

AUROMA'S PROMISE

Children's Savings Account Program

**A Proposed Collaboration with
Operation Hope**





Aurora's Promise

Your City Believes In You

The City wishes to instill in its young people a belief in their capabilities and their future.



Start a Habit of Saving

The City will contribute \$50 to start a savings account for Aurora kindergarteners starting in the 2024-2025 school year with a hope that it will spur a habit of saving for future training and education.



What is a CSA?

Children's Savings Account (CSA) programs provide children and families with long-term savings or investment accounts and incentives to save for postsecondary education.

128+
CSA Programs in US

38
States

5,000,000
Children

ACCOUNT FEATURES



NO FEES



**NO IMPACT ON
BENEFITS**



**ONLINE ACCOUNT
ACCESS**



**DEDICATED
POSTSECONDARY
SAVINGS**



**VARIOUS DEPOSIT
METHODS**



**DEPOSIT ONLY
(EMERGENCY
WITHDRAWAL
AVAILABLE)**



x4
More likely to graduate



x3
More likely to attend college



Evidence

Increase post-secondary enrollment and completion

LMI students with savings of \$1-\$499 are 3 times more likely to attend college and 4 times more likely to graduate. (Elliott, William, 2013)

Reduce disparities in account holdings and savings

... [financial] inclusion is unequal. Among adolescents ages 12 to 17, only 40% of black adolescents and only 44% of adolescents from lower-income households have savings accounts. (Friedline, 2014; Friedline & Elliott, 2011)

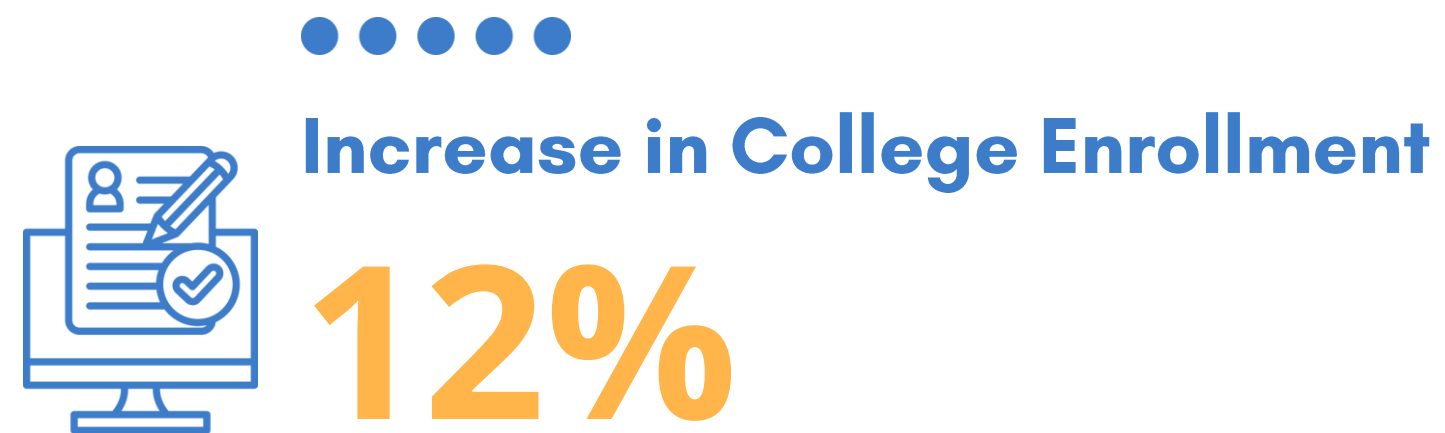
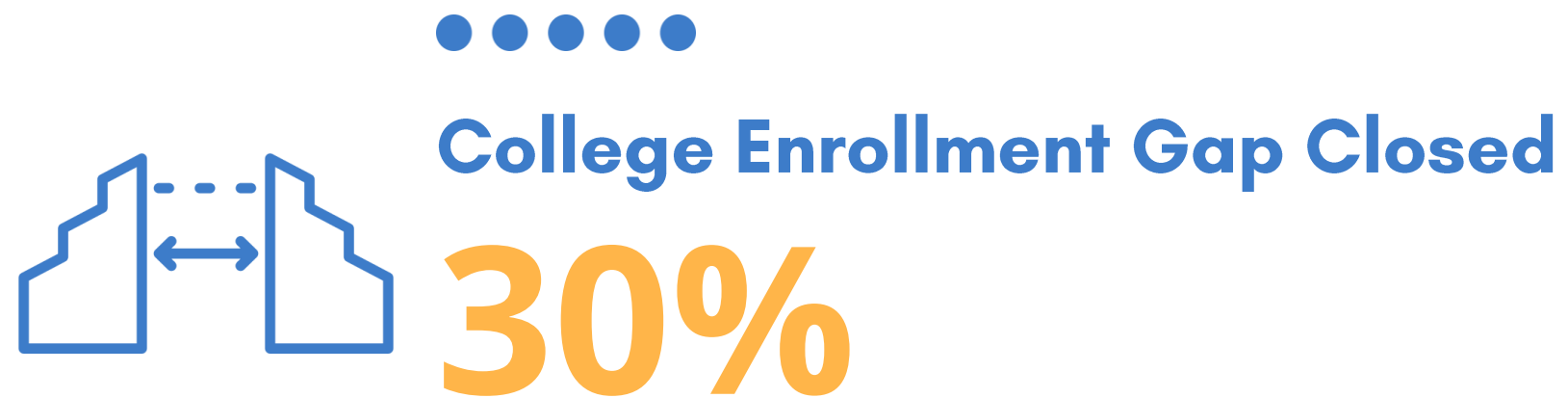
CSA program creates and funds savings accounts for all kids.

Increased parental educational expectations

CSA programming encourages and incentivizes a focus on preparation for postsecondary training and leads to increased participation and expectation from parents. (Hashmi, Jodut. 2015)

K2C San Francisco Findings

AMONG UNDERREPRESENTED STUDENTS



WHAT ABOUT 529 COLLEGE SAVINGS ACCOUNTS?

- Not available to ALL students
- CSA demonstrates stronger evidence for benefitting underrepresented students
- Cannot be set up as opt-out
- CSA funds can be transferred to 529



Operation Hope



Operation Hope's Mission

To expand economic opportunity, making free enterprise work for everyone.

Operation Hope's Statement on Why It Matters

Economic inequality, financial illiteracy, social injustice, inequitable access to capital and lack of financial dignity are real and systemic issues that have hindered the economic growth and opportunity for underserved individuals and small businesses for over 400 years in America.

We recognize these problems are systemic and complex and require innovative and collaborative solutions from a variety of partners in government, community, and the private sector.



Operation Hope's History & Initiatives Established 1992

- FINANCIAL LITERACY FOR ALL
- 1 MILLION BLACK BUSINESSES
- 1865 PROJECT (FREEDMAN'S BANK)
- CITY OF ATLANTA CHILD SAVINGS
- INVESTORS' BILL OF RIGHTS
- AMERICAN ASPIRATION TOUR
- AI ETHICS COUNCIL
- BUSINESS PLAN FOR AMERICA

Proposal

Operation Hope's proposal leverages their experience and infrastructure to expedite and strengthen the launch and implementation of Aurora's Promise.

Increased cost for year one for initial set-up, but more cost effective for future years.



PILOT & INCENTIVES

- Pilot starting w/ D129 & D131 Kindergartners
- Opt-In Initial Period
- Incentives:
 - **\$10** Activation
 - **\$20** for Students w/ *Free and Reduced Lunch*



Operation HOPE Proposed Budget

	Year 1	Year 2	Year 3
Personnel			
Staff Accountant	\$22,000.00	\$22,660.00	\$23,339.80
Manager	\$6,500.00	\$6,695.00	\$6,895.85
Youth Program Admin	\$8,600.00	\$8,858.00	\$9,123.74
Impact Reporting	\$3,500.00	\$3,605.00	\$3,713.15
Payroll Taxes & Benefits	\$9,744.00	\$10,036.32	\$10,337.41
TOTAL PERSONNEL	\$50,344.00	\$51,854.32	\$53,409.95
Non-Personnel			
Supplies and Licenses	\$9,372.00	\$9,372.00	\$9,372.00
Bank / Account Fees	\$5,628.00	\$5,628.00	\$5,628.00
Technology Fee	\$1,000.00	\$1,000.00	\$1,000.00
Travel	\$2,400.00	\$1,200.00	\$1,200.00
TOTAL NON-PERSONNEL	\$18,400.00	\$17,200.00	\$17,200.00
Admin @ 15%	\$10,311.60	\$10,358.15	\$10,591.49
Startup Fee	\$50,000.00		
Discount/Shared cost w/ Operation HOPE	(\$19,055.60)		
TOTAL EXPENSES	\$110,000.00	\$79,412.47	\$81,201.44
Note:	Pricing is based on 5 incentives and seed funding. The program's pricing model may need renegotiation as it grows.		

City Partnership

Roles and Responsibilities

Operation Hope will work closely with Community Services and Innovation & Strategy staff to implement technical assistance for outreach and engagement with schools and families.

Additional collaboration with FEC staff to develop incentives and ensure families are connected to financial counseling services and youth have access to financial literacy learning opportunities.





GE
WER

EAST SCHOOL

