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MAYOR NEWSOM AND CITY LEADERS LAUNCH "KINDERGARTEN TO COLLEGE" FINANCIAL SAVINGS PROGRAM FOR FAMILIES

San Francisco is first city in the nation to launch college savings program for all public school kindergartners

San Francisco, CA— Mayor Gavin Newsom today joined San Francisco leaders to announce the launch of Kindergarten to College (K2C), the nation's first universal children's savings account program, designed to put all children on the path to college. The City will open a savings account with an initial seed deposit for every kindergartner entering public school.

K2C aims to increase college aspirations for every child, while helping families get a head start on college savings. Philanthropic foundations will provide cash matches and incentives to encourage families to save. Emerging research shows these accounts can be a cost effective investment to boost academic performance and increase savings and financial literacy.

"There's no better long-term investment we can make as a City than helping our kids go to college, and Kindergarten to College will provide working families with the financial tools to turn a college education for their child from a distant dream to a practical reality," said Mayor Newsom. "I'm proud that San Francisco continues to lead the nation in building partnerships with our public schools and colleges to guarantee universal pre-school, universal afterschool programs, and a place in our colleges for every child. Kindergarten to College is another major step in our efforts that will bring an enormous return on our investment, for children, for families and for the City."

Citibank announced plans to work with the program to create, open and manage the accounts for approximately 1,200 children in year one, and will provide options for parents to make deposits through their branch network, by mail and online. "Citibank is committed to working with the City of San Francisco to deliver not only this great savings initiative but to put in place what we believe is a potential national platform for other municipalities. We are proud to work with the City on this innovative program that will help the students of San Francisco ultimately achieve a college degree," said Bob Annibale, Global Director of Citi Community Development.

Mayor Newsom was joined at Sanchez Elementary School by San Francisco city officials, including Treasurer José Cisneros, Supervisors Bevan Dufty and David Campos, School Superintendent Carlos Garcia, and program partners Citibank, EARN, CFED, the New America Foundation, and the San Francisco Foundation to announce details of the program, set to pilot in 18 schools this fall.

"In San Francisco, we are making college possible for families who may have otherwise thought it was out of reach. Kindergarten to College plants the seed that says 'you will graduate from college someday' as soon as our students enter elementary school. By making this long term investment in our children's education, business



and civic leaders are truly investing in a better future for everyone,” said San Francisco School Superintendent Carlos Garcia.

Designed as an easy-to-use savings platform to help more families start saving for college from an early age, the K2C program will automatically open a savings account for parents when their child starts kindergarten, with an initial \$50 deposit from the City of San Francisco. Lower-income children will be eligible for an additional \$50. Families will be provided with an account in their child’s name and an account number so they can begin making deposits towards savings goals.

“One in three San Francisco children is born into a family with no savings or assets of any kind. That number is one in two for African American and Latino families,” said City Treasurer José Cisneros. “By helping every family open an account and demonstrating the power of savings, we will do much to reduce financial exclusion and increase the chances that more of our children will go to college.”

The program will further boost family savings by providing matches and incentives for families who save in the accounts. EARN, a San Francisco-based nonprofit that helps low-wage families achieve prosperity, has committed to match the first \$100 of additional savings that every participating family adds to their account. “At EARN, we see every day that with the right tools and incentives, low-income families can and do save, often at higher rates than wealthier families. That’s why we are so committed to supporting the City’s effort by providing a \$100 savings match for the first additional \$100 saved by families participating in the K2C program,” said EARN President and CEO Ben Mangan.

The San Francisco Foundation has also committed to fund additional savings matches and incentives as the program rolls out. “This program has the potential to transform lives and our entire community. The San Francisco Foundation is honored to be a part of this important collaborative and we are enthusiastically looking forward to providing savings incentives for participating families,” said Dr. Sandra Hernandez, CEO of the San Francisco Foundation.

City officials and their local and national partners are optimistic that a successful demonstration of a children’s savings program in San Francisco could pave the way for a larger state or federal policy to promote asset-building strategies for children and youth. “Tough budget times ask us to more with less” said Anne Stuhldreher, of the New America Foundation. “And K2C does just that. It’s a forward thinking approach to a daunting problem and it’s the kind of approach California and our nation needs more of right now.”

As part of the K2C program, financial education will be introduced to the classroom, using the accounts as a powerful teaching tool to teach financial management skills. With the launch of K2C, San Francisco will be the first city in the nation to integrate financial education into the K-12 math curriculum. “These accounts will be ‘hope in concrete form’ for students,” said Bob Friedman, founder and Board chair of CFED, a K2C partner. “At CFED we know that as savings grow, so do aspirations. Emerging research shows that people will save more if it’s made easy and automatic, and that children with savings set aside for college are many times more likely to attend than children who have none.”

K2C launches in 18 schools this year with numbers expected to double next year. K2C will reach full enrollment by 2012. Participating schools for the 2010-2011 academic year are: Bessie Carmichael, Cesar Chavez, Cleveland, Dr. George Washington Carver, Dr. William L. Cobb, Dr. Charles R. Drew, El Dorado, Francis Scott Key, Gordon J. Lau, Guadalupe, John Muir, Junipero Serra, Malcom X, Sanchez, Sunnyside, Sutro, Tenderloin, and Yick Wo Elementary Schools.

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