

A “Save for College Program” Journey

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Working with parents to start saving early for their children’s education

The NYC Kids RISE Save for College Program is a scholarship and savings program that provides families, schools, and communities with a way to work together to save for their children’s college and career training futures, starting from their first days of kindergarten. The Save for College Program automatically opens an NYC Scholarship Account for every kindergartner in a participating NYC public school, unless their families choose not to participate. These families can then earn rewards for early engagement and saving, and their communities can contribute to these accounts to build wealth in their neighborhoods and demonstrate community-wide support for every child’s success.

Since the first cohort of students in the pilot school district (School District 30 in Western Queens) received their NYC Scholarship Accounts in March 2018, more than 50% of their families have begun taking steps to engage with the accounts, and about 15% have completed all three initial engagement and savings steps. NYC Kids RISE partnered with ideas42’s NYC Behavioral Design Center (BDC) to redesign the program’s online user experience and simplify the process of completing these steps. NYC Kids RISE plans to implement many of these design recommendations as it expands the program to eventually reach all 1.1 million NYC public school students.

Highlights

- ▶ NYC Kids RISE aims to help families save for college by a dual-pronged approach: giving a monetary incentive to begin saving and then steps to create their own savings account.
- ▶ Reducing barriers in the sign-up for savings account process can help more families complete all necessary steps.

Summary

Children with a college savings account are more than twice as likely to enroll in and graduate from college than those without.¹ The NYC Kids RISE Save for College Program aims to make college and career training more accessible and achievable for all NYC public school students—regardless of their family’s income or immigration status. NYC Kids RISE, a nonprofit organization, manages the Save for College Program in partnership with the NYC Department of Education and the City of New York. In addition to giving families a \$100 up-front scholarship in a 529 college savings plan account, that NYC Kids RISE automatically opens for the child, the program also encourages families to take initial steps (the “3 Building Blocks”) to start saving and planning financially for post-secondary education by offering immediate rewards as they take each step.

The first Building Block step is simple: registering online to “activate” their child’s NYC Scholarship Account. Once parents complete that step, up to \$25 more is deposited in their child’s account. To receive the second reward of up to \$25, families must open their own college savings account for the child—either a

¹ Elliott, W., III. (2013). Small-dollar children’s savings accounts and college outcomes (CSD Working Paper No. 13-05). St. Louis, MO: Washington University, Center for Social Development.

529 plan account or a bank account. Lastly, they receive a third reward of up to \$25 when they deposit at least \$5 in their new savings account. By opening their own account in addition to the NYC Scholarship Account, families in the program can watch the scholarship money and their savings grow together. Any scholarship money that is not used for the child's education by the time they turn 26 will go back to NYC Kids RISE to support future Save for College Program students. All the money in the savings account is the family's for educational expenses regardless of the child's path.

The incentives (rewards) are intended to motivate families to complete all three steps, and NYC Kids RISE and its partners provide information and support for families to complete these steps. NYC Kids RISE's data showed that nearly 50% of families had completed the first step by the end of the first school year, and 15% of families had finished all three steps by the end of the first school year. Most parents drop off at the second step: opening their own college savings account. Families who do not complete the second step forego the \$50 in rewards money they would receive for opening and depositing into that account, as well as any rewards in future phases of the program where families can earn even more scholarship money. Perhaps even more importantly, they miss out on the long-term benefits of having a college savings account and the growth of their funds over time.

Most of the families who complete the second step also go on to complete the third step by depositing money in the account. Consequently, we focused our energy on understanding the barriers that kept parents from completing the pivotal second step.²

Saving, step by step

To understand what challenges families face when completing the three steps, we went to the program's Savings Tracker online platform and tried to complete the steps ourselves. Next, we observed an NYC Kids RISE information and enrollment session, interviewed parents, and observed parents trying to complete the three steps on their own.

The Savings Tracker is a record-keeping software platform that manages the NYC Scholarship Accounts and enables a family to open and connect their own account. While the software has strong financial and data capabilities, it has user interface and user experience constraints.

We found that most of the families we spoke to intended to complete all three foundational steps but were hindered by a number of behavioral barriers. First, family members often gave up on completing one or more steps because they were unsure what to do next within the online platform. Second, many didn't realize it was up to them to take the next step, so they did not try to learn about or take that step. Finally, these families told us that opening an account is a big deal, so they wanted to understand their options before doing so. Importantly, NYC Kids RISE does not provide investment advice or tell families which account option (529 account or bank account) to choose as their designated college savings account. NYC Kids RISE provides information and resources about both options, and families have the opportunity to open the account that makes sense for them.

² This project aimed to develop ideas for redesign. It was not a research project or intended to generate generalizable knowledge.

To address most of these barriers, we redesigned the Save for College Program’s user experience. Our redesign aimed to:

1. Clarify the actionable steps families need to take
2. Make progress salient
3. Establish safeguards for families who drop off so they are more likely and able to resume
4. Reduce the number of steps and web pages families must navigate
5. Develop a mobile-friendly interface

We expect that redesigning the program’s user experience will help address many of the hassles parents face and help them maintain momentum to take full advantage of the program. A few design features in our recommended redesign include:

1. **Integrating a checklist** of the three main steps into the website’s user experience, which should help clarify actionable steps and make progress salient, increasing the likelihood that parents will complete all three steps.
2. **Giving users a “remind me later” option** throughout the process, which creates a safeguard for parents who are not able to (or do not want to) complete the process in one sitting. When selected, users can indicate when exactly they would like to be reminded, so the reminder is more likely to be timely.
3. **Creating a supportive step** within the process that replicates the one-on-one navigational support NYC Kids RISE currently provides. The step provides users with a checklist of the specific information they will need to open their own savings account and helps users navigate complex or confusing steps in the account-opening process, enabling families to more easily open the account of their choosing.

Parents’ substantive questions about opening an account present a larger barrier that will likely require multiple interventions. In order to address this and other barriers we identified, we provided NYC Kids RISE with four additional design ideas to modify their resources for parents, including peer-resource groups, structures for working with an organization that can provide investment advice, and ways to integrate program steps into actions parents already complete as part of their child’s education.

Incorporating new designs, and expanding

Since this redesign work began in late-2018, NYC Kids RISE has made continuous improvements to its online interface. For example, shortly after observing parents trying to complete the steps on their own, they updated part of the user experience to address challenges parents faced when navigating an introductory survey. Specifically, they made the “next” and “back” button more salient and incorporated a progress tracker. NYC Kids RISE is now working with the Savings Tracker software provider and website

developers to implement many more of our latest design recommendations, within the constraints of the software.

By helping to improve the user experience of this online college savings interface, the BDC aims to strengthen a program on its journey to empower many thousands of New York City families to save and plan for their children's education. As NYC Kids RISE implements these changes, we will learn more about the impact of the designs and better identify what kinds of further support families need to open their own college savings accounts to start—and continue—saving.

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