

MOTION

The relationship between education and social mobility is well documented. According to the Brookings Institution, a child born into the lowest socio-economic quintile without a college degree has a 45% chance of remaining in that quintile, while a child born into the lowest quintile who does earn a college degree has only a 16% chance of remaining in that socio-economic bracket and a 19% chance of breaking into the top quintile.

The comparative economic and social feedback effects of high school and college degrees are no less stark. Three decades ago, full-time workers with a bachelor's degree made 40% more than those with a high-school diploma. Last year, according to the Bureau of Labor Statistics, that number reached 83%. Meanwhile, the share of jobs requiring a post-secondary school degree more than doubled.

Over the last half-century, policies that have increased access to higher education, from the GI Bill to student aid, have not only lifted millions out of poverty, but have also boosted productivity, innovation and economic growth. More recently, a number of jurisdictions have launched dedicated Children's Savings Account programs intended to incentivize college or technical/trade school completion rates. According to the Center for Social Development at Washington University in St. Louis, a low- to moderate-income child with \$500 or less designated for school savings is three-times more likely to enroll and nearly four-times more likely to graduate from college than a child with no savings – the residual effects of which far outweigh the associated financial and administrative costs. Equally important, a college savings account sends the message to students and parents alike that post-secondary education is an opportunity and real possibility.

Narrowing the gaps in college participation, and increasing financial opportunity and security across income groups, are vital to the continued growth of our City. The rapid growth of Children's Savings Accounts illustrates that even modest asset ownership – something as simple as a savings account – can increase financial security and expand opportunity for the next generation of Angelenos and the adults in their lives. Given this potential, it is incumbent that we explore the feasibility of establishing such a program in Los Angeles.

I THEREFORE MOVE that the City Council instruct the City Administrative Officer, with the assistance of the Chief Legislative Analyst and City Attorney to report on the feasibility of establishing a Children's Savings Account program, in the City of Los Angeles, including, but not limited to, a review of the following:

- 1) The number, structure and variation of dedicated Children's Savings Account programs currently in operation in comparable city, county and state jurisdictions.
- 2) The feasibility of the City initiating and funding a dedicated Children's Savings Account program for the approximately 72,000 children who enroll in Los Angeles Unified School District (LAUSD) kindergarten programs each year.
- 3) Any anticipated economic feedback effects that may result from increased college enrollment and completion rates.

I FURTHER MOVE that the City Council request the Los Angeles Unified School District to report on the feasibility of entering into an agreement with the City of Los Angeles to administer a Children's Savings Account program for those children who enroll in LAUSD kindergarten programs.

PRESENTED BY: _____
DAVID E. RYU
Councilmember, 4th District

SECONDED BY: _____