Dear Fellow Pennsylvanians:

Research has demonstrated that children with education savings, even a modest sum, are three times more likely to enroll in post-secondary education. And they are four times more likely to graduate.

That’s what makes our groundbreaking Keystone Scholars program so important. Passed by the General Assembly in 2018 with strong bipartisan support and signed into law by Governor Tom Wolf, Keystone Scholars has become a national model in Child Development Account (CDA) programs.

Initially launched as a demonstration project in 2018, Keystone Scholars has now been operational for two years as a statewide program. This program offers a $100 starter deposit to every baby born to a Pennsylvania family on or after January 1, 2019, including subsequently adopted children. The $100 starter deposit grows alongside the child through investments managed by Treasury, and can be used after the child’s 18th birthday to help with tuition, fees, and other expenses at a qualifying postsecondary education institution – including four-year universities, community colleges, technical schools, and some apprenticeship programs.

Keystone Scholars is a great way to help encourage families to start saving on their own as soon as possible for their child’s future. Families can always add more funds to their child’s 529 account – in fact, nearly 20% of Keystone Scholars families who registered their accounts have opened and linked their own PA 529 account. These families have already saved almost $11 million for future education expenses.

No taxpayer dollars are used to fund Keystone Scholars. Funds for this program come from PA 529 Guaranteed Savings Plan surplus investment earnings. As of December 31, 2020, the Guaranteed Savings Plan (GSP) fund had an actuarial status of 134.88%. Philanthropic donations from the Neubauer Family Foundation, Henry L. Hillman Foundation, Richard King Mellon Foundation, and the Heinz Endowments fund the new Bright Future Booster targeted deposits.

As we gain experience with Keystone Scholars and start to see its positive impact on savings behaviors, we can see that this program will have long-term benefits for our Commonwealth. We can all be proud of this program – the first of its kind in the nation.

Thank you for taking some time to review this Annual Report, and please help us spread the word about Keystone Scholars. You can learn more at www.pa529.com/keystone.

Sincerely,

Stacy Garrity
Pennsylvania State Treasurer
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PROGRAM OVERVIEW.

Keystone Scholars is Pennsylvania’s statewide Child Development Account (CDA) program, administered by Pennsylvania Treasury. It provides a $100 starter deposit for higher education to every Pennsylvania child at birth. For every child born in 2019 or after to a Pennsylvania resident, a Keystone Scholars account is created and funded within a pooled omnibus account within the Pennsylvania 529 College and Career Savings Program (PA 529).

Research shows that a child with even a modest amount of higher education savings is three times more likely to continue on to a 2- or 4-year college and four times more likely to graduate. Keystone Scholars sets the expectation at birth for every child in Pennsylvania to pursue some form of postsecondary education or training, and it encourages families to start saving on their own early. The starter deposit and its earnings can be used on qualified expenses at any type of postsecondary institution, both in and outside the state.

Pennsylvania Treasury administers Keystone Scholars using surplus earnings from the PA 529 Guaranteed Savings Plan (GSP) Fund as well as philanthropic donations, and as a result, it uses no taxpayer funds.

Keystone Scholars was first piloted as an opt-in program in six counties in 2018. By the end of 2019, after the one-year claim window had closed for the last eligible pilot babies of 2018, the total claim (opt-in) rate was more than 19 percent, which exceeded expectations based on the claim rate of other states in similar project stages. An external evaluation found that families in pilot counties were twice as likely to open a PA 529 account within the first year of their child’s life than families in non-pilot counties. For a full report on the Keystone Scholars Demonstration Project, go to: https://pa529.com/keystone/pdf/Pilot-Results-Report.pdf.

Act 42 of 2018 was passed by the General Assembly and signed into law by Governor Wolf on June 22, 2018. Effective on January 1, 2019, the Act established Keystone Scholars as a universal program providing a $100 starter deposit for higher education to every baby in the Commonwealth. The program is “opt-out”, meaning all children automatically receive the starter deposit without the need for parents to take action. As a result, Pennsylvania became the first state in the country to legislate a universal, automatic, opt-out child savings account at birth. It is also the country’s largest CDA currently in operation.

The swift passage of the Keystone Scholars legislation championed by Senator John Gordner, Senator Vincent Hughes, and former Representative Bernard O’Neill, as well as its considerable bipartisan support, is a testament to the effectiveness of the early research and outreach that went into launching the pilot. The Keystone Scholars statute provides for implementation of all ten key CDA design elements recommended by experts and it has been held up as a model which other states have since emulated.

Act 42 charged the Pennsylvania Treasury Department (Treasury) with administering Keystone Scholars. Treasury’s Bureau of Savings Programs operates Keystone Scholars while its investment advisors and asset managers oversee assets as part of the GSP. VistaShare, LLC and Ascensus College Savings Recordkeeping Services, LLC perform record-keeping functions for Keystone Scholars.

Families are notified of the program by mail 4-6 months after their child’s birth. When new parents receive the letter in the mail from Treasury telling them about Keystone Scholars, they are encouraged to “register,” or sign-up for online access to view their child’s account. They are also encouraged to open their own individual PA 529 account in order to start saving for their child’s future as early as possible. They are also provided an opportunity to remove their child from participation.

---

1 The terms “Child Development Account” (CDA), and “Children’s Savings Account” (CSA), are often used interchangeably. Pennsylvania Treasury favors the use of “CDA,” initially coined by researchers at the Center for Social Development at Washington University in St. Louis, because it alludes to the greater social and emotional development benefits that the accounts contribute to, beyond simply increasing savings or assets.

2 Includes babies born on or after January 1, 2019 who are adopted by PA residents.


FUNDING STATUS.

The Guaranteed Savings Plan (GSP) Fund is the statutorily created special fund that holds all PA 529 GSP plan assets which are invested by Treasury. According to the Keystone Scholars statute in Act 42, starter deposits may be funded from surplus earnings on the GSP Fund when the Fund assets exceed 110% of its actuarially determined liabilities. The actuarial reserve at the end of a fiscal year (June 30) is used to determine whether the program can be funded for the following calendar year.

The actuarial status is a projection of the plan's ability to meet the obligations that existed as of a certain date as they come due in the future and assumes no new contributions are received. The funding status based on actuarial calculations as of June 30, 2020 was 127.3%, allowing for Keystone Scholars deposits to be made in 2021.

As of December 31, 2020, the PA 529 GSP Fund was 134.88% funded, which is 4.46% higher than the December 31, 2019 funded ratio of 130.42%. This marks the seventh consecutive year that the GSP Fund was more than 100% funded at December 31.

Following is the actuary's letter confirming the GSP Fund's reserve as of 12/31/2020.
January 14, 2021

The Honorable Joseph M. Torsella  
Treasurer, Commonwealth of Pennsylvania  
State Finance Building, Room 129  
Harrisburg, PA  17120

Dear Treasurer Torsella:

We have completed our calculation of the actuarial reserve for the Pennsylvania Tuition Account Program as of December 31, 2020 the actuarial reserve is $595,078,079 or 34.88% of liabilities. This amount is comprised of the following:

- Value of cash, investments and future revenue: $2,301,326,538
- Actuarial value of future benefits and expenses: $1,706,248,459
- Actuarial reserve (excess of assets over payouts): $ 595,078,079

These results are based on assumptions used at June 30, 2020.

For comparison purposes, the corresponding amounts from June 30, 2020 were actuarial value of future benefits and expenses $1,693,346,063, value of assets plus future revenues $2,155,690,451, an actuarial reserve of $462,344,388 and a ratio of 27.30% of liabilities.

We appreciate the opportunity to serve the Commonwealth of Pennsylvania. Any questions about the report should be directed to me at (770) 752-5656.

Very truly yours,

John Condo, FSA, MAAA
THE WIDEST-REACHING CDA IN THE COUNTRY.

The total number of Keystone Scholars accounts created and funded with families notified as of December 31, 2020 was 221,453. Each year, there are approximately 135,000 births in Pennsylvania, which makes the automatic, universal Keystone Scholars program the largest CDA currently in operation in the country, and which accounts for a large proportion of all accounts nationwide. Birth and adoption data is received at a several month lag from the Pennsylvania Department of Health, thus this number represents accounts created for births and adoptions through the end of August 2020. As of December 31, 2020, only thirty-two families had opted not to participate.

The program’s initial contact with all families is via mail. This letter, as well as all marketing and outreach through partners, encourages families to register their account online. Registration notifies Treasury that families are aware of their account, and allows Treasury to further communicate with them via email. As of December 31, 2020, 23,792 or 10.74% of eligible families have registered for online access to their child’s $100 starter deposit. These numbers compared to December 31, 2019 data are displayed in the chart below.

<table>
<thead>
<tr>
<th></th>
<th>12/31/2020</th>
<th>12/31/2019</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Accounts Funded</td>
<td>221,453</td>
<td>88,094</td>
<td>151.38%</td>
</tr>
<tr>
<td>Total Registered</td>
<td>23,792</td>
<td>8,512</td>
<td>179.51%</td>
</tr>
<tr>
<td>Percent Registered</td>
<td>10.74%</td>
<td>9.66%</td>
<td>11.18%</td>
</tr>
</tbody>
</table>

Of the 23,792 families that have registered their Keystone Scholars account, 4,699 or 19.75% have also linked to a PA 529 account and contributed almost $11 million in savings for their child’s education.

The number of registrations and percent of total accounts registered by county is below.

<table>
<thead>
<tr>
<th>County</th>
<th>Registrations</th>
<th>Percent Registered</th>
<th>Registrations</th>
<th>Percent Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>168</td>
<td>10.82%</td>
<td>51</td>
<td>8.57%</td>
</tr>
<tr>
<td>Allegheny</td>
<td>3048</td>
<td>14.46%</td>
<td>1040</td>
<td>12.64%</td>
</tr>
<tr>
<td>Armstrong</td>
<td>90</td>
<td>8.82%</td>
<td>39</td>
<td>9.39%</td>
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<tr>
<td>Beaver</td>
<td>257</td>
<td>10.19%</td>
<td>99</td>
<td>10.05%</td>
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<tr>
<td>Bedford</td>
<td>71</td>
<td>9.44%</td>
<td>23</td>
<td>8.81%</td>
</tr>
<tr>
<td>Berks</td>
<td>649</td>
<td>8.50%</td>
<td>230</td>
<td>7.66%</td>
</tr>
<tr>
<td>Blair</td>
<td>190</td>
<td>9.51%</td>
<td>68</td>
<td>8.96%</td>
</tr>
<tr>
<td>Bradford</td>
<td>80</td>
<td>7.64%</td>
<td>29</td>
<td>7.32%</td>
</tr>
<tr>
<td>Butler</td>
<td>1065</td>
<td>11.45%</td>
<td>392</td>
<td>10.74%</td>
</tr>
<tr>
<td>Cambria</td>
<td>384</td>
<td>13.82%</td>
<td>126</td>
<td>12.17%</td>
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<tr>
<td>Cameron</td>
<td>195</td>
<td>9.66%</td>
<td>81</td>
<td>9.87%</td>
</tr>
<tr>
<td>Carbon</td>
<td>3</td>
<td>6.98%</td>
<td>1</td>
<td>6.67%</td>
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9
## County Registrations Percent Registered Registrations Percent Registered

<table>
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<tr>
<th>County</th>
<th>Registrations</th>
<th>Percent Registered</th>
<th>Registrations</th>
<th>Percent Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre</td>
<td>241</td>
<td>13.28%</td>
<td>81</td>
<td>11.25%</td>
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<tr>
<td>Chester</td>
<td>1262</td>
<td>14.25%</td>
<td>452</td>
<td>13.12%</td>
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<tr>
<td>Clarion</td>
<td>65</td>
<td>10.22%</td>
<td>20</td>
<td>8.06%</td>
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<tr>
<td>Clearfield</td>
<td>106</td>
<td>8.95%</td>
<td>41</td>
<td>8.45%</td>
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<td>Clinton</td>
<td>44</td>
<td>6.51%</td>
<td>27</td>
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<td>Columbia</td>
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<td>10.13%</td>
<td>41</td>
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<td>Crawford</td>
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<td>7.62%</td>
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<tr>
<td>Cumberland</td>
<td>531</td>
<td>12.20%</td>
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<td>11.48%</td>
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<td>Dauphin</td>
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<td>10.36%</td>
<td>210</td>
<td>12.06%</td>
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<td>Delaware</td>
<td>1339</td>
<td>12.75%</td>
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<td>Elk</td>
<td>53</td>
<td>11.42%</td>
<td>21</td>
<td>11.34%</td>
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<td>Erie</td>
<td>492</td>
<td>9.61%</td>
<td>166</td>
<td>9.17%</td>
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<td>Fayette</td>
<td>145</td>
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<td>6.44%</td>
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<td>Forest</td>
<td>2</td>
<td>3.51%</td>
<td>1</td>
<td>4.35%</td>
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<tr>
<td>Franklin</td>
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<td>9.46%</td>
<td>115</td>
<td>10.36%</td>
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<tr>
<td>Fulton</td>
<td>7</td>
<td>2.99%</td>
<td>4</td>
<td>4.12%</td>
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<tr>
<td>Greene</td>
<td>46</td>
<td>8.33%</td>
<td>13</td>
<td>6.76%</td>
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<td>Huntingdon</td>
<td>45</td>
<td>7.49%</td>
<td>17</td>
<td>7.26%</td>
</tr>
<tr>
<td>Indiana</td>
<td>114</td>
<td>8.54%</td>
<td>52</td>
<td>9.67%</td>
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<tr>
<td>Jefferson</td>
<td>66</td>
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<td>23</td>
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<tr>
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<td>84</td>
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<td>7.55%</td>
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<td>8.63%</td>
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<td>Mifflin</td>
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<td>70</td>
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<td>1977</td>
<td>14.08%</td>
<td>685</td>
<td>12.72%</td>
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<td>Montour</td>
<td>45</td>
<td>11.81%</td>
<td>14</td>
<td>10.07%</td>
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<tr>
<td>Northampton</td>
<td>569</td>
<td>12.30%</td>
<td>184</td>
<td>10.44%</td>
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<tr>
<td>County</td>
<td>12/31/2020 Registrations</td>
<td>Percent Registered</td>
<td>12/31/2019 Registrations</td>
<td>Percent Registered</td>
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<tr>
<td>-----------------</td>
<td>--------------------------</td>
<td>--------------------</td>
<td>--------------------------</td>
<td>--------------------</td>
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<tr>
<td>Northumberland</td>
<td>115</td>
<td>7.71%</td>
<td>41</td>
<td>7.21%</td>
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<tr>
<td>Perry</td>
<td>86</td>
<td>10.13%</td>
<td>30</td>
<td>8.61%</td>
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<td>Philadelphia</td>
<td>3119</td>
<td>9.27%</td>
<td>1086</td>
<td>8.29%</td>
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<td>Pike</td>
<td>47</td>
<td>7.07%</td>
<td>13</td>
<td>5.49%</td>
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<td>Potter</td>
<td>24</td>
<td>8.70%</td>
<td>9</td>
<td>8.26%</td>
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<td>Schuylkill</td>
<td>194</td>
<td>8.94%</td>
<td>74</td>
<td>8.94%</td>
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<tr>
<td>Snyder</td>
<td>44</td>
<td>6.66%</td>
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<td>8.08%</td>
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<tr>
<td>Somerset</td>
<td>90</td>
<td>8.55%</td>
<td>35</td>
<td>8.37%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>11</td>
<td>13.10%</td>
<td>3</td>
<td>10.00%</td>
</tr>
<tr>
<td>Susquehanna</td>
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<td>8.25%</td>
<td>21</td>
<td>9.09%</td>
</tr>
<tr>
<td>Tioga</td>
<td>59</td>
<td>8.61%</td>
<td>22</td>
<td>8.36%</td>
</tr>
<tr>
<td>Union</td>
<td>61</td>
<td>9.34%</td>
<td>24</td>
<td>8.92%</td>
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<td>7.86%</td>
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<td>4.45%</td>
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<td>Washington</td>
<td>372</td>
<td>11.58%</td>
<td>121</td>
<td>9.64%</td>
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<tr>
<td>Wayne</td>
<td>56</td>
<td>8.18%</td>
<td>22</td>
<td>8.37%</td>
</tr>
<tr>
<td>Westmoreland</td>
<td>655</td>
<td>13.44%</td>
<td>240</td>
<td>12.16%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>28</td>
<td>7.31%</td>
<td>7</td>
<td>4.52%</td>
</tr>
<tr>
<td>York</td>
<td>800</td>
<td>10.22%</td>
<td>280</td>
<td>9.43%</td>
</tr>
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</table>
MONITORING, EVALUATION AND RESEARCH.

In June 2020, Treasury concluded a baseline survey of Keystone Scholars families and a control group, which was designed and administered by Dr. Robert Nathenson. The survey had been open for about a year and garnered about 6,000 responses. Of those who started the survey, 92% completed it. While the survey response data is not generalizable to the overall Keystone Scholars population, it provides rich insight into Keystone Scholars families, with variation across demographic subgroups including race, ethnicity, parental education, and income level. The survey provides baseline information on respondents' savings behavior, financial knowledge, and expectations for their children's postsecondary education. Treasury plans to administer a follow-up survey in a few years' time to gauge changes in respondents' views, especially related to future expectations for their children.

Treasury has also been working in partnership with the research organization Build Commonwealth (Commonwealth) to understand barriers that prevent low- and moderate-income (LMI) families from saving in 529 plans. The latest national data shows that only 4% of low-income families (defined as under $35,000) used a savings fund like 529 to pay for college. For families with income between $35,000 and $100,000 it was only 7%. In late 2020, Commonwealth conducted surveys and interviews with 290 Keystone Scholars families in order to test the hypothesis that families, particularly LMI families, need liquid savings options in conjunction with college savings, and to provide insight on how best to design a solution for this unmet need. Treasury expects the results of this first-of-its kind research to have important implications for the broader college savings field.

At the end of 2020, the Keystone Scholars program was selected as one of two CDAs in the country to receive technical assistance from Abt Associates and Prosperity Now to implement a new set of “Common CSA Metrics” published by the Consumer Financial Protection Bureau (CFPB) last fall. The Common Metrics were the result of research commissioned by the CFPB to standardize the way in which all state and local CSAs across the country define and measure success and intermediate metrics. The technical assistance will take place for the first six months of 2021, and will serve as yet another way for Keystone Scholars to stand out as a leader in the implementation of best practices in the CDA field.

As the largest state to implement a children's savings program and the first state to legislate a universal at-birth program, Treasury also sought out ways to demonstrate new thought leadership in the CDA field in 2020. This included:

- Presenting at the following conferences:
  - Washington University’s Center for Social Development (CSD) 2020 CDA Conference, “All Children Can Reach their Potential” (See Appendix I for an article highlighting the former treasurer’s comments at this conference);
  - NAST’s 2020 Treasury Management Training Symposium;
  - Prosperity Now’s Prosperity Summit;
  - 529 Conference (ISS Market Intelligence).

- Spearheading a working group of statewide CDA programs (including PA, IL, NE, NV & CA) which now meets quarterly to engage in knowledge-sharing and problem-solving.

- Participating quarterly in two regional CDA working groups, including one which featured Treasury’s work with Commonwealth to conduct consumer research on barriers to saving in a 529 plan.

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BEYOND SAVINGS ACCOUNTS: DEEPENING IMPACT AND EXPANDING OPPORTUNITY.

In addition to carrying out the initial vision to fund $100 starter deposits for every Pennsylvania child at birth, in 2020 Treasury began to build on CDA best practices with a focus on low- and moderate-income (LMI) children. Because CDAs were designed to expand opportunity and foster a college-bound identity for all children, in 2020 Treasury laid the groundwork to add automatic additional targeted deposits to the program for children born to lower income families. The ‘automatic progressive subsidy’ is the tenth and final key design element that experts recommend CDAs incorporate.8 With the generous agreement of Treasury’s philanthropic donors and with proceeds from a legal settlement to which Treasury was a party, in 2021 Treasury is piloting an additional $50 deposit, called the “Bright Future Booster,” for babies born between January 1 and June 30, 2021 whose mothers are enrolled in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). (See Appendix II for Treasury’s press release announcing the initiative.)

In an effort to raise awareness among eligible mothers about the Bright Future Booster, Treasury has begun to cultivate a strong partnership with the WIC Program at the Pennsylvania Department of Health as well as with the 24 local agencies that administer the WIC program throughout the state and their affiliated advocate organizations. (See Appendix II for the Treasury and Department of Health joint letter announcing the program). One local WIC agency, Adagio Health, proposed to build on the Bright Future Booster program to incent participation in the WIC program through the child’s first 5 years. Adagio Health is the WIC provider in Armstrong, Beaver, Butler, Indiana, and Lawrence counties. The WIC-Keystone Scholars Milestone Program will provide additional deposits into the Keystone Scholars accounts of eligible children whom Adagio serves for each year the child remains enrolled in WIC. Funding for the deposits is made possible by a grant from the Henry L. Hillman Foundation. Treasury and Adagio Health are working closely to raise awareness among eligible mothers. The program is an excellent example of a partnership that equals more than the sum of its parts; it aims to strengthen the early childhood development of financially vulnerable families by promoting the array of financial, social and emotional benefits CDAs provide9, while encouraging retention in a critical public health program.

In summary, Treasury continues to implement and build upon the Keystone Scholars program in new and exciting ways. More than 250,000 Pennsylvania children now have a college savings account established in their name. Treasury is continuing with its efforts to raise awareness of the program, especially among low- and moderate-income families, to encourage all families to begin saving early, and to begin the important work of helping every Pennsylvania child develop a college-bound identity.

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**PROGRAM MARKETING SUMMARY.**

**Keystone Scholars Annual Marketing Campaign.** Treasury’s Bureau of Savings Programs planned and executed a marketing campaign in 2020 to promote Keystone Scholars to new and expectant parents. Direct mail remained the primary method of contacting families and was supported by digital advertising and partner outreach. A sample of Keystone Scholars marketing pieces are included in Appendix III.

- **Direct Mail Outreach.** Treasury mailed a letter to each newly eligible family for Keystone Scholars. The letter included instructions on how to access the account with information provided by the Pennsylvania Department of Health as well as information on how to participate in a survey conducted by one of Treasury’s research partners. By mid-2020, the survey closed and the initial letter was updated to include information about the PA Savings Pledge featuring Fund My Future, a partner program which uses monthly prizes to encourage regular savings.

  In 2020, more than 120,000 letters were mailed to babies born in the final four months of 2019 and first seven months of 2020.

- **Digital Campaign.** Treasury utilized a paid digital awareness campaign for Keystone Scholars. Digital tactics included promoted social media posts, online display advertisements, and promoted search results.

  In 2020, Keystone Scholars digital ads drove more than 102,000 individuals to the program's website.

- **Marketing and Outreach Collateral Development.** Treasury created new digital videos which cover topics such as the importance of Keystone Scholars and how to access accounts online. Some specific items created included handouts with information about the PA Savings Pledge and Fund My Future as well as new videos providing an overview of Keystone Scholars created in-house and available on the program's website.

  In partnership with Al Día News, Treasury developed a Spanish-language version of a Keystone Scholars video for use in advertising and partner outreach. A Spanish-language brochure and flyer were also updated in 2020 and made available on the Keystone Scholars website.

**Earned Media.**

- KDKA-TV in Pittsburgh presented a special Kidsburgh segment on Keystone Scholars that featured an Allegheny Heath Network hospital and Deputy State Treasurer for Consumer Programs Julie Peachey.

- Keystone Scholars was the subject of a Scripps Network national news segment, providing an overview of the program as an example of one already being implemented in the context of another state proposing a program with similar objectives.
PROGRAM OUTREACH SUMMARY.

Since the inception of the Keystone Scholars program, Treasury has focused on building both local and statewide community partnerships to carry the Keystone Scholars message and create awareness of the program. More than 300 partnerships have been formed with groups such as local governments, child care providers/agencies, hospitals and health care systems, nonprofit organizations, and statewide associations. Treasury develops outreach materials for its partners, provides program training for staff and informational presentations directly to families.

The challenge of the COVID-19 pandemic caused Keystone Scholars to quickly pivot to adopt a strong virtual outreach strategy as hospitals, child care centers, and businesses were forced to operate in new ways. Program outreach staff hosted, moderated, or participated in more than 80 virtual events, including 32 Treasury-hosted webinars, to build awareness and explain details of Treasury’s savings programs, including Keystone Scholars. Nearly 900 individuals participated in Treasury-hosted events alone. In addition, staff created new materials appropriate to the virtual environment. In particular, Treasury developed material to help onboard new partners, including information sheets and webinar presentations. (See Appendix IV for an example of a partner information sheet). In addition, Spanish-language materials and a revamped website resources page helped Treasury to provide needed materials to partners. Treasury also continued to communicate with Keystone Scholars partners via periodic newsletters.

Despite the unique challenges brought on by the pandemic, Treasury created many new partnerships and expanded existing ones in 2020 to raise awareness of Keystone Scholars and the new PA Savings Pledge (see section on PA Savings Pledge below). Sharing Treasury’s message through partners that are trusted resources for the families Treasury intends to reach, and integrating it into what they are already doing, is the best way to raise awareness of the Keystone Scholars program and engage families to maximize the benefits of the accounts. Partnerships with organizations who serve financially vulnerable families such as Philadelphia-based Einstein Healthcare Network® are particularly critical (see press release in Appendix IV). In preparation for rolling out the Bright Future Booster initiative in 2021, Treasury provided training to the PA Department of Health’s WIC directors and staff. (See press release in Appendix II and announcement letter in Appendix IV).

Following are some examples of how Treasury’s partners have shared information about the Keystone Scholars program.

- United Way of Lancaster County hosted Treasury representatives at one of its Volunteer Income Tax Assistance (VITA) sites to share information on Keystone Scholars and the PA Savings Pledge, encouraging families to save a portion of their tax refund.
- CrossState Credit Union Association supported Keystone Scholars and the PA Savings Pledge by pushing out education to its leadership and association members through presentations, webinars, and an article in its magazine.
- The County Commissioners Association of PA and the PA State Association of Township Supervisors included comprehensive articles on Keystone Scholars and Treasury’s savings programs in recent publications. Treasury staff also presented a webinar for township officials across the state.
- The Pennsylvania Library Association invited Treasury to present at a panel at its annual conference. Treasury created several materials for library summer reading programs, including 46,000 bookmarks that were distributed to more than 100 libraries.
- Pittsburgh-Based Carnegie Library provided information brochures and PA Savings Pledge magnets for a drive-by distribution of diaper packets to 400 families in the greater Pittsburgh area in concert with the Western Pennsylvania Diaper Bank.
- Pittsburgh-based Trying Together used its newsletter, social media accounts, and other channels to spread awareness of Keystone Scholars by disseminating Keystone Scholars coloring sheets, posters, and videos, as well as information on the PA Savings Pledge. Trying Together also worked with Treasury and local television station KDKA in presenting a special Kidsburgh segment on Keystone Scholars.
The Lehigh Valley Health Network added a Treasury-produced video to its in-house hospital television network focusing on Keystone Scholars and distributed more than 4,000 packets to their facilities to reach new parents. Treasury also provided training to hospital staff.

St. Luke’s University Health Network recorded a special video featuring Deputy State Treasurer Julie Peachey for use on its in-house television network. In addition, St. Luke’s provided Keystone Scholars information packets throughout its locations and clinics as outreach to new moms.

Pittsburgh’s Hello Baby collaborative, which provides materials and social services to all new mothers/families in the area, integrated Keystone Scholars information on its website.

Penn Medicine Lancaster General Health’s Women & Babies Hospital hosted Treasury training for its Healthy Beginnings Plus and Nurse-Family Partnership teams and distributed Keystone Scholars materials.

The Philadelphia Community and Economic Development Department of the Urban Affairs Coalition requested Treasury staff presentations and assisted in raising awareness of the Keystone Scholars program among their partner non-profit organizations and financial institutions.

The City of Pittsburgh’s Financial Empowerment Center invited Treasury staff to conduct training for the city’s eight Financial Empowerment Centers and coordinated the distribution of Keystone Scholars materials as part of a back-to-school backpack program.

In addition, other statewide associations hosted Treasury presentations and distributed materials at their conferences, including the Pennsylvania Head Start Association, Pennsylvania Nurse-Family Partnership Board of Directors, Pennsylvania District Kiwanis International western PA region, Pennsylvania’s Parents as Teachers, and more. Treasury also provided training and materials to local county administrators of the Pennsylvania Children and Youth Administrators Association and local county directors of the Pennsylvania Association of County Human Services Administrators.

The PA Savings Pledge: New Initiative Bolsters Keystone Scholars Outreach

In 2020, Treasury promoted saving early for children, and particularly low-income children, in another important way. Treasury launched the PA Savings Pledge (Pledge), an initiative that combines the Keystone Scholars program with a prize-linked savings program run by the Pittsburgh-based Fund My Future. Fund My Future began in a school in Pittsburgh, then expanded to all of Allegheny County, conducting targeted outreach among low-income families. Together in February 2020, Treasury launched the PA Savings Pledge and took the prize-linked savings program statewide.

Any adult can take the Pledge online – making a commitment to save for the education of any child age 0-18. Participants receive tickets for a “regret raffle” that offers monthly prizes ranging from $50 to $1,000. Prize pools are currently funded entirely by Fund My Future through philanthropic support. To claim their prize, winners must provide proof of a deposit made in the past month into a savings account in the child’s name, with no withdrawals. However, winners who have not made a deposit cannot claim the prize.

Participants who take the Pledge but do not have a long-term savings or 529 account in a child’s name at the time of sign-up receive targeted email, text, and voice messages throughout each month from Fund My Future encouraging them to do so and offering assistance. Participants who already have an account for a child at the time of pledging receive similar messages reminding them to make their monthly deposit before the drawing.

Between February 2020 and year end, 4,040 people took the Pledge. On average, about 28% of winning ticket holders were able to claim their full prize. Through prize-winner surveys, Treasury knows that 52% of winning ticket holders had household income under $60,000. While targeted in-person outreach for the program was curtailed by COVID-19, together with Fund My Future Treasury continued to seek creative ways to raise awareness through expanding community partnerships and virtual events. In addition, in October 2020, Treasury incorporated the Pledge sign-up form into the Keystone Scholars online registration process, which increased participation considerably.
OPPORTUNITIES AND RECOMMENDATIONS
OPPORTUNITIES AND RECOMMENDATIONS.

As Treasury moves ahead in 2021, the department is seeking new opportunities to build on the success of the Keystone Scholars program. Treasury continues to work to raise awareness of the program, so families across the state know they have a jumpstart on saving for their child’s future education.

In addition to the marketing and outreach through partners described earlier in this report, a crucial piece of awareness-raising lies in the ability to communicate directly with families economically and effectively. An important and productive partnership with the Department of Health provides Treasury with the mailing addresses of new parents each month. With only physical addresses, however, Treasury is limited by the constraints and higher cost of direct mail. Treasury’s marketing and outreach is focused on promoting registration of the child’s Keystone Scholars account online, in part, in order to obtain an email address, which is required at the time a parent accesses the account, so that Treasury can continue to communicate with them about their account. However, Treasury is limited by the number of families that take this action.

Treasury seeks solutions that will allow it the ability to engage more frequently and cost-effectively with all Keystone Scholars families across the commonwealth. Thus, Treasury recommends the General Assembly:

1. Support the Department of Health (DoH) to:
   - Allow Treasury to provide birth information to legislators via its data sharing agreement for the sole purpose of facilitating awareness and outreach with their Keystone-Scholars-eligible constituents. The DoH does not presently permit Treasury to share Keystone Scholars contact information with legislators, thereby blocking this vital avenue of communication.
   - Collect email addresses on birth record forms, store it in the DoH database, and provide this information to Treasury as part of the monthly data file of new births. The DoH data system does not currently support this. If DoH were to be able to provide email addresses of PA residents who give birth, Treasury would have a more cost-effective means of notifying families about their Keystone Scholars account and the ability to continue to communicate with them. At least two other states with legislated state-wide CDA programs provide email addresses to the CDA program administrator.
   - Include a sentence about Keystone Scholars on the birth registration worksheet and a one-page insert in the birth certificate packet sent to parents. Information about Keystone Scholars, a universal automatic investment made by the state for each PA baby, needs to be presented to new parents at key touch points which reach all eligible families with newborns.

2. Support the Department of Revenue to:
   - Enter into a Memorandum of Understanding (MOU) with Treasury to provide home and email addresses of families with dependents born in 2019 or after. This will allow Treasury to have ongoing and updated contact information for eligible Keystone Scholars families. This is particularly important as the address information provided by DoH is only from a particular point in time (child’s birth) and because DoH cannot currently provide Treasury with email addresses for cost-effective outreach. Many new families move in the years following the birth of a child, and Treasury receives a significant volume of returned mail from the initial letter sent to new parents’ homes. Treasury staff estimate that approximately 5% of Keystone Scholars letters are returned, costing $3,500 in wasted postage annually. Ensuring Treasury’s ability to directly reach families beyond the initial touch point is critical to saving costs and increasing the awareness of the program and the registration rate.
   - Provide information that allows Treasury to identify families with dependents under the age of 18 as low-to-moderate income (LMI). It is particularly critical that LMI families are made aware of the Keystone Scholars investment in their child’s education and in the importance of starting their own family savings early. Access to this data would give Treasury the ability to create communication, target additional deposits, and/or waive fees specifically for this population. The data would also allow Treasury to better understand its customers and customize marketing messages based on income levels.
3. Encourage legislators to be active champions of the Keystone Scholars program. Legislators are excellent outreach partners and Treasury has worked with legislative offices to promote its other savings programs to great effect. Treasury's outreach team is available to provide promotional materials, conduct webinars, and attend events, and welcomes creative ideas and collaboration for sharing the powerful message of Keystone Scholars in legislative districts. Contact us at keystone@pa529.com to learn more.

4. Amend the PA 529 enabling legislation (Act of Apr. 3, 1992, P.L. 28, No.11, or 'TAP Act') to include a provision for Keystone Scholars. As it currently stands, Keystone Scholars was created by an appropriations act (amendment to the Act of Apr. 9, 1929, P.L. 343, No. 176) and is separate from the TAP Act. As the administration and funding of Keystone Scholars is inextricably linked to the PA 529 Guaranteed Savings Plan, it is a logical next step that Keystone Scholars legislation be incorporated into the TAP Act. This could be done at the same time as changes made to the federal legislation for 529 plans over the past several years are incorporated into the TAP Act.
APPENDIX I: THOUGHT LEADERSHIP
On July 16, 2020, elected officials and experts from throughout the United States gathered virtually for “All Children Can Reach Their Potential: A CDA Conference.” This national discussion on Child Development Accounts (CDAs) drew over 160 policymakers, scholars, 529 college savings plan executives, 529 program managers, and CDA practitioners from 29 states and the District of Columbia. Hosted by the Center for Social Development (CSD) in the Brown School at Washington University in St. Louis and Missouri State Treasurer Scott Fitzpatrick, the event focused on CDA initiatives built upon the financial platform of state 529 plans.

Since 2018, Pennsylvania, Nebraska, Illinois, and California have enacted laws creating universal at-birth CDA policies, and other states have considered similar legislation. Several states previously adopted CDA policies by administrative rule.1

In opening remarks, Treasurer Fitzpatrick, a former chair of the Budget Committee in the Missouri House of Representatives, reported, “I’m really happy that, in Missouri, we made a lot of progress on legislation around CDAs using our MOST 529 plan.”

—Missouri State Treasurer Scott Fitzpatrick

Treasurer Fitzpatrick moderated the discussion with Pennsylvania State Treasurer Joe Torsella, Nebraska State Treasurer John Murante, and Illinois State Treasurer Michael W. Frerichs about the process of implementing a statewide CDA policy: identifying the guiding principles, crafting funding mechanisms, working with state legislators to secure passage, and raising awareness of the enacted policies. The state treasurers also discussed policy elements that facilitate effective implementation and research that informed each of these statewide CDA policies. SEED for Oklahoma Kids (SEED OK), a research experiment led by CSD, models a universal, automatic, progressive CDA policy. Implemented beginning in 2007, the experiment has produced numerous peer-reviewed academic and policy publications.

The Pennsylvania Keystone Scholars Program

In 2018, Pennsylvania became the first state to create an automatic, at-birth, statewide CDA policy through legislation.2 With bipartisan support, the Keystone...
The Keystone Scholars Program

Scholars policy provides college savings for all Pennsylvania newborns through a $100 starter deposit. Funds may be used for any qualified higher education expense at an approved institution of higher education, including trade schools, vocational programs, community colleges, and universities in or outside of Pennsylvania. The funds must be used before the child reaches the age of 29. Approximately 140,000 children are born in the state each year, Torsella said.

Torsella embraced the concept of CDAs as a state policy before beginning his 2016 campaign for state treasurer. “This, more than anything else, was the reason that I ran,” he said. A story from Torsella’s childhood resonated with legislators, he said, because “they all had some version of it in their background”:

When I was 8, 9, and 10, I would be given a savings bond by well-meaning aunts and uncles, who would say, “Joey, this is for your education someday.” At that age, I thought it was the world’s worst possible gift. But what I realize now, looking back, is that it was the world’s best possible message. And it was a message that meant more than the $25 face value of the savings. It was a message about community and a message that my family was there to give me a little bit of support. And it was a message that I grew to believe because I heard it so often about where I could end up going. And that, for me, is the most profound and powerful element of what we’re talking about today.

Torsella’s decision to pursue CDA policy through legislation was strategic: “We worked with sponsors from both sides of the aisle, led … in both chambers, by Republicans…. We patiently built a bicameral, bipartisan consensus around it,” Torsella said. “And in making the case for it, we relied very much on the research that CSD and Margaret [Clancy] and Michael [Sherraden] promulgated.”

Torsella described his legislative strategy in this way:

I wanted, at the end of this, for people to view it as the accomplishment of 20 or 30 people. So we went out of our way to find ways to feature legislators who got on board to work with the business and financial community, who could make arguments with more credibility than I could in some cases…. People are suspicious of where things might be going, but the more this was a group photo, the better the prospects got for its passage.

Legislators introduced several amendments as the policy made its way through the General Assembly. Yet, in the end, the state’s Keystone Scholars CDA policy “achieved nine out of 10 of what Margaret calls the key factors for success,” Torsella said. He added, “The one that we still have to work on … is designing a progressive component.”

The Pennsylvania treasurer noted that a change to the name of the state’s 529 plan helped to advance the legislation. The new name, the PA 529 College and Career Savings Program, is designed to communicate that funds can be used for vocational and technical certificates, as well as for 2- and 4-year college degrees.

Keystone Scholars receives no financing from the state’s general fund. Initial funding for the 2018 pilot program came from philanthropic contributions, and the statewide program’s seed deposits come from earnings on investments as part of the state’s 529 Guaranteed Savings Plan, which Torsella oversees. “Over time, that program has become funded at a considerable surplus. I think, at the time we entered into this program, it was over 120% funded,” he explained. The enacting legislation specifies a threshold: “As long as that program [the Guaranteed Savings Plan] is more than 110% funded, it enables the funding of Keystone accounts for all of the children born in the Commonwealth in the following calendar year.” Torsella confirmed that the program continues to seek philanthropic resources for additional features.

Asked about legislative compromises, Torsella reported a discussion about establishing Keystone accounts for schoolchildren, but he indicated that the at-birth start proved less contentious: “Establishing them at birth actually removed a lot of the controversial issues that come with school age.” He added, “And it’s better policy anyway, as we know from Margaret [Clancy] and Michael [Sherraden’s] work.” Torsella also acknowledged legislative pressure to make Keystone Scholars an opt-in, rather than opt-out program. That was, he said, “The place we drew a red line.” He added:

There were folks, including in my own party, who wanted to focus the effort more clearly on students who need this. And that is an element that I very much want to see. But I thought it was important, for both the passage of the program and the statement the program is making, that it be truly universal—that this level, this $100 starter, is something we say to everyone: “By virtue of being a Pennsylvanian, you’re part of the Pennsylvania family and you get this.”

Torsella pointed to early registration and account-opening figures for Keystone Scholars: Within the
statewide program’s first year, 10% of eligible families have completed registrations, and 20% of families that registered have opened their own 529 accounts.13

The treasurer also discussed efforts to spur asset accumulation for low-income families. He noted a partnership with Fund My Future to create the Pennsylvania Savings Pledge,14 a statewide prize-linked savings program in which adults pledge to save for a child’s education in return for raffle tickets. The raffles offer monthly prizes of as much as $1,000, and more than half of winners belong to households with incomes less than $60,000.15

In addition, Torsella acknowledged discussions with philanthropic partners on the development of progressive deposits within Keystone Scholars. “We are always asking ourselves what barriers exist to fostering that kind of savings,” he said. Pennsylvania, he added, has “a 529 savings gap in the communities where we need to see it take hold most.”

The treasurer’s office is working to raise awareness of the Keystone Scholars CDA. Torsella noted that, because of the timing of data transfers from the Pennsylvania Department of Health, the program’s first contact with a new family is a letter mailed to their home approximately 5 months after the child’s birth. He noted that a paid digital campaign and earned media are also part of the engagement strategy but emphasized the importance of extensive partnerships with nonprofits, hospital systems, and local governments.16

Torsella offered advice to policymakers designing state CDA programs: Find a way to obtain new parents’ email addresses, through the Health Department or other sources. He said, “We’re trying to get [email addresses] by having [parents] register, but it would be more efficient to start by having it.” For initial outreach, Torsella encourages a letter coupled with digital communication directly to parents of children receiving the CDA, “not digital communication that’s happening in the ether. Because the life of a new parent … is chaotic and confused, and you need to have several different contacts.”

The Nebraska Meadowlark Program

First considered by then Treasurer-elect John Murante, a state CDA policy was later embraced by a bipartisan coalition, and the Nebraska CDA bills moved swiftly through the legislature. The policy was approved unanimously in 2019, the same year that the concept was first introduced.17

The central component of Nebraska’s CDA policy is the Meadowlark Program. Through it, Nebraska residents born on or after January 1, 2020, will be automatically enrolled in NEST 529 College Savings (the Nebraska Educational Savings Plan Trust). The first seed deposits will be made into a NEST 529 account opened for the children by March 1, 2021.18

Funds not accessed by the beneficiary’s 30th birthday will be used for future resident children. Through incentives, the policy encourages low- and moderate-income households to open their own 529 accounts and set aside additional savings. The treasurer’s office deposits $2 for every dollar saved on behalf of beneficiaries from households with income below 200% of the federal poverty line, and it deposits $1 for every dollar saved on behalf of those from households with income between 200% and 250% of that line.

Murante pointed to CSD research on the benefits of asset accumulation for low-income families: “Opening the account is a big important first step, and creating additional incentives for the low- and moderate-income households will also be a great stimulus.”19

He added, “That doesn’t even begin to touch what our program manager and we are doing internally as an office in terms of reaching out to communities and philanthropic organizations and school districts across the state of Nebraska to spread the word.”

Murante, like Frerichs, served in the state senate prior to his election as treasurer. “We had pretty strong relationships to advance big causes,” Murante said, noting that those relationships shaped the strategy:
We wanted to take all of the good ideas that other states were doing and package them all together in a bipartisan way. And that resulted in one big package that was introduced by five different state senators of different political persuasions and from different parts of the state.

Support for the Nebraska legislation came from a broad coalition of constituents. “Universities and community colleges were all on board, the Bankers Association testified in favor of it, our chambers of commerce were supportive, our insurance and financial advisors testified in favor of it,” Murante said. “When it came to the low- and moderate-income provision, there were welfare and child advocacy groups that testified in favor of it.” He added, “When they all came together, it really put together a coalition that made it pass.”

Nebraska’s CDA legislation is designed to broaden access to postsecondary education for generations of state residents, as it creates an endowment to be funded equally through private contributions and state sources. “The CDA program, the Meadowlark Program, starts with private contributions, and then the public sector dollars are matched,” Murante said. The public dollars come not from the state’s general fund but from the state’s Unclaimed Property Escheat Fund and the College Savings Plan Expense Fund, which holds fees from the plan. “We have $200 million in unclaimed property,” Murante said. “It was a good investment that had a good return on investment.”

Murante drew upon research to garner legislative support for the policy: “If kids have seeded 529 accounts, then the outcomes are much better.” He added, “That’s where the research of Michael Sherraden and Benita Melton and Washington University really came in, and Margaret Clancy, of course.”

The Meadowlark deposits will grow until youth later access the funds for college, trade school, or other postsecondary education in the state of Nebraska. “I didn’t think that made a great deal of sense. If we had a kid who was rising out of poverty and got into Harvard, I don’t see why that money couldn’t be used there. But that was a [legislative] compromise that was made,” said Murante.

Nebraska’s policy also attempts to engage businesses. “We understood that employers are going to be a big part of the solution to ensuring that every kid has a 529 account and some college savings dollars,” Murante said. Some states have adopted tax credits and deductions.

Beginning in January 2022, Nebraska will reimburse 25% of employer contributions to the 529 accounts of employees or their dependents. State law caps the total cost of the program at $250,000 per year. Beginning in 2021, Nebraska will exempt employer 529 contributions from the employee’s taxable income and from the income considered in determining an employee’s eligibility for public benefits in the state.

Asked about outreach and marketing for the Meadowlark Program, Murante said, “Partnerships are critical—mentoring organizations, afterschool programs—those are all partnerships that have already been established.” He also noted the emerging role of community foundations, which are providing funding for deposits: Two counties have created CDA plans, and the communities will continue “depositing money in the buckets of the kids who live within those communities.”

Murante connected formal efforts to market the new policy with those to market the state’s 529 plan, noting that most parents who save for their children’s higher education are using savings accounts or options other than 529s. “For us,” he said, “this is part of our efforts to increase awareness…. I don’t necessarily separate the two out—the CDA versus the 529. For us, they’re comingled.”

The Illinois Higher Education Savings Program

The CDA policy signed into law in August 2019 establishes the Illinois Higher Education Savings Program, creates an omnibus Bright Start 529 account owned by the treasurer, directs the treasurer to set aside a $50 seed deposit for each child born to or adopted by a state resident after December 31, 2020, requires parents or guardians to claim the seed deposit by the child beneficiary’s 10th birthday, and authorizes the treasurer to partner with public, private, and nonprofit entities in funding incentive and supplemental deposits. The law requires the
Public Health and Revenue departments to provide data on births and adoptions in the state. Funds may be used for qualified expenses of postsecondary education and must be accessed before the beneficiary’s 26th birthday.

Although Illinois enacted CDA legislation in 2019 with a schedule for implementation in 2021, efforts toward such a policy began decades earlier with the work of the Financial Links for Low-Income People Coalition, the Illinois Asset Building Group, and the Shriver Center on Poverty Law, which also participated in a national demonstration of children’s accounts. In 2009, Illinois Public Act 96-0329 created the Illinois Children’s Savings Account Task Force, a diverse group of individuals from the government, nonprofits, and the financial services industry, to review, recommend, and develop a strategic implementation plan for providing assets at birth for every Illinois child. Over many years, CSD has shared research on CDAs with all of these groups and the Illinois state treasurer’s office.

Legislation introduced in 2017 passed the Illinois House and Senate, but an amendment added in the Senate was not approved by the House, so the legislation was not enacted. The bill introduced in 2019, which eventually became law, emerged from collaborations by the treasurer’s office, the original coalition, and legislative allies, particularly the legislative sponsors.

Frerichs identified sustainability as an important goal in formulating the policy. Another priority, he noted, was developing the “ability to adapt to local programs and conditions and to leverage local connections and resources.” Frerichs and his team recognized that their “strength would be in building a useful infrastructure. We are not suited for local organizing or program development.”

To implement the planned statewide at-birth CDA policy, Frerichs and the treasurer’s office worked with the state’s Public Health and Revenue departments “to determine the best ways to access birth and adoption records,” Frerichs said. “One thing we … learned here is it’s a big team effort. You’re going to help a lot of people, but a lot of people have to be pulling on the same rope to make it happen.”

Frerichs noted that the bill’s cost—$10 million annually—was “the biggest obstacle or concern from legislators of all parties.” He added, “We promised we would not seek general revenue funds to support this program. This went a long way helping us to build support” in the legislature. Frerichs emphasized the importance of identifying alternative funding sources, including private fundraising: “We also focused on showing how the program would eventually be self-sustaining.”

Democrats held majorities in both houses when the General Assembly took up the CDA legislation. Although it received few Republican votes, Frerichs, a Democrat, was reluctant to see purely partisan motives in opposition: “Our conversations [with Republican legislators] went fairly well.” He added, “They support asset building for families, and they support encouraging savings, but they were suspicious” and questioned whether the state should “play a role in or to contribute to savings.” Frerichs said that some House Republicans were wary that the legislation’s passage would serve as his stepping stone to higher office: “We’ve had politicians in Illinois do that in the past—use tax dollars to promote themselves in commercials and various forms of advertising.” Citing recent policy changes, Frerichs said, “I can no longer appear in commercials paid for with public tax dollars and put my name on them. So I don’t think it’s really much of a concern.”

Frerichs acknowledged valuable feedback from Republican legislators on the policy’s design, citing as an example insights shared by a representative from southern Illinois. The legislator explained that many of the babies in his district are born in Paducah, Kentucky, because families cross the state line to access the nearest hospital. Frerichs said that the insight prompted a change in the legislation’s eligibility language to specify that children are eligible if born to or adopted by an Illinois resident, regardless of birthplace.

The enacting legislation directs that funding for the program’s seed deposits come from appropriations, “gifts, grants, or contributions.” As the COVID-19 pandemic grew, the General Assembly closed the spring 2020 legislative session without appropriating funds. “Our goal was to pass a funding mechanism in the legislature,” Frerichs said. “We’re trying to figure out a new approach right now.”
Frerichs noted that his office is developing a possible partnership to pursue philanthropic support for an effort to build assets for low-resource families. That effort, he said, “might be our program’s first local demonstration and serve as a pilot program for a statewide CSA program.” The partnership, called Chicago ABCs, “will leverage a visiting nurses program for new parents to connect families to social services, establish a CSA for the child, and make direct cash transfers to the parents,” Frerichs explained. He added:

We’ll continue to work to raise funds and build local partnerships while continuing to manage and promote our existing 529 program. A significant goal for us is to expand participation by lower income Black and Latino families in 2020 and beyond. Launching our CSA will help us reach our goals on that front end, but we’re not waiting for the CSA program to dive into that work.

“Establishing these accounts goes a long way to encouraging more saving,” Frerichs said. “When you have an account and you’re getting a quarterly statement, it’s a quarterly reminder: ‘Hey, this is how much money was put in, this what you’ve earned. Why don’t you put some more in?”

Frerichs summarized his team’s other efforts to launch the new CDA policy: “We’re in the middle of implementing our program, developing the technical infrastructure we need, negotiating their data-sharing agreements, figuring out when we’ll be able to fund the initial cohort.”

Conclusion

This summary provides context for the development of CDA policies in four states and documents the insights of policymakers directly involved in those efforts. The state treasurers quoted in this summary have made significant advancements in establishing policies modeled on CSD’s key design elements for efficient and sustainable CDAs at the state level. They are forging strategic partnerships and creating pathways to implement and administer successful statewide CDA programs. They are sharing ideas and experiences and addressing common challenges, with the goal of building assets for all children.

During closing remarks for this conference, Sherraden acknowledged the importance of learning from the statewide CDA policies and emphasized the potential role of the federal government in asset building for all children nationwide. “States should continue to pioneer such policy, but the federal government could establish guidelines that facilitate the growth of state CDAs and provide substantial funding for the accounts, especially for the poorest children.”

Notes


2. For an overview of the legislation in Missouri and the evolution of the policy proposal, see Center for Social Development (2020a, 2020b). Rigorous tests conducted with CDAs during the 2008–09 recession produced positive impacts. Those results suggest that similar effects can be expected from CDAs during and after the COVID-19 pandemic, particularly for children in financially vulnerable households (Huang, Beverly, Kim, Clancy, & Sherraden, 2019b; Sherraden, Clancy, Huang, & Beverly, 2020).

3. The provisions of the Keystone Scholars CDA policy were included within an omnibus bill approved by both houses of the General Assembly and signed by Governor Tom Wolf on June 22, 2018 (H.B. 1929 (2017), 72 P.S. § 312 (2019); Pennsylvania General Assembly, 2019).

4. Torsella has frequently cited interest in CDA policy as a motivation for his candidacy and attributed his interest in CDAs to a New York Times article on the potential for state treasurers to remedy economic inequality. See Cohen (2014).

5. Similarly, research from the SEED OK experiment finds that the CDA offers both financial benefits (savings that appreciated in value) and nonfinancial benefits (improved outlooks and constructive behaviors of both parents and children). Some of the effects are greater for disadvantaged families (Huang, Beverly, Kim, Clancy, & Sherraden, 2019a; Huang, Kim, Sherraden, & Clancy, 2017; Huang, Sherraden, Kim, & Clancy, 2014; Huang, Sherraden, & Purnell, 2014; Kim, Huang, Sherraden, & Clancy, 2018; Kim, Sherraden, Huang, & Clancy, 2015; Sherraden, Clancy, Huang, & Beverly, 2020; Sherraden, Clancy, Nam, et al., 2015; Sherraden, Clancy, Nam, et al., 2018; Wikoff, Huang, Kim, & Sherraden, 2015).
6. In his 1991 book *Assets and the Poor*, Michael Sherraden conceived of child accounts as a policy with ongoing deposits. Margaret Clancy leads the SEED OK experiment and first proposed 529 plans as a possible platform for child accounts (Clancy, 2001). Since 2005, numerous CSD staff have contributed to the design, implementation, data analyses, and publications for the SEED OK experiment, with key, ongoing contributions from Jin Huang, Sandy Beverly, and Mark Schreiner (see Clancy, Sherraden, & Beverly, 2019c).

7. On the 10 key design elements for state CDA policy, see Clancy and Beverly (2017); Clancy, Sherraden, and Beverly (2019b); and Sherraden, Clancy, and Beverly (2018).

8. Presenting at the same event on another panel, Pennsylvania Deputy State Treasurer for Consumer Programs Julie Peachey (2020) stated that, conditional on securing funds, the Treasury has proposed additional $50 deposits beginning in 2021 for babies from families enrolled in the Special Supplemental Nutrition Program for Women, Infants, and Children, commonly known as WIC. Presentations from Peachey (2020) and participants in other conference sessions can be accessed from the event's webpage: https://csd.wustl.edu/all-children-can-reach-their-potential-a-child-development-account-conference/.

9. Pennsylvania has two 529 plans, the Investment Plan and the Guaranteed Savings Plan. Both are managed by the state treasurer’s office. The Investment Plan is a savings plan that allows families to choose an investment option for contributions made to an account. The Guaranteed Savings Plan is similar to a prepaid tuition plan. Participants purchase credits, which beneficiaries can later exchange for tuition. Both plans are open to residents of other states and may be used for qualified elementary, secondary, or postsecondary expenses at eligible schools within or outside of Pennsylvania. Keystone Scholars is only open to Pennsylvania residents, and the state grants and any associated earnings may only be used for postsecondary education. For information on the state’s two 529 plans, see https://www.pa529.com/.

10. For the statutory threshold, see 72 P.S. § 312(c)(2)(i) (2019).


12. Maine’s Harold Alfond College Challenge began as an opt-in CDA, but the board of the Alfond Scholarship Foundation later removed the requirement for parents to enroll their newborns in the state’s 529 plan in favor of automatic, opt-out enrollment (Clancy & Lassar, 2010; Clancy & Sherraden, 2014).

13. See Keystone Scholars (2020). The statute directs the treasurer’s office to automatically deposit a seed grant for every child of a Pennsylvania resident born after December 31, 2018, including adopted children. To access the grant, earnings, and any supplemental deposits, beneficiaries must register with Keystone Scholars and have an individual account with one of the Pennsylvania 529 plans—that is, a 529 account separate from the omnibus state CDA offered through the policy (72 P.S. § 312(c)(4) (2019)); however, the beneficiary may register and open a 529 account at any point prior to accessing the assets by age 29.

14. An overview of the pledge effort and the collaboration with Fund My Future can be found in a brochure released by the Pennsylvania Treasury (2020).

15. In remarks during her presentation, Peachey provided this and other details, including that “nearly 500 people have taken the pledge” since the program’s February 2020 launch. By the end of September 2020, the number of pledges had grown to more than 1,300.


18. Funds for the seed deposits in a given year will come from investment earnings in the prior year on holdings in the Meadowlark Endowment Fund. The accounts will be owned by the Nebraska Educational Savings Plan Trust, not by the beneficiary’s parent or guardian (L.B. 610, 2019). The Meadowlark deposits and any additional contributions are subject to federal law governing 529 accounts.

19. For a gateway to CSD research on the importance of automatic account opening and incentives for low- and moderate-income families, see Sherraden, Clancy, and Beverly (2018).
20. The contributions and public-money matches are held in the Meadowlark Endowment Fund, which is administered by the treasurer’s office (L.B. 610 (2019), Neb. Rev. Stat. § 85-2803(2) (2019)).

21. In the fall of 2018, then Treasurer-elect John Murante (he was unopposed in the general election) contacted CSD Policy Director Margaret Clancy to discuss the SEED for Oklahoma Kids CDA, related research, and innovations in 529 plans. Benita Melton, Director of Education at the Charles Stewart Mott Foundation, has supported child accounts, state asset-building policies, and other federal and state policies for over 20 years.

22. Signed into law on August 11, 2020, L.B. 1042 (2020) excludes from an employee’s adjusted gross income up to $5,000 per year in employer contributions made to the employee’s NEST 529 account for taxable years beginning on/after January 1, 2021. The legislation also excludes employer 529 contributions from asset tests used to determine eligibility for public benefits and permits donors to make qualified private contributions to the Meadowlark Endowment Fund or to Meadowlark accounts.

23. At another panel at the CDA conference, Fernando Diaz, Chief Financial Product Officer for Illinois State Treasurer Michael W. Frerichs, said they plan to select a name for their CDA that aligns with the branding for the Bright Start 529. The goals of this alignment are to increase awareness of the CDA and avoid confusion among families.

24. Initiated by the Shriver Center on Poverty Law, the Financial Links for Low-Income People conducted statewide work beginning in 2001 that underscored the importance of asset building and led to changes in asset limit rules for Temporary Assistance for Needy Families and food stamps in the State of Illinois (Rand, 2004, 2007). In 2003, Woods Fund of Chicago convened its grantees and others to form the Illinois Asset Building Group. This statewide coalition of organizations is led by Heartland Alliance and includes partners such as the Woodstock Institute and child and family advocates. The Shriver Center on Poverty Law, located in Chicago, Illinois, was one of 12 organizations participating in the Saving for Education, Entrepreneurship, and Downpayment (SEED) National Demonstration, which was a policy, practice, and research initiative designed to test the efficacy of and inform policy on asset-building accounts for children and youth (Sherraden & Stevens, 2010).

25. Public Act 96-0329 was codified at 20 ILCS 4065/15 (2018) and repealed in 2018. To review the Task Force’s 2010 strategic implementation plan, see Illinois Children’s Savings Account Task Force (2010). CDAs are sometimes referred to as Child Savings Accounts, or CSAs.


28. Filed by the treasurer’s office on March 22, 2019, the fiscal note for Illinois H.B. 2237 projected an annual cost of $9 to $10 million per year, beginning in 2021. The estimate presumed 155,000 to 165,000 births per year and included “approximately $8 million for the initial seed funding of $50 per child and an estimated $1.5 million to develop local savings incentive partnerships, engage parents and children in related financial literacy initiatives, and administer the program. Because unclaimed and unused funds will remain with the program for future use, the need for annual appropriations will decline after year 10 of the program as unclaimed and unused funds are recycled.” (Illinois General Assembly, n.d.)


References


Acknowledgments

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The authors express gratitude to Missouri State Treasurer Scott Fitzpatrick, Nebraska State Treasurer John Murante, Illinois State Treasurer Michael W. Frerichs, and Pennsylvania State Treasurer Joe Torsella for their leadership and insights into the development and implementation of CDA policy in their states. The Center also thanks the office of Missouri State Treasurer Scott Fitzpatrick for cohosting the July CDA conference. The conference from which this summary emerged was made possible by the contributions of many people, especially Mary Compton and Brandon Alexander in the Missouri State Treasurer’s office, Mike Bibilos at Ascensus Government Savings, as a representative of MOST, Missouri’s 529 Education Plan, and Center for Social Development staff Tanika Spencer, John Gabbert, and Lissa Johnson. In addition, we are grateful for our ongoing partnerships with officials in several states, especially those in California, Illinois, Maine, Nebraska, Oklahoma, and Pennsylvania. Through these partnerships, we use evidence to inform policy on CDAs and financial well-being.

Authors

Chris Leiker, Lead Publications Editor
Margaret M. Clancy, Policy Director
Michael Sherraden, Founding Director

Suggested Citation


Contact

Center for Social Development
Washington University
CB 1196
1 Brookings Dr.
St. Louis, MO 63130
csd.wustl.edu
APPENDIX II: TARGETED DEPOSITS—BRIGHT FUTURE BOOSTER
For Immediate Release
December 21, 2020

Treasurer Torsella Announces Groundbreaking Boost To Keystone Scholars For Low Income Families

New $50 Bright Future Booster, in addition to $100 starter deposits, benefits babies born to mothers enrolled in WIC program. Program still does not use any taxpayer dollars.

Harrisburg, PA – Pennsylvania Treasurer Joe Torsella today announced the new Bright Future Booster for the Keystone Scholars program. The additional automatic $50 deposit will benefit all Pennsylvania babies born to mothers enrolled in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) from January 2021 through June of 2021. This $50 for WIC families is in addition to the $100 Keystone Scholars starter deposit available to every baby born to or adopted by a Pennsylvania family to jumpstart savings for postsecondary career or college education.

“Every child in Pennsylvania deserves a bright future, and every child deserves the same chances to get ahead,” said Torsella. “This new Bright Future Booster helps get a little further in working to address inequities and to promote wealth-building for financially disadvantaged families. Research shows having an account in a child’s name greatly increases their chances of postsecondary education attainment. Keystone Scholars starter deposits let every child know the Commonwealth believes in them and has their back. I’m so proud that, with bipartisan support, Pennsylvania became the first state to legislate this groundbreaking program. And so proud that today, we’ve become the first state to automatically target deposits to help lift low-income families.”

The Keystone Scholars legislation was sponsored by Senators John Gordner and Vincent Hughes along with former Representative Duane Milne and signed into law in 2018, establishing Pennsylvania as the first state to legislate a universal opt-out savings program for children at birth — making $100 starter deposits into PA 529 College and Career Savings Program plans available to every baby born to Pennsylvania families starting in 2019. While targeted deposit programs have been experimented with at the local level, this expansion of Keystone Scholars would make Pennsylvania the first state to do so. The targeted deposits are being funded by philanthropic contributions, and Torsella has proposed legislation to the General Assembly that would enable their continuation past the six-month pilot period, also at no cost to the Commonwealth’s General Fund.

The goal of this new targeted deposit pilot is to demonstrate Treasury’s ability to offer these additional targeted deposits, to monitor their impact, and to increase outreach and build awareness of the Keystone Scholars program among low-income families. This new element of Keystone Scholars is designed to help narrow the gap between advantaged and disadvantaged children and to increase equality in the ability to pursue postsecondary education.

Keystone Scholars is a Child Development Account or CDA. Experts in CDA design recommend ten key elements be part of a successful program including: universal eligibility, automatic enrollment, at-birth start, automatic initial deposit, automatic progressive subsidy, centralized savings plan, investment growth potential, targeted investment options, restricted withdrawals, and means-tested public benefit exclusions. Keystone Scholars legislation authorizes all ten elements, and the automatic progressive subsidy is the only piece not yet in operation, until now.

The estimated total cost of the 6 month pilot is approximately $700,000 and will be funded by philanthropic donations and a monetary award from a settlement in which Treasury was the lead plaintiff. It will use no taxpayer dollars. Eligible babies will be identified through birth record data already provided to Treasury by the Pennsylvania Department of Health for the Keystone Scholars program.

“I am very grateful to the legislative leaders who helped make Keystone Scholars a reality, and to the generous philanthropists – The Heinz Endowments, Henry L. Hillman Foundation, Neubauer Family Foundation, and the Richard King Mellon Foundation – who have continued our innovations in this important program,” said Torsella.
In 2018, Treasury administered a pilot version of Keystone Scholars that was available to babies born in six counties. An external evaluation of the year-long pilot revealed families in all demographics in participating counties were twice as likely to open a PA 529 account for their child in the first year of life than those in other counties. Families can open and contribute to a PA 529 for children of any age at any time with just $10.

Treasury’s PA Savings Pledge is a partnership with Fund My Future and offers prize-based incentives to promote savings for children from birth to 18 years of age. Families can save as little as $1 in a qualifying account to be eligible for monthly prizes.

To take the PA Savings Pledge sign-up here. For more information about Keystone Scholars visit www.pa529.com/keystone and follow all of the department’s news on Facebook and Twitter.
January 4, 2021

Dear WIC Directors,

It is our pleasure to jointly announce an exciting partnership between the PA Department of Health Women, Infants and Children’s program and the PA Treasury Department’s Keystone Scholars program, an innovative state-wide child development account (CDA) program launched in 2019 that provides $100 to every baby born in the Commonwealth. Starting this month, all babies born to WIC participants in the first half of 2021 will receive the Bright Future Booster – an additional $50 in their Keystone Scholars account.

CDAs are long-term savings accounts offering incentives to help support every family, especially low-income ones, to realize their child’s dreams for the future. Research shows that CDAs like Keystone Scholars lead to a variety of positive outcomes. In particular, among low-income parents, CDAs have resulted in more positive parenting scores, higher educational expectations, and fewer maternal depressive symptoms, as well as better social-emotional development of their children.

PA Treasury has provided more than 200,000 Pennsylvania children with a $100 Keystone Scholars starter deposit for future higher education – including vocational and technical school, apprenticeships, and 2- or 4-year college. The $100 account is provided automatically at birth for all children born to or adopted by a Pennsylvania resident. The goal is to instill an expectation – starting as early as possible – that every Pennsylvania child can and will achieve some form of training or education beyond high school. With generous philanthropic support, PA Treasury is providing babies born between January and June 2021 to moms enrolled in WIC at the time of birth with an additional $50 deposit in their Keystone Scholars account.

We ask WIC agency staff to support this targeted outreach by informing eligible families you work with about Keystone Scholars and the Bright Future Booster. As the providers that WIC participants know and trust, you can help WIC participants learn about Keystone Scholars, the additional deposit being provided to their child, and how-to pre-register or access their child’s account online. You can also encourage moms to enroll in WIC during pregnancy and self-report their WIC participation on the birth mother’s worksheet completed by hospital staff or midwives to ensure they receive the additional $50. The power comes when families know about and engage with their Keystone Scholars account. Your role is critical in making that happen!

More details on the Keystone Scholars program are available at www.pa529.com/keystone. Informational materials and training for relevant staff will be provided. Please reach out to Anne DeCecco, PA Treasury’s Director of Program Development, at adeccecco@patreasury.gov or Will Cramer, WIC Director, at wcramer@pa.gov if you would like additional information.

We thank you in advance for helping make this partnership a success. From Nutrition Education to College Graduation – PA WIC and Keystone Scholars are together changing lives and making dreams a reality.

Sincerely,

Rachel Levine, MD
Secretary, PA Department of Health

Joe Torsella
Treasurer, Commonwealth of Pennsylvania
Stacy Garrity, Pennsylvania State Treasurer

Digital Display Ads

Keystone Scholars Videos
Families will receive a letter in the mail from the Pennsylvania Treasury 4-5 months after their child is born and are encouraged to access their account online.

Keystone Scholars helps families jumpstart their savings, letting them know we believe in their child’s bright future as much as they do.
PA Savings Pledge Handout

A savings account in your child’s name can **build hope and make future dreams a reality.**

**Ask me how to:**

**Win Prizes!**

- **PLEDGE** to save for your child’s future
- **SAVE** what you can
- **WIN** monthly prizes

Learn more at pa529.com/pasaves or call 800-440-4000

#PAsaves

**Saving can be fun and rewarding**

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**IMPOSSIBLE**

Save for the future, change my life.

Put our children on the path to a brighter future:

- Chances for prizes with every deposit.
- More than $5,000 up for grabs every month!
- All children under 18 are eligible.
- Participation is easy.
- Sign up anywhere, anytime.

**SIGN UP TODAY at pa529.com/pasaves**
Dé el primer paso hacia el ahorro para la educación futura de su bebé recién nacido.

Nombre del padre/madre: _________________________________________________
Correo electrónico: _______________________________________________________
Dirección: ______________________________________________________________
Ciudad: __________________________ Estado: _______ Código postal: __________
Teléfono: ________________________________________________________________
Fecha de nacimiento o fecha prevista de parto de su bebé, si está embarazada: ______________

pa529.com/keystone
800-440-4000

El programa de Keystone Scholars es administrado por el Departamento del Tesoro de Pensilvania. Los bebés nacidos después del 31 de diciembre de 2018 y los niños o niñas nacidos después del 31 de diciembre de 2018 y que fueron adoptados posteriormente por un residente de Pensilvania. El niño o la niña debe ser residente de Pensilvania al momento del nacimiento o la adopción y al momento en que se utilicen los fondos de Keystone Scholars. También debe ser beneficiario(a) de una cuenta 529 de Pensilvania (PA 529) antes de que se utilicen los fondos de Keystone Scholars. Si el beneficiario o la beneficiaria no utiliza los fondos antes de cumplir 29 años, los fondos se devolverán al Departamento del Tesoro de Pensilvania (Tesoro). Los fondos de una cuenta de Keystone Scholars se invertirán en una cuenta del Plan de ahorros garantizados (GSP) 529 de Pensilvania (PA) y permanecerán bajo la custodia absoluta del Tesoro hasta que se utilicen para pagar los gastos de enseñanza superior calificados en una institución de enseñanza superior. Puede encontrar una lista de gastos de enseñanza superior calificados en www.pa529.com.

El programa de Keystone Scholars es administrado por el Departamento del Tesoro de Pensilvania. No se podrán aportar fondos adicionales a una cuenta de Keystone Scholars. Sin embargo, se anima a las familias a que ahorren en su propia cuenta PA 529.

La información contenida en este folleto es exacta al mes de octubre de 2020. V10.16.20
Dear Parents of John Smith,

**Congratulations on the birth of your new child!**

A program of the Pennsylvania Treasury Department called Keystone Scholars provides all babies born to a Pennsylvania family after December 31, 2018 with $100, which will grow over time in the PA 529 Guaranteed Savings Plan for their future postsecondary education.

To register your child's Keystone Scholars account online, visit [pa529.com/keystone](http://pa529.com/keystone) and follow the instructions provided.

You can also take the PA Savings Pledge for monthly chances to win prizes totaling more than $5,000! Keystone Scholars has partnered with Fund My Future to offer an additional incentive to save for your loved one.

Thank you for ensuring a bright future for your child.

Sincerely,

Keystone Scholars Program

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*This is zip code of residence at the time of the child's birth.

Keystone Scholars is open to Pennsylvania residents born after December 31, 2018 and children born after December 31, 2018 who are subsequently adopted by a Pennsylvania resident. The child must be a Pennsylvania resident at birth or adoption and at the time the Keystone Scholars funds are used. The child must also be the Beneficiary of a PA 529 account other than the Keystone Scholars Account at the time Keystone Scholars funds are used. If not used by the beneficiary's 29th birthday, the funds will be returned to the Pennsylvania Treasury Department (Treasury). Funds in a Keystone Scholars Account will be invested in a PA 529 GSP account and will remain under the sole custody of Treasury until they are used for the purposes of paying for qualified higher education expenses at an institution of higher education. A list of qualified higher education expenses may be found at [www.pa529.com](http://www.pa529.com).

No additional funds may be contributed to a Keystone Scholars Account. However, families are encouraged to save in their own PA 529 account.

To permanently opt-out of Keystone Scholars, please visit [www.pa529.com/keystone](http://www.pa529.com/keystone) or call 800-440-4000.

Fund My Future (FMF), a program administered by Propel Schools Foundation, offers reminders as well as financial and other incentives designed to encourage families to open a savings account in their child’s name and save for their future education. Employees of the Pennsylvania Treasury Department and their immediate families (parents, siblings, children, and spouse) and household members of each, whether related or not, are not eligible to participate.

Participation in FMF is optional and separate from the Pennsylvania 529 College and Career Savings Program (PA 529) and Keystone Scholars and is not affiliated with the Commonwealth of Pennsylvania or the Pennsylvania Treasury Department. By participating in FMF, you agree to the Terms & Conditions of Fund My Future and certify that you are over the age of 18 and are the parent or legal guardian of the participating child.

Please visit fundmyfuturepa.org and read the PA 529 GSP/IP Disclosure Statements at [pa529.com](http://pa529.com) for more information.
For Immediate Release
November 19, 2020

Treasurer Torsella Announces New Treasury Partnership With Einstein Healthcare Network

New community partnership will educate more Pennsylvania families about $100 Keystone Scholars starter deposits for higher education savings

Harrisburg, PA – Pennsylvania Treasurer Joe Torsella today announced a new partnership with Einstein Healthcare Network® in Philadelphia to help educate families about Treasury's Keystone Scholars program which offers $100 starter deposits into PA 529 College and Career Savings Program plans for babies born to or adopted by Pennsylvania families.

“Partnerships, like the new one with Einstein, are instrumental in helping Treasury reach more and more growing families who are eligible for Keystone Scholars,” said Torsella. “The success of Keystone Scholars depends on these meaningful partnerships that share Treasury's dedication to promoting early higher education savings to help lessen student debt later. Having an account in their name and saving even a modest amount now can make an unimaginable difference in the life of a child when it comes to their higher education goals.”

Treasury and Einstein will partner to make sure families under Einstein's care know about the opportunity to start saving for their child's higher education as early as possible with Keystone Scholars.

Keystone Scholars provides Pennsylvania babies born after December 31, 2018, and those subsequently adopted by Pennsylvania families, with a $100 starter deposit for future higher education expenses. This $100 helps families jumpstart their savings. If families save just $25 per month from birth until their child is 18, their investment could grow to approximately $10,000. Families must open a separate PA 529 account by the time they seek to use the funds.

Einstein's healthcare offerings make them an ideal community partner for outreach to new and growing families due to their ongoing efforts to serve low- and moderate-income families. Einstein staff, including nurses and social workers, will undergo training through Treasury to give details on Keystone Scholars to patients at the network's birthing hospitals and affiliated obstetrician-gynecologist and pediatric offices. The combined efforts of Treasury and Einstein will use pre-natal visits and education classes, new parent orientation programs and materials, well-child visits, home visitation programs, healthcare system video and television systems and patient newsletters and email updates as opportunities to share information about Keystone Scholars.

“Einstein, through both our nursing and office staff, is excited to get the word out about the Keystone Scholars program to families who are expecting a child, as well as the families of our pediatric patients,” said Administrator, Women's and Children's Department at Einstein Healthcare Network Judith Faust. “The ability to receive $100 to start college savings plans will allow the families we serve to start thinking, early on, about higher education for their children. We applaud the Treasury Department's efforts.”

The Einstein Healthcare Network® is a not-for-profit health system servicing the greater Philadelphia region. Einstein operates three hospitals located in Philadelphia, Elkins Park and East Norriton along with multiple locations of MossRehab offering in- and outpatient rehabilitative services. The health network also offers multiple primary care providers and outpatient services throughout the Philadelphia area.

In 2018, Treasury administered the Keystone Scholars pilot program giving $100 PA 529 starter deposits to newborns in six Pennsylvania counties including Delaware, Elk, Indiana, Luzerne, Mifflin and Westmoreland. An external evaluation of the pilot revealed that families in pilot counties were twice as likely to open a PA 529 account as families in non-pilot counties during the child’s first year of life — this was observed across all demographics.
Treasury also partners with Pittsburgh-based Fund My Future to offer monthly prize-based savings incentives through Treasury’s PA Savings Pledge for children from birth to 18 years old. Learn more about the pledge and how to sign-up here.

For more information about the Keystone Scholars and PA 529 plans visit www.pa529.com/keystone and follow all of the department’s news on Facebook and Twitter.
What is Keystone Scholars?
The PA Treasury Department is investing $100 for every baby born to a Pennsylvania resident on or after January 1, 2019 for their post-secondary education.

How Does it Work?
New and expectant parents can pre-register at pa529.com/keystone and learn more online at pa529.com/keystone or through PA Treasury materials provided by partners like you.

Between 4-6 months after birth, families will receive a letter from PA Treasury with instructions on how to register and access their child's account online. Parents will need the child's birth certificate number and birth date, along with their zip code.
The Keystone Scholars Program

What Can You Do?

Trusted community healthcare partners are needed to tell expectant and new parents about Keystone Scholars. You can:

- Inform/remind parents about the program.
- Tell parents they will receive a letter from PA Treasury with information on their child’s account about 4-6 months after the baby is born.
- Reassure them the $100 account is real and is being provided to every child.
- Have fun imagining their child’s future with them!

Use PA Treasury’s informational materials which are provided in a variety of formats for multiple touchpoints, including:

- Pre-natal, Birthing and Breastfeeding Classes
- Tours of Birthing Centers
- New-mom Packets Provided at Discharge
- OB/GYN and Pediatrician Offices
- Waiting Areas, In-house Video and Television Networks
- Social Media
- Patient/Community Newsletters
- Educational Webinars
- Media Opportunities
- Community Outreach Events

You can access and order materials at pa529.com/keystone/resources.

PA Treasury offers training on the program for your frontline employees and can also conduct informational webinars for your patients and families. Please contact us at keystone@pa529.com to schedule.

Keystone Scholars is open to Pennsylvania residents born after December 31, 2018 and children born after December 31, 2018 who are subsequently adopted by a Pennsylvania resident. The child must be a Pennsylvania resident at birth or adoption and at the time the Keystone Scholars funds are used. The child must also be the Beneficiary of a PA 529 account other than the Keystone Scholars Account at the time Keystone Scholars funds are used. If not used by the beneficiary’s 29th birthday, the funds will be returned to the Pennsylvania Treasury Department (Treasury). Funds in a Keystone Scholars Account will be invested in a PA 529 GSP account and will remain under the sole custody of Treasury until they are used for the purposes of paying for qualified higher education expenses at an institution of higher education. A list of qualified higher education expenses may be found at www.pa529.com. No additional funds may be contributed to a Keystone Scholars Account. However, families are encouraged to save in their own PA 529 account.

V11.13.20

pa529.com/keystone or call 800-440-4000
Keystone Scholars is open to Pennsylvania residents born after December 31, 2018 and children born after December 31, 2018 who are subsequently adopted by a Pennsylvania resident. The child must be a Pennsylvania resident at birth or adoption and at the time the Keystone Scholars funds are used. The child must also be the Beneficiary of a PA 529 account other than the Keystone Scholars Account at the time Keystone Scholars funds are used. If not used by the beneficiary’s 29th birthday, the funds will be returned to the Pennsylvania Treasury Department (Treasury). Funds in a Keystone Scholars Account will be invested in a PA 529 GSP account and will remain under the sole custody of Treasury until they are used for the purposes of paying for qualified higher education expenses at an institution of higher education. A list of qualified higher education expenses may be found at www.pa529.com. No additional funds may be contributed to a Keystone Scholars Account. However, families are encouraged to save in their own PA 529 account.

The Pennsylvania 529 College and Career Savings Program sponsors three plans – the PA 529 Guaranteed Savings Plan (GSP), the PA 529 Investment Plan (IP), and Keystone Scholars. The guarantee of the PA 529 Guaranteed Savings Plan is an obligation of the GSP Fund, not the Commonwealth of Pennsylvania or any state agency. Before investing in either PA 529 plan, please carefully read that plan’s disclosure statement (available at www.PA529.com or by calling 1-800-440-4000) to learn more about that plan, including investment objectives, risks, fees, and tax implications. Before you invest, consider whether your or the beneficiary’s home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state’s qualified tuition program.