



Child Development Accounts Improve Parenting Practices, Particularly for Financially Vulnerable Families

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

Parenting practices, such as parental involvement and discipline, define parent–child interactions and influence child functioning. Child Development Accounts (CDAs), which provide assets and encourage saving for postsecondary education through deposits into investment accounts, may have positive impacts on parenting practices. As a policy tool for building assets in early childhood, theory suggests that CDAs may increase parents’ perceived levels of economic safety, enhance their optimism regarding the long-term development of their child, improve parents’ mental health, and increase positive parenting practices. In particular, effects of assets for children and families are critical during and after the COVID-19 crisis (Sherraden, Clancy, Huang, & Beverly, 2020).

This research brief synthesizes findings of the CDA effects on parenting practices from three research studies in the [SEED for Oklahoma Kids \(SEED OK\)](#) experiment (Huang, Beverly, Kim, Clancy, & Sherraden, 2019; Huang, Nam, Sherraden, & Clancy, 2019; Nam, Wikoff, & Sherraden, 2014).

The SEED for Oklahoma Kids Experiment

As a large-scale, randomized, and statewide experiment, SEED for Oklahoma Kids (SEED OK) represents the most rigorous policy test of CDAs. In SEED OK, we automatically opened and deposited \$1,000 into state-owned Oklahoma 529 College Savings Plan (OK 529) accounts for 1,358 treatment children at birth. SEED OK is a true experiment in a full population, and significant differences between treatment families (who received the SEED OK CDA) and control families (who did not) may be attributed to the CDA. From the original SEED OK sample of more than 2,700 study mothers, 2,228 (1,130 in the treatment group and 1,098 in the control group) completed a follow-up survey when their children reached 4 years of age. In the survey, we measured parenting practices with six questions from the Alabama Parenting Questionnaire-Preschool Revision—three for positive parenting, and three for punitive parenting.

For positive parenting practices, the effects of the CDA were greater for financially vulnerable families than for nonfinancially-vulnerable families.

Findings show that the SEED OK CDA has significantly reduced mothers’ punitive parenting practices (Huang, Nam, Sherraden, & Clancy, 2019), and also increased positive parenting practices among mothers in financially vulnerable families (Huang, Beverly, Kim, Clancy, & Sherraden, 2019). The size of the CDA effects on punitive parenting practices is similar to that of some estimates of the impact of Early Head Start and Head Start programs (Huang, Nam, Sherraden, & Clancy, 2019; Nam, Wikoff, & Sherraden, 2014).

Another SEED OK study (Huang, Beverly, Kim, Clancy, & Sherraden, 2019) used receipt of TANF cash assistance and participation in Head Start to identify financially vulnerable families (201 in the treatment group, 225 in the control group). This study finds that financially vulnerable mothers in the treatment group had more frequent positive-parenting practices and less frequent punitive-parenting practices than financially vulnerable mothers in the control group. For positive parenting practices, the effects of the CDA were greater for financially vulnerable families than for nonfinancially-vulnerable families (Huang, Beverly, Kim, Clancy, & Sherraden, 2019).



Taken together, these three studies provide empirical evidence that the SEED OK CDA has positive impacts on parenting practices. This is consistent with other evidence that CDAs in SEED OK have positive impacts on parental educational expectations (Kim, Sherraden, Huang, & Clancy, 2015), maternal mental health (Huang, Sherraden, & Purnell, 2014), and children’s social–emotional development (Huang, Kim, Sherraden, & Clancy, 2014).

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It is important to note that these effects occur during a period when assets are accumulating in CDAs and are not yet spent. Typically a social policy “expenditure” is thought to lead to outcomes; however, in asset-building policy, the focus is not expenditure but accumulation. Later, these CDA assets will also support postsecondary education, which can lead to additional positive effects. A third wave of the SEED OK experimental surveys took place in 2020, providing rigorous data on CDA outcomes when youth are about 12 years old (Clancy, Sherraden, & Beverly, 2019).

This research brief is based on the following journal publications:

Huang, J., Nam, Y., Sherraden, M., & Clancy, M. (2019). Impacts of Child Development Accounts on parenting practices: Evidence from a randomised statewide experiment. *Asia Pacific Journal of Social Work and Development*, 29(1), 34–47. <https://doi.org/10.1080/02185385.2019.1575270>

Huang, J., Beverly, S. G., Kim, Y., Clancy, M., & Sherraden, M. (2019). Exploring a model for integrating Child Development Accounts with social services for vulnerable families. *Journal of Consumer Affairs*, 53(3), 770–795. <https://doi.org/10.1111/joca.12239>

Nam, Y., Wikoff, N. & Sherraden, M. (2014). Economic intervention and parenting: A randomized experiment of statewide Child Development Accounts. *Research on Social Work Practice*, 26(4), 339–349. <https://doi.org/10.1177/1049731514555511>

Other References

Clancy, M. M., Sherraden, M., & Beverly, S. G. (2019, March). SEED for Oklahoma Kids Wave 3: Extending rigorous research and a successful policy model (CSD Research Brief No. 19-06). St. Louis, MO: Washington University, Center for Social Development. <https://doi.org/10.7936/zx2j-0543>

Huang, J., Sherraden, M., Kim, Y., & Clancy, M. (2014). Effects of Child Development Accounts on early social-emotional development: An experimental test. *JAMA pediatrics*, 168(3), 265–271. <https://doi:10.1001/jamapediatrics.2013.4643>

Huang, J., Sherraden, M., & Purnell, J. Q. (2014). Impacts of Child Development Accounts on maternal depressive symptoms: Evidence from a randomized statewide policy experiment. *Social Science & Medicine*, 112, 30–38. <https://doi.org/10.1016/j.socscimed.2014.04.023>

Kim, Y., Sherraden, M., Huang, J., & Clancy, M. (2015). Child development accounts and parental educational expectations for young children: Early evidence from a statewide social experiment. *Social Service Review*, 89(1), 99–137. <https://doi.org/10.1086/680014>

Sherraden, M., Clancy, M. M., Huang, J., & Beverly, S. G. (2020). Child Development Accounts in the COVID-19 Crisis: Lessons from the Great Recession (CSD Research and Policy Report No. 20-11). St. Louis, MO: Washington University, Center for Social Development. <https://doi.org/10.7936/c5dg-qz60>

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