

# Opportunity LA: Children's Savings Account Program



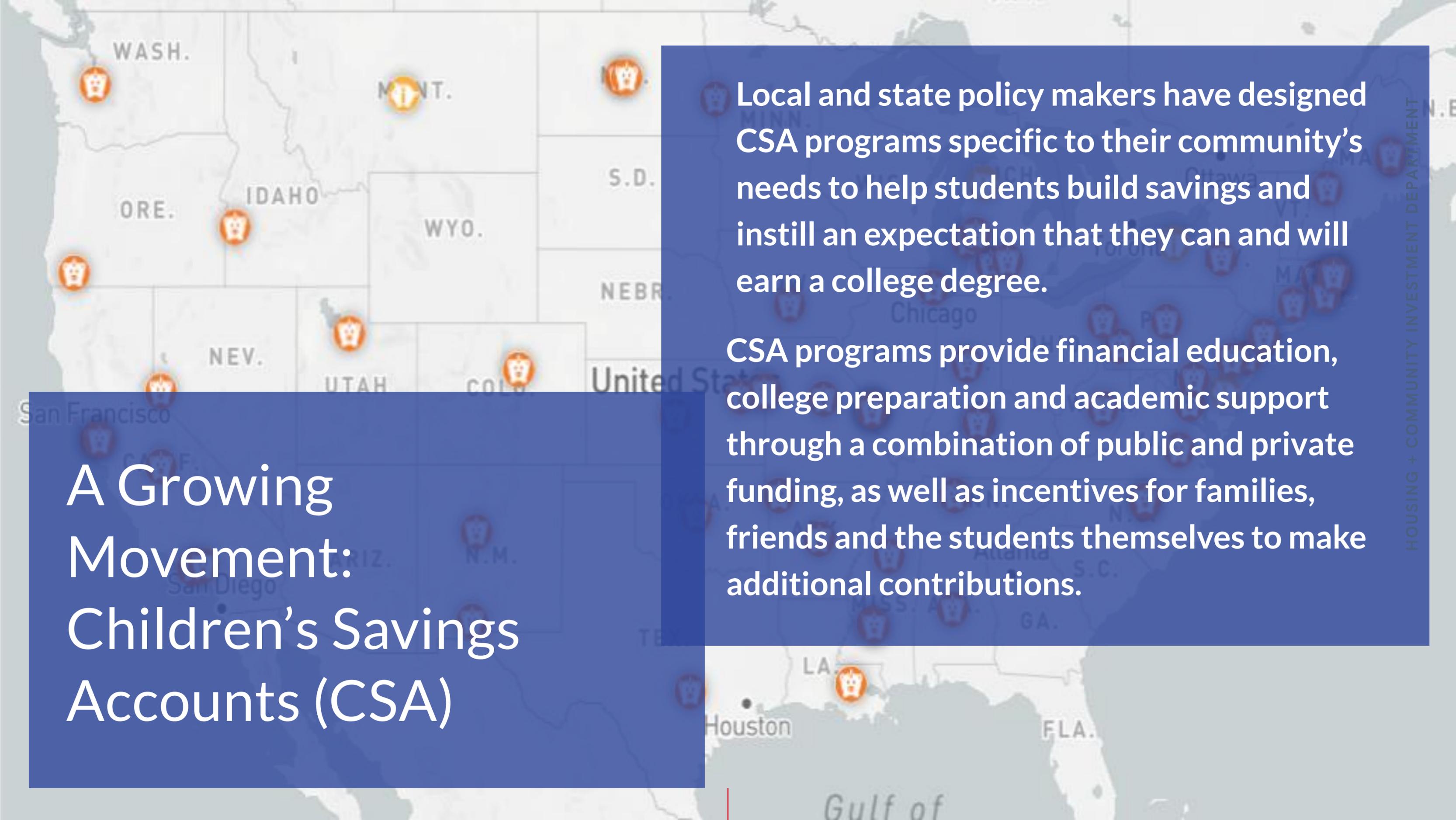
# In the City of Los Angeles

**Only 32%** of adults hold a bachelor's degree.

More than **80%** of LAUSD students live **below the poverty line**.

**28%** of families are either unbanked and underbanked, nearly **double** the national rate.

Nearly **62%** of Angelenos live in **financial insecurity**.

A map of the United States with orange crown icons placed in various states, including Washington, Oregon, Idaho, Nevada, Utah, Colorado, Montana, Wyoming, Nebraska, Kansas, Oklahoma, Texas, Louisiana, Florida, and California. The map is overlaid with a blue semi-transparent box containing text.

# A Growing Movement: Children's Savings Accounts (CSA)

Local and state policy makers have designed CSA programs specific to their community's needs to help students build savings and instill an expectation that they can and will earn a college degree.

CSA programs provide financial education, college preparation and academic support through a combination of public and private funding, as well as incentives for families, friends and the students themselves to make additional contributions.

# Los Angeles CSA Program Blueprint

Developed in collaboration with City, County, and LAUSD

## UNIVERSAL – ALL KIDS

Incoming first-graders at LAUSD will be automatically enrolled (opt-out). Over 80% of LAUSD students are in low-income families and/or English Language Learners. The program will be rolled out to LAUSD over a 5-year period, starting with 10% of incoming first-graders in the fall of 2020. Every enrolled child will receive a one-time \$50 deposit to jumpstart their savings.

## INCLUSIVE – AN ACCOUNT THAT WORKS FOR ALL FAMILIES

Traditional savings accounts ensure inclusivity, flexibility, and access, no matter a student or parent's immigration status. Families can make deposits in ways that work for them, including cash deposits.

## RESPONSIVE – ADDITIONAL SUPPORT FOR VULNERABLE FAMILIES

The incentive program will provide additional contributions to students and schools with the greatest need. Best practices and the unique needs of LAUSD will inform the design of a modular program that grows in tandem with students' journey to college.



# Funding Support

\$330K allocated through the Consolidated Plan (CDBG funds)

California Student Aid Commission awarded HCIDLA \$286,000 to support the LA CSA. The grant will fund the first year's seed deposit and support outreach efforts.

Governor Newsom approved an additional \$25 million in grant funding for local CSAs. Applications will be released in early 2020.

# Next Steps:

HCIDLA requests authority to continue program development, including authorization to:

- Accept \$286,000+ in grant funding from CSAC;
- Apply for the next round of CSAC grant funds;
- Release an RFP to source a banking and technology vendor;
- Work with the County and LAUSD on an MOU outlining roles, responsibilities, and a cost-sharing agreement; and
- Report back to Mayor and City Council on vendor selection and final implementation timeline.