



DAISY KORPICS/THE WALL STREET JOURNAL; PIXELSQUID (2)

600 Kindergartners Were Given Bank Accounts. Here's What They Learned.

How San Francisco and other cities are trying to boost financial education and college savings

By [Anthony De Leon](#)

July 20, 2023 11:00 am ET

Tierra Ferrand started saving for college when she was in kindergarten.

She and 600 other low-income public-school students in San Francisco were each given a bank account with \$50 in 2011 as part of a program that expanded the curriculum from reading and writing to interest rates. Now 17 years old, she has more than \$1,500 banked and is off to Grambling State University in Louisiana this fall. That balance may be small, but Ferrand and her mother, Aisha Brown, 44, said the account changed their approach to [money and saving](#).

“Outside of this account, we don’t have other college savings accounts,” Brown said. “We don’t have those advantages that some other families may have.”

San Francisco’s Kindergarten to College Program, which now gives \$50 in savings to every student, has 52,000 active accounts with a total balance of \$15 million—\$10 million of which came from deposits made by the students and their families. The program aims to be both financial education and a small start to [college savings](#), and has been replicated in 39 states across the country.

The need for such programs stems from two of the biggest financial challenges faced by millions of American families: low levels of financial literacy and the [skyrocketing cost of higher education](#). Most Americans lack basic financial knowledge, [surveys find](#), a gap that can result in more debt, poorer savings habits and not having enough money for retirement. College tuition, meanwhile, averaged \$10,950 for in-state students at public four-year colleges in the 2022-2023 school year and \$39,400 for private nonprofit four-year schools, according to the College Board.

The 2023 graduating class members of the San Francisco program, the first group to have the accounts since kindergarten, averaged a balance of \$1,422, about 28 times the initial deposit.

While that amount would only cover a tiny fraction of a year's tuition, research by William Elliott III, a professor of social work at the University of Michigan, suggests that low-income families with even a small amount of college savings are significantly more likely to attend and finish college.

"This program motivated me to go to college and relieved the stress when thinking about college expenses," said Ferrand, who will use the fund for supplies and to cover travel expenses.

A savings boost

Students are automatically enrolled in the Kindergarten to College Program and are given a Citibank account with a \$50 balance. Students and their families are then encouraged to build up their savings through various incentives, including art competitions and scholarship opportunities for which winners can earn extra money for their accounts. The city also matches deposits from low-income families at certain schools. The accounts, which earn a small amount of interest, do have some restrictions: The money cannot be accessed until college and can only be directed to higher education-related expenses.

"The whole idea of that was to really do something sizable for the least advantaged and systemically racially disadvantaged kids in our community," said José Cisneros,

San Francisco's treasurer who started the program.

Though every San Francisco public-school student starts with a \$50 account funded by the government, most families don't add to their balances. Roughly

a quarter of families have deposited their own money, a figure Cisneros said he wants to see grow, but noted that many American school children have no college savings at all.

One core challenge of the program is reminding people that they have it. Parents receive introductory letters informing them a college-savings account has been opened in their child's name, along with a bank ID card. But there is no obligation to use the account.



Thailyah Miller, who was enrolled in the program in kindergarten, is a first-generation college student who will attend San Jose State on a full scholarship.

PHOTO: THE MILLER FAMILY/SAN FRANCISCO K2C

Thailyah Miller,

18, was enrolled in the program in kindergarten from the beginning but said she only understood its value much later in her school career.

“I wish more people would take advantage of it, and I wish it was explained more,” said Miller, a first-generation college student who will attend San Jose State on a full scholarship. “When we get the letter in the mail, it’s like, ‘OK, you have \$50, and you just throw it away.’”

She has since saved \$1,500 and plans to use her savings to buy a new laptop for school.

Growing pains

To boost participation, Cisneros said it would help to have more classroom instruction tied to the real-life accounts. So far, there has been some resistance among teachers who say they are just trying to keep pace with the current curriculum.

Students say they wish they were given more financial education in general and as it applies to their savings accounts. The accounts have demonstrated that small deposits can add up, the students said.

Ferrand said she didn’t have a true financial literacy class until her senior year. “I feel like they should put it out there earlier,” she said.

Miller began thinking about college during high school and began using the program’s incentives to increase her savings. She also learned that \$50 doesn’t go very far. Growing up in a family that rarely discussed money, Miller said she knew she had to rely on academic excellence to receive funds through scholarships.

Brown, Ferrand’s mother, also regrets not contributing to her daughter’s account earlier but is looking to change this by actively depositing funds for her son and other relatives who are planning to go to college. “Our family

contribution is not as much as I would have liked it to be as I look back on it, where I could have put \$25 more instead of sending \$5.”

SHARE YOUR THOUGHTS

What do you think is most notable about the experience of the children in San Francisco? Join the conversation below.

Write to Anthony De Leon at anthony.deleon@wsj.com