Center for Social Development
GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

| FEBRUARY 2018 | CSD POLICY BRIEF 18-08 |

Taking Child Development Accounts to Scale: Ten Key Policy Design Elements

By Michael Sherraden, Margaret M. Clancy, and Sondra G. Beverly

The United States has large-scale policies that subsidize asset accumulation for middle- and especially high-income families through the federal income tax system. Examples include the mortgage interest deduction, preferential rates on capital gains and dividends, and deferrals for contributions to retirement plans. Tax-free growth of 529 college savings plan earnings is another. Unsurprisingly, low-income families are much less likely than high-income families to benefit from these tax subsidies.[1]

From the start, the vision for Child Development Accounts (CDAs) has been for a universal and progressive policy aimed at long-term asset building for *all*.[2] Including all children (universality) and providing greater benefits to those most in need (progressivity) can achieve *full inclusion in asset building*. This brief aims to advance CDA policy by identifying 10 key design elements for universal and progressive CDAs that can be implemented and sustained at scale (Table 1). Informed by theory, research, and experience from Individual Development Accounts (IDAs) and CDAs,[3] all 10 design elements are modeled in SEED for Oklahoma Kids (SEED OK), a CDA policy experiment specifically designed to demonstrate and test the policy idea of universal and progressive accounts from birth.[4]

CDAs at Scale: Key Policy Design Elements

Universal Eligibility and Automatic Enrollment. These first two elements are necessary for a CDA policy to achieve universal participation. With universal eligibility, every child is included; with automatic, opt-out enrollment, all children are enrolled unless parents elect otherwise. Policies that have one of these design elements but not the other will exclude children. For example, the statewide Nevada College Kick Start CDA has automatic enrollment but only for public school kindergartners, excluding home-school and private-school students. In Connecticut, all state-resident newborns are eligible for the statewide Baby Scholars CDA, but enrollment is not automatic. Parents must open an account in the state 529 college savings plan in order for children to participate. This "opt-in" enrollment substantially reduces participation, especially for disadvantaged children. In contrast, the statewide Harold Alfond College Challenge CDA in Maine achieves universal participation because all state-resident newborns (and newly adopted infants) are eligible and automatically enrolled.[5]

State birth records facilitate universal, automatic enrollment and provide the only centralized source of information on all children.

At-Birth Start. The SEED OK CDA and the statewide initiatives in Connecticut, Maine, and Rhode Island all begin at birth. State records provide a comprehensive, official list of births and other key information that make it possible to enroll all newborns and implement CDAs.[6] Birth records also contain standardized, statewide demographic information that can be used for research on CDAs. State birth records facilitate universal, automatic enrollment and provide the only centralized source of information on all children.

The most common alternative to an at-birth start is one found in initiatives like Kindergarten to College in San Francisco, which uses school records to automatically enroll all public school kindergartners. Though this approach may be expedient for a citywide program, obtaining school-based data at scale can be very difficult: Gathering student and family information from individual school districts or individual schools requires coordination with multiple organizations and may not provide complete and consistent data.[7] Obtaining necessary data is particularly challenging for private-school and home-school students. Likely for this reason, at present it is typical for "at-kindergarten" CDAs to exclude these groups of students.

Table 1. Policy Design Elements for CDAs at Scale

1	Universal Eligibility	Eligibility policies define who may have a CDA. With universal eligibility, no child is excluded.
2	Automatic Enrollment	Enrollment policies determine how participation is initiated. With automatic, opt-out enrollment, all children are enrolled unless parents elect otherwise.
3	At-Birth Start	State birth records facilitate universal, automatic enrollment and provide the only centralized source of information on all children. An at-birth start maximizes time for assets to grow and, during the critical early childhood years, potentially changes parent attitudes and behaviors regarding their children's future.
4	Automatic Initial Deposit	The policy vision is for every newborn to automatically receive a substantial initial deposit (e.g., $500 to $1,000). A significant initial deposit into a college savings plan may trigger changes in education-related attitudes and behaviors from the beginning.
5	Automatic Progressive Subsidy	Progressive subsidies direct more funds to children most in need. Making these subsidies automatic ensures that all eligible children receive them.
6	Centralized Savings Plan	Using a centralized savings plan—that is, having all children in the same system, with state and state-contracted organizations responsible for accounting, recordkeeping, and investing assets—facilitates statewide partnerships and creates economies of scale.
7	Investment Growth Potential	This design element creates the possibility of market appreciation, which can substantially increase the total amount of CDA savings for a child over time. Meaningful early deposits can jumpstart asset accumulation through investment growth.
8	Targeted Investment Options	Offering targeted investment options, rather than a myriad of investments, streamlines decision making at account opening. Age-based funds, which automatically adjust to become more conservative as the child ages, provide a "set-it-and-forget-it" feature that removes investment decisions over the long term.
9	Restricted Withdrawals	Holding CDAs in restricted accounts ensures that program deposits are used for approved purchases. Earmarking funds for postsecondary education may make the goal of college more salient.
10	Means-Tested Public Benefit Exclusions	Federal and often state governments can remove asset limits in means-tested public benefit programs or exclude certain types of assets from these limits. Exclusions for CDA deposits protect family savings and public assistance benefits.

Adapted from Clancy & Beverly (2017a).

Providing these automatic features at scale would be extremely challenging—if not impossible—without a centralized savings plan.

In sum, for large-scale CDA initiatives, birth records are the only comprehensive information source, making universal eligibility and automatic enrollment possible. Also important, making deposits at birth maximizes time for assets to grow and, during the critical early childhood years, potentially changes parent attitudes and behaviors regarding their children's future.[8] These are compelling reasons to start CDAs at birth.

Automatic Initial Deposit. This fourth element is essential to the goal of all children having assets for postsecondary education. The vision is to deposit at least $500 to $1,000. Without automatic deposits, very few low-income children will have any college savings.[9] A significant initial deposit into college savings accounts may trigger changes in education-related attitudes and behaviors from the beginning.[10] Substantial early deposits can also jumpstart asset accumulation through investment growth.[11]

Automatic Progressive Subsidy. Progressive subsidies are supplemental deposits directed to low-income children. Low-income families often find it difficult to save for long-term goals;[12] therefore, this fifth element directs funds over time to children most in need. "Milestone deposits," given at noteworthy events like enrolling in kindergarten, graduating from elementary school, and completing an application for federal financial aid may have a large impact on asset accumulation for low-income children.[13] In addition to increasing the value of college savings for low-income children, automatic subsidies—through account statements—remind families about the importance of college and the presence of college savings in a child's name.[14] Though uncommon, examples of subsidies that are both automatic and progressive do exist: The CDA in SEED OK provided an automatic progressive savings match. And Louisiana's 529 college savings plan does so, using state tax records to determine subsidy rates and automatically depositing matching funds for eligible savers.[15]

Centralized Savings Plan. This sixth element refers to a single financial platform that serves specific savings goals (such as retirement and education) with consolidated accounting, recordkeeping, and investing responsibilities. Centralization facilitates the inclusion of *all*. For example, only a small portion of total eligible employees opt out of retirement saving when automatic enrollment in a centralized savings plan is in place.[16] Moreover, consolidation creates efficiencies and economies of scale as evidenced by New York's 529 college savings plan, which reduced fees by about 80%, to 0.15% annually, as assets grew over a period of 15 years.[17]

The only centralized savings plans currently available for CDAs are 529s, which have the important advantage of being state-sponsored. State sponsorship facilitates collaboration among state and state-contracted organizations, including data sharing, which makes possible universal eligibility and efficient automatic, at-birth enrollment.[18] For CDAs, important partnerships are likely to include those between the state vital records office and the 529 plan to automatically enroll all newborns (as in Maine) and between the state department of revenue and the 529 plan to automatically determine and deposit a progressive savings match (as in Louisiana). Providing these automatic features at scale would be extremely challenging—if not impossible—without a centralized savings plan.[19] In addition to lower fees, states can negotiate for other inclusive features, such as low or no minimum deposit requirements, which financial providers do not offer on their own. The CDA in SEED OK and the four statewide CDA initiatives use 529s.[20] These CDAs take advantage of the existing 529 plan policy that has primarily benefitted wealthy families,[21] and modify the offering in ways that serve all families.

Potential for Investment Growth and Targeted Investment Options. The seventh and eighth elements can substantially increase the total amount of CDA savings accumulated for a child over time.[22] For example, the $1,000 initial SEED OK deposit, which was invested in the Oklahoma 529 plan, increased by more than 70% over about 10 years—even though the investment endured a sharp drop during the Great Recession.[23] Such growth was possible because deposits were invested in a fund with the potential for market appreciation.

A centralized savings plan offers a limited number of carefully chosen investments. Without this structure, the myriad of mutual funds and other investments available to individual investors in the marketplace can be overwhelming to prospective CDA savers. Also, many of these offerings have high minimum investment requirements or other features inappropriate for education savings. Having targeted investment options streamlines account opening and helps families to make appropriate choices.

Both of these policy design elements are provided in 529 plans. All direct-sold 529 plans offer targeted investment options, including age-based, single-fund, and multi-fund investments, as well as guaranteed options that the state sponsor selects. Overall, most 529 savings is invested in age-based funds, diversified portfolios which automatically adjust to be more conservative as the child ages. Age-based funds provide a "set-it-and-forget-it" feature that removes investment decisions over the long term.[24]

Restricted Withdrawals. This ninth element ensures that program deposits will be used for approved purchases. Holding funds in restricted college savings plans earmarks funds for postsecondary education, which may make the goal of college more salient.[25] There are modest restrictions on 529 plan withdrawals. Account holders may withdraw their own deposits without penalty, but the earnings portion of a nonqualified withdrawal is taxable and subject to an additional 10% federal penalty. Effective in January 2018, the federal Tax Cuts and Jobs Act expands the allowable education uses of 529 savings to include tuition at elementary and secondary schools, both public and private. This change increases the regressive nature of 529s. However, CDA program funds can still be restricted to postsecondary education expenses if held in a master or omnibus account and paid directly to postsecondary institutions, both common practices in large CDAs.[26] Also, several states must update their own tax code or 529 savings plan legislation for state residents to use the money for K-12 education. Expanding the allowable uses may substantially reduce tax revenue in states that offer a 529 tax deduction, and it is likely that some states will not extend tax benefits to K-12 tuition.[27]

In short, no existing financial platform other than 529 plans provides a comparable combination of features required for CDAs.

Means-Tested Public Benefit Exclusions. Many public assistance programs impose asset limits, which penalize saving and jeopardize benefits, possibly making low-income families wary of CDAs. The tenth element of universal and progressive CDA policy is to exclude CDA savings from such means tests. Program deposits held in omnibus accounts do not affect public assistance because families do not own the savings. However, personal deposits owned by individuals may or may not do so: Some states exclude personal deposits in 529 plans when determining eligibility for Temporary Assistance for Needy Families (TANF). The federal government requires all states to exclude 529 savings when determining eligibility for the Supplemental Nutrition Assistance Program (SNAP).[28] Yet, the most comprehensive strategy for protecting family savings would be to exclude CDA deposits or completely abolish asset limits through federal legislation.

Synergy among the Design Elements

Some of these elements are particularly powerful together. For example, universal eligibility, automatic enrollment, at-birth start, automatic initial deposits, and automatic progressive subsidies are essential to achieving full inclusion. Also, a sizable initial deposit, at-birth start, and potential for investment growth together can produce meaningful asset accumulation over time. To achieve full inclusion and accumulate assets over time, CDA policy should hold fast to implementing these design elements in combination.

Toward a National Policy Structure Based on a Savings Plan

Currently, dozens of small and mid-sized CDA programs are demonstrating the potential of community-level partnerships and increasing the number of child accounts in the United States. This is all enormously valuable. But bringing CDAs to scale nationwide in a sustainable manner will require a national *policy structure,* so that all children can build assets. Federal legislation can form the backbone of the policy structure by establishing and funding universal, automatic CDA enrollment at-birth, automatic initial deposits, and progressive subsidies (design elements 1–5).

Such legislation would designate a financial platform to implement CDAs for all children. The only economically and logistically feasible structure would be a centralized savings plan, which consolidates accounting, recordkeeping, and investing responsibilities (design element 6). The centralized nature of 529 college savings plans, combined with state sponsorship, facilitates the first five design elements.

Centralization and collaboration between state agencies make possible efficient automatic enrollment of all newborns. Including all families in one CDA policy creates economies of scale and enables fee reductions as total assets and participants grow.

At present, 529 college savings plans are the CDA policy structure of choice at scale.[29] Though imperfect, 529s provide all of the core financial characteristics: investment growth potential, targeted investment options, and withdrawal restrictions (design elements 7–9). In short, no existing financial platform other than 529 plans provides a comparable combination of features required for CDAs.

Though 529 plans are currently regressive because of their tax benefits, federal legislation can mandate state-level inclusive plan requirements, such as reasonable fees and low or no minimum contribution requirements that are currently modeled in a majority of direct-sold 529 plans.[30] Federal legislation can also protect CDA savings from asset limits in means-tested programs (design element 10).

To create CDAs at scale, a policy structure will provide the framework, which can be enhanced greatly by community partnerships.

The second layer of bringing universal and progressive CDAs to scale would occur at the state level. State and state-contracted organizations would implement the federal legislative framework with tweaks to their own 529 plan legislation. As noted above, collaboration between state agencies is central to efficient administration of CDAs from enrollment to withdrawal. Statewide CDA administration is currently being modeled in Connecticut, Maine, Nevada, and Rhode Island.[31]

Finally, various private and community organizations would engage families, raise supplemental funds, and offer wrap-around services (such as financial education, low-cost transaction accounts for paying bills and accumulating short-term savings, and information about college and student aid). Social service agencies, schools, religious and civic groups, and local banks and credit unions could participate.[32] It is a myth that CDA designers must choose between a policy structure and local engagement. To create CDAs at scale, a policy structure will provide the framework, which can be enhanced greatly by community partnerships.

Looking Forward

The 10 policy design elements identified in this brief are informed by theory, research, and experience. By identifying actionable policy features and successfully modeling and confirming their value through SEED OK, the Center for Social Development and colleagues throughout the country have turned an innovative policy idea into reality. At present, statewide CDAs with many of the recommended policy elements exist in Connecticut, Nevada, Rhode Island, and especially Maine. These can inform a national policy.

The vision is a cost-efficient, sustainable, and progressive CDA policy that reaches all children nationwide. Both state and federal policy development will be required, but a financial platform already exists. Although 529 plans are regressive in their current application, we have demonstrated that universal and progressive CDAs can be built on this platform. Policy reforms brought about in the process can serve the whole population. The ten design elements identified here, along with insights gained from their implementation in SEED OK and statewide CDAs, provide a policy template for achieving this important goal.

Endnotes

1. For example, researchers at the Urban Institute estimate that 84% of federal tax expenditures for employer-based retirement savings and individual retirement accounts and 90% of expenditures for the mortgage interest deduction go to taxpayers in the two highest income quintiles (Powers & Berger, 2016; Steuerle et al., 2014).
2. See Sherraden (1991; 2014).
3. See Sherraden (1991); Beverly et al. (2008), Sherraden & Stevens (2010); Cramer, Black, & King (2014); Sherraden et al. (2015); and Clancy, Beverly, Sherraden, & Huang (2016). This list of design elements was first published in Clancy & Beverly (2017a).
4. See Mason, Nam, Clancy, & Sherraden (2014); Sherraden & Clancy (2005); Sherraden et al. (2015); and Zager, Kim, Nam, Clancy, & Sherraden (2010). Of note, because of the

focus on universal participation, SEED OK was initially named "The Universal Model in SEED."

5. Clancy & Beverly (2017a), Huang, Beverly, Clancy, Lassar, & Sherraden (2014), and Huang, Clancy, Beverly, Lassar, & Sherraden (2013) discuss the limitations of opt-in enrollment and the rationale for automatic enrollment in detail.
6. For example, Memoranda of Understanding (MOUs) executed between the Finance Authority of Maine, which administers the state 529 college savings plan, and the state Registry of Vital Records and Statistics permit sharing of all birth records and contact information without parent action for the statewide College Challenge CDA. Clancy & Beverly (2017a) describe the use of birth records in statewide CDAs and recommend specific changes to state birth worksheets to facilitate the administration of CDAs from enrollment to withdrawal.
7. For example, the statewide Nevada College Kick Start (which enrolls only public school kindergartners) must obtain data from 17 school districts and several public charter schools. But key information, including date of birth, parent name, and parent contact information, is sometimes inaccurate or incomplete. San Francisco officials concluded that an at-birth start makes more sense at a national level than at a local one (Phillips & Stuhldreher, 2011).
8. Experimental evidence—collected when children were about 4 years old—shows that the CDA in SEED OK helped mothers maintain or increase expectations for their children's education, improved mothers' mental health, and improved children's social-emotional development. The evidence from numerous journal publications is summarized in Beverly, Clancy, & Sherraden (2016). See also Beverly, Elliott, & Sherraden (2013).
9. See Beverly, Kim, Sherraden, Nam, & Clancy (2015), Government Accountability Office (2012), Nam, Kim, Clancy, Zager, & Sherraden (2013), Sallie Mae & Ipsos (2016), and U.S. Department of Treasury (2009).
10. See Beverly, Elliott, & Sherraden (2013).
11. See Clancy, Beverly, Sherraden, & Huang (2016); and Beverly, Clancy, Huang, & Sherraden (2015).
12. In in-depth interviews, SEED OK mothers (Gray, Clancy, Sherraden, Wagner, & Miller-Cribbs, 2012) and IDA participants (Sherraden & McBride, 2012) spoke about the difficulty of saving, especially for long-term purposes.
13. The aim is to provide more resources to those who need them most. Although savings matches have been the most common subsidy in IDAs and early CDAs, they have shown limited potential to benefit most low-income families, whose resource constraints make saving and earning a match very difficult. See Beverly, Clancy, Huang, & Sherraden (2015). Subsidizing saving is positive, but the limits of a savings match underscore the need to supplement savings with other progressive subsidies, such as milestone deposits.
14. See Gray et al. (2012).
15. The Louisiana START Saving 529 "earnings enhancement" ranges from 2% to 14%; low-income families are eligible for the highest subsidy rate. When Louisiana residents open START 529 accounts, they give the state permission to access income tax returns and to use federal adjusted gross income to determine the subsidy rate. See www.startsaving.la.gov/savings/index.jsp; www.startsaving.la.gov/savings/pdf/enrolldn.pdf; Lassar, Clancy, & McClure (2011); and Clancy & Beverly (2017a).
16. A study of 460 defined-contribution retirement savings plans affiliated with the Vanguard Group shows a 91% participation rate for plans with automatic enrollment and a rate of 42% for voluntary enrollment plans (Clark, Utkus, & Young, 2015). Another study of 642 defined-contribution retirement plans shows a participation rate of 88% for plans with automatic enrollment, compared to 46% for plans with voluntary enrollment (T. Rowe Price, 2016).
17. See New York's 529 College Savings Program Direct Plan (2017).
18. See Clancy, Sherraden, & Beverly (2015), which describes the value of state sponsorship and many other 529 plan features for CDAs.
19. Consider the costs, complexities, and challenges that a statewide CDA would face if the policy required key support by multiple local banks and credit unions, rather than a single, state-sponsored savings plan.
20. See Clancy & Beverly (2017a). In fact, by one estimate, about 86% of all CDA accounts nationwide are 529 plan accounts (Personal communications with Prosperity Now [formerly CFED], October, 19, 2016).

21. For data on 529 participation, see Hannon, Moore, Stefanescu, & Schmeiser (2016) and Sallie Mae & Ipsos (2016). Reeves & Joo (2017) show how the tax advantages of 529 plans provide much greater benefit to high-income households.
22. See Clancy & Beverly (2017b).
23. Personal communication with T. Allen, Oklahoma State Treasurer's office, January 4, 2018. See also Clancy, Beverly, Sherraden, & Huang (2016).
24. See Acheson (2017). Of note, earnings on 529 savings grow tax-deferred and are not taxed if used for qualified expenses at community colleges, trade and vocational schools, 4-year colleges, and other postsecondary institutions.
25. See Beverly, Elliott, & Sherraden (2013).
26. See Clancy & Beverly (2017a).
27. See Mulhere (2018) and Associated Press (2018).
28. Personal deposits in 529 plans are less likely to affect means-tested benefits than personal deposits in banks or credit unions, but even 529 savings can reduce TANF benefits in 27 states. For more on asset limits and their impact on public assistance, see Beverly & Clancy (2017).
29. See Clancy & Beverly (2017a).
30. For more on inclusive 529 reforms, see Clancy, Orszag, & Sherraden (2004); Clancy, Sherraden, & Beverly (2015); and Clancy & Beverly (2017a).
31. See Clancy & Beverly (2017a).
32. Promise Indiana illustrates how local partners may be engaged to support a CDA initiative. See http://www.wabashcountyymca.org/our-focus/our-initiatives/wabash-county-promise.

References

Acheson, L. (2017, May 25). What's new with 529 plans. *Morningstar*. Retrieved from http://news.morningstar.com/articlenet/article.aspx?id=810327

Associated Press. (2018, January 19). State Treasurer Frerichs warns of college savings tax penalties. *The Southern Illinoisan.* Retrieved from http://thesouthern.com/news/local/govt-and-politics/state-treasurer-frerichs-warns-of-college-savings-tax-penalties/article_aff12ffa-c925-57b4-a4a6-02531608b1d2.html

Beverly, S. G., & Clancy, M. (2017). Asset limits for means-tested public assistance: Considerations for Child Development Account proponents (CSD Policy Brief 17-24). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/PB17-24.pdf

Beverly, S. G., Clancy, M. M., & Sherraden, M. (2016). Universal accounts at birth: Results from SEED for Oklahoma Kids. (CSD Research Summary No. 16-07). St. Louis, MO: Washington University, Center for Social Development. Retrieved from http://csd.wustl.edu/Publications/Documents/RS16-07.pdf

Beverly, S. G., Clancy, M. M., Huang, J., & Sherraden, M. (2015). The SEED for Oklahoma Kids Child Development Account Experiment: Accounts, assets, earnings, and savings (CSD Research Brief No. 15-29). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/RB15-29.pdf

Beverly, S. G., Elliott, W., III, & Sherraden, M. (2013). Child Development Accounts and college success: Accounts, assets, expectations, and achievements (CSD Perspective No. 13-27). St. Louis, MO: Washington University, Center for Social Development. Retrieved from http://csd.wustl.edu/Publications/Documents/P13-27.pdf

Beverly, S. G., Kim, Y., Sherraden, M., Nam, Y., & Clancy, M. (2015). Can Child Development Accounts be inclusive? Early evidence from a statewide experiment. *Children and Youth Services Review, 53*, 92–104. doi:10.1016/j.childyouth.2015.03.003

Beverly, S. G., Sherraden, M., Cramer, R., Williams Shanks, T. R., Nam, Y., & Zhan, M. (2008). Determinants of asset holdings. In S.-M. McKernan & M. Sherraden (Eds.), *Asset building and low-income families* (pp. 89–151). Washington, DC: Urban Institute.

Clancy, M. M., & Beverly, S. G. (2017a). Statewide Child Development account policies: Key design elements. (CSD Policy Report 17-30). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/RR17-30.pdf

Clancy, M. M., & Beverly, S. G. (2017b). 529 plan investment growth and a quasi-default investment for Child Development Accounts (CSD Policy Brief No. 17-42). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/PB17-42.pdf

Clancy, M. M., Beverly, S. G., Sherraden, M., & Huang, J. (2016). Testing universal Child Development Accounts: Financial effects in a large social experiment. *Social Service Review, 90*(4), 683–708. doi:10.1086/689756

Clancy, M., Orszag, P., & Sherraden, M. (2004). College savings plans: A platform for inclusive saving policy? (CSD Perspective 04-25). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/Perspective-529andInclusion.pdf

Clancy, M., & Sherraden, M. (2014). Automatic deposits for all at birth: Maine's Harold Alfond College Challenge (CSD Policy Report No. 14-05). St. Louis, MO: Washington University, Center for Social Development. Retrieved from http://csd.wustl.edu/Publications/Documents/PR14-05.pdf

Clancy, M. M., Sherraden, M., & Beverly, S. G. (2015). College savings plans: A platform for inclusive and progressive Child Development Accounts (CSD Policy Brief 15-07). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/PB15-07.pdf

Clark, J. W., Utkus, S. P., & Young, J. A. (2015). Automatic enrollment: The power of the default [Report]. Retrieved from https://pressroom.vanguard.com/nonindexed/Automatic_enrollment_power_of_default_1.15.2015.pdf

Cramer, R., Black, R., & King, J. (2014). Children's Savings Accounts: Research, practice, and implications for policy design. Washington, DC: New America Foundation.

Government Accountability Office. (2012). A small percentage of families save in 529 Plans. (GAO Publication No. 13-64). Washington, D.C.: U.S. Government Printing Office. Retrieved from https://www.gao.gov/products/GAO-13-64

Gray, K., Clancy, M., Sherraden, M. S., Wagner, K., & Miller-Cribbs, J. (2012). Interviews with mothers of young children in the SEED for Oklahoma Kids college savings experiment (CSD Research Report No. 12-53). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/RP12-53.pdf

Hannon, S. M., Moore, K. B., Stefanescu, I., & Schmeiser, M. (2016). Saving for college and section 529 plans. *Board of Governors of the Federal Reserve System*. doi.10.17016/2380-7172.1684

Huang, J., Beverly, S., Clancy, M., Lassar, T., & Sherraden, M. (2013). Early program enrollment in a statewide Child Development Account Program. *Journal of Policy Practice, 12*(1), 62–81. doi:10.1080/15588742.2012.739124

Lassar, T., Clancy, M., & McClure, S. (2011). College savings match programs: Design and policy (CSD Policy Report No. 11-28). St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/publications/documents/rp11-28.pdf

Mason, L. R., Nam, Y., Clancy, M., & Sherraden, M. (2014). Saving for education, entrepreneurship, and downpayment for Oklahoma Kids: Experimental test of a policy innovation in a full population. *SAGE Research Methods Cases*. doi:10.4135/978144627305013520671

Mulhere, K. (2018). The tax law's biggest education change is on hold in several states. *Time.* Retrieved from http://time.com/money/5093099/529-plans-k12-expenses-tax-bill/

Nam, Y., Kim, Y., Clancy, M., Zager, R., & Sherraden, M. (2013). Do Child Development Accounts promote account holding, saving, and asset accumulation for children's future? Evidence from a statewide randomized experiment. *Journal of Policy Analysis and Management, 32*(1), 6–33. doi:10.1002/pam.21652

New York's 529 College Savings Program Direct Plan. (2017). Your plan is getting even better. Retrieved from http://cdn.unite529.com/jcdn/files/NYD/pdfs/NY529PUB_082017_r21.pdf

Phillips, L., & Stuhldreher, A. (2011, September). Kindergarten to college (K2C): A first-in-the-nation initiative to set all kindergarteners on the path to college. New America Foundation. Retrieved from https://na-production.s3.amazonaws.com/documents/Kindergarten_to_College_K2C.pdf

Powers, Y., & Berger, D. (2016). Who benefits from tax expenditures? *Tax Policy Center.* Retrieved from http://www.taxpolicycenter.org/taxvox/who-benefits-tax-expenditures

Reeves, R. V., & Joo, N. (2017, June 29). A tax break for 'Dream Hoarders': What to do about 529 college savings plans. Brookings. Retrieved from https://www.brookings.edu/research/a-tax-break-for-dream-hoarders-what-to-do-about-529-college-savings-plans/

Sallie Mae & Ipsos. (2016). How America saves for college: Sallie Mae's national study of parents with children under age 18. Retrieved from http://news.salliemae.com/sites/salliemae.newshq.businesswire.com/files/doc_library/file/HowAmericaSaves2016_FINAL.pdf

Sherraden, M. (1991). *Assets and the poor: A new American welfare policy*. Armonk, NY: M. E. Sharpe.

Sherraden, M. (2014). Asset building research and policy: Pathways, progress, and potential of a social innovation. In R. Cramer & T. R. Williams Shanks (Eds.), *The assets perspective: The rise of asset building and its impact on social policy* (pp. 263–284). New York, NY: Palgrave Macmillan.

Sherraden, M., & Clancy, M. (2005). The universal model in SEED. St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/P05-63_overview_um_seed_092005.pdf

Sherraden, M., Clancy, M., Nam, Y., Huang, J., Kim, Y., Beverly, S. G., . . . Purnell, J. Q. (2015). Universal accounts at birth: Building knowledge to inform policy. *Journal of the Society for Social Work and Research, 6*(4), 541–564. doi:10.1086/684139

Sherraden, M.S., & McBride, A.M. (2010). *Striving to save: Creating policies for financial security of low-income families.* Ann Arbor, MI: University of Michigan Press.

Sherraden, M., & Stevens, J. (Eds.) (2010). Lessons from SEED: A national demonstration of Child Development Accounts. St. Louis, MO: Washington University, Center for Social Development. Retrieved from https://csd.wustl.edu/Publications/Documents/RR10-35_SEEDSynthesis_Final.pdf

Steuerle, C. E., Harris, B. H., McKernan, S.-M., Quakenbush, C., & Ratcliffe, C. (2014). Who benefits from asset-building tax subsidies? (Opportunity and Ownership Initiative Fact Sheet). Washington, DC: Urban Institute. Retrieved from https://www.urban.org/research/publication/who-benefits-asset-building-tax-subsidies

T. Rowe Price. (2016). Reference point [Report]. Retrieved from http://rps.troweprice.com/mc/sites/referencepoint/index.html

U.S. Department of the Treasury. (2009). An analysis of section 529 college savings and prepaid tuition plans: A report prepared by the Department of Treasury for the White House Task Force on Middle Class Working Families (Report). Washington, DC. Retrieved from https://www.treasury.gov/resource-center/economic-policy/Documents/09092009TreasuryReportSection529.pdf

Zager, R., Kim, Y., Nam, Y., Clancy, M., & Sherraden, M. (2010). The SEED for Oklahoma Kids experiment: Initial account opening and savings (CSD Research Report No. 10-14). St. Louis, MO: Washington University, Center for Social Development. Retrieved from http://csd.wustl.edu/Publications/Documents/RP10-14.pdf

Acknowledgments

Support for this work comes from the Charles Stewart Mott Foundation. The authors are grateful to Jin Huang and Emily Ashcraft for comments. We thank John Gabbert for editorial assistance and Jill Young Miller for the graphics.

Authors

Michael Sherraden
Founding Director

Margaret M. Clancy
CSD Policy Director

Sondra G. Beverly
Senior Scholar

Contact Us

Center for Social Development
George Warren Brown School of Social Work
Washington University in St. Louis
Campus Box 1196
One Brookings Drive
St. Louis, MO 63130
csd.wustl.edu

Suggested Citation

Sherraden, M., Clancy, M., & Beverly, S. (2018). *Taking Child Development Accounts to Scale: Ten Key Policy Design Elements* (CSD Policy Brief 18-08). St. Louis, MO: Washington University, Center for Social Development.

Washington University in St. Louis
George Warren Brown School of Social Work