



**SCOTT MEACHAM  
OKLAHOMA STATE TREASURER**

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**More Than 1,000 Oklahoma Babies  
Get \$1,000 for College Savings**

*Treasurer Meacham Announces SEED for Oklahoma Kids Study on Children's Savings Accounts*

**OKLAHOMA CITY** – More than 1,000 Oklahoma babies are receiving a \$1,000 jumpstart on saving for college thanks to SEED for Oklahoma Kids (SEED OK), a seven-year study designed to determine the economic and educational impact of “seeding” a college savings account for children at birth. SEED OK, announced today by Governor Brad Henry and State Treasurer Scott Meacham, is a collaboration between the Oklahoma State Treasurer and the Center for Social Development (CSD) at the George Warren Brown School of Social Work at Washington University in St. Louis.

Lisa Creed of Edmond, OK, says the \$1,000 for her baby Samuel was the kick-start she needed to start saving for her children's college education. She and her husband have talked about saving for college for their four children ages 6, 4, 2 and 11-months, but until now had not taken the actual steps to open an account.

“This definitely got us started. When you're busy as parents you say ‘yeah we need to set up something,’ but your life is hectic and you just don't get around to it,” says Creed. “Being chosen to receive this SEED money made us take the time to fill out the paperwork and even put some additional money in an account for our son Samuel.”

In late 2005 Oklahoma was chosen for the study through a competitive bid process. Beginning last year 2,708 randomly selected Oklahoma families with newborns agreed to participate. Half of the newborns in these families received \$1,000 in a special SEED OK account in the Oklahoma College Savings Plan. Families can also make additional deposits in their own accounts. As part of the study, these deposits may be matched with up to \$250 per year for four years, depending on income eligibility. The other half of the children received no money, but their parents will participate in the study by completing periodic interviews about their saving behaviors.

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## **Oklahoma Babies Get \$1,000 - Add One**

“To be chosen among a contingent of states who competitively bid for this project is an incredible honor for Oklahoma and puts us on the forefront of influencing policy to increase the number of people attending college,” says Meacham. “It’s also an amazing opportunity for Oklahoma families participating in the study to get a head start on saving for their child’s college education.”

Michael Sherraden, PhD, founder and director of CSD and creator of individual development accounts, or IDAs, which are matched-savings programs that work similar to a 401(k), says the results of the SEED OK study could impact state and national policies aimed at creating child development accounts at birth.

“The theory behind SEED OK is to determine how saving and accumulating assets within a household affects the family and educational achievement of children,” says Sherraden. “For instance, we anticipate that having an account for college education will lead parents to think positively about college opportunities for their children. Maybe they will be more likely to turn off the TV and read to their young children. We will be asking these questions. Research results will inform future policy for child development accounts, not only in Oklahoma, but in many other states as well. If results are positive, the policy goal will be to have an account for every newborn in the nation.”

Sherraden adds that Oklahoma was chosen due to the diversity of its population, the strong working relationships between Treasurer Meacham and other state agencies such as the State Health Department, excellent features of the Oklahoma 529 College Savings Plan, and commitment to the SEED OK policy innovation and research.

“We are excited by the prospect that the SEED OK study will help craft national policy for asset-building among children, youth and families,” says Governor Brad Henry. “Seeding of college savings accounts has the potential to go a long way toward ensuring that children become true stakeholders in America’s economic future.”

Meacham says the first round of study participants received the \$1,000 deposit into a state-owned account in December of last year. The second round of participants received notice of the \$1,000 account last month. But the study is offering an additional incentive to participants: for those who open their own Oklahoma College Saving Plan account by August 31, 2008, the state will deposit the \$100 minimum initial contribution for them.

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## **Oklahoma Babies Get \$1,000 - Add Two**

The Ford Foundation provided early support for the launch of SEED for Oklahoma Kids and is now the major funder. Additional support is provided by the Charles Stewart Mott Foundation and Lumina Foundation for Education. RTI International is the study's survey research firm.

SEED OK is part of a larger initiative called Saving for Education, Entrepreneurship, and Downpayment (SEED), which is designed to inform a policy that would create accounts beginning at birth for all children in the United States. Other projects in SEED include community-based studies and state and federal policy projects. Partners in SEED include CFED, the University of Kansas School of Social Welfare, the New America Foundation, and the Initiative on Financial Security of the Aspen Institute.

**NOTE:** Complete video coverage of this news conference will be available after 5pm CST on June 3<sup>rd</sup>. To view this video footage, please visit State Treasurer Scott Meacham's web site at [http://www.ok.gov/treasurer/SEED\\_for\\_Oklahoma\\_Kids/index.html](http://www.ok.gov/treasurer/SEED_for_Oklahoma_Kids/index.html) and follow the instructions provided. The video footage of this news conference will be archived through July 31, 2008.

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