Dear Fellow Pennsylvanians:

I am pleased to report that every child born to or adopted by a Pennsylvania family in 2019 and after—more than 350,000 children and counting—now has at least $100 invested for postsecondary education in their name.

By establishing these Keystone Scholars accounts at birth, the $100 starter deposit has the longest possible time horizon to grow. And together with partners who raise awareness of the accounts and how families can link and add their own savings, we are promoting financial literacy and financial security for all Pennsylvanians.

But I always say: Keystone Scholars is more than just a savings account.

Research shows that children with education savings, even a modest sum, are three times more likely to enroll in postsecondary education and are four times more likely to graduate. That’s what makes the Keystone Scholars program, which is funded without taxpayer dollars, so important.

By knowing the account is there, logging in to view the funds, and talking about it at home, Child Development Accounts (CDAs) like Keystone Scholars influence parental expectations for their children’s future. This leads to improved social & emotional development for children and the development of a “future-focused identity”—the child’s own belief that there is a bright future out there for them.

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 apprenticeship programs.

The universal nature of the Keystone Scholars program ensures that all children—including the most financially vulnerable—get a fair start for the future, with the knowledge that their state believes in them and expects them to go on to do great things.

Last year, the Keystone Scholars program took an important step towards fulfilling the original vision for CDAs by piloting additional automatic, targeted deposits for low-income children. In doing so, Keystone Scholars has once again set itself apart as a national model in CDA programs. In the following pages you will read about the success of this pilot.

You will also read about how we’ve worked with two close partners, the Henry L. Hillman Foundation and Adagio Health, to add targeted deposits in a similar way for children in their service area.

As you read, I encourage you to consider how you or your organization might also partner with us in the years ahead to add on to the existing Keystone Scholars account infrastructure. By celebrating positive behaviors—be it reading at home, completing the annual well-child visit, or something else—we can get more assets into children’s accounts, and build hope for the future.

Thank you for your interest and support in the Keystone Scholars program. Together we are ensuring the best possible start for the next generation of Pennsylvanians.

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 savings to every Pennsylvania child at birth. 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, including community college, technical training and apprenticeships, and it encourages families to start saving on their own early in the child’s life. The starter deposit and its earnings can be used on qualified expenses at any type of postsecondary institution, both in and outside the state after a child’s 18th birthday.

Pennsylvania Treasury administers Keystone Scholars using no taxpayer funds, but rather surplus earnings from the PA 529 Guaranteed Savings Plan (GSP) Fund. Philanthropic donations and other resources support targeted additional deposits like the Bright Future Booster and the WIC-Keystone Scholars Milestone Program (Milestone Program).

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 nearly 19%, 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 more than 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 pilot, recently updated with final data, 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 Tom 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 any 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.

---

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 after December 31, 2018 who are adopted by Pennsylvania residents.


The Keystone Scholars Program

The Keystone Scholars statute requires the Pennsylvania Department of Health (DOH) to provide Treasury with all new birth records within 90 days. Families are notified of the program by mail 4-6 months after their child’s birth, by which time Treasury has created and funded the child’s account. 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. Prior to receiving the letter, families can “pre-register” their child’s account at the Keystone Scholars website. 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. While families do not have to register their accounts—they are created and funded regardless—registration is important because it signals that families are aware of their account. It also provides Treasury with a parent email address, allowing for regular and more cost-effective future communication. Families who wish to remove their child from participation may opt-out on the Keystone Scholars website.
PROGRAM FUNDING STATUS.

According to the Keystone Scholars statute, starter deposits may be funded from surplus earnings of 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, 2021 was 143.5%, allowing for Keystone Scholars deposits to be made in 2022.

As of December 31, 2021, the PA 529 GSP Fund was 146.51% funded, which is 11.63 percentage points higher than the December 31, 2020 funded ratio of 134.88%. This marks the ninth consecutive year that the PA 529 GSP Fund was more than 100% funded at December 31.

Following is the actuary’s letter confirming the GSP Fund’s reserve as of 12/31/2021.
January 13, 2022

The Honorable Stacy Garrity  
Treasurer, Commonwealth of Pennsylvania  
State Finance Building, Room 129  
Harrisburg, PA    17120

Dear Treasurer Garrity:

We have completed our calculation of the actuarial reserve for the Pennsylvania Tuition Account Program as of December 31, 2022 the actuarial reserve is $785,806,400 or 46.51% of liabilities.  This amount is comprised of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of cash, investments and future revenue</td>
<td>$2,475,330,477</td>
</tr>
<tr>
<td>Actuarial value of future benefits and expenses</td>
<td>$1,689,524,077</td>
</tr>
<tr>
<td>Actuarial reserve (excess of assets over payouts)</td>
<td>$  785,806,400</td>
</tr>
</tbody>
</table>

These results are based on assumptions used at June 30, 2021.

For comparison purposes, the corresponding amounts from June 30, 2021 were actuarial value of future benefits and expenses $1,695,667,942, value of assets plus future revenues $2,432,680,364, an actuarial reserve of $737,012,422 and a ratio of 43.46% 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
350,000 PENNSYLVANIA CHILDREN AND COUNTING.

The total number of Keystone Scholars accounts created and funded as of December 31, 2021 was 351,408. Birth and adoption data are 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 June 2021. As of December 31, 2021, only 49 families had opted not to participate.

Treasury sends a letter to all parents of newborns about 4-6 months after birth letting them know their Keystone Scholars account has been created and funded. This letter, as well as all marketing and outreach through partners, encourages families to register their account online. As of December 31, 2021, 37,090 or 10.6% of eligible families had registered for online access to their child’s Keystone Scholars account.

Of the 37,090 families that have registered their Keystone Scholars account, 7,854 or 21.18% had also linked to a PA 529 account and contributed over $27 million of their own savings for their child’s future education—more than double the amount of family contributions at this time the year before ($11 million).

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

### KEYSTONE SCHOLARS REGISTRATION RATES BY COUNTY

<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>
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<td>168</td>
<td>10.8%</td>
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<tr>
<td>Allegheny</td>
<td>4792</td>
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<td>14.5%</td>
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<td>Armstrong</td>
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<td>8.8%</td>
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<td>Beaver</td>
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<td>10.1%</td>
<td>257</td>
<td>10.2%</td>
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<tr>
<td>Bedford</td>
<td>114</td>
<td>9.4%</td>
<td>71</td>
<td>9.4%</td>
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<tr>
<td>Berks</td>
<td>1016</td>
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<td>8.5%</td>
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<tr>
<td>Blair</td>
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<td>190</td>
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<tr>
<td>Bradford</td>
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<td>80</td>
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</tr>
<tr>
<td>Bucks</td>
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<td>11.4%</td>
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<tr>
<td>Butler</td>
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<td>Chester</td>
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<td>1262</td>
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<tr>
<td>Clarion</td>
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<td>10.0%</td>
<td>65</td>
<td>10.2%</td>
</tr>
<tr>
<td>Clearfield</td>
<td>167</td>
<td>9.1%</td>
<td>106</td>
<td>9.0%</td>
</tr>
<tr>
<td>County</td>
<td>Registrations</td>
<td>Percent Registered</td>
<td>Registrations</td>
<td>Percent Registered</td>
</tr>
<tr>
<td>------------</td>
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<tr>
<td>Clinton</td>
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<td>6.5%</td>
<td>44</td>
<td>6.5%</td>
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<tr>
<td>Columbia</td>
<td>125</td>
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<td>94</td>
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<td>Crawford</td>
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<td>7.6%</td>
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<td>Cumberland</td>
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<td>10.4%</td>
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<td>Delaware</td>
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<tr>
<td>Elk</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Fayette</td>
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<td>145</td>
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<td>Forest</td>
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<td>Fulton</td>
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<td>Greene</td>
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<td>46</td>
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<tr>
<td>Huntingdon</td>
<td>69</td>
<td>6.7%</td>
<td>45</td>
<td>7.5%</td>
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<tr>
<td>Indiana</td>
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<td>114</td>
<td>8.5%</td>
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<tr>
<td>Jefferson</td>
<td>103</td>
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<td>66</td>
<td>8.4%</td>
</tr>
<tr>
<td>Juniata</td>
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<td>32</td>
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<tr>
<td>Lackawanna</td>
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<td>336</td>
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<td>Lancaster</td>
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<td>1034</td>
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<td>Lawrence</td>
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<td>107</td>
<td>7.7%</td>
</tr>
<tr>
<td>Lebanon</td>
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<td>232</td>
<td>8.8%</td>
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<tr>
<td>Lehigh</td>
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<td>9.6%</td>
<td>662</td>
<td>9.4%</td>
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<tr>
<td>Luzerne</td>
<td>695</td>
<td>8.2%</td>
<td>447</td>
<td>8.4%</td>
</tr>
<tr>
<td>Lycoming</td>
<td>287</td>
<td>9.2%</td>
<td>195</td>
<td>9.9%</td>
</tr>
<tr>
<td>McKean</td>
<td>58</td>
<td>6.1%</td>
<td>47</td>
<td>7.6%</td>
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<tr>
<td>Mercer</td>
<td>199</td>
<td>7.4%</td>
<td>135</td>
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<tr>
<td>Mifflin</td>
<td>75</td>
<td>5.2%</td>
<td>48</td>
<td>5.4%</td>
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<td>Monroe</td>
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<td>191</td>
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<td>Montgomery</td>
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<td>County</td>
<td>12/31/2021 Registrations</td>
<td>Percent Registered</td>
<td>12/31/2020 Registrations</td>
<td>Percent Registered</td>
</tr>
<tr>
<td>--------------</td>
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<td>--------------------</td>
<td>--------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Montour</td>
<td>71</td>
<td>12.2%</td>
<td>45</td>
<td>11.8%</td>
</tr>
<tr>
<td>Northampton</td>
<td>856</td>
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<td>569</td>
<td>12.3%</td>
</tr>
<tr>
<td>Northumberland</td>
<td>184</td>
<td>7.7%</td>
<td>115</td>
<td>7.7%</td>
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<tr>
<td>Perry</td>
<td>118</td>
<td>8.9%</td>
<td>86</td>
<td>10.1%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>4954</td>
<td>9.4%</td>
<td>3119</td>
<td>9.3%</td>
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<tr>
<td>Pike</td>
<td>70</td>
<td>6.7%</td>
<td>47</td>
<td>7.1%</td>
</tr>
<tr>
<td>Potter</td>
<td>32</td>
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<td>24</td>
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</tr>
<tr>
<td>Schuylkill</td>
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<td>194</td>
<td>8.9%</td>
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<tr>
<td>Snyder</td>
<td>71</td>
<td>6.6%</td>
<td>44</td>
<td>6.7%</td>
</tr>
<tr>
<td>Somerset</td>
<td>132</td>
<td>8.1%</td>
<td>90</td>
<td>8.6%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>16</td>
<td>11.9%</td>
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<td>13.1%</td>
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<tr>
<td>Susquehanna</td>
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<tr>
<td>Tioga</td>
<td>77</td>
<td>7.3%</td>
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<td>8.6%</td>
</tr>
<tr>
<td>Union</td>
<td>93</td>
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<td>61</td>
<td>9.3%</td>
</tr>
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<td>Venango</td>
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<td>7.9%</td>
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<tr>
<td>Warren</td>
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<td>7.9%</td>
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<td>Washington</td>
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</tr>
<tr>
<td>Westmoreland</td>
<td>983</td>
<td>12.7%</td>
<td>655</td>
<td>13.4%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>44</td>
<td>7.3%</td>
<td>28</td>
<td>7.3%</td>
</tr>
<tr>
<td>York</td>
<td>1236</td>
<td>9.8%</td>
<td>800</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Treasury is also monitoring registration rate by birth year “cohort.” While the total Keystone Scholars registration rate for all eligible children in the state is 10.6%, as of December 31, 2021, the table below shows the registration rate of each birth year cohort:

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Percent Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Cohort</td>
<td>13.6%</td>
</tr>
<tr>
<td>2020 Cohort</td>
<td>10.4%</td>
</tr>
<tr>
<td>2021 Cohort</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Treasury considers it a sign of success that the registration rate is showing a positive trend by birth year. Treasury expects that as time goes on we will continue to see registration rates grow by birth year cohort, resulting from the outreach efforts of program staff and partners to raise the profile of the program, as well as from the fact that families with older children have had more time to register their accounts.
KEystone Scholars generates value for PA 529 program and expands PA 529 account ownership among low-income families.

Over the past year, at least 10% of new PA 529 account openings were likely a result of the Keystone Scholars program, as 2,509 of the year’s 25,255 new PA 529 accounts were opened by families who registered for Keystone Scholars and linked their accounts.

In particular, we know that more low-income families are opening PA 529 accounts to save for their children’s future education or training. For example, program analysis shows the number of PA 529 accounts opened within the first year of a child’s life by WIC participants with babies born in 2019 increased 90% compared to prior to the program’s launch. In addition, the families who opened those accounts also contributed to them—at least twice on average in that year with median annual contributions of $215—or more than double the $100 program starter deposit. So, even among some of the lowest-income families, we are seeing an increase in education saving associated with the Keystone Scholars program.

Newly updated results from the Keystone Scholars pilot confirm that Keystone Scholars has opened the doors to the PA 529 program for families from more diverse socioeconomic backgrounds than before. PA 529 account ownership increased during the pilot across a wide range of families, including for all racial and ethnic groups, across varying levels of parental education, and for different levels of income. What’s more, the evaluation shows that Treasury’s Keystone Scholars pilot more than doubled PA 529 College and Career Savings Program account openings in the first year of life. The doubling of account openings among pilot families is a statistically significant finding that is attributable to receiving the $100 incentive and related outreach efforts from Treasury.

In addition to the concerted marketing and outreach strategies Treasury has deployed to engage more low- and moderate-income (LMI) families in the Keystone Scholars program, it has also been working to make its PA 529 plans more accessible and affordable. Last spring, in partnership with the PA 529 recordkeeping company, Treasury launched a mobile app for the PA 529 Investment Plan (IP), READYSAVE 529. In September 2021, the PA 529 program eliminated minimum required deposits. Now, families can open a PA 529 account without any initial deposit, and can contribute as little as $1 at a time when they make a contribution. This important step is just the latest in a series Treasury has taken to make the plans more affordable for everyone. In November 2019, Treasury eliminated the enrollment fee for the PA 529 GSP. And, over the past year, the PA 529 IP has reduced fees twice resulting in savings for account owners.

Taken in sum, these positive changes have distinguished the PA 529 College and Career Savings Program as not only financially sustainable but also more inclusive to all Pennsylvania families. The result has been a virtuous cycle for the program and its account owners, as reaching new economies of scale means more fee savings for them and program enhancements, as well as improved ratings. In 2021, the PA 529 Investment Plan received the coveted Morningstar Silver Rating for the second year in a row. Although not part of the official rating, Morningstar has recognized Pennsylvania’s leadership in developing the Keystone Scholars program.

Building financial inclusion through additional, targeted deposits.

Additional, automatic deposits targeted toward financially vulnerable children is one of the ten best practices, or Key Design Elements, that experts have established for Child Development Account programs. In 2021, Pennsylvania piloted an automatic targeted statewide deposit, the last of the Key Design Elements the program had yet to implement. Called the Bright Future Booster, the supplemental deposit of $50 was provided automatically in the Keystone Scholars accounts of eligible families. The pilot demonstrated for the first time that a statewide CDA program can operationalize such a deposit at scale. With a sustainable funding stream like the one that funds the $100 universal seed, such a deposit could become a permanent fixture of the Keystone Scholars program.

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In addition to the Bright Future Booster, in 2021 Keystone Scholars began another pilot that demonstrates how partner organizations can target additional deposits to children in their particular communities. The Milestone Program is a five-year initiative that offers gradually increasing annual deposits to Keystone Scholars children who remain enrolled in WIC through Western PA WIC provider Adagio Health.

Both the Bright Future Booster and the Milestone Program use as their program eligibility criterion whether a child’s mother was enrolled in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program at the time of birth. To qualify for WIC, participants must have income at or below 185% of the Federal Poverty Level, and be at medical or nutritional risk. WIC participants are therefore low-income by definition. Keystone Scholars does not have access to family income data, but the birth records it receives from the Department of Health that are used to create the Keystone Scholars accounts include a mother’s WIC enrollment. As a result, the WIC variable serves as a proxy for determining low-income status.

Below is a summary of each pilot initiative. Both initiatives were highlighted in a brief published by the Center for Social Development at Washington University in St. Louis—the country’s leading research center on CDAs—in conjunction with Keystone Scholars program staff. One shows what can be achieved for low-income children on a statewide scale with authorization to use existing resources. Another demonstrates the power of public-private partnerships to leverage the existing CDA infrastructure to further jumpstart wealth-building locally for the most financially vulnerable.

### Bright Future Booster

The Bright Future Booster is an additional, one-time $50 deposit into the Keystone Scholars accounts of babies born between January 1, 2021 and June 30, 2021 to mothers enrolled in WIC at the time of birth. Making these subsidies automatic for all babies born to mothers enrolled in WIC has ensured that all eligible children receive them. Through this pilot, Treasury demonstrated the ability to offer the 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 was designed to help narrow the gap between advantaged and disadvantaged children in the ability to pursue postsecondary education.

Like the rest of the Keystone Scholars program, the Bright Future Booster used no taxpayer money. It was funded through the generous support of the Neubauer Family Foundation, Henry L. Hillman Foundation, Richard King Mellon Foundation, and the Heinz Endowments.

### Bright Future Booster Results

By December 31, 2021, the total registration rate for the Bright Future Booster cohort was 6.5%, a healthy rate given that all of the families have had less than a year since notification of their account to register. For example, the oldest babies of the cohort, born in January 2021, had 6 months since their letters were mailed in mid-June until year-end. The youngest of the cohort, born in June 2021, received their account notification letter in mid-December, and so had just a few weeks to register prior to year-end. Treasury will continue to work with partners throughout the state to raise awareness of the Bright Future Booster and encourage registration.

In the meantime, a positive trend is emerging. Treasury worked with Senior Researcher Dr. Robert Nathenson at the American Institutes for Research (AIR) to compare registration rates at three months after account creation among babies born to mothers enrolled in WIC in prior years compared to the Bright Future Booster cohort. Nathenson also compared the registration rates of WIC and non-WIC births from the beginning of the statewide rollout. Since the statewide program launched, babies born to mothers not enrolled in WIC have had higher Keystone Scholars registration rates than those born to WIC-enrolled mothers. Overall, Nathenson and AIR colleagues found that there has been a narrowing of that gap in 2021, and the disparity between the two groups is now the lowest it has ever been.

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At statewide program launch, there was a nearly six percentage point difference between WIC and non-WIC registration rates. Currently, the difference is three percentage points. Overall, the WIC registration rate for the first five birth months of 2021 increased 13% as compared to 2020.9

Regression analysis shows that, controlling for parental race, ethnicity, education, and marital status, WIC families had 25% higher odds of registering for Keystone Scholars than non-WIC families in 2021 compared to 2020 and 38% higher odds than non-WIC families in 2019. While these results cannot be causally linked to the Bright Future Booster and associated outreach, it is likely that the initiative played a part in narrowing the gap.

Beyond the fact that the program is reaching more low-income families and showing success in encouraging them to engage with it, as evidenced by the climbing WIC registration rate, we are also seeing evidence that these families are saving.

Among children born in January through June of 2021 to mothers enrolled in WIC—i.e., Bright Future Booster recipients—the number of PA 529 accounts opened in the first six months of life increased by 34% compared to those born to WIC-participant mothers in the first half of 2020. And those who opened accounts also contributed to them—at least 1.64 times on average in the year with median annual contributions of $300.

**Results from Bright Future Booster Outreach Efforts**

In partnership with the PA Department of Health (DOH) WIC Program, Treasury launched a concerted outreach effort with the state's WIC Local Agencies to ensure all of Pennsylvania's WIC staff were able to inform participants about Keystone Scholars and the Bright Future Booster. Treasury staff corresponded directly by phone and email with each of the state's 24 WIC agencies, and also presented at WIC directors meetings hosted by DOH, and at meetings of the WIC Stakeholders Collaborative, a group of WIC-partner advocate organizations. In total, 21 of the 24 agencies providing WIC services during 2021, or 88%, requested Keystone Scholars and Bright Future Booster materials to distribute to their WIC participants. Thirteen stakeholder organizations also ordered materials to distribute to their clients. Treasury mailed out over 60,000 print materials related to the Bright Future Booster, in both English and Spanish, and also provided materials digitally. Examples of Bright Future Booster outreach materials can be found in Appendix I.

The DOH WIC program was instrumental in raising awareness of the program through social media, text communications, and other means. DOH sent a text to all WIC participants in the state in early 2021 informing them of Keystone Scholars and the Bright Future Booster. On December 13, 2021, it sent another text encouraging all recipients to register their account by December 31, 2021, and this was particularly effective in generating pre-registrations and registrations. In the day it went out alone, it directly resulted in 1,560 pre-registrations. Between the date the text went out and December 31st, there were at least 825 Keystone Scholars registrations by WIC participant families, 382 of which were Bright Future Booster recipients. The year-end jump in Bright Future Booster registration represented a two percentage point increase from just prior to the text blast.10 While not necessarily all of these registrations resulted from the text alone—families may have received information through other means, including the notification letter sent to June 2021 babies in December—the uptick in program engagement among this demographic is notable. As a point of comparison, it represents a 158% increase over the prior year’s December registration rate.

Taken as a whole, the results from the Bright Future Booster demonstrate that the additional targeted deposit coupled with concerted outreach is making a difference for the future of some of our state's most financially vulnerable children.

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9 This analysis omits June 2021 births because they did not yet have 3 months to register after receiving the Keystone Scholars notification letter from Treasury in December 2021.
10 The Bright Future Booster cohort’s registration rate was 4.22% as of December 11, 2021, just prior to the DOH-WIC text blast. By December 31, it was 6.52%, an increase of 2.3 percentage points in just 20 days.
WIC- Keystone Scholars Milestone Program

Through the initiative of one of Pennsylvania’s local WIC agencies, Adagio Health, and the support of the Henry L. Hillman Foundation, Treasury was able to promote Keystone Scholars program engagement and incent WIC program retention among children in the southwestern part of the state. Adagio Health is the WIC provider in Armstrong, Beaver, Butler, Indiana, and Lawrence counties. The Milestone Program provided an additional $50 deposit into the Keystone Scholars accounts of children born throughout 2021 to mothers participating in WIC whom Adagio serves. Then, for each year the child remains enrolled in WIC until their fifth birthday, Treasury will provide additional, increasing deposits into their Keystone Scholars accounts. All funds come from the Henry L. Hillman Foundation. Eligible children can receive up to an additional $425 in additional targeted deposits to their Keystone Scholars accounts if they remain enrolled with Adagio Health through five years of age. Together with the universal $100 starter deposit, that amounts to $525 for higher education that will grow over time. The schedule of additional deposits can be found below. Treasury and Adagio Health are working to raise awareness among eligible mothers. Adagio Health sent its own text message blast to all its WIC participants and regularly informs eligible families of Keystone Scholars and the Milestone program during appointments. The Milestone program is an excellent example of a partnership that equals more than the sum of its parts; it aims to strengthen the development of financially vulnerable children by promoting the array of financial, social and emotional benefits CDAs provide, while encouraging retention in WIC. An example of an outreach material designed by Adagio Health for the Milestone Program can be found in Appendix I.

OVERVIEW OF MILESTONE PROGRAM TARGETED DEPOSITS

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*All babies in the Milestone Program receive a $50 deposit at birth, though they do not also receive the $50 Bright Future Booster.

RESEARCH AND CONTRIBUTIONS TO THE CDA FIELD

Baseline Survey

In April 2021, Treasury issued a report with the findings from a baseline survey of Keystone Scholars families and a control group, which was designed and administered by AIR Senior Researcher Dr. Robert Nathenson. The survey had been open for about a year and received nearly 6,000 responses. 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 capability, and expectations for their children's postsecondary education. Treasury plans to administer a follow-up survey in 2023 to gauge changes in respondents’ views, especially related to future expectations for their children.

One of the most interesting findings highlighted in the report is that 98%—nearly all—of parents surveyed believe that their child will go on to obtain a bachelor’s degree, when asked to select the level of expected educational attainment in a multiple-choice question. This was true across income, parental education, geography, race, and ethnicity.
The survey also found that the parental belief that it’s too early to save was most consistently associated with lower parental expectations for a child’s future, among all the factors examined, and having low-income was one of the strongest predictors of reporting “it’s too early to save.” Believing it is too early to save is a mindset that leads to having less saved for future education, and is therefore an important factor for parental expectations and postsecondary education savings, independent of a family’s assets. By providing an initial $100 starter deposit, additional targeted deposits, and continued financial empowerment messaging, Keystone Scholars is promoting a change in this mindset and, in doing so, improving the future educational prospects of Pennsylvania’s youngest residents. You can read a brief summary of the report’s key findings in Appendix II.

Common Metrics

In late 2020, the Keystone Scholars program was selected as one of two statewide CDA programs in the country to receive technical assistance commissioned by the Consumer Financial Protection Bureau (CFPB). Consultants from Abt Associates and Prosperity Now worked with Keystone Scholars program staff from December 2020 to June 2021 to assess and implement newly developed Common Metrics for Children's Savings Account Programs. 11

As part of those efforts, Treasury staff worked with the consultants to develop a logic model for the Keystone Scholars program with the following vision statement:

To prompt all families to start saving as early as possible for their child’s education, to maintain/raise parental expectations, and to develop a future-focused identity in kids. We expect this will help result in Pennsylvania students, especially those from disadvantaged socioeconomic backgrounds, successfully completing the postsecondary education of their choice without an unreasonable debt burden; individual financial security will be improved via employment; and the commonwealth of PA will have a skilled workforce.

The logic model is a living document that will be revised as the program learns from its results and develops new initiatives. The most recent version can be found in Appendix III.

The logic model defines the expected short- and long-term outcomes from the program, which then allows specific program metrics to be defined for measuring those outcomes. The Common Metrics are a set of standardized metrics defined by the CDA community which allows CDA programs to select and tailor the metrics for their own program while being able to compare and benchmark to other programs. The choice of what data to collect, report, and analyze is important for ongoing monitoring, learning and evaluation.

The results of this work will be published as a case study in a forthcoming report by the CFPB, which is meant to serve as a guide and reference to other CDA programs.

Emergency Savings Research and Innovation

With Treasury’s partnership in 2021, the Boston-based financial empowerment non-profit Build Commonwealth (“Commonwealth”) surveyed over 275 Keystone Scholars families, the majority of whom were low-income, on their financial capability, savings behavior, and awareness of 529 accounts, as well as their interest in an emergency savings account in which they could accumulate savings and then easily transfer savings above a certain threshold into a 529 account.

Based on this survey, as well as a number of in-depth interviews, Commonwealth found:

- 48% had not already started saving for their youngest child’s education
- 57% of survey respondents did not have emergency savings
- The vehicle was not just of interest for the low-income: 54% of respondents making $75K+ had less than $500 in emergency savings
- 40% said they would be more interested in a 529 account if it had an ‘emergency savings pocket’.

In 2022, Treasury is continuing its partnership with Commonwealth to pilot with Keystone Scholars families a platform which would allow saving for both emergency (short-term) and post-secondary education (long-term) together. The goal of the pilot is to determine if creating an emergency savings account and connecting it to the PA 529 program would encourage low- and moderate-income (“LMI”) families to open a PA 529 account and use it to save for higher education. If found to be effective, it could have important implications for the 529 field and possibilities to scale up. Commonwealth will publish its findings at the pilot’s conclusion.

Thought Leadership

Growing recognition among CDA experts and practitioners that the 529 account structure offers an ideal infrastructure for a national CDA policy gained momentum in 2021. Because of Pennsylvania’s leadership as having one of the first statewide CDA programs and the largest in operation, Treasury has participated in a working group of CDA experts to frame a CDA policy at the federal level. Along with program administrators of Maine’s My Alfond Grant and CDA researchers and policy experts, the group has published two briefs\(^2\) outlining its vision to provide a universal, nationwide CDA policy by leveraging existing 529 infrastructure and incorporating federal funding.

Additional contributions the Keystone Scholars program has made to the Child Development Account field in the past calendar year include:

- Participation in CDA consortia with other programs to share knowledge and promising practices
- Conversations with state CDA programs preparing to launch. Program staff answered questions and provided insights from experience administering Keystone Scholars.
- Presentations at several webinars/conferences with a national or regional audience in order to share learnings and provide thought leadership on 529s and CDAs, including:
  - Webinar on establishing CDAs, hosted by the Washington State 529 Program
  - National Association of State Treasurers Treasury Management Training Symposium panel “New Research Findings on College Savings from State-Level Child Development Accounts”
  - Webinar hosted by Commonwealth titled “Liquid Savings and Expanding Access to 529s to Close the Wealth Gap”
  - Webinar on CDAs hosted by the Asset Funders Network titled “Expanding the Promise of Brighter Futures for Children: Children’s Savings Account 2019 Funding Survey.”

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PROGRAM MARKETING SUMMARY.

In 2021 Treasury continued to expand the Keystone Scholars program’s reach and raise awareness through tried and true methods, as well as through new efforts. These are summarized below. For examples of marketing materials, see Appendix IV.

Program Communications

The customary promotion of Keystone Scholars continued with direct mail to families as new accounts are funded and available to activate online. In 2021 the program sent approximately 116,775 bilingual English-Spanish letters to families with instructions on how to activate their child’s account online. Included in this distribution were letters specifically tailored to families who also received the Bright Future Booster, telling them about their additional $50 deposit.

In addition, Treasury created new ways to encourage program engagement among families, including:

- Four email blasts sent to families that had pre-registered for Keystone Scholars letting them know that their account was now funded and encouraging them to return to the website to log in.
- A Keystone Scholars Account Statement sent to approximately 49,000 households of children born in 2019 who had not yet accessed their account online. Sending an account statement is considered a CDA best practice and the Keystone Statements included current account balances to reflect any increase in the initial deposit and to reinforce the legitimacy of the program. Treasury will continue to send out this additional direct communication for all 2019 babies.
- The translation of select Keystone Scholars marketing materials to Spanish, including the back side of initial letter.
- Updated online resources and a revised and expanded website FAQ section.

Advertising

In the spring of 2021, Treasury launched a new advertising campaign promoting Keystone Scholars across Pennsylvania with a focus on rural and underserved communities. The campaign included newspaper advertisements, billboards, bus wraps, along with digital, TV, and radio ads. The new tagline for the campaign was “Early Start – Rewarding Finish.” and will continued to be used in 2022. The statewide paid digital awareness campaign drove more than 195,300 visitors to the Keystone Scholars website in 2021.

Earned Media

The Keystone Scholars program was recognized in a number of earned media pieces, including:

- A New York Times article on the expansion of New York City’s CDA program.
- A piece in the Philadelphia Inquirer featuring the Keystone Scholars program.
- Airtime through Pittsburgh-area KDKA-TV news and online.
- An op-ed penned by pediatricians at the Children's Hospital of Philadelphia in early 2022 for the Philadelphia Inquirer highlighting the health and wellbeing benefits of Child Development Accounts like Keystone Scholars and encouraging families to take advantage of the program.
PROGRAM OUTREACH SUMMARY.

Throughout the year, Treasury strengthened relationships with current partners and developed new partnerships to raise awareness of Keystone Scholars. The aforementioned Milestone Program with the Henry L. Hillman Foundation and Adagio Health, as well as Treasury's continued partnership with the Pennsylvania Department of Health, are two key examples. Treasury’s outreach goals focus on identifying state and local government agencies, child care providers/agencies, hospitals and health care systems, nonprofit organizations, and statewide associations which can provide local and personalized support to advance Keystone Scholars. Treasury continued to develop outreach material for partners, while providing training for staff and informational presentations directly to families. For examples of outreach materials, see Appendix IV.

Outreach carried out by both program staff and partners included:

- Incorporating Keystone Scholars messaging on the reverse side of a flyer enclosed in the PA Department of Health's birth certificate mailings. DOH includes this flyer with each new birth certificate it mails out to families of newborns about 3 weeks after birth. As a result, all families of newborns will now see this Keystone Scholars message when receiving their child's birth certificate. Treasury worked with Duke University’s Common Cents Lab to craft messaging based on best practices in behavioral science. The fact that the flyer now includes Keystone Scholars messaging is an important step not only in raising awareness about the program, but also increasing trust in the program. This accomplishment fulfills a recommendation from the 2020 Annual Report.

- Joint outreach with the Pennsylvania Chapter of the American Academy of Pediatrics (PA AAP) to all 2,300+ PA AAP member pediatricians in the state including a letter from Treasurer Stacy Garrity and PA AAP’s President along with promotional posters for doctors’ offices and a CDA research summary, encouraging them to promote Keystone Scholars with their patients.

- Recording an audio message for the DOH phone line. Treasurer Garrity recorded a 25-second “Public Service Announcement”-style message that is now played for anyone who calls and is placed in the hold queue for DOH's Vital Records Consumer Support hotline.

- Working with state DOH and WIC local agencies in all counties to raise awareness of the Bright Future Booster with WIC directors and stakeholders and disseminated materials to all WIC local agencies. (For examples of Bright Future Booster materials, please refer to Appendix I).

- Placing Keystone Scholars information and website link on Pennsylvania’s Children’s Health Insurance Program (CHIP) Resources webpage.

- Placing articles about the Keystone Scholars program in partner newsletters, including the Kiwanis Club, the Federally Funded Health Clinics, Office of Child Development and Early Learning, and CrossState Credit Union Association.

- Presenting to more than 100 Managed Care Organizations on Keystone Scholars, Bright Future Booster, the Milestone Program, and PA ABLE. This was made possible through partnership with the Department of Human Services Bureau of Managed Care Organizations, Office of Medical Assistance Programs, and their workgroup members.

- Incorporating Keystone Scholars and Bright Future Booster information into the statewide benefits referral system of Benefits Data Trust. As part of this work with BDT, program staff trained Benephilly counselors on Treasury savings programs.

- Training financial counselors at Neighborhood Allies and Clarifi to inform their clients about Treasury’s savings programs.

- Working with DHS to partner on a new Medicaid Home Visiting Expansion program, which provides for in-home visits to new mothers. Treasury was invited to join the Medicaid Home Visiting Expansion Work Group to develop ways to incorporate the Treasury consumer programs in the home visits.

- Establishing a new partnership with the PA Department of Corrections (DOC), providing collateral for dissemination in all 24 state prisons, all Community Correction Centers, DOC headquarters, Child Resource Center, and DOC’s home visiting program.
• Hosting, moderating, and participating in webinars throughout the year to build awareness of Keystone Scholars, including the PA Head Start Association. Nearly 350 people registered for 23 events hosted via Treasury’s webinar platform, while hundreds more were reached in sessions hosted by others.

• Emailing the Keystone Corner newsletter to partners each quarter. Treasury also made sign-up easier in 2021. Partners can now go to https://pa529.com/keystone/forpartners/ to sign up and read prior issues.

• Developing a new Keystone Scholars “Champion” flyer highlighting how potential donors can partner with Treasury to provide additional, targeted deposits for Keystone Scholars accounts.
OPPORTUNITIES AND RECOMMENDATIONS.

1. **Treasury should 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, and they can act as a key partner in informing their constituents about the value and legitimacy of the Keystone Scholars program. Treasury’s outreach team is available to provide promotional materials, conduct webinars, and attend events throughout the state. In addition to spreading awareness, legislators have the potential to be great “Champions” of Keystone Scholars by convening key community stakeholders to raise funds and sponsor additional deposits for the Keystone Scholars in their legislative districts. Treasury welcomes creative ideas and collaboration. Contact us at keystone@pa529.com to learn more.

2. **The General Assembly should 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.

3. **Treasury should allocate a portion of the GSP surplus to drive further growth in the GSP and Keystone Scholars program engagement.**

   As has been discussed elsewhere in this report, as of June 30, 2021 the GSP was 143.46% funded. This surplus already accounts for and covers the 283,997 Keystone Scholars accounts that were funded with $100 each as of June 30, 2021, and which account for 2.7% of all GSP credits.

   Given the health of the GSP’s surplus, Treasury is exploring a range of options for rewarding and incenting GSP account owners, including fee reductions, rebates, and rewards consistent with past practice and as envisioned in the program’s enabling legislation. Treasury should continue to actively monitor the GSP’s surplus and use a portion of it to drive GSP plan growth and engagement with the Keystone Scholars program.

4. **The General Assembly should 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 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 tailor 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.

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13 Recommendations 1, 2, and 4 are repeated from last year’s Annual Report.
APPENDIX I: BRIGHT FUTURE BOOSTER AND MILESTONE PROGRAM OUTREACH MATERIALS.

Bright Future Booster Postcard – English language

$100 Keystone Scholars deposit

+ $50 Bright Future Booster

Together, they make your child’s future even brighter.

Register now at pa529.com/keystone. See details on back.

PA Treasury automatically creates a Keystone Scholars account for your baby and invests $100 for their future education. And now, if you’re currently a WIC participant and give birth between January 1 and June 30, 2021, your child will get an additional one-time $50 deposit as part of the new Bright Future Booster program.

Remember, you must be a WIC participant before your child is born to be eligible for the Bright Future Booster deposit. Learn more at pa529.com/keystone or talk to your WIC provider.

PA WIC is funded by the USDA. This institution is an equal opportunity provider.

Scan this code to read more on our site.

pa529.com/keystone or call 800-440-4000
Depósito de $100 de Keystone Scholars + $50 de Bright Future Booster

Sumados, hacen que el futuro de su hijo o hija sea aun más prometedor.

REGÍSTRESE AHORA en pa529.com/keystone. Vea los detalles en la parte de atrás.

El Departamento del Tesoro de Pensilvania crea automáticamente una cuenta de Keystone Scholars para su bebé e invierte $100 para su educación en el futuro. Y ahora, si actualmente participa en el programa WIC y da a luz entre el 1 de enero y el 30 de junio de 2021, su hijo o hija recibirá un depósito único adicional de $50 como parte del nuevo programa Bright Future Booster.

Para calificar, solo inscríbase en WIC mientras esté embarazada y asegúrese de informar de que es una participante de WIC cuando inscriba el nacimiento de su bebé. Esto no tiene ningún costo para usted.

pa529.com/keystone | 800-440-4000
Bright Future Booster Social Media Graphics

From **nutrition education** to college graduation, planning for your child's bright future starts today!

To learn more visit [pa529.com/keystone](http://pa529.com/keystone).

The **Bright Future Booster** deposits an **extra $50** for babies born between January 1 - June 30, 2021 to moms enrolled in WIC.

To learn more visit [pa529.com/keystone](http://pa529.com/keystone).
The Keystone Scholars Program invests $100 for every baby born to a Pennsylvania resident on or after January 1, 2019 for their post-secondary education. Child Development Accounts (CDAs) like Keystone Scholars provide assets and motivate families to save for post-secondary education, aiming to improve development outcomes. Research suggests that combining CDAs with social services may greatly benefit financially vulnerable families.1

What Is The Bright Future Booster?
CDA best practices call for supplemental deposits targeted to low-income children. Generous philanthropic support has allowed PA Treasury to provide an additional $50 deposit to Keystone Scholars accounts for babies born between January 1 and June 30, 2021 to moms enrolled in WIC at the time of the child’s birth.

How Does It Work?
PA Treasury receives birth records from the PA Department of Health. The information denotes moms who self-report as WIC participants at the time of the child’s birth. PA Treasury uses this information to automatically fund accounts for all babies and determine eligibility for the additional $50 deposit.

Between 4-6 months after birth, families 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. While there is no deadline to register, families are encouraged to access their account as soon as possible.

Parents can pre-register and learn more online at pa529.com/keystone or through materials provided by partners like you.

What Can You Do?

Trusted community partners are needed to tell WIC participants about Keystone Scholars and the additional Bright Future Booster deposit. You can:

- Inform/remind parents about their free $100 account.
- 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 the extra $50 is just for them as a WIC participant if their child was born between January 1 and June 30, 2021.
- Assist families with first pre-registering and accessing their account online after birth.

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

- **WIC Registration**
- **Hospitals/ Federally-Funded Health Care Clinics/ Birthing Centers and Delivery Areas**
- **Nutrition and Breastfeeding Counseling**
- **In-Home or Virtual Visits**
- **Waiting Areas**
- **Links on Websites**
- **Pediatrician/OB/GYN Appointments**
- **Social Media**
- **Patient/Community Newsletters**
- **Educational Webinars**

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 families. Please contact us at keystone@pa529.com to schedule.
Milestone Program
A partnership between Adagio Health WIC, the Pennsylvania Treasury, and the Henry L. Hillman Foundation

In 2021, invest in your baby's health and education.

The Milestone Program is for families in Adagio Health’s WIC service area. Through the Milestone Program, pregnant moms or parents of a newborn who enroll in WIC in 2021 could receive higher education savings deposits totaling up to $525 by the time their child is 5 years old.

Here’s how it works:
• Any pregnant mom or parent of a baby born in 2021 who is enrolled in WIC is eligible for the Milestone Program.
• For every year that your baby remains enrolled, an additional college savings deposit will be made into a $25 savings account for your child.
• Children who remain enrolled for up to five years could receive a total of $525 in higher education savings deposits!

To enroll in the Milestone Program, please visit: pa529.com/keystone

Adagio Health is one of the largest WIC providers in Pennsylvania. WIC is a USDA supplemental nutrition program that provides healthy food and breastfeeding support. In addition, staff members provide nutrition counseling to clients and referrals for health care and other social services.

WIC services are intended for:
• Pregnant moms and expectant parents
• Women who have given birth within the last 6 months
• Women who are breastfeeding an infant under 12 months of age
• Infants and children up to 5 years of age

To contact your local WIC office or schedule an appointment, please call: 1-866-WIC-APPT (942-2778)
adagiohealth.org/WIC

PA WIC is funded by USDA. This institution is an equal opportunity provider.
Keystone Scholars Families Start Out with $100 for College — and High Expectations

Belief that it’s ‘Too Early to Save’ linked to lower expectations, demonstrates importance of Pennsylvania Treasury’s Keystone Scholars Program

June 2021
Ninety-eight percent of parents expected their newborn to pursue at least a bachelor’s degree in Pennsylvania Treasury’s groundbreaking survey conducted alongside the launch of its child development account (CDA), Keystone Scholars. Sky high expectations were found across income, parental education, geography, race, and ethnicity. In particular, a greater share of African Americans, Latinx, and Asians expressed confidence that their child would pursue a bachelor’s degree than white parents.

From May 2019 to June 2020, Pennsylvania Treasury sponsored a baseline survey of Keystone Scholars families and a control group, which was designed and administered by Dr. Robert Nathenson, Senior Researcher at the American Institutes for Research. The year-long survey launched just as parents of the first babies eligible for the new Keystone Scholars statewide program received letters from Treasury notifying them of their child’s account.

Keystone Scholars is a universal, opt-out child development account established for every Pennsylvania child at birth and funded with a $100 starter deposit for post-secondary education. Keystone Scholars accounts can be used for qualifying expenses at vocational schools, apprenticeship programs, community colleges, and baccalaureate degree granting institutions. It is the first program of this kind to be enacted through legislation, and with approximately 135,000 births a year to Pennsylvania families, it is also the largest such program currently in operation in the U.S.

Just under 6,000 parents took the survey. Response data is not necessarily generalizable to the overall Keystone Scholars population; however, it provides important insights into Pennsylvania families with newborns, with variation across demographic subgroups including race, ethnicity, parental education, urban-rural classification, marital status, and income level. The survey provides baseline information on parents’ expectations for their newborns’ future education, as well as on their savings behavior, assets, and trust in financial institutions and markets. Parental expectations are of particular interest because prior research has found that CDAs positively affect parental expectations for their children’s future education, which in turn benefits child development and academic performance. Treasury plans to administer a follow-up survey in 2023 to gauge changes in respondents’ views, especially related to future expectations for their children.

Parental Expectations

We find that Pennsylvania families have remarkably high expectations for their child’s educational future. Throughout the state across all race/ethnicities, incomes, marital status, and education levels, new parents typically want their child to attain more education than they had. This is especially evident for families that are less advantaged, including single parents, low-income parents, and parents of color.

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1 We note that our findings are derived from families with new babies in 2018 and 2019 that chose to complete the survey. Results are therefore not necessarily generalizable to the full set of Pennsylvania households who recently had new babies. In addition, results are descriptive, not causal.

These aspirations also manifest with 98% of all parents wanting their child to pursue at least a four-year bachelor’s degree. This college-bound mentality is found across all demographic groups identified in the survey, with more than nine in ten parents in each demographic group expecting their child to earn at least a four-year degree. In fact, higher proportions of African American, Latinx, and Asian parents as compared to white parents reported wanting their child to earn a bachelor’s degree.

While over 90% of families across all demographic categories say their child “probably will” or say they are “very sure their child will” pursue at least a bachelor’s degree, the proportion reporting “very sure” decreases from 57% in the largest metropolitan areas down to about 33% in more rural areas. Parents in rural areas retain high expectations, but express less certainty about their child’s educational future. Also, as rurality increases, fewer families expect their child to earn a master’s or doctoral/professional degree.

The survey results also show that families have a strong preference for Pennsylvania’s public higher education institutions. For those who stated a preference, they preferred in-state institutions to those out-of-state 91% of the time, and public institutions to private ones 83% of the time. This preference is particularly strong in rural parts of the state.

CDA programs like Keystone Scholars are designed to provide motivational and financial supports to families with the specific aim of bolstering postsecondary aspirations as children grow and in assisting families translate aspirations into attainment.

### Financial Trust, Assets, and Savings Behavior

A series of financial information questions from the survey were collapsed into six indices for the purpose of analysis: (1) Financial Trust; (2) Barriers to Saving; (3) Financial Assets; (4) Limited Ability to Save; (5) Initiated Savings Behavior; and (6) Believe it is Too Early to be Saving. See the Keystone Scholars Baseline Survey Findings report for an explanation and full list of questions for each.

The survey results show that financial assets have a large and significantly positive impact on parents’ expectations for their child’s educational future. In addition, families that had initiated the act of saving for college had, on average, higher expectations for their child. At the same time, families earning less than $50,000 a year (compared to those earning more than $50,000 a year) and each racial/ethnic minority group (compared to white families) were often at a relative disadvantage across the financial indices, including Financial Trust, Assets (other than Asians), and Initiated Savings Behavior. That their expectations are consistently high with fewer assets is a testament to families’ belief in higher education as an engine of opportunity. It is precisely why government commitment to and investment in children, as modeled through programs like Keystone Scholars, are so important to the state’s future robust workforce and educated citizenry.

Our findings suggest that parents who reported it was Too Early to Start Saving often had lower expectations for the future education of their child, including education level compared to the parent and pursuit of both a two-year and a four-year degree. No other financial measure was so consistently associated with lower parental expectations, suggesting negative consequences to this specific mindset.
Yet, of all the financial indices the survey examines, *Too Early to Start Saving* is likely the most adaptable. Rather than capturing whether a family has started saving or if it has the means to do so, it reflects their **savings mindset**. The downstream ramifications of parents who believe in putting off saving until the future may be severe. These parents will have saved fewer assets and be less able to afford the growing cost of college, which may result in self-fulfillment of their initial lower expectations. This is particularly true for low-income families, as having a low-income was one of the strongest predictors of reporting *Too Early to Start Saving*. Having or lacking an early saving mindset is therefore an important factor for parental expectations and postsecondary savings, independent of a family’s assets. By providing an initial $100 starter deposit, additional targeted deposits3, and continued financial empowerment messaging, Keystone Scholars is promoting a change in this mindset and, in doing so, improving the future educational prospects of Pennsylvania’s youngest residents. For example, evidence from an evaluation of the Keystone Scholars pilot program has shown that the $100 incentive is successful in motivating Pennsylvania families to take the next step to begin actively saving for their children’s future education. The evaluation found that families in pilot counties were twice as likely to open a PA 529 account in the first year of their child’s life than families in non-pilot counties. The doubling of account openings among pilot families is a statistically significant finding that is attributable to receiving the $100 incentive and related outreach efforts from Treasury.4 Furthermore, as of June 2021, Keystone Scholars families had saved over $17 million in their own linked PA 529 accounts.

The results from the baseline survey report indicate that Pennsylvania parents of newborns have great expectations for their children’s futures. The Keystone Scholars program is here to help these families realize them.

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3 With funding primarily from the generous support of the Neubauer Family Foundation, the Henry L. Hillman Foundation, the Richard King Mellon Foundation, and the Heinz Endowments, Pennsylvania Treasury is providing an additional one-time targeted $50 deposit. Called the “Bright Future Booster,” the additional deposit goes into the Keystone Scholars accounts of 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). Keystone Scholars is currently seeking additional funding sources to sustain the Bright Future Booster, as well as ways to establish additional targeted deposits that would increase the assets of low-income or at-risk youth.

### APPENDIX III: KEYSTONE SCHOLARS LOGIC MODEL

**Impact Statement:** Pennsylvanians students, especially those from disadvantaged socioeconomic backgrounds, successfully complete the postsecondary education of their choice without an unreasonable debt burden. Individual financial security is improved via employment and the Commonwealth has a skilled workforce.

<table>
<thead>
<tr>
<th><strong>Inputs</strong></th>
<th><strong>Activities</strong></th>
<th><strong>Output</strong></th>
<th><strong>Intermediate Outcomes</strong></th>
<th><strong>Targeted Outcomes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program staff</td>
<td>Provide universal deposits</td>
<td>Program outreach</td>
<td>Increase in KS registration rate</td>
<td>Increase in LMI KS registration rate</td>
</tr>
<tr>
<td>Early childhood organizations</td>
<td>Create and support community partnerships</td>
<td>Provide educational support</td>
<td>Increase in postsecondary education awareness</td>
<td>Increase in community interest in 529 accounts</td>
</tr>
<tr>
<td>Department of Health</td>
<td>Increase access to opening and saving in 529 accounts</td>
<td>Develop a robust enabling environment</td>
<td>Increase in PA 529 account ownership among LMI families</td>
<td>Increase in PA 529 account ownership among LMI families</td>
</tr>
<tr>
<td>Hospitals and healthcare systems</td>
<td>Promote family saving early and as often as possible</td>
<td>Increase in knowledge of and options for postsecondary education</td>
<td>Increase in students' knowledge of and options for postsecondary education</td>
<td>Increase in students' knowledge of and options for postsecondary education</td>
</tr>
<tr>
<td>Medicaid, CHIP, and MCOs</td>
<td>Increase in savings</td>
<td>Increase in family savings</td>
<td>Increase in family savings</td>
<td>Increase in family savings</td>
</tr>
<tr>
<td>Early childhood organizations</td>
<td>Provide targeted deposits</td>
<td>Increase in education outcomes</td>
<td>Increase in education outcomes</td>
<td>Increase in education outcomes</td>
</tr>
<tr>
<td>Department of Health</td>
<td>Increase in awareness of 529 accounts</td>
<td>Increase in public awareness of 529 accounts</td>
<td>Increase in public awareness of 529 accounts</td>
<td>Increase in public awareness of 529 accounts</td>
</tr>
</tbody>
</table>

**Inputs:**
- Program staff
- Funds for initial deposits
- Additional targeted deposits
- PA 529 program
- Dept of Health data
- Partners – Hospital and healthcare systems; Medicaid, CHIP, & MCOs; early childhood organizations; early childhood social services; community-based organizations; school systems; Dept of Health; Commonwealth; CommonCents; donors

**Activities:**
- Provide universal starter deposit
- Market program to general population
- Promote family saving early and as often as possible
- Collect program data

**Outputs:**
- Program impact

**Intermediate Outcomes:**
- Universal outputs
- Targeted outputs
- Systems change outputs

**Targeted Outcomes:**
- Universal outcomes
- Targeted outcomes
- Systems change outcomes
APPENDIX IV: MARKETING AND OUTREACH MATERIALS.

Keystone Account Statement (Front)

Parents of John Smith
123 Main Street
Anytown, PA 19999

A Keystone Scholars account was automatically created at birth to help jumpstart John's bright future. John's money remains invested, and just like John, it has grown a little too.

If you haven't yet logged in to your child's account, visit pa529.com/keystone or call 800-440-4000. Everything you need can be found on your child's PA birth certificate.

You can add to this investment by opening a new PA 529 College and Career Savings Program account. PA 529 has been helping families plan and save for education for more than 25 years. Turn an early start into a rewarding finish!

When you open your own PA 529 account, you can link it online to your Keystone Scholars account to track the growth of your funds and view all your education savings in one place. Get started today at pa529.com/keystone.
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.

To permanently opt-out of Keystone Scholars, please visit www.pa529.com/keystone or call 800-440-4000.

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.

*Ugift is a registered service mark of Ascensus Broker Dealer Services, LLC, and is an optional service, separate from PA 529, and not affiliated with the Commonwealth or the Treasury Department.
Keystone Scholars es la inversión que realiza Pensilvania (PA) para el futuro prometedor de su bebé.

- El Tesoro de Pensilvania invierte $100 por cada niño o niña nacidos o adoptados en una familia de Pensilvania para que se utilicen en los gastos futuros de enseñanza superior del bebé.
- Los padres pueden acceder a su cuenta en línea o por teléfono con la información que figura en el certificado de nacimiento de su hijo o hija.
- Keystone Scholars está disponible para los niños o las niñas que hayan nacido después del 31 de diciembre de 2018, incluidos aquellos que hayan sido adoptados posteriormente por un residente de Pensilvania.
- El Departamento del Tesoro de Pensilvania invertirá $100 y este monto crecerá con el paso de los años al mismo tiempo que su hijo o hija.
- Su cuenta de Keystone Scholars se puede utilizar para cubrir gastos de enseñanza superior calificada cuando su hijo o hija comience a estudiar.

Obtenga más información en pa529.com/keystone.

Keystone Scholars está disponible para los residentes de Pensilvania que nacieron después del 31 de diciembre de 2018 y los niños o las niñas que nacieron después del 31 de diciembre de 2018 y que fueron adoptados o adoptadas 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 deben ser beneficiario(a) de una cuenta 529 de Pensilvania (PA 529) abierta en su nombre. Si el beneficiario(a) es menor de 18 años, los fondos se invertirán en la cuenta de Keystone Scholars. Si el beneficiario(a) tiene 18 años o más, los fondos se invertirán en una cuenta del Plan de ahorros garantizado (GSP) 529 de Pensilvania (PA 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. No se podrán aportar fondos adicionales a una cuenta de Keystone Scholars. Sin embargo, se aconseja a las familias a que ahoren en su propia cuenta PA 529.

Keystone Scholars Billboard

EARLY START.

REWARDING FUTURE.

PA NEWBORNS GET $100 FOR EDUCATION. VIEW YOUR CHILD’S ACCOUNT TODAY. pa529.com/keystone
Keystone Scholars provides $100 to kickstart education savings for your child. Get an early start on a rewarding finish.

- Available for PA babies born after January 1, 2019
- View your child’s $100 investment online
- Use funds for career & vocational training – or at community colleges & four-year universities

800-440-4000 | pa529.com/keystone

Keystone Scholars is funded without taxpayer money.
Congratulations on the birth of your child!
The Pennsylvania Department of Health is pleased to present you with your child’s birth certificate. This is your child’s first official identification, so please keep it in a safe place. Your child will use this birth certificate for future milestones, like registering for school, applying for a driver’s license, getting a passport and verifying their U.S. citizenship for their first job.

Please review your child’s birth certificate to make sure everything is accurate and spelled correctly. If you find a mistake, let us know and we will provide you with a free, corrected birth certificate within six months of your child’s birth.

Visit http://www.newborn.health.pa.gov to learn more about your child’s birth certificate, including how to fix any errors.

If you do not have internet access, please call us toll-free at 844-228-3516 for help.

You can order additional copies of your child’s birth certificate online at mycertificates.health.pa.gov.

Welcome, little one!
98% of new parents in Pennsylvania like you expect their child to pursue some form of higher education. So, to help you start your child on this journey, $100 has been reserved for your child’s higher education savings thanks to the Keystone Scholars program!

Pre-register today at pa529.com/keystone!

The $100 is invested by the PA Treasury Department and will grow through the years right alongside the child.

Babies receive the $100 ‘get started’ deposit automatically.
Babies adopted by PA residents also qualify.
Families can start their own savings in a separate PA 529 College and Career Savings Program account.

Keystone Scholars is open to children who are Pennsylvania residents 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. No additional funds may be contributed to a Keystone Scholars Account.
Dear PA AAP Member:

Through your Pennsylvania Chapter, American Academy of Pediatrics (PA AAP) membership, you gain premiere access to and support around programs and organizations that assist your patients and their families. As the world begins to reopen and we start to understand the scope of the pandemic’s impact, the Chapter is dedicated to working with our members to foster equity in your communities, impacting your patients.

One organization whose programs promote opportunity and positive educational and health outcomes: the PA Treasury Department (Treasury). The Chapter and Treasury have partnered together to provide PA AAP members with the resources for and information on Treasury’s Keystone Scholars program, an innovative, nationally recognized Child Development Account (CDA) program launched statewide in 2019. CDAs are long-term savings accounts that offer incentives to families, especially those of low-income, to jump-start early saving for higher education. Included with this letter, you will find information on Treasury’s program and evidence of its success. We share this with you for the following reasons:

1. CDAs, like Keystone Scholars, provide tangible hope and a sense of security to families and their children. Research shows that children in lower-income households, with an education savings account containing less than $500, are three times more likely to enroll in a 2- or 4-year college and four times more likely to graduate.

2. The benefits go far beyond the financial. Just by knowing the account is there, CDAs influence parental attitudes and expectations for their child’s future. The benefits of a CDA were found to be even greater among children living in lower-income households. When offered together with social services, the benefits of CDAs are amplified.

3. A trusted PA AAP partner, Treasury serves as a voice for all who work to improve the well-being of PA’s children. At present, Treasury seeks your support for Keystone Scholars through the sharing of program information with your families.

Since 2019, Treasury has provided more than 300,000 Pennsylvanian children with a $100 Keystone Scholars deposit for future higher education. The $100 account is provided automatically at birth for all children born to a Pennsylvania resident. Keystone Scholars is motivating families to kickstart their education savings earlier, ensuring their child has the opportunity to realize their future dreams.

Treasury provides free materials, like the ones attached to this letter, to support your outreach with families. These materials are available in both English and Spanish at www.pa529.com/keystone/resources. Treasury also offers family webinars and training for pediatric providers and staff. Videos are available for office waiting areas or to use on websites. For more information, please reach out to keystone@pa529.com.

We ask that you help spread the word about Keystone Scholars to your patients. Families need to know about it and log into their account in order to benefit from it. We encourage the use of the posters included with this letter as a way of getting started.

We thank you for your leadership in securing the health of and support for Pennsylvania’s children.

Warm regards,

Trude Haecker, MD, FAAP

President, PA AAP

Stacy Garrity

State Treasurer, Commonwealth of Pennsylvania

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What are Child Development Accounts?

Child Development Accounts (CDAs) are asset-building accounts for children. In practice they are usually dedicated for expenses associated with postsecondary education. However, conceptually they can also be used for other asset building activities such as buying a home, starting a business, or retirement. CDAs are a policy instrument that can ensure that early investments are available to all children.

Experimental research documents that CDAs have large positive effects on savings for college at age 12, with largest effects among disadvantaged children by race, income, and parent’s education. These early investments matter for the kinds of outcomes children achieve even into adulthood. For example, research indicates predicted household income and net worth are higher for adults who received parental financial support for college than for those receiving no such support. Research also shows that children with college savings in their name – even if that amount is modest – are three times more likely to pursue postsecondary education and four times more likely to graduate. CDAs can be an effective policy tool for reducing educational and economic inequality.

More than a Savings Vehicle

CDAs complement efforts to reduce inequality in early education, facilitate college completion, and improve post-college financial health. Research shows:

- **Early Childhood.** An experimental test of CDAs finds infants who were randomly assigned to receive a CDA demonstrated significantly higher social-emotional skills at age four than their counterparts without a CDA. CDAs give parents new hope for their children's futures and may change how they interact.

- **The School Years.** Every year, many minority and low-income students fail to transition to college despite having the desire and ability to go, commonly known as “wilt.” CDAs are associated with reducing wilt by cultivating college-going identities. When students expect to go to college and have identified savings as a strategy to pay for it, low income children are more likely to enroll in college and complete college.

- **Transitioning from Student to Adult.** Children who save are more likely to save as adults, and CDAs can also connect children to assets such as retirement accounts, real estate, and other investments. CDAs help children avoid student debt, an important outcome since indebted college graduates accumulate less wealth than those who do not have to borrow to finance their degrees.

In addition, CDA effects extend beyond children reducing maternal depression and increasing parental educational expectations for their children. These findings are further supported by a new experimental test of CDAs among a mostly very low-income minority population in Oakland, CA.

*Note: Excerpted from a brief titled 'The Case for a Nationwide Child Development Policy' developed by experts in the CDA Field: Ray Boshara, Jose Cisneros, William Elliott, Amanda Feinstein, Martha Kanter, Clint Kugler, Julie Peachey, Colleen Quint, Tom Shapiro and Michael Sherraden.*
Meet Keystone Scholars: Pennsylvania’s Child Development Account

The Pennsylvania Treasury Department invests $100 for every baby born to a Pennsylvania resident on or after January 1, 2019 for their post-secondary education.¹

Child Development Accounts (CDAs) like Keystone Scholars were developed so that all children, especially financially vulnerable ones, have a college savings account invested for them early in life. But state governments cannot fund them alone.² The account structure is designed for community partners to help grow the investment and build assets for financially vulnerable kids. Meanwhile, families are encouraged to open their own PA 529 accounts to build their savings as they are able.

Calling All Donors with a Vision

Champions can be anyone—individuals, employers, community-based organizations, government entities, philanthropic foundations, etc.—who make additional deposits into the accounts of children in their communities. Champions can make a one-time deposit, or multiple deposits at various milestones in children’s lives. Champions can also target their deposits—by designating them for all children within a particular community, or for certain populations, such as low-income or minority children, for example. Keystone Scholars Champions build upon the initial $100 investment to help children grow wealth and envision their future from early on.

Make A Smart Investment

If you are seeking a new way to make a positive impact on children and their families, contributing additional deposits for Keystone Scholars accounts is a forward-thinking investment. Research shows that when low-income children have an education savings account in their name, even with less than $500 in it, they are three times more likely to enroll in a two- or four-year degree program and four times more likely to graduate. But CDAs are about more than the money in them. They signal to kids that their community believes in them now and into the future. As children grow up knowing that the account is there, it leads to improved social and emotional development, particularly among financially vulnerable children. By building the account balances of kids in your community, you are actually doing so much more: you are helping them visualize themselves going on to do great things.

You can think about the additional deposits like an “early scholarship.” Many scholarship programs exist in the U.S. because as a country we recognize the value of higher education. Adults with postsecondary degrees have higher lifetime earnings and better health outcomes. The My Alfond Grant is an example of a $500 early scholarship that the Harold Alfond Foundation provides to every baby born in Maine.

Early scholarships into a CDA promise not only a longer time horizon for the funds to grow, but also the added social-emotional benefits for children and their parents of focusing on the future. And, through equitable asset-building, early scholarships into CDAs can reduce the wealth gap and bring more kids’ dreams within reach.
Together We Can Fund Kids’ Dreams

Your early scholarship can reward local families for taking positive steps in their child’s development like:

- Staying current on pediatric vaccines
- Reading together at home
- Starting pre-school
- Propose your own idea!

You know the families in your community best and we want to work with you to help them save for their children’s future. Let’s think creatively together to raise funds and make a plan.

Champion Benefits

In addition to providing you with a new resource you can share with the families in your community, becoming a Keystone Scholars Champion provides the following benefits:

- Recognition of your generous contribution and placement of your organization’s logo on joint marketing materials.
- Aggregate data on the proportion of Keystone Scholars families in your community who have registered their account and who have opened and linked a PA 529 account to it. These metrics gauge awareness of the Keystone Scholars program and can bring you key insights into how families are planning for the future.

Champion Spotlight

Adagio Health and Keystone Scholars - WIC Milestone Program

Pennsylvania Treasury, the Henry L. Hillman Foundation, and Adagio Health partnered to incent participation in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program through the child’s first five years. Adagio Health is the WIC provider for Armstrong, Beaver, Butler, Indiana, and Lawrence counties. The WIC Milestone Program provides 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 generous grant from the Henry L. Hillman Foundation. Treasury and Adagio Health are working closely to raise awareness among eligible mothers and ensure they are able to log in to their accounts online.

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 provide, while encouraging retention in a critical public health program.

Become a Keystone Scholars Champion Today

Contact Anne DeCecco, Director of Keystone Scholars at Pennsylvania Treasury, to learn about becoming a Keystone Scholars Champion today.

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1 Includes all children born on or after January 1, 2019 who are subsequently adopted by Pennsylvania residents. Keystone Scholars funds can be used for qualified higher education expenses at community college, vocational or training school, apprenticeships, and four-year university.

2 Keystone Scholars starter deposits are funded from surplus earnings on the PA 529 Guaranteed Savings Plan and use no taxpayer funds.

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.

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pa529.com/keystone or call 800-440-4000

Stacy Garrity
Pennsylvania Treasurer
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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.