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Development

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Inquiry.  
Innovation.  
Impact.

# Financial and Social Development Impacts of Child Development Accounts: Longitudinal Evidence from SEED OK

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**All Children Can Reach Their Potential: A CDA Conference**  
**July 16, 2020**



# SEED for Oklahoma Kids CDA Experiment

- Most rigorous CDA policy test built on the Oklahoma 529
- A random probability sample of the 2007 OK newborn population  
N = 2,704 (1,358 Treatments and 1,346 Controls)  
65% with household income < 200% federal poverty line
- Treatment:
  - Automatic state-owned CDA with a \$1,000 initial deposit
  - Offered a time-limited \$100 account-opening incentive and a savings match for individual OK 529 accounts
  - Half of the treatment group received a supplemental deposit (\$200 or \$600) in 2019

(Sherraden, 1991; Sherraden et al., 2015)



# SEED OK Research and Policy Experiment Goals

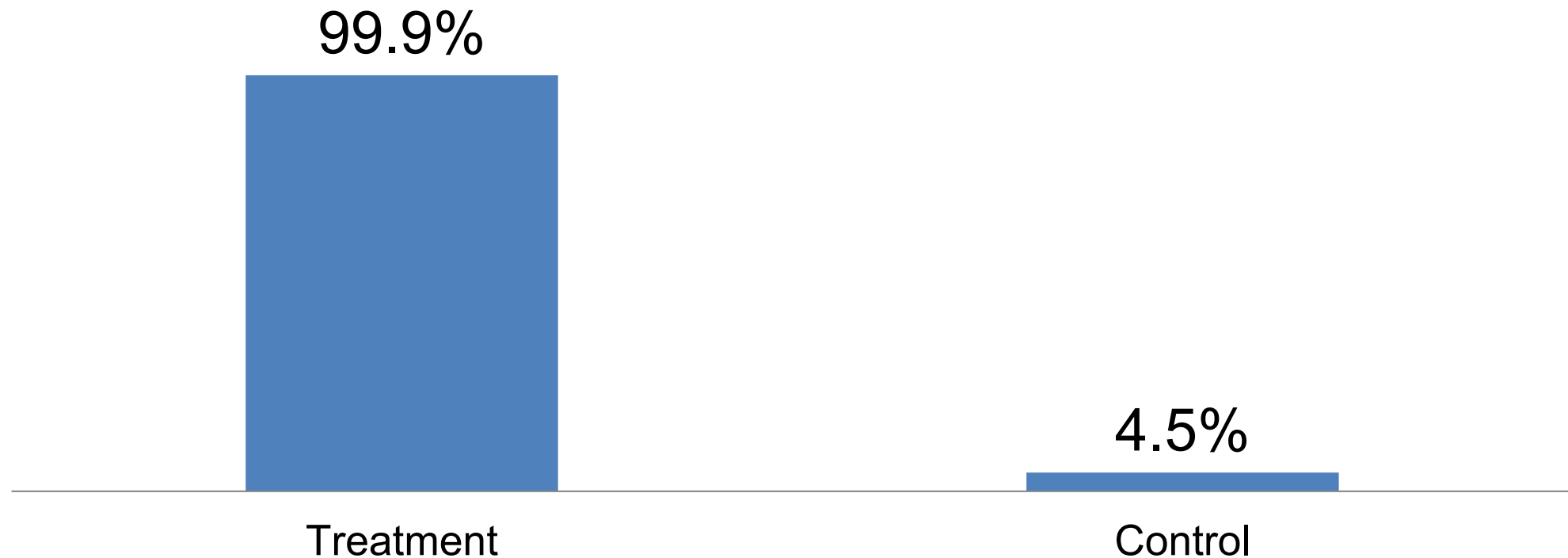
- Test a scalable and sustainable CDA policy model
- Assess financial and social development impacts of CDAs on children and families from various ethnic backgrounds (oversampling of Black, Hispanic, and American Indian mothers)

(Sherraden, Clancy, & Beverly, 2018)



# Treatment Children Much More Likely to Have OK 529 Assets

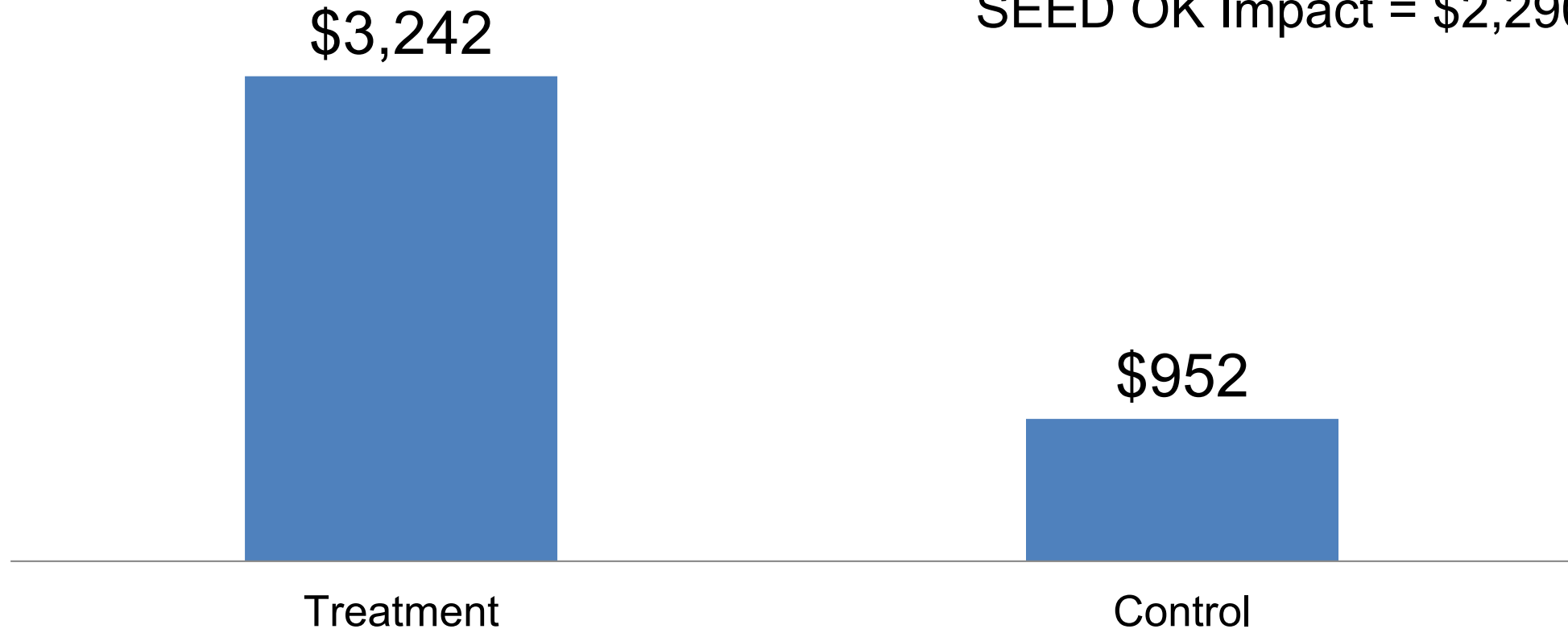
At Dec 31, 2019 (Age 12)  
SEED OK Impact = 95.4%





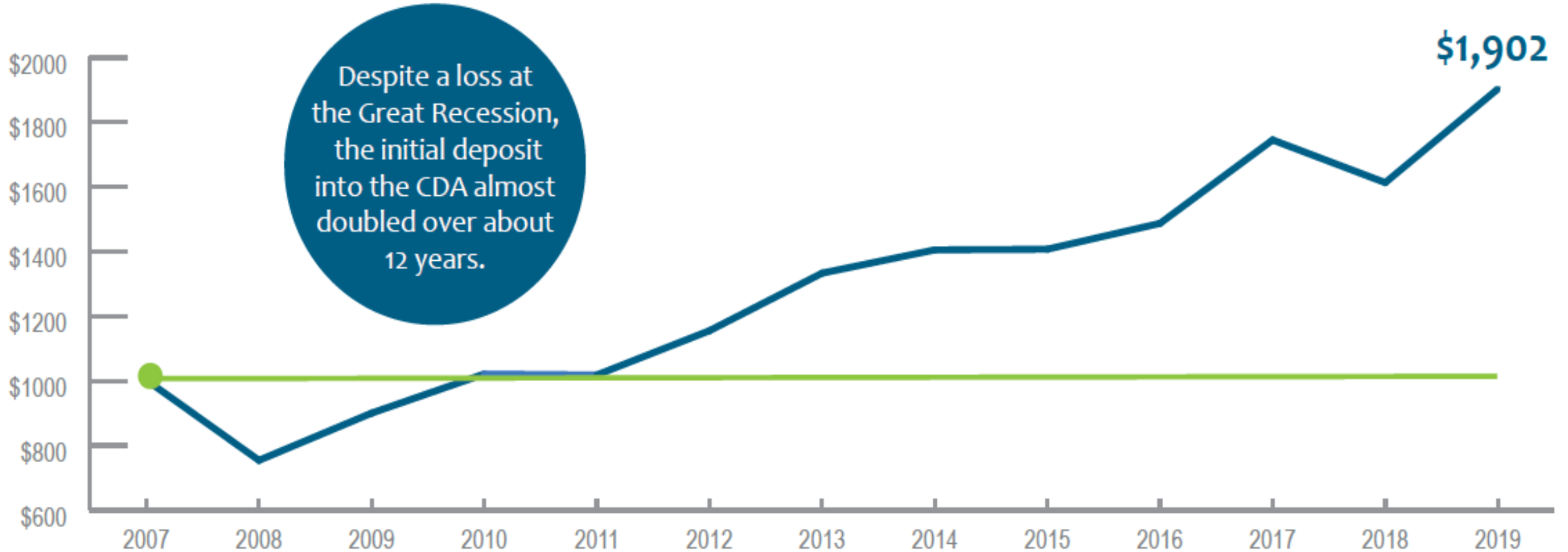
# Average OK 529 Assets Much Higher for Treatment Children

At Dec 31, 2019 (Age 12)  
SEED OK Impact = \$2,290





# Initial Deposit and Investment are Essential for Growth



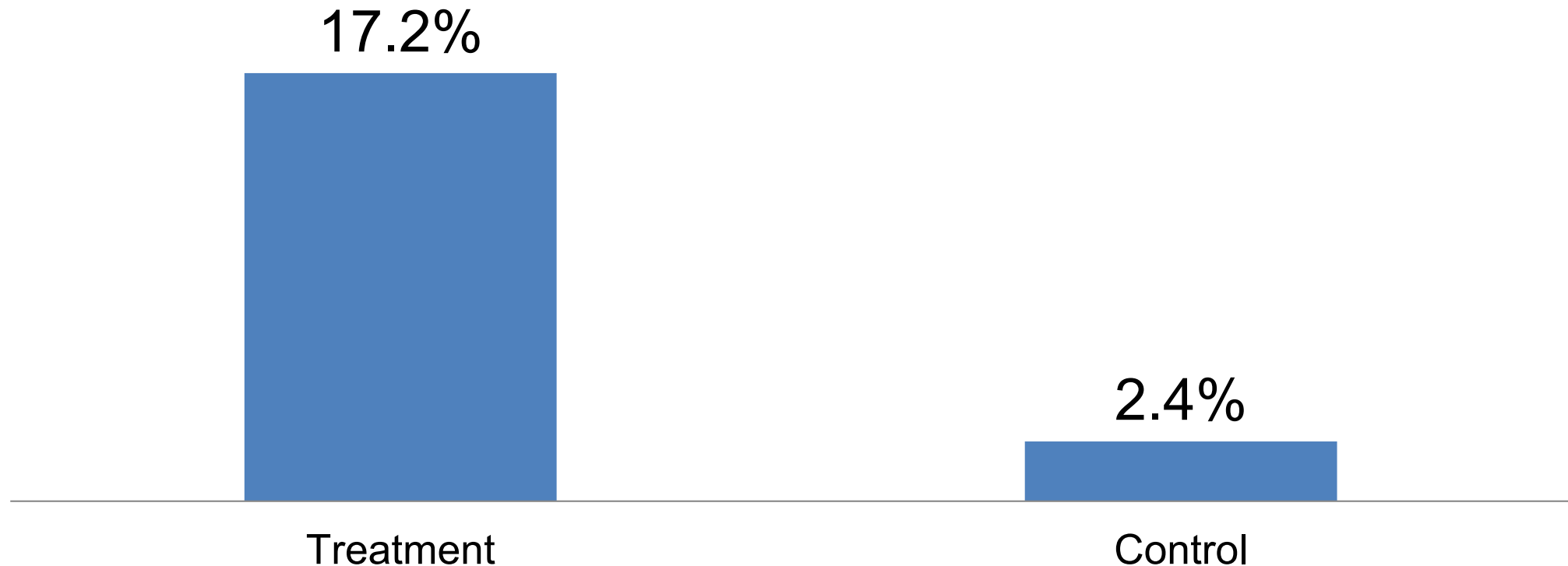
Investment Growth of the SEED for Oklahoma Kids CDA \$1,000 Initial Deposit: December 2007–December 2019

(Sherraden, Clancy, Huang, & Beverly, 2020)



# Treatment Children More Likely to Have Early Individual OK 529 Accounts

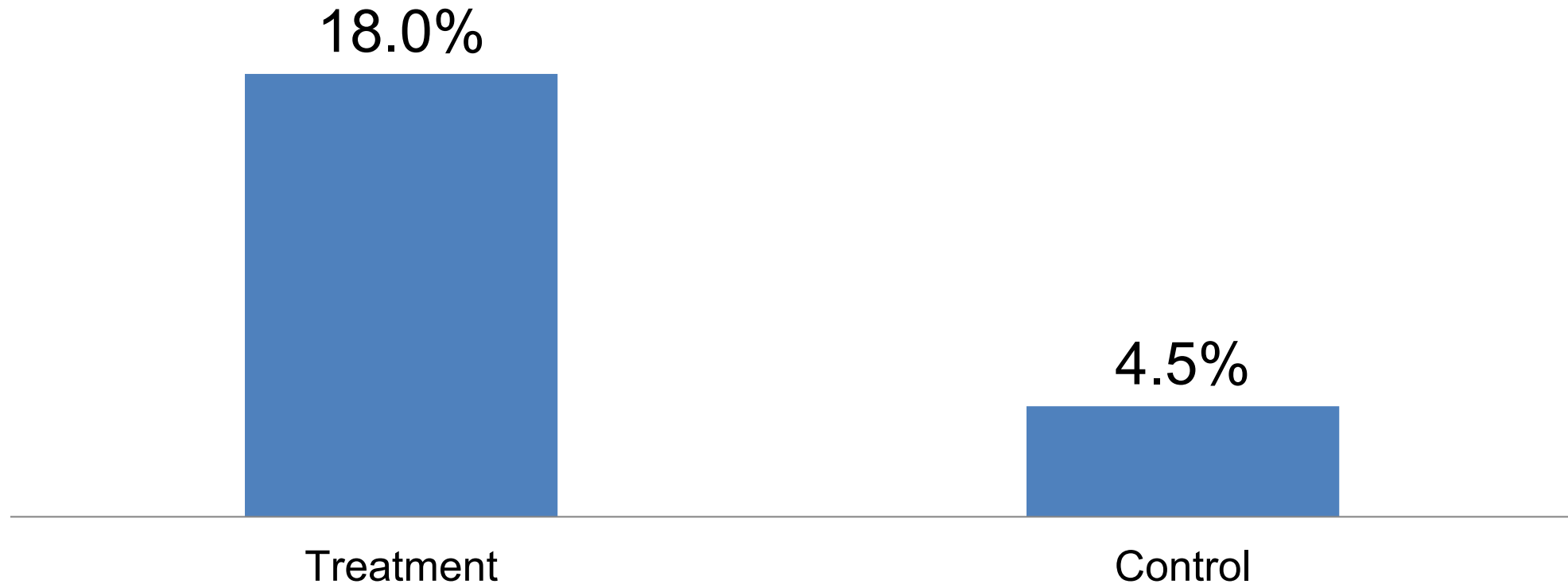
At Dec 31, 2009 (Age 2)  
SEED OK Impact = 14.8%





# Difference in Individual OK 529 Account Holding Persists

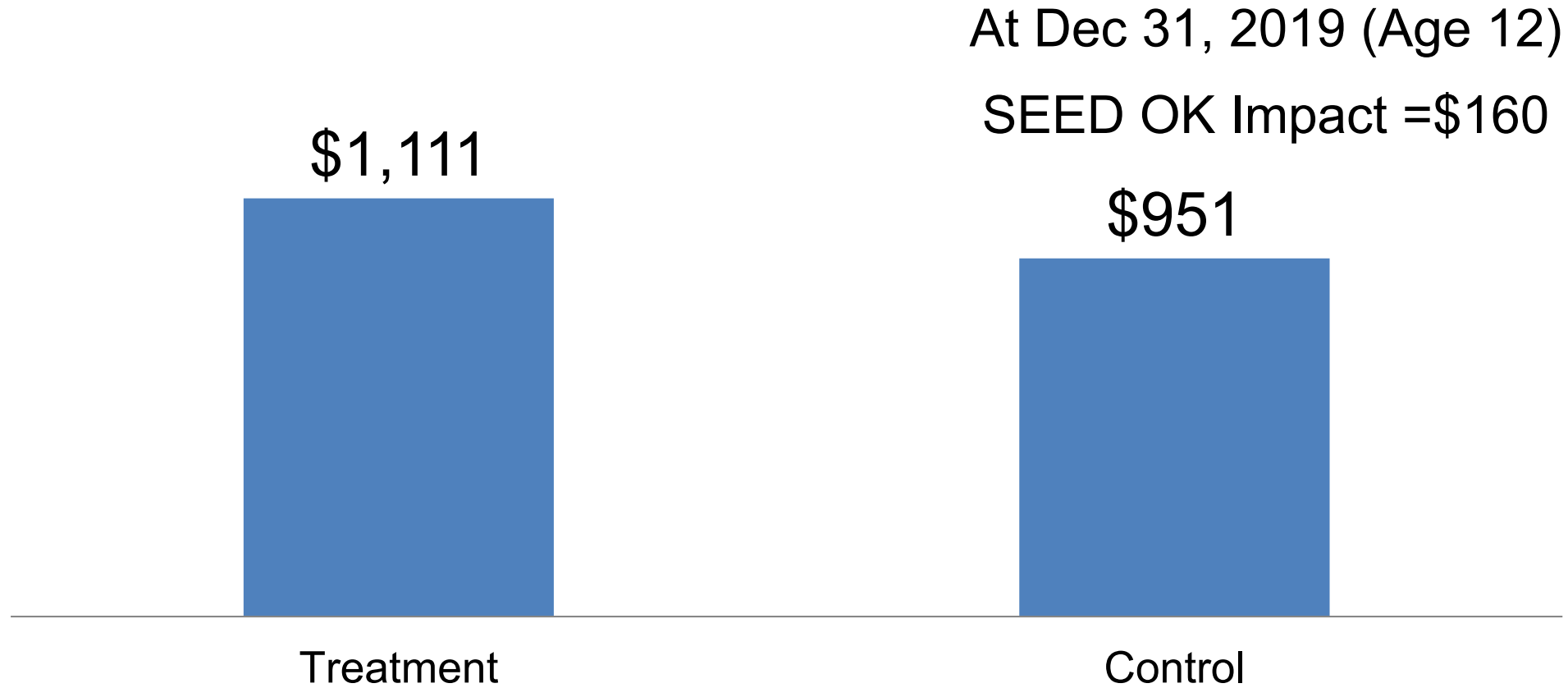
At Dec 31, 2019 (Age 12)  
SEED OK Impact = 13.5%







# Treatment Children Have More OK 529 Family Savings





# Family Savings for Treatment Children with Individual OK 529 Accounts

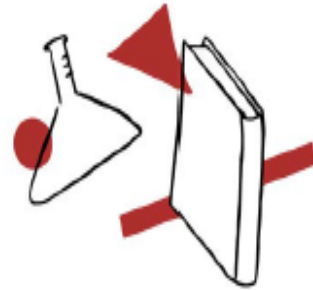
At Dec 31, 2019 (Age 12)

<b>Mean</b>	<b>\$6,173</b>
<b>Median</b>	<b>\$634</b>



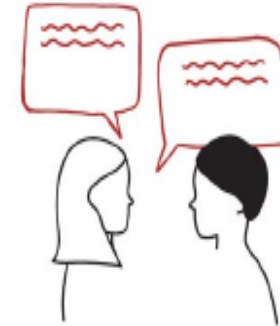
# SEED OK CDA Positive Social Development Effects

More positive  
parenting scores



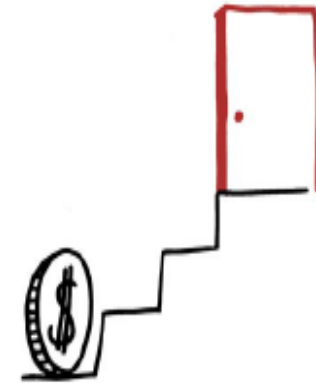
Higher  
educational  
expectations

Fewer maternal  
depressive symptoms



Better  
social-emotional  
development  
of children

Far more  
OK 529 assets



For some measures, the effects were greater for financially vulnerable families, often regardless of whether or not the family has saved.

(Kim et al, 2015; Huang, Sherraden, Purnell, 2014; Huang et al., 2019a, b; Huang et al., 2014)



# Policy Implications

- Adopt a universal CDA policy and automatically deposit funds at birth
- Include additional deposits, particularly for low-income children
- Focus first on building assets for all children, and second on improving individual savings
- Integrate CDAs with other services for the most vulnerable families

(Sherraden, Clancy, Huang, & Beverly, 2020)



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# Publications and Resources

<http://csd.wustl.edu/>

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