

BOSTON SAVES EVALUATION

— YEAR 1 —

Early Outcomes *from the* Parent/Guardian Survey



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EXECUTIVE SUMMARY

This report describes findings from the first year of a three-year evaluation of Boston Saves, a children’s savings account program offered by the City of Boston through the Mayor’s Office of Workforce Development (OWD) in partnership with Boston Public Schools (BPS). Boston Saves automatically provides each student enrolled in Kindergarten (K2) in BPS a child savings account (CSA), including an initial deposit of \$50 from the City of Boston and ongoing opportunities to receive incentives. The money in this account can be used for college or job training expenses after the student finishes high school.

Aligning with core objectives and commitments in the BPS strategic vision, and building on extensive prior empirical work, this program is hypothesized to increase family savings for future education; family understanding of financial capability concepts; student social and emotional development; parent expectations for post-secondary education or training; student academic performance and attainment; parent financial empowerment; and community perception that saving for future education is important.

This report summarizes outcomes from a parent survey administered in 2021 (the second year of full program implementation) to N=514 families representing 81 elementary schools serving K2 students, including N=272 respondents in a treatment group that received a CSA because their child was enrolled in K2 during the first year of program implementation at their school and N=242 respondents in a comparison group that did not receive a CSA because their child was enrolled in K2 during the year prior to program implementation at their school. Boston Saves and Boston Public Schools administered the survey to parents throughout the summer/fall of 2021.

Below we highlight some initial findings showing early positive outcomes for Boston Saves participants compared to non-eligible comparison families on key short-term metrics:

SOCIAL-EMOTIONAL DEVELOPMENT

We found a statistically significant and positive effect of Boston Saves on parent-reported social and emotional development of their child for economically disadvantaged families (Boston Saves $M=2.15$, Comparison $M=1.85$, 0-3 scale; $\beta=0.30$, $p=0.01$, $d=0.41$) but did not find an effect for economically advantaged families.

READING FREQUENCY

We found a statistically significant and positive effect of Boston Saves on reading frequency (2 or more times per week) for economically advantaged families (Boston Saves $M=86\%$, Comparison $M=71\%$; $\beta=0.15$, $p=0.022$, $d=0.41$) but did not find an effect for economically disadvantaged families.

LIFE SATISFACTION

We found a statistically significant and positive effect of Boston Saves on parent-reported life satisfaction for economically disadvantaged families (Boston Saves $M=2.33$, Comparison $M=2.06$, 0-3 scale; $\beta=0.28$, $p=0.033$, $d=0.35$) but did not find an effect for economically advantaged families.

PARENTAL EDUCATIONAL EXPECTATIONS

Parents were asked to think about both their aspirations—how far they hope their child would go in school if there were no barriers—and expectations—how far they expect their child will go in school, given current circumstances. Nearly all parents/guardians (96%) reported that if there were no barriers, they would want their child to go to college and/or graduate school. With regard to expectations, we found a *marginally* significant and positive effect of Boston Saves on expectations for college for economically disadvantaged families (Boston Saves $M=92\%$, Comparison $M=82\%$; $\beta=0.10$, $p=0.069$, $d=0.30$) but did not find an effect for economically advantaged families.

FINANCIAL PLANNING AND SAVINGS

We found a marginally significant positive effect of Boston Saves on the percentage of families reporting that they are saving for their child's future education (Boston Saves $M=59\%$, Comparison $M=51\%$; $\beta=0.08$, $p=0.084$, $d=0.16$). We also found a large effect of Boston Saves on the percentage of families reporting they have a personal budget, spending plan or financial plan for economically disadvantaged families (Boston Saves $M=58\%$, Comparison $M=33\%$; $\beta=0.25$, $p=0.002$, $d=0.58$) but not economically advantaged families—closing nearly three quarters of the gap with economically advantaged families on this measure. We found a marginally significant positive effect on whether families have an automatic deposit for electronic transfer set up to put money away for a future use (savings) for economically disadvantaged families (Boston Saves $M=50\%$, Comparison $M=36\%$; $\beta=0.14$, $p=0.090$, $d=0.28$), but no effect for economically advantaged families. Finally, nearly all economically advantaged families report having a savings account but only 71% of economically disadvantaged families in the comparison group report having a savings account. Boston Saves increased this number of 86% among economically disadvantaged families ($\beta=0.15$, $p=0.047$, $d=0.35$)—helping economically disadvantaged families close the gap with advantaged families in establishing a savings account.

In short, compared to non-eligible comparison participants, Boston Saves families reported greater levels of social-emotional development and reading frequency; both established predictors of future academic attainment though, in contrast to social-emotional development, effects were driven by the economically advantaged families in the case of reading frequency. Although sometimes not significant, we also find a pattern of effects to suggest that Boston Saves is starting to reduce gaps between economically advantaged and disadvantaged families in financial planning and savings behaviors. New information pointing toward a positive association of Boston Saves with parental life satisfaction is also notable. We did not detect early effects on measures of parental depression, parent self-report of overall health or parent-report of their child's health. Finally, as with many new CSA programs, program awareness and engagement are a challenge. Roughly 2 in 5 respondents with accounts were unaware of this opportunity; half of respondents had logged into their accounts, and 1 in 5 respondents linked their personal account to their Boston Saves account. It should be noted that during the pandemic, Boston Saves and BPS staff agreed that participation should be emphasized over savings, as many families were experiencing trauma.

Future work will aim to replicate and strengthen these findings through refined measures, obtaining a larger survey sample size, and improved program-to-family communications. To date, this study represents the most extensive research on a CSA program among school age children living in a large US City. Given this, we suggest it has implications not only for the City of Boston and the state of Massachusetts but for the CSA field more broadly.

