

CALIFORNIA EARLY WEALTH ACCOUNTS SYSTEM PLAN

Preliminary
Strategies

April 2025



The
BlackRock
Foundation

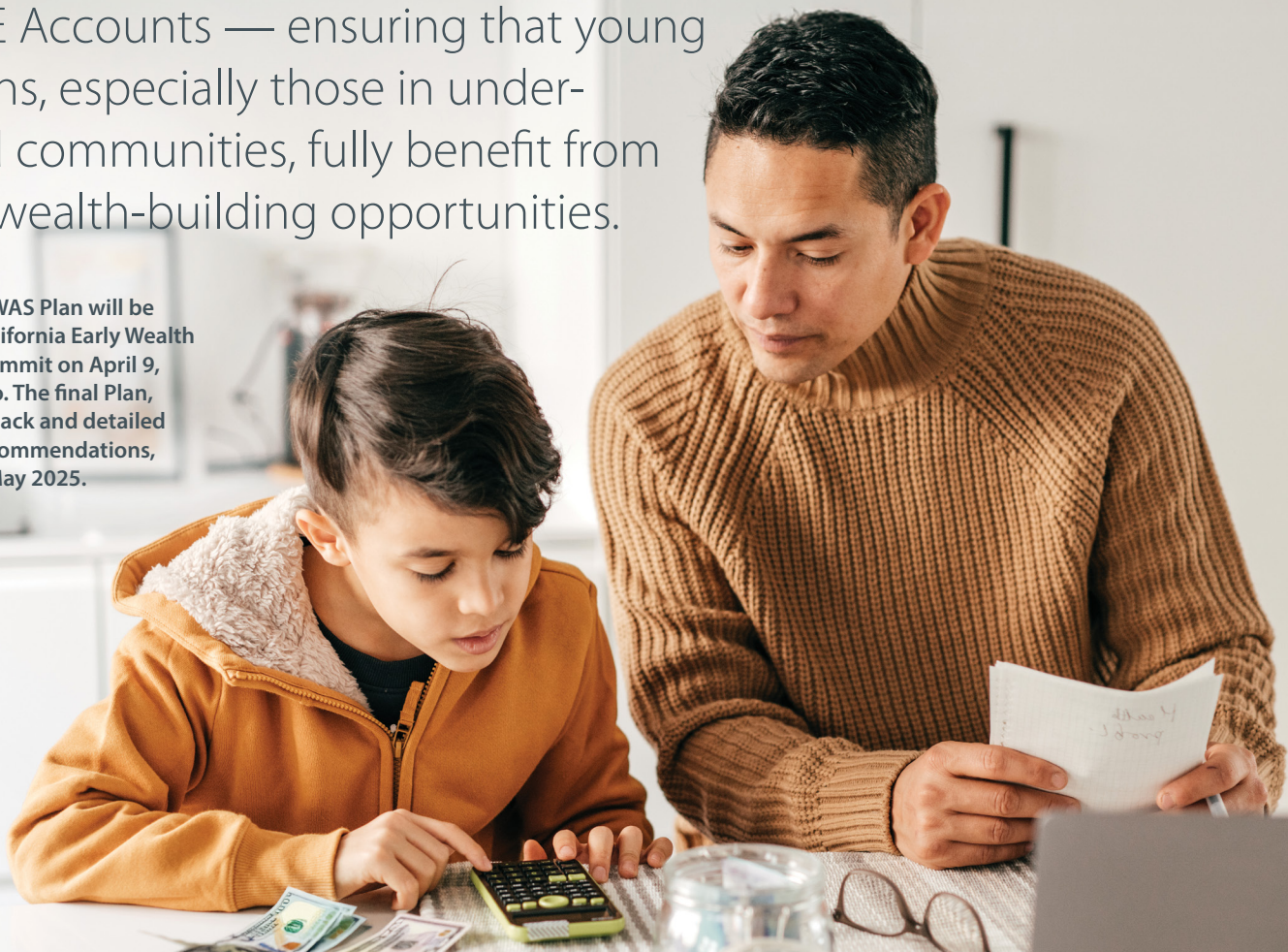
CALIFORNIA CHILD SAVINGS
ACCOUNT COALITION



UCLA CalKIDS
Institute

The California Early Wealth Accounts System (CEWAS) Plan aims to align public, nonprofit and philanthropic leaders around strategies to expand awareness, access and engagement in CalKIDS, local CSA programs and HOPE Accounts — ensuring that young Californians, especially those in under-resourced communities, fully benefit from available wealth-building opportunities.

The preliminary CEWAS Plan will be presented at the California Early Wealth Accounts System Summit on April 9, 2025, in Sacramento. The final Plan, incorporating feedback and detailed implementation recommendations, will be released in May 2025.



INTRODUCTION

Early wealth accounts — including Child Savings Accounts (CSAs), Child Trust Accounts, and Baby Bonds — are financial tools designed to help young people, particularly those from low-income backgrounds, build assets, develop a college-bound mindset, and foster hope for the future.

Research spanning three decades¹ demonstrates that even modest savings in a child's account can positively impact their educational, developmental, and economic outcomes.

California has been a leader in early wealth-building initiatives. The state hosts 15 locally operated CSA programs, the nation's largest state-run CSA program, and a forthcoming Child Trust Account program. These programs provide critical financial investments to support children's education and long-term financial security, with a focus on expanding opportunities for those from disadvantaged backgrounds.

¹ Elliott, W. (2024, Jan.). Assessing the evidence for Children's Savings Accounts (CSAs) as an effective strategy for improving children's postsecondary outcomes: The continuum of evidence of effectiveness. University of Michigan. Center on Assets, Education and Inclusion (AEDI).

ALIGNING CALIFORNIA'S EARLY WEALTH ACCOUNTS SYSTEM

When CalKIDS was created in 2019, 14 communities in California already operated CSA programs. When the HOPE Act was passed in 2022, it did not include a plan to align with CalKIDS or local CSAs. Consequently, many young people in California will soon have multiple early wealth accounts, but without clear guidance, they might not fully benefit from these investments.

To address this, leaders from CalKIDS, local CSA programs, and HOPE collaborated to develop a coordinated strategy: the California Early Wealth Accounts System (CEWAS) Plan. This plan aligns public, nonprofit and philanthropic leaders around key strategies to:

- Increase awareness, claiming, and engagement in these programs
- Ensure that children, particularly those from diverse and under-resourced communities, can easily access and use their funds

CaIKIDS

When CalKIDS launched in 2022 with an initial cohort of 3 million children, it single handedly more than tripled the size of the CSA field. The program provides:

- A \$100 seed deposit for every newborn in California
- A \$500 deposit for all low-income public school students
- Additional deposits into the accounts of children in foster care (\$500) and those who are homeless (\$500)

Enrollment is automatic, but families are encouraged to activate their accounts online and open linked 529 savings plans. Funds are designated for postsecondary education expenses.

Local CSA Programs

California is home to 15 active local CSA programs, including some of the oldest and most respected programs in the country. Operated by a mix of nonprofits, local governments, schools, and a credit union, these programs are diverse in their design but similar in their deep engagement with the families and focus on postsecondary education. They provide an initial “seed” deposit and many reward children with additional deposits for completing activities or reaching milestones.

HOPE Child Trust Accounts

Launching by 2026, the HOPE Program will establish trust accounts for:

- Low-income children who lost a parent or caregiver to COVID-19
- Children in foster care for over 18 months

The program aims to serve 58,000 children in its first year, with the goal of eventually supporting all children born into poverty in California. Upon turning 18, participants will receive an estimated \$4,500, with no restrictions on how funds are used. The state has allocated \$145 million toward this initiative.

A SYSTEMS APPROACH

01	Partnerships	04	Data
02	Communication	05	Technology
03	Account Balances	06	Funding

EARLY WEALTH IN CALIFORNIA

Overall

CalKIDS 4.98M kids = \$2.15B for college

Local 180k kids = \$26M for college

Funds withdrawn for postsecondary

CalKIDS 81.2K = \$43M
kids for college

Local CSA programs* = \$10M for college

* SFK2C and Oakland Promise

STRATEGIC PARTNERSHIPS

GOAL Partner with public agencies and community-based organizations (CBOs) to increase awareness of and engagement with early wealth accounts.



California's early wealth-building programs can only achieve their full impact if families are aware of them, understand their benefits and actively engage with them.

Local CSA program leaders have found that building trust and engagement often requires direct, personal outreach. Yet as the nation's most populous state, California faces a uniquely large challenge in reaching eligible families. Effective outreach therefore requires a multi-faceted approach that leverages trusted partners — public agencies and CBOs — who are already interacting with families and equipped to provide hands-on support.

The strategies in this section build upon lessons from CalKIDS' previous round of funding for local CSA partnerships as well as programs' current partnerships with state and local public agencies. We recommend expanding this work, while arming partners with data and communication tools and investing in building their capacity. Partnership strategies must be tailored to reach families at every stage, from newborns and young children to school-aged students and those in postsecondary education. Special attention should be given to reaching populations that face the greatest barriers to opportunity, including low-income students, homeless youth, and children in foster care.

STRATEGIES

1

Establish an Outreach and Engagement Grants Program to fund CBOs and local CSA programs for outreach, claiming support and engagement with capacity to work closely with the hardest to reach children, including those who are homeless, in foster care, native and immigrants.

2

Develop an Early Wealth Accounts Community of Practice to support CBOs, local CSAs and state agencies in cross-promoting CalKIDS, local CSA programs and HOPE Accounts.

3

Initiate or continue partnerships with state and local public agencies across the life cycle of children:

- Low-income families accessing the Departments of Social Services, Public Health and Beyond Covered California.
- Newborns and young children receiving services from County First 5 and birthing and pediatric hospitals.
- School-aged children in the K–12 public and charter school systems.
- Postsecondary students in the University of California, Cal State and community college systems.
- Children in foster care, homeless and COVID-bereaved children served by County and public schools.

4

Utilize the UCLA CalKIDS Institute as a research partner, helping build the evidence base, surface best practices and pilot new initiatives.

Above: Excite Credit Union with Sammy at the Alum Rock spelling bee.

Right: San Francisco K2C Graduate Thailayah at Anniversary Celebration.



COMMUNICATIONS

GOAL Document and share best practices for engaging families with their early wealth accounts and align messaging across programs and partner organizations.

California's early wealth accounts field has deep knowledge about communicating with children and families. Local CSA programs bring decades of experience, CalKIDS has tested messaging strategies and the HOPE program is guided by insights from expert community-based organizations and youth. The challenge now is to document and share these best practices while creating a framework for ongoing learning and adaptation. Furthermore, additional communications resources should be created that tailor messaging using different languages, images and platforms to reach different communities.



California's early wealth accounts system will be stronger if administrators and champions can adopt shared language and a core messaging framework. Doing so will allow outreach efforts for one program to also create greater understanding of other programs. While each program has unique features, aligning communication strategies will minimize confusion, enhance public understanding and boost participation.

STRATEGIES

1

Develop an online repository of marketing materials and dedicate funding for printing and dissemination to facilitate mass promotion by community-based organizations and public agencies.

2

Create a robust Early Wealth Accounts Communication Toolkit and technical assistance that includes tailored resources for different audiences.

3

Leverage the input of children, youth and families to inform the content and delivery of early wealth account communications.

4

Establish an Early Wealth Accounts Train-the-Trainer Program to certify community members and staff who support families in claiming and engaging with their early wealth accounts.

5

Integrate early wealth accounts awareness and claiming into state-mandated financial education for high school seniors which begins in the 2027–28 school year.

6

Mail annual statements to CalKIDS families with information about the program and their account balances.

Above: Presenter at Semillitas CSA outreach event in Santa Cruz, CA.



EXPAND ACCOUNTS & BALANCES

GOAL

Maximize the number of children with early wealth accounts and increase the funds available in those accounts.



Every child can benefit from knowing they have money set aside for their future. Having an early wealth account — funded through public and philanthropic investment — can be transformative for children from low-income and disadvantaged backgrounds. While research has shown that even modest amounts in these accounts are impactful, clearly larger sums make bigger investments possible.

Expanding accounts and balances requires ensuring that all eligible young people receive them, efficiently correcting enrollment errors when those occur. Encouraging community groups, businesses, and philanthropic organizations to contribute to CalKIDS, local CSA, or HOPE accounts can further increase account balances. Additionally, for families who are able to save, opening linked savings accounts and making deposits should be as simple and accessible as possible.

STRATEGIES

1

Design and implement a CalKIDS appeals process/correction procedure for use when a child who should be eligible for CalKIDS does not have an account and align the California state budget allocation for CalKIDS seed funding to include all eligible children.

2

Fully fund CalKIDS \$500 bonus contributions for students in grades 1–12 who are newly identified as in foster care. Identify eligible students on an annual basis per AB2508.

3

Develop a Community Contributions Program to encourage community groups — such as civic organizations, PTAs, businesses and religious groups — to raise money to add to the CalKIDS, local CSA and HOPE accounts of children in their community, thus growing balances and showing young people their communities believe in them.

4

Explore migrating local CSA accounts onto the CalKIDS platform where the local program is interested in doing so.

5

Develop a system for opening new CalKIDS accounts to facilitate Community Contributions and local CSA program migration.

6

Support family savings by developing a mechanism for making cash deposits into family-owned ScholarShare 529 Plans and simplifying the application process for opening and linking a family-owned 529 account.

7

Ensure an adequate HOPE investment strategy to meet program goals.

Above: San Francisco K2C Deposit Day at Citibank.

GOAL Leverage participant data to improve outreach and engagement.



Automatically created early wealth accounts rely on external data sources to uniquely identify each child.

CalKIDS, for example, uses information from the California Department of Public Health and the California Department of Education, while most local CSA programs depend on County Vital Records Agencies or local school districts. However, challenges with these data sources can lead to errors in eligibility, missing accounts, or incomplete contributions.

To effectively inform families about their accounts, assist them in claiming funds, or facilitate disbursements, it is critical to have accurate participant data — especially for the most under-resourced children, youth and families, who may face additional barriers to engagement. Strengthening data-sharing processes, while maintaining strict privacy and security standards, will allow for more effective outreach and ensure that every eligible child can fully benefit from their early wealth accounts.

STRATEGIES

1

Publish aggregate CalKIDS data by school and district online, including accounts established, claimed and disbursed.

2

Partner with the California Cradle-to-Career Data System (C2C) and the California Student Aid Commission (CSAC) to incorporate student-level data on CalKIDS and HOPE eligibility, claiming and disbursement so that is available to families and schools.

3

Encourage local districts to use their own data for outreach to CalKIDS and HOPE eligible students until CDE data can be shared.

4

Improve the accuracy of Local Control Funding Formula (LCFF) student-level data collected by schools to ensure all eligible students receive CalKIDS accounts, as this data from the CDE is used for account creation.

5

Leverage Riverside Unified School District's success in establishing clear data-sharing protocols with CDE, and supportive legislation to facilitate identifying which students to engage.

Above: The UCLA CalKIDS Institute participates in the Academic Advancement Program (AAP) Open House, introducing students to the program and assisting them in claiming their accounts.



TECHNOLOGY

GOAL Improve usage and engagement through improved web and mobile accessibility, simplified sign-on methods, and streamlined portal design.



California's early wealth-building programs operate through separate technological systems, creating barriers for families trying to access and manage their accounts.

Many eligible families face challenges with complex registration processes, limited mobile access, and fragmented login systems across CalkIDS and local CSA accounts. The addition of family-owned 529 Plans and future HOPE accounts further complicates the experience.

Modernizing these platforms with user-centered design principles can significantly improve account activation and engagement, particularly for underserved communities facing barriers related to technology access, language, and digital literacy. Creating seamless, intuitive interfaces, especially on shared platforms, will enhance the immediate user experience and establish a strong foundation for California's early wealth account programs to grow and evolve together in the future.

STRATEGIES

1

Provide direct links to all early wealth account programs on organization websites and mobile platforms by adding a standardized module or footer.

2

Improve mobile responsiveness across all platforms, ensuring CalkIDS and local CSA interfaces work seamlessly on smartphones and tablets, with simplified form factors and optimized data entry for mobile.

3

Improve text messaging platform embedded in CalkIDS and some local CSA programs.

4

Allow phone numbers to be used for sign in verification after the early wealth account has been claimed.

Above: UCLA CalkIDS Institute participates in the annual Freshmen Transfer Summer Program hosted by the Academic Advancement Program (AAP), designed to support underrepresented incoming students at UCLA.



IMPLEMENTATION & FUNDING

GOAL Secure and deploy new state and philanthropic resources to implement the California Early Wealth Accounts System Plan over a three-year period.



The CEWAS Plan envisions raising new public and philanthropic resources to align and promote early wealth account programs in California. Philanthropic dollars will increase the impact of \$2.2 billion already invested in children's accounts and catalyze adoption of strategies that inform national early wealth account policy.

The final CEWAS Plan, forthcoming in May 2025, will include for each CEWAS strategy a discussion of the current context, implementation guidance, indicators of impact, leadership, cost and timing. This will be critical to raising the public and private resources required to realize the full benefit to our children of California's early wealth accounts system.

STRATEGIES

1

Secure personnel to lead CEWAS Plan implementation, fundraising, grantmaking and evaluation.

2

Establish a Donor-Advised Fund to manage philanthropic contributions.

3

Raise private funding through individual, corporate and philanthropic contributions.

4

Implement a grantmaking program to fund the strategies of the CEWAS Plan that require philanthropic investment.

5

Secure state budget enhancements and regulatory and/or legislative changes needed to implement the CEWAS Plan.



PLAN SUMMARY

Strategy Recommendation

		NEW Public funding	Philanthropic funding	May require legislation	State Treasurer's Office	CEWAS Initiative	CBO(s) or Vendor	CaKIDS Institute at UCLA	Achievable within 12 months	Achievable over 2-3 years
01	Strategic Partnerships									
1	Outreach & Engagement Grant Program		✓			✓	✓		✓	
2	Community(s) of Practice		✓			✓	✓	✓	✓	
3	Partnerships with public agencies	✓			✓				✓	✓
4	UCLA CaKIDS Institute	✓	✓				✓		✓	✓
02	Communications									
1	Marketing materials		✓		✓	✓	✓		✓	
2	Communications toolkit & technical assistance		✓		✓	✓	✓			✓
3	Input from children, youth and families		✓			✓	✓		✓	✓
4	Train the Trainer Program		✓			✓		✓	✓	✓
5	Integrated into state-mandated financial ed.				✓					✓
6	Mail annual CaKIDS statement	✓			✓					
03	Expand Accounts & Balances									
1	CaKIDS appeals process & new account funding	✓		✓	✓					✓
2	Fund CaKIDS & foster care bonuses	✓		✓	✓					✓
3	Community Contributions Program		✓		✓	✓	✓			✓
4	Explore migrating local CSA programs to CaKIDS		✓		✓	✓	✓		✓	
5	Open new CaKIDS accounts with outside funding		✓	✓	✓	✓	✓		✓	
6	Enable cash deposits into ScholarShare 529		✓	✓	✓	✓	✓			✓
04	Data									
1	Publish aggregate CaKIDS data by school and district				✓			✓	✓	
2	C2C Data System and CSAC for data sharing				✓			✓	✓	✓
3	Use local school district data for outreach						✓	✓	✓	
4	Improve Local Control Funding Formula (LCFF) data							✓	✓	
5	Establish clear data sharing protocols			✓	✓			✓		✓
05	Technology									
1	Direct links to early wealth accounts		✓		✓		✓			✓
2	Improve mobile responsiveness		✓		✓		✓		✓	
3	Improve text messaging platform		✓		✓		✓		✓	
4	Allow phone numbers for sign in		✓		✓		✓		✓	
06	Implementation & Funding									
1	CEWAS management, fundraising, grantmaking & evaluation		✓			✓			✓	
2	Establish a Donor Advised Fund		✓			✓			✓	
3	Raise private funding		✓			✓			✓	✓
4	Implement grantmaking program		✓			✓			✓	✓
5	Budget & legislative advocacy		✓			✓	✓		✓	✓

THANK YOU

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- **Patrice Berry**, Policy Director, End Poverty in California (EPIC)

PLAN WRITERS

- **Amanda Feinstein**, Director, California Child Savings Account Coalition
- **Madeline Smith-Gibbs**, Consultant
- **Susan Mernit**, Consultant
- **Dr. Mark Hansen**, Faculty Advisor, CalkIDS Institute at UCLA

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Below: Oakland Promise scholarship recipients celebrating at the 2024 Awards Ceremony.



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