

Tracking Outcomes Over Time: Lessons from MI SEED

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MI-SEED Program

- In 2004, Michigan Head Start families were asked to open a state 529 college savings account (called MI-SEED).
- After opening a MI 529 account, 500 households were given an initial \$800 deposit, typically matched immediately with \$200 from the state for a total of \$1000.
- Participants were promised a 1-to-1 match for additional deposits, up to \$1,200 through the program's end in 2009.



These families faced multiple barriers

At baseline...

- 60% fell below the Federal Poverty Level (FPL)
- 85% were below 150% of FPL
- 65% had moderate or severe housing burdens (housing costs > 31% of gross income)
- About 22% reported food insufficiency
- 35% reported economic pressure
- 8% had two or more moves in the previous year



Investment Growth

- 2008 account average (\$1,483) Median (\$1,131)
- 2015 account average (\$2,119) Median (\$1,338)

2015 Account Summary

Fund	Avg	N	%
Principal Plus Interest	\$1,098	392	79
Moderate Age-Based	\$2,339	81	16
Global Equity Index	\$3,017	24	5
Aggressive Age-Based	\$3,696	6	1

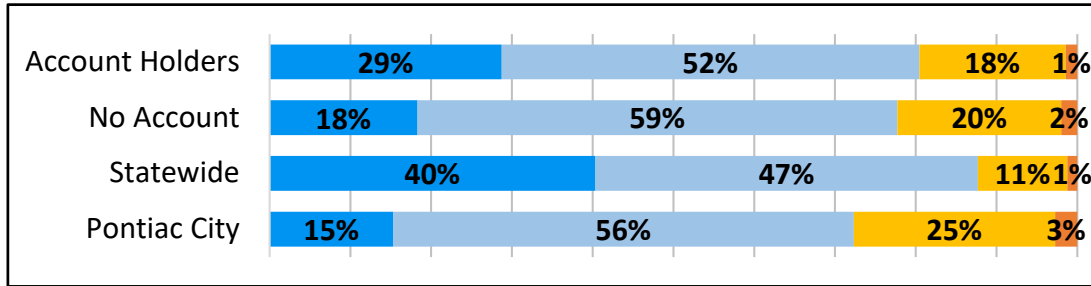


Reading Proficiency: Measured by MEAP (old cut scores)

Proficiency, Fall of 3rd Grade



1. Account Holders vs. Non-Account Holders (All)

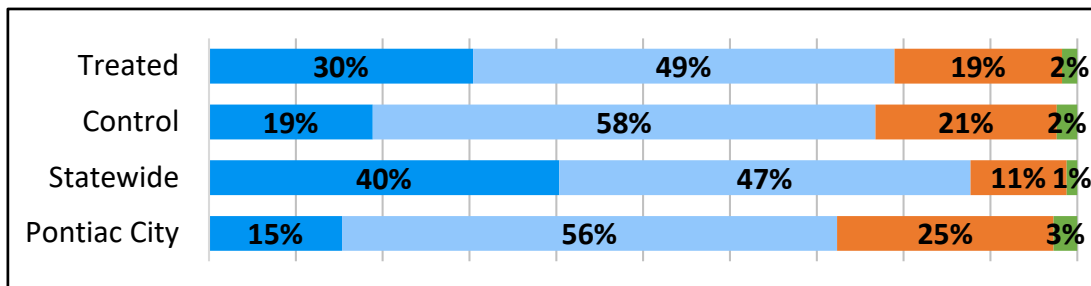


Regression: Effect on % Proficient (β) or Advanced (θ)

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Model	N	β	θ
Accounts only	752	.027	.104***
+ Econ. Dis.		.028	.104***
+ Econ. Dis. + SE		.034	.108***

2. Treated: Participants vs. Controls



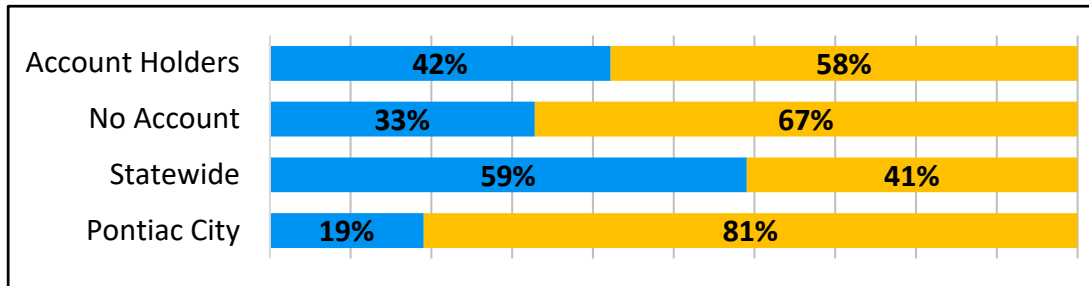
Model	N	β	θ
Treated only	468	.022	.116***
+ Econ. Dis.		.022	.116***
+ Econ. Dis. + SE		.028	.121***

Evidence-Based Reading and Writing: % Meeting Benchmark

College Readiness, Spring of 11th Grade

■ Met Benchmark
 ■ Did Not Meet

1. Account Holders vs. Non-Account Holders (All)

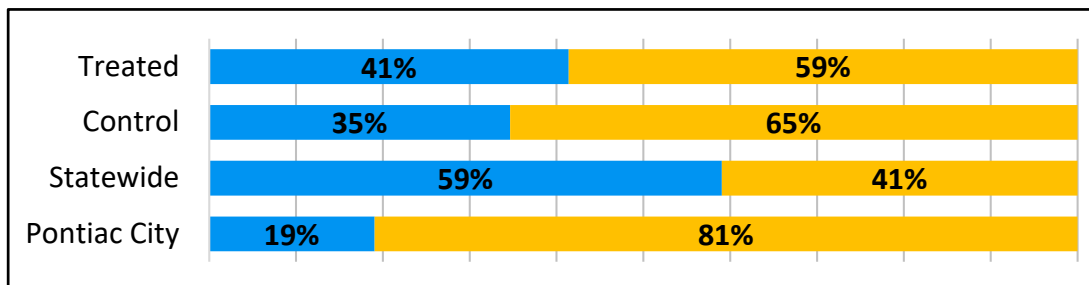


Regression: Effect on % Meeting Benchmark

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Model	N	β
Accounts only	529	.094**
+ Econ. Dis.		.090**
+ Econ. Dis. + SE		.092**

2. Treated: Participants vs. Controls



Model	N	β
Treated only	356	.068
+ Econ. Dis.		.070
+ Econ. Dis. + SE		.089*

Standardized Test Scores

3rd Grade Proficiency:

- MI-SEED account holders are more likely to exceed the proficiency cut-off on 3rd grade assessment tests in reading, with even better results among the economically disadvantaged.

6th Grade Proficiency:

- MI-SEED account holders more likely to be proficient in both reading and math on 6th grade assessment tests.

College Readiness:

- MI-SEED account holders also are more likely to meet 11th grade benchmarks on ERW assessments, again with better results among the economically disadvantaged.

Graduation Results, 2019

	Account Holders N=360	Non-Account Holders N=323	Pontiac Average	Statewide Average
Graduated or On Track	76.4%	76.8%	67.6%	81.4%
$\chi^2 = .014, df = 1, p < .904$				



Postsecondary Enrollment, 2018 Cohort

Account Holders, N=111	Non-Account Holders, N=131
12.6%	11.5%
$\chi^2 = .076, df = 1, p < .786$	



Qualified Withdrawals, as of September 2019

Individuals	Withdrawals	Average	Total
24	29	\$1,379	\$40,000

Non-Qualified Withdrawals, as of September 2019

Individuals	Withdrawals	Average	Total
42	47	\$1,313	\$61,723

Summary

- The accounts have grown over time in line with investment choices.
- MI-SEED account holders are more likely to be proficient on state standardized tests over time, especially in English.
- There are no differences between account holders and non-account holders in likelihood of graduating or being on track to graduate.
- MI-SEED account holders are beginning to enroll in post-secondary education and several have made qualified withdrawals for educational purposes.

Concluding Thoughts

- MI-SEED was established as a short-term intervention that had formal programming for only four years.
- Even with almost no contact outside of account statements since 2009, MI-SEED account holders seem to be doing better on standardized tests.
- More could be anticipated with intentional programming throughout schooling and collaboration with local partners.

For More Information

Visit MI-SEED Research web page:

<https://ssw.umich.edu/r/mi-seed>

