

Leveraging Local and Citywide Assets to Build Wealth in Neighborhoods

Introduction to the Save for College Program's Community Scholarships

Through its Community Scholarships, the Save for College Program is both a universal and a targeted platform for New York City to build real wealth in communities and reinforce expectations of success for all of its children.

WHAT: Community Scholarships are a way for communities to leverage their unique assets, institutions, and traditions to visibly and tangibly support their children's educational futures by contributing to and fundraising for students' NYC Scholarship Accounts. Community Scholarships also provide a mechanism for policymakers, business leaders, philanthropists to work with communities to build new systems that drive resources into low-income communities and communities of color that have been systematically excluded from wealth-building opportunities.

Functionally speaking, Community Scholarships are contributions to groups of NYC Scholarship Accounts through a donation to NYC Kids RISE. NYC Kids RISE deposits 100% of the donations received for Community Scholarships into the NYC Scholarship Accounts of the designated group of students.

WHY: The Save for College Program is not only about families saving their own money. It's about bringing together what families can contribute, what school communities can contribute, what neighbors and community members can contribute, and what institutions and systems throughout the city can come together to contribute to equip every child with resources for their future. By enabling local stakeholders (businesses, neighbors, civic organizations, etc.) to support the NYC Scholarship Accounts in the ways and amounts that make sense for them, Community Scholarships are a tool for demonstrating community-wide support for every child's future, encouraging families to continue planning and saving for higher education, strengthening social capital, and building generational wealth in neighborhoods.

Community Scholarships are a key lever by which the Save for College Program has the potential to build significant wealth and combat the **racial wealth gap**. Black and Hispanic families own less than 10% and 12% of the wealth, respectively, of white families.¹ If left unaddressed, research suggests the median Black and median Hispanic family in the U.S. will

have zero *net assets* within the next 50 years.² While the Save for College Program alone is not the answer to this challenge—which is rooted in policies and practices of structural racism and discrimination—it has the potential to be one piece of an agenda to combat the racial wealth gap by providing a mechanism to drive targeted financial assets into communities of color via investment accounts that have the potential to grow over time.³

HOW: NYC Kids RISE's approach to Community Scholarships is driven by the fundamental belief that the institutions in a neighborhood will either reinforce or hinder both the real opportunities for and the expectations of success. Community Scholarships bring the institutions within and across neighborhoods together to invest in their children's success. Since the first Community Scholarship effort in late-2018, communities have come together through various campaigns, including

- **The Concert for College**, a Black History Month gospel concert organized by two churches in Long Island City and Astoria, which brought nearly 1,000 community members together to raise money for the accounts of students at eight schools in these neighborhoods;
- **Seamless's "Donate the Change" Campaign**, which raised more than \$300,000 in one month—about \$49 for every participating student in the Program—by enabling Seamless diners to round up their order and donate the change to NYC Kids RISE;
- **The P.S. 92 Parent-to-Parent Community Scholarship**, a contribution from public school parents in Brooklyn who had recently sent their kids off to college to support the next generation of families at P.S. 92 in Corona, Queens;
- **Community Scholarship for P.S. 111 First Graders**, an online campaign supported by friends and neighbors in Long Island City, which raised \$108 for every first-grader at P.S. 111 to show support for that school community;

- **Funding Long Island City's Future**, a community-wide, grassroots fundraising campaign supported by more than 100 local businesses, community organizations, parents, residents, and other supporters who came together to show that Long Island City is a neighborhood that supports all of its children to succeed;
- **Astoria Houses Community Scholarship**, a community campaign led by the Astoria Houses Resident Association to raise \$1,000 for every kindergarten, first, second, and third grader that lives in Astoria Houses and attends a pilot school, to let the kids know that their community supports them.

SELECTED METRICS FROM THE PILOT PHASE

(as of June 30, 2020*)

- **\$580K raised** through Community Scholarships initiated during the pilot phase
- **6,606 individual students** received funding through these Community Scholarships
- **40+ community based organizations and businesses** involved in Community Scholarship campaigns and events
- **More than 1,000 donors** to community scholarship efforts (not including Seamless diners)

WHAT'S NEXT: Ultimately, NYC Scholarship Accounts through the Save for College Program will become a universal financial infrastructure across every neighborhood. This opens up many creative opportunities for community-driven, progressive wealth-building that can combat wealth disparities and legacies of exclusion from the financial mainstream, all while visibly engaging the institutions that impact neighborhood-level opportunity and supporting children's expectations of success from an early age.

Learn how you can help bring this platform to every family in every school across New York City at nyckidsrise.org.

**Due to the COVID-19 pandemic, all NYC public schools transitioned to remote learning in March of 2020 for the remainder of the school year and through the end of the pilot in June 2020, impacting metrics and milestones for the final quarter.*

ENDNOTES

- 1 Board of Governors of the Federal Reserve System. 2016 Survey of Consumer Finances (SCF) (Washington, DC Federal Reserve Board, 2017)
- 2 Collins, C., Asante-Muhammad, D., Hoxie, J., Nieves, E. (2017). "The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America's Middle Class." Institute for Policy Studies and Prosperity Now.
- 3 Preliminary internal projections, based on early outcomes, suggest that the average student enrolled in the Save for College Program could have approximately \$3,000 in total assets in their accounts by the time they graduate high school. In addition, this platform provides the opportunity to direct larger institutional funding streams toward the accounts of students in low-income neighborhoods and communities of color, building even greater assets in those students' accounts.

The NYC Kids RISE Save for College Program is a scholarship and savings program administered by NYC Kids RISE, Inc., a nonprofit, in partnership with the NYC Department of Education and the City of New York. NYC Kids RISE is neither affiliated with, nor an authorized distributor of, New York's 529 College Savings Program and does not solicit investments or provide investment advice. The City of New York and the NYC Department of Education offer no endorsement or recommendation about, and do not control, own or are affiliated with the program manager for New York's 529 College Savings Program and any particular college savings or other investment vehicle, including ones which families may learn about through the Save for College Program.

The NYC Kids RISE Save for College Program is a public-private-community partnership that provides families, schools, and communities with a way to work together to save for their children's futures. It's a universal scholarship and savings platform designed to make college and career training more accessible and achievable for all NYC public school students—regardless of their family's income or immigration status. NYC Kids RISE, a nonprofit organization, manages the Save for College Program in partnership with the NYC Department of Education and the City of New York.

