

FACTSHEET

BENEFITS OF SAVING FOR COLLEGE

1 Children's savings improve early child development and future financial capability

Kids given a savings account at birth develop better social and emotional skills, even if parents don't deposit money often.¹

Kids with savings grow up to save more money as adults. They also try out different ways to save and invest, like buying stocks or saving for retirement.²

2 Children with college savings have greater college expectations

When kids have a special college savings account, they feel more positive about going to college in the future.³

College savings accounts (CSAs) show kids that college is important and make them feel it's closer within reach.⁴

3 Children with college savings do better academically

Children in low-wealth families aged 12-18 with a savings account for college had higher math scores and were twice as likely to expect to go to college than their counterparts without a college savings account.⁵

Even a little savings for college can make a big difference. Children with \$500 or less saved for college are 3 times more likely to enroll and 4 times more likely to graduate.⁶

SOURCES:

- ¹ Huang et al., Effects of Child Development Accounts on early social-emotional development: An experimental test, 2014
- ² Friedline and Song, Accumulating Assets, Debts in Young Adulthood, 2013. Friedline et al., Testing an Asset-Building Approach for Young People, 2012. Friedline et al., Toward Healthy Balance Sheets: The Role of a Savings Account for Young Adults' Asset Diversification and Accumulation, 2014
- ³ Elliott et al., The Age Old Question, Which Comes First? A Simultaneous Test of Children's Savings and Children's College-Bound Identity, 2011. Destin, Integrating Resource-Based and Person-Based Approaches to Understanding Wealth Effects on School Achievement, 2012. Oyserman, Not Just Any Path: Implications of Identity-Based Motivation for School Outcome Disparities, 2012
- ⁴ Oyserman, Not Just Any Path: Implications of Identity-Based Motivation for School Outcome Disparities, 2012
- ⁵ Elliott, At-Risk Children's college aspirations and expectations: The potential role of children's savings accounts, 2008. Elliott et al., Raising math scores among children in low-wealth households: Potential Benefit of Children's School Savings, 2011. Elliott et al., Math Achievement and Children's Savings: Implications for Child Development Accounts, 2010
- ⁶ Elliott, Small-Dollar Children's Savings Accounts and College Outcomes, 2013

