment?
10. Have you created a relationship with your partner’s financial aid office? Have you created an on-campus team to deliver the IDA?
11. Are you prepared for multiple distributions to best help your accountholders use the financial aid process? Have you examined the length of the program?
12. Have you worked out the details of your partnerships including services to be provided and fees to be paid?
13. Do you know that about 50% of TRIO programs already offer financial education?
14. Have you selected financial education and asset-specific curricula that deal with the real life issues that will be faced by student accountholders?
15. Have you customized your financial education curriculum and asset-specific training to focus on the specific and different needs of youth and adult; aspiring and current students?
16. Have you taken the time to familiarize representatives at the postsecondary institutions with IDAs?
17. Are you using language that postsecondary partners will understand?
18. Are you prepared to create a story bank of education success stories to help market your program in a way that is attractive to youth?
19. Have you considered the in-kind services that a postsecondary institution may be able to provide?
20. How will you pay for all this? Organizations looking to operate an IDA program often face the hurdle of how to find match and operational funds. Have you considered a postsecondary institution as a source of funding?

In addition to these 20 questions, this paper may have brought more questions to mind. We have more answers on our website! See the many resources we have created throughout this three-year project:

<http://www.usc.edu/dept/chepa/IDApays/>.



Appendices

Appendix A

Organization profiles

Central New Mexico Community College

Location: Albuquerque, NM

Match period: at least 6 months

Match rate: 4:1 match

Curricula: Motley Fool workbook and New Mexico Project for Financial Literacy form the base

CNM is the second largest postsecondary institution in the state of New Mexico with a student body of 28,000. New Mexico is a state with a very high poverty rate (the 2006 U.S. Census showed only eight states with a lower annual income) and the school was looking for a way to serve their students in a different way. In the early part of this decade, the concept of IDAs was brought up in conversation across the state among various groups that serve low-wealth individuals and communities. CNM was interested in incorporating IDAs into their list of services.

They were searching for a partner. In 2006, they looked inward and partnered with the CNM Foundation (who helped raise funds for the IDA program) and the New Mexico Project for Financial Literacy (who taught financial education classes). They were able to raise enough funds to serve 15 students, who were drawn from the school's Center for Working Families program that provides guidance and services to low-wealth students.

The students range in age from 17 to 55 years old, but most of the students are adults who are returning to school to gain skills and increase their learning potential.

Community and Shelter Assistance Corporation of Oregon (CASA)

Location: Newberg, Oregon

Match period: 6 to 36 months

Match rate: 5:1

Curricula: They recommend that their partners offer Wells Fargo Hands on Banking if they are not already offering financial education within their organization.

CASA is a 20-year-old, statewide nonprofit organization that was established to help meet the housing needs of Oregon farm workers and their families. For CASA, IDAs represented a way for the organization to address its mission of finding affordable housing for its low-wealth service population. Indeed, IDAs would help these workers actually own homes and begin to build wealth for their families. Given CASA's historical focus on housing, this was the main focus of their IDA work as well.

Through a review and planning process with its partners, CASA eventually saw that they could greatly expand the impact on their community through a greater focus on postsecondary education as a permissible use. CASA already ran the Valley IDA (VIDA) program, which mainly served adults. They recently launched the MESA program, which focuses on both youth and adults. CASA has partnered with

local high schools, a community college, and a foundation of ten private colleges to address the needs of their service population, which is particularly poor with an income range generally near 100% of poverty with all of their youth being eligible for free or reduced school lunch. CASA does the back-office work of the IDA for the schools and the schools recruit students and offer financial and asset-specific education.

See Forever Foundation and Maya Angelou Charter School

Location: Washington, DC

Match period: Flexible. Match only provided to high school seniors who sign up for IDA program. Then the match is applied from the time that student enrolled in school.

Match rate: 3:1

Curricula: Home grown, Visa (Practical Money Skills for Life), and NEFE curricula form the base, but teachers amend and weave the lessons into general coursework.

Maya Angelou public charter school (MA charter school) is located in the Nation's Capital. They have been a member of the Capital Area Assets Building (CAAB) Corporation since that organization's inception in 1997. CAAB is a coalition of groups in Washington, DC that provides IDAs to members of the community. The services MA charter school provides to its students and the obligations that their students hold fit nicely into the IDA concept.

MA charter school's student population has grown from 20 students to 420 students. Some of their students are juvenile offenders, some are special education students and some are students who were simply not succeeding in the "regular" school system. All of MA charter school's students are required to work. They all receive a pay check, and there is a payroll deduction from each student's check that goes into an investment savings account. When a student reaches their senior year they are eligible to apply for an IDA. There are a few students who are ineligible because of the level of their household income, but they are the exception rather than the rule. Still, some students do not aspire to go to college and do not enroll for an IDA. In turn, they do not see their savings matched.

However, the seniors who do join the IDA program continue to work and have their work savings matched. They receive asset building training and financial education as part of their course of study in school and the administrative part of the program is handled by CAAB staff.

Appendix B

Why is education important for your future and How can education IDAs help you reach your educational goals?

Education is often the best tool for creating wealth and happiness. Education can help your long-term economic prospects and help you to obtain, keep, and maintain a home or business in the future. Below are some reasons to consider starting with education as your first IDA asset.²¹

Economic benefits of attending some form of college:

- Over one's life, individuals who attend college earn more as a result of their higher levels of education. In fact, college graduates earn more than twice as much as high school graduates. Some studies have found that college graduates with a bachelors degree earn 80% more per year than those with only a high school degree.
- The more schooling you obtain, the more your average salary rises.
- Individuals who attend college are employed at higher rates and with greater consistency. Individuals with less than a high school degree are three times as likely as a person with a bachelors degree to be unemployed.
- Individuals who attend college save more money and have more assets, including homes, cars, and investments.
- People who attend college tend to work in white-collar jobs, in office buildings or other facilities with air-conditioning, heating, and conveniences that improve the quality of life.
- Individuals who attend college make better informed decisions as consumers, which can also lead to having more money.
- Individuals who attend college have greater work opportunities and tend to have skills that can be easily applied in different work settings and different geographic locations. In other words, they have many more work options, which helps to stabilize income in changing times.

But there is much more to attending college than economic benefits. It can truly change your life (and that of your children) and lead to greater happiness and health.

Social benefits of attending some form of college:

- A survey of by Public Health Services indicates that those with a college education have longer life expectancies. They also tend to exercise more and play more sports.
- Children of college educated individuals are more likely to graduate from high school and attend college and have higher cognitive development.
- Individuals who attend college tend to have jobs that are more meaningful and interesting and allow them more freedom to make decisions at work.
- Individuals who attend college are more satisfied with their careers and daily life.
- College goers have higher self-esteem and more self-direction.
- They are better problem solvers and better able to handle day-to-day decisions.

²¹ Adapted from www.ed.gov/thinkcollege.

No other asset can lead to so many different positive outcomes that can improve your overall life condition. So what are you waiting for?

Perhaps you think college is not for you, or you are afraid. Perhaps you think that there is enough money available for education in terms of financial aid, so you do not need to save. Here are seven common myths about college that you should consider before you decide if education is not the right asset for you (adapted from College is Possible website).

Education myths

1. **College is too expensive.** There is a tremendous amount of scholarship money available from the federal and state government that will likely cover much of the tuition for higher education. Most of the financial aid is need-based. So, if you are afraid that college is out of your reach because it costs too much, you will find that financial aid is available to everyone with a desire for a college education.
2. **Saving for college effects your chances of getting financial aid.** This is not true for low-income students. Low-income students' assets are generally protected as part of the financial aid process. Even if it does affect the Pell grant, the amount is nominal, around 5%.
3. **College is for kids and not for adults.** The majority of students attending many colleges are adults not youth. If you go to a community college campus, most of the students attending are adults. It is never too late to go to college.
4. **I can't go to college because no one in my family has ever attended college.** In every family, someone has to be first. And if you go to college, your children are more likely to go to college. While some family members may not understand, the list of benefits above is something you can discuss with them to help them understand your choice.
5. **I have never been good in school. I hate math and I'm not very good at writing.** There are all sorts of different programs in college. Some programs do not require any math. Most colleges offer tutoring and help for returning adults to work on their math and writing skills. Also, community colleges offer many vocational programs which differ from much of the work you did in high school and are directly tied to your career, such as automotive training or criminal justice.
6. **I cannot go to college, because I just won't fit in.** Colleges have people from every sort of background you can imagine. You may think that only wealthy people go to college, but that is not true. Also, there are many first-time college students on campuses. You will find people just like yourself.
7. **I am not going to get into college.** Community colleges are open access and generally accept all applicants. You can find a college to attend. Also, community colleges offer more than vocational and technical training and also offer a general education curriculum if you are interested.

Now, you have no more excuses or reasons not to go college! And an education IDA can provide you with the money to attend college.

Perhaps you are convinced and you want to go to college. Here are three ways that an educational IDA can help you obtain your new educational goals:

- **Match funds.** Unfortunately, all of the money needed to go to college is often not available through scholarships or financial aid. College requires that you buy expensive textbooks, a computer, and sometimes equipment to complete a vocational program. The IDA is perfect to cover these types of costs that often prevent low-income people from attending or completing college.
- **IDA and college counselor.** You may think that applying for college and an IDA is more difficult than buying a house, but your IDA counselor will help you to understand the various processes. There are so many different resources to help people go to college. Give us some time to help you learn about it. Also, campuses have counselors and support services as well. Your IDA counselor has developed relationships with these counselors and they will help you transition to college.
- **Career planning.** Many people don't know what to study at college. That is okay because your IDA counselor will help you to think through some career choices and consider what might be a good course of study. The first few courses in college usually help you to identify more of your interests and what you might want to study. Colleges also have career services where you can explore are your interests with a counselor.

Begin your educational journey today by applying for an education IDA!

You can also download this marketing tool at:

http://www.usc.edu/dept/chepa/IDApays/resources/education_important.pdf.

Appendix C

Financial Education Resources for Youth and Adults

Throughout the duration of this research project we have collected financial education resources for practitioners working with youth and/or adult students. Financial education for students saving for an education IDA should include information regarding the environment they are in — high school or college. We also compiled other organizations' financial education resource lists and listed websites with financial education and credit education resources. Lastly, we provide financial education curricula from a variety of organizations that offer education IDAs. These resources will give you a better idea of what your colleagues are doing.

Financial education programs for youth:

National Endowment for Financial Education High School Financial Planning Program® (HSFPP):

<http://hsfpp.nefe.org/home>

HSFPP helps young people manage their money in smart ways through its Student Guide and Instructor's Manual. Samples of these resources can be downloaded on the website. In addition, the HSFPP curriculum meets the education requirements in all states and is free.

Money Skills for Real Life: GEAR UP:

<http://www.gearup-moneyskills.org/>

This website was prepared specifically by NEFE as a public resource for the National Council for Community and Education Partnerships (NCCEP). The financial education website was made for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) students, but it is also available to the public. The website covers financial education topics for both middle and high school students and includes a section for school counselors or parents.

Decision Partners, Inc. Tuition Education Program:

<http://www.tuitionedu.org/>

The Tuition Education program is for high school students to learn about paying for college. With multimedia instruction, personalized checklists, and downloadable fact sheets, learning about financial aid is (almost) fun! They are licensed by a variety of organizations and have surveys and assessments to measure student satisfaction and learning achievement.

Financing Your Future (National Endowment for Financial Education and The Citi Foundation):

<http://financingyourfuture.ncee.net/>

This financial literacy program involves a DVD set (\$99.95) that covers a variety of topics, such as understanding credit and debt and creating a budget. Although the videos and lessons were intended for high school teachers, they can also be used by mentors and parents. The lesson plans correlate with national educational standards in economics, personal finance, and mathematics.

Financial Fitness for Life (National Endowment for Financial Education and the Bank of America Foundation):

<http://fffl.ncee.net/>

This is an innovative and fun-filled way to teach K-12 students about personal finance. The CD (\$39.95) includes lessons to print out and interactive activities based on those lessons. Each set of materials is based on national standards.

MoneySKILL® (AFSA Education Foundation):

<http://www.moneyskill.org>

MoneySKILL is a personal finance course that educates high school students about making good financial decisions. The course is web-based and highly interactive. It consists of 34 "How To" modules on income, money management, spending, credit, savings, and investing, each approximately 40 minutes in length. MoneySKILL® includes two real-life simulations that help students plan their financial future from the time they are financially independent until retirement. On the website you can find a correlation between the MoneySKILL Program and the Jump\$tart National Standards in Personal Finance.

Financial education programs for adults:

NEFE's CashCourse College Program:

<http://www.cashcourse.org/>

National Endowment for Financial Education has a college financial education program for universities to offer to students. It includes a free website with financial resources for traditional-age college students.

Decision Partners, Inc. Independent Financial Literacy Education:

www.decisionpartners.org

Financial Literacy 101 is an interactive, multimedia experience that integrates a curriculum-based learning program with a high degree of personalization, tailoring the learning experience of each student to his or her personal goals and learning needs. There is a \$1,500 fee per year for each site, which allows unlimited usage and unlimited access.

Financial education programs for youth and adults:

360 Degrees of Financial Literacy (The American Institute of Certified Public Accountants):

<http://www.360financialliteracy.org/Life%20Stages/College/>

360 Degrees of Financial literacy is a national volunteer effort of the nation's Certified Public Accountants to help Americans understand their personal finances and develop money management skills. It focuses on financial education as a lifelong endeavor — from children learning about the value of money to adults reaching a secure retirement. They do not recommend specific financial actions. They have a college section that has tools, articles, and FAQs on a variety of topics important to college students. They also have an education planning section that highlights 529s and other college savings plans, financial aid, college costs, and loans.

Practical Money Skills for Life (brought to you by VISA):

www.practicalmoneyskills.com

This website offers financial education resources for all age groups, young children to adults. The site focuses on information that can be used at home, in small businesses, or in an educational setting. The

resources for teachers and others working with youth are especially extensive. These include lessons plans, classroom tools and activities (such as interactive calculators and a new online game called Financial Football), a newsletter called Practical Money Skills, and information on how all of this corresponds to national curriculum standards. All of these free resources can be downloaded from the website, where you can also see how the Practical Money Skills for Life program compares with your state's educational standards.

Hands on Banking (by Wells Fargo):

<http://www.handsonbanking.org/>

This web-based financial education program is free and fun and serves four different age groups — children (4th and 5th graders), adolescents (6th and 7th graders), young adults (15-21 years of age), and adults. The curriculum for school-age students meets state and national education standards, while the college-age curriculum covers paying for education and becoming financially independent. For both age groups, Hands on Banking offers a teacher's resource guide available for download, and both curricula are available in Spanish, as well.

Money Smart (Federal Deposit Insurance Corporation):

<http://www.fdic.gov/consumers/consumer/moneysmart/index.html>

Money Smart has a program for teens (12-20) and adults. The adult program has both instructor-led and computer-based versions that may be used by financial institutions and other organizations interested in holding financial education workshops. The young adult program has instructor-led version and can be taught by seasoned, professional educators as well as informal educators. They are both free of charge! The Money Smart for Young Adults curriculum has been aligned with state and national educational standards.

Federal Reserve Education:

<http://www.federalreserveeducation.org/fred/>

Here you can find federal resources on financial education and links to non-federal websites and resources. For adults they have a personal financial education section where you can view various pertinent topics and for youth they have lesson plans for instructors on personal finance topics. In addition, they have podcasts explaining the various curricula and lessons available to teachers. They have programs for both NCEE and Jump\$tart national standards.

MyMoney.gov:

<http://www.mymoney.gov/>

The federal government's website was established by the Financial Literacy and Education Commission to provide Americans of all ages information on financial literacy. They have historical resources on Abraham Lincoln and the 5 dollar note as well as practical information on paying for education, and retirement planning. Materials are also available in Spanish.

Other organizations' financial education resource lists:

- Assets Alliance's financial education list: <http://www.assetsalliance.org/pages/main.php?pageid=26#5>

- Asset's for Independence financial literacy resources: http://www.acf.hhs.gov/programs/orr/programs/financial_education_resources.htm
- Financial education resources for youth transitioning out of foster care — Presented at the 2006 Asset Building Conference, CFED & the Assets Alliance http://www.usc.edu/dept/chepa/IDApays/resources/foster_care.pdf
- The Cooperative State Research, Education, and Extension Service (CSREES), an agency within the U.S. Department of Agriculture (USDA) has a youth financial education component in different states. This website lists the programs that various states are using: http://www.csrees.usda.gov/nea/economics/in_focus/security_if_youth2.html
- This College Access Initiative publication gives an overview of guaranty agency outreach services, some of which offer financial education: <http://www.nchelp.org/initiatives/access/GAaccessoverviews2006-final.pdf>

Organizations with financial education resources:

The Jump\$tart Coalition for Personal Financial Literacy:

<http://www.jumpstart.org/> Jump\$tart is a national coalition of organizations that advocates, conducts research, sets standards, and provides educational resources on financial literacy for kindergarteners to college-age adults. On their website you will find a comprehensive clearinghouse database of financial literacy materials. You must visit this website and check out its resources!

New York State Banking Department Financial Education Directory:

<http://www.banking.state.ny.us/fec/index.htm>

The New York State Banking Department directly maintains this site, which is actually a catalogue of organizations offering financial education along with additional resources. You can search by target audience and geographic area.

Credit education websites youth and adults:

What's My Score (created by Visa USA):

www.whatsmyscore.org

This website is geared toward teens and young adults. The site contains a Money Guide that includes college-related financial information on such topics as saving for college, buying a car, and renting an apartment. This guide also has very detailed information about managing money, explaining, for instance, the difference between a credit card and debit card. The website also has a wealth of information about using credit knowledgeably and wisely.

MyFICO:

www.myfico.com

MyFICO is a website devoted to credit education for adults. You can find information about all things related to credit, such as choosing credit cards, obtaining and understanding credit scores, and preventing identify theft. There is also information about loans as a form of credit, and how to calculate the amount of interest a person would pay at various rates.

Econ4U:

www.econ4u.org

Econ4U is the website of the Center for Economic and Entrepreneurial Literacy (CEEL) and is geared toward young people. The site provides extensive economic education but does so in a style that is user-friendly and designed to attract a young audience. Much of the information is offered in a quiz-style format, covering credit card debt, tax rates, and savings. There are also many facts about jobs and careers, including first jobs that successful people have had. The main goal of the site is to motivate and inspire young people to be financially successful.

Customized financial education curricula from organizations offering education IDAs:

For Youth

- **Juma Ventures** is a nonprofit organization in San Francisco that offers IDAs to youth. They offer Money Skills Classes, see http://www.usc.edu/dept/chepa/IDApays/resources/Money_Skills1.doc
- **The Community Action Partnership of Riverside County California** IDA program provides workshops to their participants. Follow the link below to see their Education IDA workshop matrix: http://www.usc.edu/dept/chepa/IDApays/resources/Educ_IDA_workshp2.doc
- **REACH Community Development Corporation** offers a financial education program for youth called Youth\$ave. See the following link for information on the Youth\$ave curriculum description and table on contents: http://www.usc.edu/dept/chepa/IDApays/resources/youth_curriculum.doc

Also learn the rules on their Credit Game:

http://www.usc.edu/dept/chepa/IDApays/resources/youth_table.pdf

For Adults

- The **Utah IDA Network** (UIDAN) partners with Utah State University (USU) Extension to offer a basic and family finance class. Go to www.usu.edu/fchd and click on Student resources and courses and then on courses and then on FCHD 3350 to view the syllabus.
- **Maine Centers for Women, Work, and Community** (WCC) offer Family Development Accounts (FDAs) and financial education. See their Financial Education workshop descriptions: http://www.usc.edu/dept/chepa/IDApays/resources/wwc_fas.doc
- **CFED** also has a financial education curriculum called Finding Paths to Prosperity, which is designed to aid IDA programs in offering financial education. Follow the link to view a description of their Facilitator's Package: <http://www.cfed.org/think.m?id=112&pubid=178>.
- **Women's Opportunities Resource Center** has a financial planning and financial education website for their IDA participants called Building Blocks to Financial Success: <http://www.worcfinancial.com/>
- **One Economy** has a financial education program called The Beehive, which also includes information on IDAs called Money Made Easy: <http://thebeehive.linktier.com/moneymadeeasy/default-flash.asp>

You can also download this financial education resource tool at: http://www.usc.edu/dept/chepa/IDApays/resources/financial_resources.pdf.

Appendix D

Education Asset Resources for IDA practitioners

The education community offers a plethora of resources from which IDA practitioners can draw as they support their clients in asset-specific training. Below you will find an annotated list of internet resources on preparing for college. Most of these resources are for youth aspiring to go to college. We will break down the websites according to topics: benefits of going to college, classes to take in high school, tests, choosing a school/admission process, and applying for financial aid.

Benefits of going to college:

US Department of Education: <http://www.ed.gov/students/landing.jhtml?src=pn>

The Department of Education webpage has a link to college.gov, that addresses why one should go to college. Subjects discussed in that section are: increasing your earning power, finding your passion, proving your potential, growing with help and support, and lifting your family. Each of these subjects has a page or two of resources for the student to refer to. This website also provides information on aspects of attending college, from preparing in middle school and high school (with an included college and financial aid checklists) and choosing a college from the site's nationwide listing, to navigating the financial aid system and ultimately choosing a career. IDA practitioners should download the many resources available from this site.

Solutions for Our Future: <http://www.solutionsforourfuture.org/site/PageServer?pagename=individual>

This site was also developed by the American Council on Education. This site provides information about the advantages of going to college. They also provide information about the social and public benefits of attending college, which can be helpful in developing educational partnerships. For example, nonprofits and higher education institutions can use the facts described on this website in order to obtain state and federal grant money as well as funds from private foundation.

College is possible: <http://www.acenet.edu/AM/Template.cfm?Section=CIP1>

This website has a host of resources about college knowledge, college costs, college preparation, and financial aid. The site also provides frequently asked questions and dispels myths about going to college. The College is Possible website was developed by the American Council on Education, the major organization for higher education which represents the majority of colleges and universities across the country. This is the definitive source for college-bound students in middle and high school.

Pathways to College Network: <http://www.pathwaystocollege.net/>

This is another authoritative resource for IDA practitioners which has information about increasing access to college and financial aid as well as background on other organizations across the country focused on attending college. In addition, the site has publications and resources about attending college which can be downloaded and purchased. Among its most valuable features, the site provides marketing materials about attending college, which IDA practitioners might use with their clients, and it suggests ways in which nonprofits may partner with other organizations to increase college attendance. It also provides fact sheets on college going stats that can be useful for applying for funding: <http://www.pathwaystocollege.net/pdf/FactSheet.pdf>.

TERI: <http://www.teri.org/about/index.asp>

This site provides information about the benefits of attending college. They also have publications on preparing for and paying for college available on their website.

Publications on the value of a degree:

Reaping the Benefits: Defining the Public and Private Value of Going to College — IHEP <http://www.ihep.org/assets/files/publications/m-r/ReapingTheBenefits.pdf>

The Value of a College Degree — Kathleen Porter, ERIC Clearinghouse on Higher Education Washington DC. <http://www.ericdigests.org/2003-3/value.htm>

Classes to take in high school:

Know How 2 Go: <http://www.knowhow2go.org/>

This website is part of a national public service campaign to enable young people to make their college dreams a reality. On the website students can quiz themselves on how much they know about college and learn what they need to be doing now to prepare for college later. The Know How 2 Go website's recommended second step in preparing for college is to take the tough classes — algebra 2, a foreign language, and biology are three college prep courses mentioned. High school students can also take Advanced Placement courses, which can help them earn college credit in high school. This website is also helpful for high school students who are preparing to begin the college admissions process.

Take the tests:

The College Board: <http://www.collegeboard.com>

This site has information about planning for, choosing, and ultimately paying for college. In addition to information on college entrance exams, there is also a large section on scholarships and other useful information in the section for students and educators. Because the College Board offers many of the college entrance exams and because it conducts research which is the source for many publications and resources related to college access and attendance, it is an invaluable resource for IDA practitioners. As an example, see the College Pays publication, which provides rationale for why it is important to go to college that can be used with clients: (http://www.collegeboard.com/prod_downloads/press/cost04/EducationPays2004.pdf). Much of this information is already synthesized in our report and is available on our website: <http://www.usc.edu/dept/chepa/accounts/resources2.shtml#chepares> — “Why is education important for your future?” and “How can education IDAs help you reach your educational goals?”

ACT: <http://www.actstudent.org/college/>

This site also has information about planning for, choosing, and paying for college. They also have a section on career planning and a student blog where college aspiring individuals share information. The ACT offers college entrance exams and has information about these tests as well as preparation for taking the test.

Choosing a school/Admissions process:

Economic Diversity of Colleges: <http://www.economicdiversity.org/>

This site provides college and university data including enrollment numbers, income, race and ethnicity, number of financial aid applicants, and the number of students accepting Pell grants and student loans. This site can be helpful when looking for colleges that serve low-income students.

Center for Student Opportunity's College Center: <http://www.csocollegecenter.org/>

The Center for Student Opportunity College Center is a college guide website made specifically for low-income, first-generation college aspiring students. Their website has a national database of colleges and universities active in the recruitment and retention of first-generation and historically underserved students. IDA practitioners will also find publications on various higher education topics.

Other college guides can be purchase to help students in evaluating their options and choosing a college. For example, there are The College Blue Book, The College Handbook, Peterson's Two-Year Colleges and Four-Year Colleges, and Profile of American Colleges. These guides present an overview of colleges across the country. However, most of this information is available for free on each college's website. What those sites will not contain, though, is evaluative information, which may make it necessary to buy guidebooks.

You may also want to purchase general preparation or planning guides for college to have in your office such as The College Handbook Planning Guide or How to Get Into College. However, most of this information is available for free on the U.S. Department of Education website and the sites listed in this document.

AB540 undocumented students: <http://www.usc.edu/dept/chepa/pdf/AB%20540%20final.pdf>

This document is a college and financial guide for undocumented students.

Applying for financial aid:

National Association of Student Financial Aid Administrators: <http://www.finaid.org/>

This site provides a free and comprehensive guide to student financial aid. It also includes information on scholarships, loans, and other types of aid.

Federal Student Financial Aid Home Page:

<http://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp>

This website gives free information from the U.S. Department of Education funding college. They also have resources on preparing for and applying to college.

Free Application for Federal Student Aid (FAFSA): <http://www.fafsa.ed.gov/>

This website is where students can fill out the application for financial aid. It provides students with information beginning with how to start the process and how to follow up once they have completed the process.

Scholarship.com: <http://www.scholarships.com/>

This is a comprehensive website on finding the right scholarships for students. They even have an educators section, a blog, and tons of resources. This is a website to check out!

FastWeb.com: <http://www.fastweb.com/>

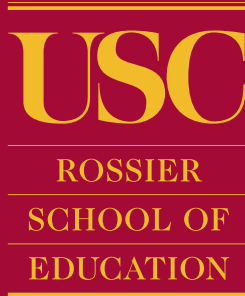
This site is the largest and most complete source of scholarships available. They also have information on choosing a college and finding internships and jobs.

Sallie Mae: <http://www.salliemae.com/>

As the nation's leading provider of student loans, Sallie Mae provides a website for students to familiarize themselves with the process of getting a loan and paying back a loan. The website also has a large section of planning and preparing for school.

Lastly, also visit our website and review more resources for practitioners offering education IDAs: <http://www.usc.edu/dept/chepa/IDApays/resources.html>.

You can also download this education asset resource tool at: http://www.usc.edu/dept/chepa/IDApays/resources/asset_resources.pdf.



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