



# Financial Facts from the SEED for Oklahoma Kids Child Development Account Experiment

The SEED for Oklahoma Kids (SEED OK) experiment is a large-scale policy test of universal, automatic, and progressive Child Development Accounts (CDAs). An essential feature of the CDA in SEED OK is a state-owned Oklahoma 529 College Savings Plan (OK 529) account that was automatically opened for infants with an initial deposit of \$1,000 in late 2007. The CDA also came with an automatic, targeted deposit in 2019. Children in the treatment group (1,357) received the CDA; children in the control group (1,346) did not. This Fact Sheet contains highlights from *Financial Outcomes in a Child Development Account Experiment: Full Inclusion, Success Regardless of Race or Income, and Investment Growth for All* (CSD Research Summary 21-06).

The most important financial outcomes in SEED OK relate to inclusion. When SEED OK children were about 12 years old, 100% of treatment children had OK 529 assets, achieved through the automatic features of the CDA. In the control group—that is, under existing OK 529 policy—just over 4% of children had OK 529 assets.



## FINANCIAL FACTS: Age 12

### All OK 529 Assets

**\$3,243**

Total OK 529 assets for the average treatment child

**100%**

Treatment children with OK 529 savings for college or vocational school

**3.4x**

Increase in total OK 529 assets for the average treatment child (compared with control children)

### Inclusion via the Seed OK CDA

**98 percentage points**

Increase in OK 529 asset holding for children of color

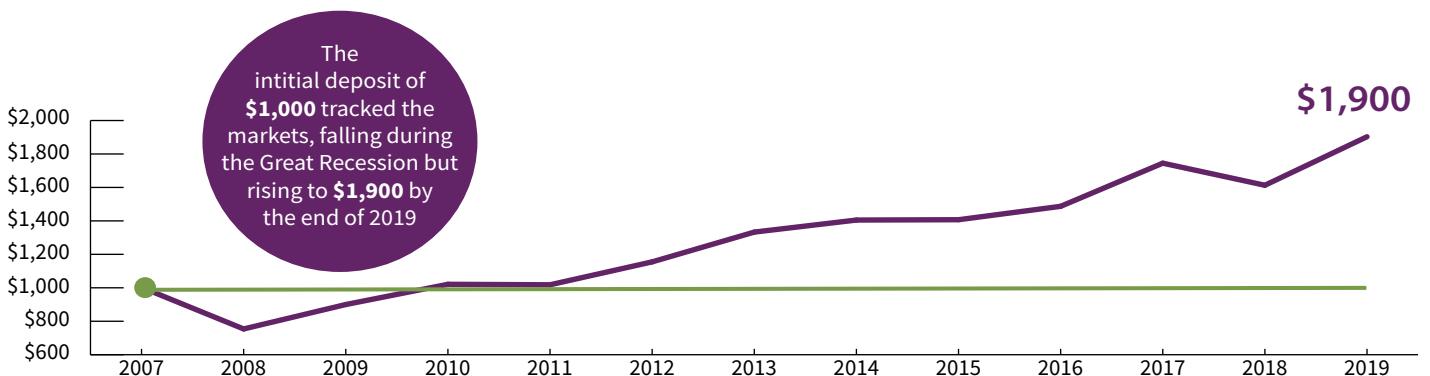
**99 percentage points**

Increase in OK 529 asset holding for low-income children

**99 percentage points**

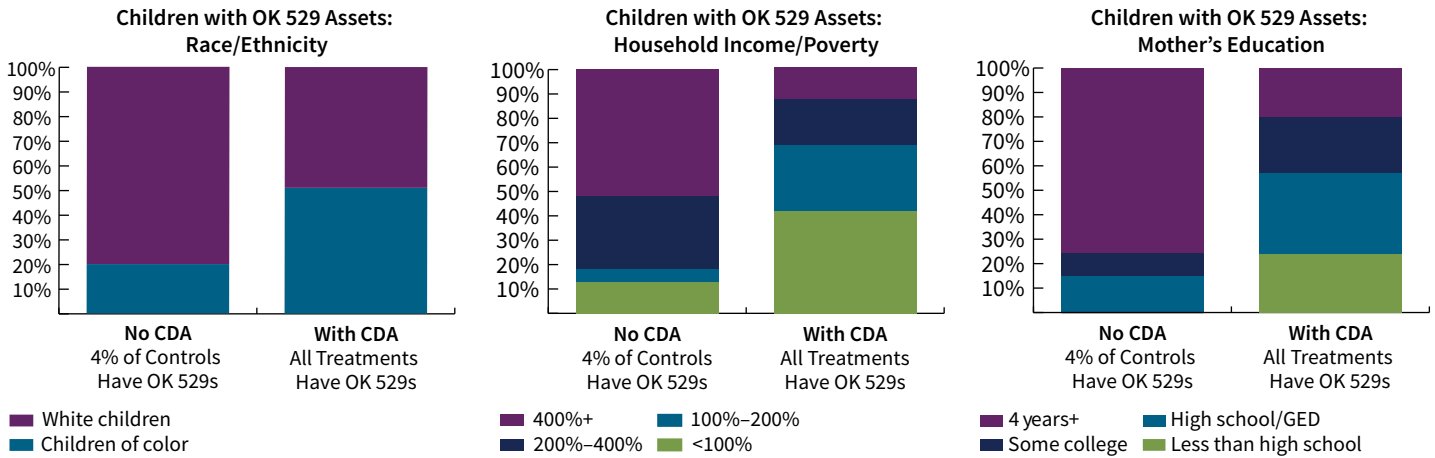
Increase in OK 529 asset holding for children with less educated mothers

## SEED OK CDA Growth: Early Deposits and Investments Matter



## SEED OK's CDA Promotes Full Inclusion in Building OK 529 Assets

Research shows that the automatic CDA in SEED OK greatly increases the likelihood that disadvantaged children have assets for their future education. The preponderance of purple in the left bar (“No CDA”) in each pair shows that, under *existing* 529 policy, more than three quarters of control children with assets are White, more than half are from households with very high income, and three quarters have mothers with college degrees. The right bar in each pair (“With CDA”) shows the demographics of treatment children—all of whom have OK 529 assets because of the inclusive and automatic CDA, and those demographics exactly mirror the diversity of the state population. When given a CDA structure and support for accumulating assets, all racial groups build assets. The statistically significant CDA effects do not vary by race.



### OK 529 Assets: Estimates for Low-Income Children Born in OK in 2007\*

**450**  
Under current policy,  
about **450 low-income 12-year-olds**  
in Oklahoma have OK 529 assets

**36,330**  
Under the SEED OK policy model,  
about **36,330** would have OK 529 assets  
if the state had an automatic, at-birth CDA



This image illustrates the estimated impact of the automatic, at-birth CDA on *state-owned* OK 529s for a single birth-year cohort after 12 years. Because SEED OK babies were randomly selected from 2007 birth records, we can extrapolate to children born in Oklahoma that year. \*<200% of federal poverty level.

“The automatic CDA in SEED OK greatly increases the likelihood that disadvantaged children have assets for their future education.”

### SEED OK’s CDA and Parental Saving in OK 529 Accounts

Though it is not the primary goal, the CDA in SEED OK increased saving by parents for children’s postsecondary education and increased the number of parent savers. The new savers, as a group, are more racially and socioeconomically diverse than the control parents who saved in the OK 529 without the CDA.



#### FINANCIAL FACTS: Age 12

##### Parent-Owned OK 529 Assets

**18%**

Treatment children whose parent opened an OK 529 account (vs. 4% for control children)

**5×**

Increase in OK 529 account opening by parents (compared with control children)

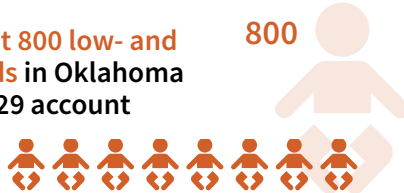
**\$9,820**

Average balance in parent-owned OK 529 accounts of treatment children (savers only)

### Parent-Owned OK 529 Accounts: Estimates for Low- and Middle-Income Children Born in OK in 2007\*

Under current policy, about 800 low- and middle-income 12-year-olds in Oklahoma have a parent-owned OK 529 account

800



**6,000**

Under the SEED OK policy model, about 6,000 would have such an account if the state had an automatic, at-birth CDA



= 100 children

This image illustrates the estimated impact of the automatic, at-birth CDA on *parent-owned OK 529s* in a single birth-year cohort after 12 years. Because SEED OK babies were randomly selected from 2007 birth records, we can extrapolate to children born in Oklahoma that year. \* <400% of federal poverty level.

## Acknowledgments

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“The **most important** financial outcomes in SEED OK relate to **inclusion.**”



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