



# The Bell Policy Center

## ASPIRE Colorado Pilot Program for College Savings for Preschool Children

**HB16-1196**

Testimony to the House Education Committee  
Rich Jones, Director of Policy and Research  
February 22, 2016

Thank you for the opportunity to present this testimony.

I am Rich Jones, the director of policy and research with the Bell Policy Center. The Bell is a non-partisan, nonprofit research and advocacy organization founded on progressive values and dedicated to making Colorado a state of opportunity for all.

**The Bell Policy Center supports HB16-1196 to create a pilot program to establish college savings accounts for eligible children currently enrolled in participating preschool programs. This is an innovative way of increasing the likelihood that children from low- to moderate-income families will attend and graduate from postsecondary education. Considerable research shows that college savings accounts help children develop positive expectations about attending and graduating from college and that even small amounts of college savings can have a big effect on college enrollment and graduation. Helping students attain postsecondary education directly benefits them and their families by providing them with the skills needed to get good-paying jobs. Plus, it helps ensure that Colorado's workforce will be able to meet the projected future demand for workers with some level of postsecondary education.**

Students from low-to moderate-income families in Colorado are less likely to enroll in college than are students from other income levels. In 2013, 41 percent of Colorado students who received free or reduced lunch enrolled in college directly from high school compared to 55 percent of students who did not receive free and reduced lunch.<sup>1</sup>

There is considerable empirical evidence, based on a wide range of rigorous studies, that shows that college savings accounts increase the likelihood that children from low-to moderate-income families enroll in and graduate from college.<sup>2</sup> College savings accounts help children develop positive expectations that they will attend and graduate from college. Studies show that after controlling for a number of factors that influence the likelihood that students enroll in college,

the presence of college savings is an important predictor of whether low-to moderate-income students enroll in college and graduate.<sup>3</sup>

These studies further show that even small amounts of college savings can have a big effect. Children from low- and moderate-income families with \$500 or less in savings were three times more likely to enroll in college than children with no savings, and four times more likely to graduate.<sup>4</sup>

Increasing the number of Coloradans with postsecondary education will help us meet future workforce demands. It is projected that by 2020, 74 percent of the jobs in Colorado will require some level of postsecondary education.<sup>5</sup> We have traditionally relied on attracting highly educated individuals from other states to meet our workforce needs. According to The Colorado Talent Pipeline Report, we will need to ensure that more Coloradans have access to educational opportunities in order to meet our future workforce needs.<sup>6</sup>

Based on research, the college savings accounts that will be established through the pilot program authorized in HB16-1196 will help expand the number of Coloradans from low-to moderate-income families that enroll in and complete college. This will help them develop the skills to move out of poverty and get ahead economically. It will also help ensure that Colorado maintains its high-quality workforce needed to be competitive in the future.

We thank Representatives Pettersen and Rankin for bringing this bill to you today and thank the committee for the opportunity to share our thoughts with you

If you have any questions, or if I can provide further information, please contact me at (303) 297-0456, ext. 224 or [jones@bellpolicy.org](mailto:jones@bellpolicy.org).

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<sup>1</sup> The Colorado Talent Pipeline Report, Colorado Workforce Development Council, October 15, 2015  
<https://www.colorado.gov/pacific/sites/default/files/2015%20Talent%20Pipeline%20Report.pdf>

<sup>2</sup> Scholarly Research on Children's Savings Accounts, CFED, June 2014 [http://cfed.org/assets/pdfs/FactFile\\_-\\_Scholarly\\_Research\\_On\\_Childrens\\_Savings\\_Accounts.pdf](http://cfed.org/assets/pdfs/FactFile_-_Scholarly_Research_On_Childrens_Savings_Accounts.pdf)

<sup>3</sup> Small Dollar Children's Savings Accounts and College Outcomes, Center for Social Development, William Elliot, University of Kansas, 2013, <http://csd.wustl.edu/publications/documents/wp13-05.pdf>

<sup>4</sup> CFED report

<sup>5</sup> CDHE; Georgetown Center on Education and the Workforce data, 2013

<sup>6</sup> The Colorado Talent Pipeline Report