Evaluation of the Massachusetts BabySteps Program

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# Evaluation of the Massachusetts BabySteps Program

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About IERE

Nested in the Heller School for Social Policy and Management at Brandeis University, the Institute for Economic and Racial Equity (IERE) is a research institute that advances economic opportunity and equity for individuals and families, particularly households of color and those kept out of the economic mainstream. For over a decade, IERE has furthered the understanding that assets and wealth are critical to household wellbeing and that all families should have access to the resources and opportunities needed to participate fully in social and economic life.

IERE is a national leader studying Children’s Savings Account (CSA) programs like BabySteps. Over the last several years, the IERE CSA team has tracked the growth and development of the CSA field, produced accessible reports that are frequently used by emergent CSAs and programs interested in innovating, and conducted a biennial study of funding in the CSA field. Through this work, IERE has helped further knowledge of the landscape of CSAs in the U.S., variations in program design, and emerging best practices.

Learn more about IERE’s CSA work at https://heller.brandeis.edu/iere/work/csa.html.
Executive Summary

Launched in January 2020, BabySteps provides a $50 seed deposit when families open a Massachusetts 529 account and name a child the beneficiary within one year of the child’s birth or adoption. The program provides a jump-start to families saving for education after high school, including college, vocational school, and apprenticeship. BabySteps aims to increase the percentage of families saving for postsecondary education, build a culture of saving and budgeting, and boost postsecondary enrollment and completion by fostering educational aspirations among even the most disadvantaged Massachusetts students.

This evaluation uses a mix of administrative data, interviews with families of young children, and focus groups with BabySteps administrators and partners to measure the program’s successes over its first two years of operation. We also identify challenges to address in the coming years, as BabySteps enters the next phase of implementation.

Specifically, this evaluation seeks to understand how BabySteps has affected 529 enrollment in low-income communities and communities of color throughout Massachusetts, how families of eligible children are experiencing the program, and what barriers keep families from enrolling and engaging with the program.

Our analysis of administrative data reveals that the BabySteps program achieved a significant increase in 529 account ownership for newborn and newly adopted Massachusetts children. After accounting for the impact of the COVID-19 pandemic and other factors, BabySteps fueled a 17% increase in the number of 529 accounts for eligible children. To control for fluctuations in the birth rate, we also looked at account uptake – the number of accounts per birth. By this metric, the BabySteps cohort had 27% higher 529 account uptake than the comparison group in the most recent period examined. Higher-income areas and less racially and ethnically diverse areas also saw higher 529 account uptake both before and after the launch of the BabySteps program. However, BabySteps triggered a significant increase in uptake in low-income areas, as well as areas with higher-than-average concentrations of Black and Latinx residents. Taken together, the analysis of administrative data suggests that the program has made great progress in boosting families’ access to postsecondary savings, and there is still work to do to reach low-income families and families of color throughout the Commonwealth.

In keeping with the quantitative analyses, our interviews with families and focus groups with BabySteps administrators and partners reveal a great deal of promise and progress, as well as opportunities to continue innovating. The checkbox on the birth certificate application form and other efforts to inform new parents while at the hospital for their child’s birth are important and valuable ways to reach families. The program’s $50 seed deposit is attractive to many new parents and motivates them to consider opening a 529 account. Families who opened accounts saw the BabySteps program as offering hope for their children’s future and providing a motivation to save and minimize children’s future educational debt. At the same time, the application process is challenging for families for a range of reasons, including minimal linguistic accessibility and the use of financial jargon and technical terms. Families’ lack of familiarity with investment accounts and...
529 plans, as well as other preexisting challenges, such as the digital divide and lack of immigration documentation, also stood in the way of enrollment for some respondents.

Based on our findings, we recommend changes in four main areas. First, we identify a set of steps to improve the accessibility of the program’s websites and the 529 application. Second, we suggest that MEFA work closely with its financial partners to continually improve the accessibility of the 529 plan for BabySteps families. Third, we share ideas for expanding and strengthening partnerships for outreach and enrollment. Finally, we recommend changes to the program structure and incentives that would make BabySteps more accessible and attractive to low-income families.
Introduction

“With the rising cost of post-secondary education, the path forward is unclear for many of our kids. BabySteps will encourage thoughtful planning for higher education and vocational training for children across Massachusetts.”

- Massachusetts State Treasurer Deborah Goldberg

The path to postsecondary education often is not at the top of families’ minds as they welcome a new child. College – or other education options after high school – may seem far off, or even out of reach. Yet, even as postsecondary education has become more difficult to afford, it is also more critical to economic security.

With these challenges in mind, the Massachusetts State Treasurer’s Office of Economic Empowerment (OEE) launched the BabySteps Savings Plan in 2020. The program offers a $50 deposit for Massachusetts children whose families open a Massachusetts 529 plan, a type of tax-advantaged account designed to encourage saving for postsecondary education costs. To be eligible for the deposit, families must open the account and name their child as the beneficiary within one year of the child’s birth or adoption.

The Massachusetts 529 plan, called the MEFA U.Fund College Investing Plan, is sponsored by the Massachusetts Educational Financing Authority (MEFA) and professionally managed by Fidelity. Thus, OEE, MEFA, and Fidelity work together closely to ensure BabySteps’ success.

Related Research

BabySteps joins a growing number of programs, often called children’s savings accounts (CSAs), intended to ensure that children have money saved for their postsecondary education. CSAs take many forms, with varying application processes and financial incentives, but all share the goal of setting funds aside for children’s future education. Research shows that families with CSAs engage in increased planning and saving for postsecondary education. Further, there is evidence that financial incentives like BabySteps’ $50 seed deposit can encourage families to open 529 accounts. For example, Pennsylvania conducted a pilot CSA program in 2018, which was similar in structure to the BabySteps program. The pilot, a precursor to Pennsylvania’s current statewide Keystone Scholars program, offered a $100 seed deposit into a 529 account for families in six counties who claimed the account by their child’s first birthday. Families in pilot counties opened 529 accounts at twice the rate of those in non-pilot counties.

CSAs also fuel increased educational expectations among parents and children, and improvements in children’s academic performance starting in elementary school. Beyond their financial and educational value, CSAs are associated with a range of promising outcomes for children and parents, including improved early child social-emotional development.
health,\textsuperscript{14} and maternal mental health.\textsuperscript{15} Many of these benefits are strongest for children from low-income families.\textsuperscript{9,12,13,15}

Most CSA programs have not been in operation long enough to be able to measure their effects on postsecondary attainment. However, research suggests that having modest savings set aside for education is associated with increased college enrollment and completion for children from low- and moderate-income families.\textsuperscript{16-18} In addition, several of the documented outcomes of CSAs – including social-emotional development, educational expectations, and academic performance – are associated with future postsecondary enrollment and completion.\textsuperscript{19}

**Evaluation Overview**

Through this evaluation, we set out to understand how the BabySteps program has affected families’ 529 account uptake, particularly in low- and moderate-income communities and communities of color across all parts of Massachusetts. We also sought to learn how families of eligible children are experiencing the program and what barriers keep families from enrolling and engaging with the program. To answer these questions, we draw upon three sources of data: administrative data, interviews with parents of young children in Massachusetts, and focus groups with BabySteps’ administrators and community partners.

The remainder of this report is divided into three chapters. We begin with a chapter focused on our quantitative analysis of administrative data. The second chapter presents our findings from interviews with families and focus groups with BabySteps administrators and partners. The final chapter provides recommendations that reflect both the quantitative and qualitative findings.
Chapter 1: Analysis of Administrative Data

Quantitative Study Overview and Research Questions

A primary goal of the BabySteps program is to increase the percentage of families saving for postsecondary education. To assess how well the program achieved this goal in its first two years, the research team analyzed administrative data on Massachusetts 529 account utilization. We looked at how the number of Massachusetts 529 accounts has changed over time and whether the trends varied demographically. This chapter includes an overview of the quantitative methods and findings related to our research questions:

A. How has the number of Massachusetts 529 accounts changed since BabySteps launched?

B. How has uptake (number of 529 accounts per eligible child) of 529 accounts changed since BabySteps launched?

C. How does 529 account uptake vary by income level, race, and ethnicity?

To understand how BabySteps may have affected 529 enrollment (Research Question A), we first looked at the trend in the number of accounts opened for babies under one year old from 2018 to 2021. We expected that the number of newly opened accounts would increase in the BabySteps period (2020-21) compared to the pre-BabySteps period (2018-19). However, a simple tabulation of the number of accounts in each period might underestimate the impact of BabySteps because it would not account for changes wrought by the COVID-19 pandemic, which started shortly after BabySteps' launch in 2020. The pandemic-induced financial market crisis and household economic strain might have reduced families’ motivation to open 529 accounts. To address this issue, we compared a cohort of children under one year old to a cohort of older children (ages two to six). Families with older children faced the same economic environment during the pandemic but were not eligible for the BabySteps program. We used the trend of the older children’s accounts as a reference in measuring the impact of BabySteps. This statistical technique is called difference-in-differences.

Another methodological challenge is the birth rate, which fluctuated unexpectedly during the pandemic and might affect estimates of the impact of BabySteps. To answer Research Question B and account for the changing birth rate, we estimated the impact of BabySteps on account uptake (the number of accounts for babies under one divided by the number of births, by zip code). For this analysis, we could not use the same difference-in-differences methodology where we compared the children under one year old to the older cohort, due to data limitations. Instead, we compared account uptake for the BabySteps cohort (born in 2020-21) to that of a pre-BabySteps cohort (babies born in 2018-19).
We further investigated whether the impact of BabySteps differed by demographics (Research Question C). The relatively low uptake of 529 accounts in low-income communities has been reported elsewhere, yet prior estimates did not reflect the change in uptake over time. Our analysis shows how 529 uptake has changed since the launch of BabySteps in different communities, compared to the pre-BabySteps level.

Major Takeaways from the Administrative Data Analysis

- The BabySteps program achieved a significant increase in 529 account ownership for eligible children. Controlling for underlying growth, BabySteps drove a 17% increase in the number of 529 accounts opened for children under one.
- The 529 uptake rate (number of accounts divided by the number of births) also increased since BabySteps launched. These findings account for the fluctuations in birth rate. Compared to the six-month period before BabySteps launched, 529 uptake in the most recent six-month period is 27% greater.
- Although overall 529 uptake was greater in higher-income areas, BabySteps triggered a significant increase in uptake in low-income areas. Account uptake in low-income areas increased by 43%, whereas it rose only by 26% in higher-income areas.
- Neighborhoods with higher-than-average Black and Latinx populations also saw significant growth in account uptake.

Quantitative Methods

Data
We obtained data on pre-BabySteps Massachusetts 529 accounts from Fidelity Investments (Fidelity) and BabySteps-era data from the Massachusetts Educational Financing Authority (MEFA). Data from both sources include information at the zip code level on the number of accounts and contributions every six months from 2018 to 2021. Additionally, we obtained zip code level demographic characteristics from the American Community Survey (ACS) 5-Year Data (2009-2020) and birth count data from the Massachusetts Department of Public Health that had the number of residential births from 2018 to 2021 by zip code. See Appendix 1 for more detailed information about the data sources.

Key Measures
- **Number of new accounts:** We applied the inverse hyperbolic sine (IHS) transformation to the raw number of new accounts to be able to interpret our estimates in terms of percentage change in account ownership.
• **Account uptake**: We calculated the number of new accounts divided by number of births for each cohort during each six-month period.

• Demographic characteristics (by zip code):
  
  o **Low-income areas**: We defined low-income families as those whose household income was below 200% of the federal poverty line. At the median, 18.6% of families in Massachusetts have low income. We defined a low-income zip code as an area in which the share of low-income families was equal to or higher than twice the state median (37%). These are compared to zip codes in which the share of low-income families is lower than 37%.

  o **Areas with higher concentrations of Black residents**: The median proportion of Black or African American residents in Massachusetts is 4%. We identified zip codes in which the ratio of Black residents was equal to or higher than twice the state median (8%). These are compared to areas in which the share of Black residents is less than 8%.

  o **Areas with higher concentrations of Latinx residents**: The median share of Latinx residents in Massachusetts is 6.5%. We identified zip codes in which the ratio of Latinx residents was equal to or greater than twice the state median (13%). Again, these areas are compared to those in which the share of Latinx residents is less than 13%.

**Analytic Approach**

We used the difference-in-differences method to measure the change in the number of accounts before and after the BabySteps program launched. The difference-in-differences method allowed us to estimate the impact of BabySteps, controlling for the pre-existing account uptake trend, as well as the contemporaneous impact of the COVID-19 pandemic.

We performed descriptive analyses to examine how account uptake has changed since BabySteps launched. At the zip code level, we calculated how uptake varies by demographics, including income level and racial and ethnic makeup.

**Quantitative Findings**

**RQ-A. How Has the Number of Accounts Changed Since BabySteps Launched?**

Massachusetts 529 account ownership is an important outcome of the BabySteps evaluation. Figure 1 compares the trends in the unadjusted number of new accounts from 2018 to 2021 by the age of beneficiaries. Starting in 2020, children under the age of one were eligible for BabySteps.

**RQ-A Major Takeaways**

- Massachusetts 529 account ownership for babies under one year old has increased since the launch of BabySteps.
- Controlling for other factors, BabySteps drove a 17% increase in the number of 529 accounts opened for children under one.
Figure 1. Unadjusted number of new Massachusetts 529 accounts opened 2018-2021

The increase of more than 3,000 accounts for children under one year old from 2020-2021 shows promise for BabySteps’ goal of increasing the number of families saving in 529s. However, these numbers alone do not tell the whole story, because there has been an upward trend in new account openings for both the BabySteps-eligible children and the older children since 2020. A more rigorous method is required to subtract out the effect of the underlying trend and identify the impact of the BabySteps program. Moreover, the COVID-19 pandemic, which began concurrently with BabySteps, further complicates the interpretation of these simple enrollment figures; the pandemic’s effects on financial markets and household economic security might have impacted families’ decisions to open 529 accounts.

To account for the effects of the pandemic, we used the difference-in-differences method to compare the trend of accounts for beneficiaries under age one to those for beneficiaries aged two to six from 2018 to 2021. Families in both groups faced the same financial market situation during the pandemic, but only the under-one-year-olds were eligible for the BabySteps program. This method is different from the simple comparison above since it controls for the increase in account openings that were not induced by BabySteps. This method provides a rigorous measure of BabySteps’ effect on enrollment, net of the general trend and influences of the pandemic.

Table 1 reports selected coefficients from the difference-in-differences model. Each number tells us how the average number of new accounts for the labeled group was different from the comparison group. Multiplying these numbers by 100, the coefficients can be interpreted as the percentage difference in the average number of accounts between the children under one year old and the comparison group. See Appendix 1 for details and the full regression table.

On average, across all years from 2018 to 2021, there were about 36% more accounts opened for babies under age one than for children aged two to six (Row 1). For both age groups, the number of new accounts increased in the BabySteps period by about 28% compared to the pre-BabySteps period (Row 2). Most importantly for our purposes, the number of BabySteps-eligible accounts
(opened for those under one year old) increased by 17% during the BabySteps period (Row 3). This 17% increase is the amount of growth that is attributable to BabySteps, after subtracting out the other underlying growth.

Table 1. Selected coefficients from difference-in-differences model of number of new accounts

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<th>Change in number of accounts, IHS transformed (Standard Error)</th>
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<tr>
<td>Age under one, all years</td>
<td>0.36* (0.06)</td>
</tr>
<tr>
<td>All ages, BabySteps period</td>
<td>0.28* (0.07)</td>
</tr>
<tr>
<td>Age under one, BabySteps period</td>
<td>0.17† (0.09)</td>
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* p<0.05, † p<0.10

Table 1 Key Points

- Across all years, babies under one had 36% more new accounts compared to children ages two to six.
- Children of all ages had more new accounts in the BabySteps period (2020-21) than in previous years (2018-19).
- Most importantly, BabySteps fueled a 17% increase in the number of new accounts, after subtracting out underlying trends.

Our results show that the BabySteps program had a positive impact on the number of accounts opened for eligible children. The number of accounts for older children who were ineligible for BabySteps also increased since the program’s launch, but the increase in the eligible accounts far exceeded the growth of the ineligible accounts.

In addition, we also observed a reduction in mean account contributions among BabySteps-eligible accounts. The total amount of contributions divided by the number of accounts was lower for BabySteps-eligible accounts than for the comparison group. This is to be expected if many families opened accounts using only the $50 seed deposit. See Table 5 in Appendix 1 for a detailed regression table on average account contributions.
RQ-B. How Has Uptake of 529 Plans Changed Since BabySteps Launched?

The findings in the previous section show that BabySteps is associated with a 17% increase in the number of new 529 accounts. However, this estimate does not control for recent fluctuations in the birth rate, which may also affect 529 account uptake. According to birth data from the Massachusetts Department of Public Health, the number of births in the state decreased between 2019-2020, then rebounded in 2021. See Table 8 in Appendix 1 for specific birth rates.

To account for the changing birth rate, we calculated the 529 account uptake rate: the number of accounts divided by the number of births. These analyses of uptake rate do not use the difference-in-differences method utilized above due to data limitations. For details, see Appendix 1.

Figure 2 shows the uptake rates calculated every six months for the BabySteps cohort and the pre-BabySteps cohort. Account uptake for the BabySteps cohort has been rising steadily, with greater gains than the pre-BabySteps cohort. The differences between the two cohorts grew in the last two time periods. Focusing on the most recent six-month period (Time 4), the BabySteps cohort had an 8% uptake rate, compared to a rate of 6.3% for the pre-BabySteps cohort. While this may appear to be a small difference, it translates to 27% higher uptake for the BabySteps cohort compared to the pre-BabySteps cohort in this period.

Figure 2. Massachusetts 529 Uptake for BabySteps Cohort and Pre-BabySteps Cohort

- The cohort of BabySteps-eligible babies had a higher 529 account uptake rate than the comparison group overall.
- In the most recent 6-month period, the BabySteps cohort had 27% higher uptake than the pre-BabySteps cohort.

* Times 1 through 4 represent six-month periods for each cohort.
RQ-C. How Does 529 Account Uptake Vary by Income Level, Race, and Ethnicity?

While the increase in 529 uptake is promising, it is important to examine how well the program is reaching families from different demographic backgrounds. The BabySteps program aims to reach families across the Commonwealth, regardless of their income level, and to include families from all racial and ethnic backgrounds. However, preliminary BabySteps analyses revealed substantial differences in uptake in higher- versus lower-income areas of the state.\textsuperscript{22} For instance, preliminary analyses indicated that the city of Newton had a 529 uptake rate of 25\%, compared to only 1\% in Lawrence, a city with a similar population size but very different income level and racial/ethnic makeup. Newton’s median household income is more than $154,000, its poverty rate is 4\%, and its population is 74\% white.\textsuperscript{23} Lawrence’s median household income is $45,045, about one-third that of Newton, and its poverty rate is above 20\%. 86\% of Lawrence residents identify as Latinx or Black.\textsuperscript{24} This quick snapshot suggests that there is a clear need to investigate how 529 uptake has changed in different communities across the Commonwealth since BabySteps’ launch.

To better understand how account uptake varied by demographic characteristics, we examined 529 uptake in zip codes with higher-than-average shares of low-income, Black, and Latinx families, respectively. The findings described below suggest that in these areas, the uptake rates were much lower in absolute terms. However, the gains from the pre-BabySteps level were relatively greater in zip codes with lower incomes and higher concentrations of Black and Latinx residents.

\begin{itemize}
  \item Neighborhoods with more low-income, Black, and Latinx residents had much lower uptake than the comparison groups, overall.
  \item The relative increase in account uptake was greater in zip codes with more low-income, Black, and Latinx residents than in the comparison groups.
\end{itemize}

Account uptake by income level

At the median, 18.6\% of families in Massachusetts have low income (less than 200\% of the federal poverty line). A low-income zip code is defined as an area in which the share of low-income families was equal to or higher than 37\%, or twice the state median. These are compared to areas in which the share of low-income families is lower than 37\%; we refer to these as higher-income areas.

Figure 3 compares 529 uptake in low-income zip codes to higher-income zip codes over four six-month periods. The higher-income areas have much greater account-opening overall, both before and after BabySteps launched. However, although the uptake rates are still quite low in the low-income zip codes (up to 2.3\%), there is an upward trend.
Figure 3. Massachusetts 529 uptake in low-income zip codes vs. higher-income zip codes

Figure 4 zooms in on account uptake in low-income areas in the most recent six-month period (Time 4). We see that account uptake in low-income areas was 1.6% in the pre-BabySteps cohort and 2.3% in the BabySteps cohort. Uptake is therefore 44% higher for the BabySteps cohort in this period. This is much greater growth than we saw in the higher-income zip codes, which grew by 26% in the same period. While the absolute uptake rate in low-income areas remains very low, the growth in uptake over time is substantial, signaling great potential for the BabySteps program to increase enrollment.

Figure 4. Detail: Uptake at Time 4 for low-income areas
Account uptake in areas with higher concentrations of Black residents

Now we turn to the question of how 529 uptake in zip codes with higher concentrations of Black residents compares to those areas with lower concentrations of Black residents. As noted above, the racial composition of Massachusetts cities varies considerably. The median Massachusetts zip code consists of 4% Black residents. We identified areas that had more than twice the state median representation of Black residents, meaning areas in which 8% or more of the population identified as Black or African American in Census data. We compared these areas to zip codes in which the proportion of Black residents was less than 8%. As shown in Figure 5, 529 uptake is higher in zip codes with lower concentrations of Black residents for both the BabySteps cohort and the comparison group. Once again, we see a promising trend of increased account uptake in areas with more Black residents.

Figure 5. Massachusetts 529 uptake in zip codes with higher vs lower shares of Black residents

Consistent with the findings on low-income areas, when we zoom in on the final six-month period, we observe much larger gains in account uptake in areas with a higher concentration of Black residents than in the comparison areas. Zip codes with higher concentrations of Black residents saw account uptake grow by 39% for the BabySteps cohort, while the comparison group saw growth of 24%.
Account uptake in areas with higher concentrations of Latinx residents

We also examined how 529 uptake in zip codes with higher concentrations of Latinx residents compares to those areas with lower concentrations of Latinx residents. Like the process described above, we used Census data to identify areas that had more than twice the state median representation of Latinx residents, meaning areas in which 13% or more of the population identified as Latinx. We compared these zip codes to areas in which the proportion of Latinx residents was less than 13%. As shown in Figure 7, zip codes with lower concentrations of Latinx residents have much greater 529 uptake, for both the BabySteps cohort and the comparison group. Once again, however, we see account uptake growing in areas with more Latinx residents.

* 13% is twice the state median population of Latinx residents.
† Times 1 through 4 represent six-month periods for each cohort.
Consistent with the findings reported above, when we zoom in on the most recent six-month period, we observe much larger gains in account uptake in areas with a higher concentration of Latinx residents than in the comparison areas. Zip codes with higher concentrations of Latinx residents saw account uptake grow by 36% for the BabySteps cohort, while the comparison group saw growth of 25%.

*Figure 8. Growth in uptake at Time 4 for zip codes with higher shares of Latinx residents*

![Graph showing 529 Uptake in Zip Codes with Higher Concentration of Latinx Residents, Time Period 4](image)

**Quantitative Study Conclusion**

Taken together, these analyses of administrative data suggest that BabySteps has successfully increased 529 account ownership among new parents in Massachusetts. In its first two years, BabySteps has driven a 17% increase in the number of accounts opened, despite the numerous challenges wrought by the COVID-19 pandemic. Comparing the cohort of BabySteps-eligible children to those born immediately before BabySteps was introduced also reveals greater 529 account uptake (accounts per eligible births) for the BabySteps cohort.

In terms of how well BabySteps is reaching families in lower-income areas and families of color, the data show both promise and continued disparities. Account uptake is dramatically higher in zip codes with higher income levels, as well as areas with lower concentrations of Black and Latinx residents. These disparities by income, race, and ethnicity existed before the launch of BabySteps and persisted afterward. However, areas with lower income levels and higher concentrations of Black and Latinx residents saw much larger relative growth in uptake than the comparison groups. This finding suggests that the program is indeed reaching low-income families and families of color to encourage 529 ownership. The following chapter dives deeper into the disparities identified here, using family interviews and focus groups to identify the barriers families face in enrolling in and engaging with BabySteps.
Chapter 2: Analysis of Interview and Focus Group Data

Qualitative Study Overview and Goals

The analysis of administrative data reveals that, despite BabySteps’ early successes, persistent gaps remain in the uptake of Massachusetts 529 accounts. Historically underrepresented communities in Massachusetts still open 529 accounts at lower rates. This chapter shares our findings on why those gaps exist and what can be done to close them.

To answer these questions, the IERE research team conducted a series of interviews with families as well as focus groups with BabySteps administrators and community partners. The 32 families interviewed included both families that had opened a Massachusetts 529 account by the one-year deadline for BabySteps (“enrolled families”), and those who had not done so (“unenrolled families”).

This chapter includes an overview of the qualitative methods, description of the sample of interviewed families, and findings related to our research questions:

1. How do families learn about BabySteps, and what attracts them to the program?
2. How does the BabySteps program fit into parents'/guardians' hopes for their children’s futures?
3. What challenges do families face in enrolling in or interacting with the BabySteps program?
4. What successes, opportunities, and challenges do BabySteps administrators and partners identify?

To answer Research Questions 1 through 3, we drew from our interviews with families and focus groups with BabySteps administrators and partners. We addressed Research Question 4 using data from the administrator and partner focus groups.

One question of interest to OEE was how the BabySteps program affects parents’ hope for the future, mental health, and expectations for their children’s futures. To begin to answer these questions, we included validated scales in each family interview that measured parents’ hope for the future and depressive symptoms. We also asked parents about what level of education they hoped their children would receive. While we cannot make causal claims about the differences between enrolled and unenrolled families due to the small sample size and non-random sampling, we share the preliminary analyses in Tables 19-21 in Appendix 2. If the evaluation team secures funding for additional research, we intend to follow up with the same families to learn whether and how their hopes for the future, mental health, and expectations for their children’s futures have changed over time; and we will add to the sample to learn about differences between enrolled and unenrolled families on these measures.
Qualitative Methods

Family Interview Recruitment and Data Collection

Study eligibility and recruitment priorities
Between February and April 2022, the research team recruited and interviewed 32 families, including 22 enrolled families and 10 unenrolled families. To be eligible for the study, all families had to have at least one child born or adopted since January 1, 2020.

Because the research focuses on low-income families’ experiences with BabySteps, we screened for families making $65,000 or less a year. This threshold was selected to approximate the Federal Reserve’s definition of low- and moderate-income (less than 80% of area median income). Although all potential interviewees were initially screened for income, three parents reported household incomes higher than $65,000 during their interviews. We believe this discrepancy reflects the difficulties of estimating annual income, given taxes and fluctuations in earnings or household composition over time.

Our recruitment process was also designed to build a racially diverse sample featuring families from across Massachusetts. See Sample Overview section for more information.

While 529 plans are typically started by the parents of the future student, they may also be opened by other adults in the child’s life who have access to the required information (for example, the child’s Social Security Number). Despite this broader eligibility, we focused recruitment for the study on the parents/guardians of BabySteps-eligible children. Because our final sample included only parents, we refer to “parents” throughout the report.

Recruitment methods
Enrolled families were recruited primarily through emails sent out by MEFA, focusing on priority regions identified by OEE staff. We targeted the MEFA blasts to both families who had checked the box on the birth certificate to receive more information and those who had not. Unenrolled families were also recruited with help from OEE’s community partners. All interviewees were thanked for their time with a $100 gift card.

Interview content
The interviews focused on families’ experiences with the program, challenges enrolled families have faced in interacting with the program, and obstacles for eligible families who have not enrolled. We also asked about families’ hopes for their children’s future and how Baby Steps and/or college savings fit into those aspirations.

Each interview included standardized measures gauging the interviewee’s hope for the future and depressive symptoms. While the sample size lacked statistical power, these measures allow for exploratory quantitative analyses.
Interview format
Interviews were conducted by Zoom, with the option for interviewees to call in if they did not have internet access or did not want to be on camera. Twenty-nine interviews were conducted in English, and three were conducted in Spanish. Mandarin Chinese interviews were also offered but no participants requested them.

Focus Group Recruitment and Data Collection
The research team also conducted a series of focus groups with BabySteps administrators and community partners to learn about challenges and promising practices for outreach and program administration. The focus groups were conducted between May and July 2022.

The first focus group brought together nine BabySteps administrators. The group consisted of staff and leadership, from both OEE and MEFA. Questions covered the program’s main goals, successes, and challenges; strategies and ideas to address those challenges; feedback from partners; populations reached and excluded; and strategies and ideas to improve outreach and marketing.

Two additional focus groups gathered feedback from BabySteps partners, selected in consultation with OEE. We focused on partners who had shown the most engagement with BabySteps in the past, such as those that had attended OEE’s presentations or ordered BabySteps materials. One focus group consisted of seven representatives from state-level BabySteps Partners and the other included three community-level partners. A one-on-one interview was conducted with a community partner who was unable to attend the focus group. In each partner focus group, representatives from partner organizations reflected on their experience working with BabySteps, identified barriers to program participation faced by the families they serve, and shared ideas for how to address those barriers.
Sample Overview

This section describes the demographic makeup of the 32 families who participated in the family interviews. See Appendix 2 for further detail.

Recruitment for the evaluation aimed to include families from across the state. While many interviewed families live in population centers in and around Boston, the research team also spoke to families throughout Massachusetts, as Figure 9 demonstrates.

*Figure 9: Map of families interviewed*

Interviewed parents came from many different racial/ethnic backgrounds, as indicated in Figure 10. Most respondents identified as White, non-Latinx (38%) or Latinx (34%).

*Figure 10: Racial and ethnic makeup of family interview sample*
Just over half of families (53%) represented households where one or both parents were not born in the U.S. Interviewed parents included immigrants from across the world, such as the Caribbean, South America, Eastern Europe, and Southeast Asia.

Because this research focuses on low- and moderate-income families’ experiences with BabySteps, we screened participants for income, as noted above. The median household annual income of interviewed families was $50,000. After accounting for household size, most participants had household income 100-200% of the federal poverty line (38%) or 200-300% of the federal poverty line (38%).

The majority of enrolled participants had made their own deposits into their 529 accounts. Most interviewees did not know the exact balance of their accounts, but roughly similar shares had approximately the $50 BabySteps deposit (36%), between $51 and $1,000 (32%), and more than $1,000 (32%). Of the 15 interviewed parents who had added their own savings to the accounts (including one who later had to withdraw his contributions), 11 made contributions sporadically and four made regular deposits.

Qualitative Findings

We have organized the Findings by Research Questions 1 through 4 below. To answer the first three Research Questions, we drew upon data from family interviews and administrator and partner focus groups. To answer Research Question 4, we relied solely on data from the administrator and partner focus groups. We have changed participants’ names to protect their privacy.

RQ-1. How Do Families Learn About BabySteps, and What Attracts Them to the Program?

**RQ-1 Major Takeaways**

- The seed deposit motivates parents to open 529 accounts for their babies.
- While birth can be a good time to reach parents, it is also a complex and overwhelming time.

**Most parents first hear about BabySteps at the hospital**

Most parents, including both enrolled and unenrolled respondents, heard about BabySteps while they were in the hospital for the birth of their child. Many respondents reported seeing a flyer about the program in the packet of information for new parents or seeing the checkbox on the birth certificate application. It is worth noting, however, that many respondents, both enrolled and unenrolled, did not recall the checkbox on the birth certificate form. A few parents indicated a hospital staff member (e.g., a nurse or social worker) spoke with them about the program. Others heard about the program through a prenatal class or from family or friends. Three unenrolled respondents had not heard about the program until they were invited to participate in this evaluation.
Birth is a unique but complex opportunity to reach new parents

Some respondents indicated that outreach at the hospital or birthing center was an ideal strategy, both because it reaches new parents right away and since the high emotion of that time may sway parents to take this tangible step for their child’s future.

Parents also noted that the birth of a child comes with other, often overwhelming, demands on their time and attention. Respondents expressed this most poignantly when their infant or birthing parent experienced health complications. For instance, Amanda (enrolled) stated, “I knew I wasn’t gonna look into it right away, because she was in the NICU and bringing her home, adjusting.” Emma (enrolled) similarly shared, “I was in labor for like, 35 hours. So I was exhausted. Yeah. And then it was like, do paperwork?”

Still, several respondents indicated there was value to being introduced to the program at that moment, and that they followed up at a later time, when their immediate emotional and medical concerns had been addressed.

The $50 seed deposit draws parents’ attention, but it means different things to different families

Most enrolled respondents (18 of 22) and one unenrolled respondent reported that the $50 seed deposit attracted them to the program. At a chaotic and overwhelming time when new parents are receiving a barrage of information, some parents indicated the “free $50” was attractive and motivated them to learn more. For instance, Natalia (enrolled) remarked that the BabySteps materials stood out among the numerous others because of the seed deposit:

That one grabbed my attention because it talks about the savings and how it was to open the account, and about the $50 that they will give you once you open the account. And the main purpose is...for the education and for his future.

However, respondents perceived the value of $50 differently, with some reporting this was “quite a bit of money, at least for us,” (Peter, enrolled) while others expressed more skepticism. Some BabySteps partners reported that the $50 seed falls short, given all their clients are going through. One said, “sometimes, during the follow-up...what we hear is, ‘I don’t have the time to do this right now for $50. And if you were offering me $200 into an account, maybe I would.’” In a similar vein, Ruth (unenrolled) said, “$50 always feels like nothing, when you know education is going to end up costing hundreds of thousands of dollars in the long run.” Justin, articulated mixed feelings about the $50 seed, saying,

At first 50 is like, “Wow, 50 bucks!” and you really think about it like you’re saving for your future, like 50 bucks isn’t really much. But that didn’t matter...that got us to rethink about it. And just get us to open that account, regardless of how much is seeded into it.

Was the $50 seed enough to convince parents who would otherwise not have opened accounts? Many parents reported that BabySteps prompted them to open an account that they had not otherwise intended to open. About a quarter of enrolled respondents (6) indicated they were planning to open a savings account for their child eventually, and the BabySteps incentive encouraged them to do so sooner.
Many CSA programs have encountered the problem of people believing there is a “catch” and that the financial incentives are not truly free. While some parents did indeed misunderstand the structure of the BabySteps program (discussed in greater detail below), a handful of parents (5) indicated that they were willing to engage with BabySteps particularly because the state of Massachusetts was involved, and they perceived the state as reputable or trustworthy. This perceived legitimacy allowed parents to view the $50 seed as a true opportunity, without being concerned about a “catch.” For instance, Vinh (enrolled) explained that because Massachusetts was backing the program, he knew that “it’s not a fake bank.”

**RQ-2. How does the BabySteps program fit into parents’/guardians’ hopes for their children’s futures?**

We asked parents what they hoped their children’s lives would look like in the future and what types of support would be required for the children to realize these dreams. We also inquired about what their savings through the BabySteps program meant to them and how BabySteps fit into their visions of their children’s future, if at all.

### RQ-2 Major Takeaways

- Most parents wanted their child to get at least a bachelor’s degree, and many saw BabySteps as one way to start working toward this goal.
- While BabySteps serves as a beacon of hope for many parents, some are still nervous about whether their savings will be adequate.

**Parents’ hopes for their children: College, happiness, and financial stability**

Most respondents, both enrolled and unenrolled, wanted to see their children complete college or more education. In addition to education, many parents emphasized the importance of their children being healthy, happy, and financially stable as adults. Some parents also expressed specific career-oriented goals, like becoming a lawyer or medical doctor. Parents spoke about the value of postsecondary education in a variety of ways, such as an avenue to foster good citizenship, make for a well-rounded person, and increase options in adulthood.

As parents what their children would need to achieve these goals, most parents emphasized the importance of an emotionally supportive family. Parents also spoke about providing a financially stable home and good health.

The following sections examine how respondents saw BabySteps fitting into their hopes for their children’s futures.

**BabySteps can alleviate children’s future debt burden**

At least half of enrolled respondents (11) reported seeing BabySteps as a way to defray the costs of their children’s education and lower their children’s future educational debt. Several parents reflected on their own experiences with student debt and their struggles to pay for their own education, reporting that they want their children’s paths to be less financially stressful. Justin (enrolled) shared,
We want [our children] to understand the weight of money, and tuition, mortgages, bills, but we also don’t want them to feel the crushing weight, if that makes sense. Like my family had crushing weight... I very much saw what money can do to crush people and families and just be in debt forever. We don’t want that for our kids.

Leonel (enrolled) shared that he opted not to attend college because he was concerned about accruing debt: “going to college, having accruing debt, not getting the job, having this debt, debt, debt, I never liked knowing that I had to owe, so I never got into college.”

Natalia (enrolled) described the program as helping to unburden her child,

I want to take that weight off of his shoulders, that I’m here to support him if he decides to go to school. If not, then he can use the money for whatever he wants. For my goal as a mother is that he goes to school, and he can be someone in the future.

**BabySteps as hope and peace of mind**

Some parents described their BabySteps accounts as providing hope for their children’s futures. Asked what she thought of when she considered the savings for her child, Kelsey (enrolled) responded,

It’s hopeful. I mean, you have a sense of hope, then you have a sense of a little bit of a plan that she will have a good future, right? She’ll have some [hope] because being financially stable, even if you don’t have a lot of money living within your means and feeling like you have a little bit to start with is pretty important, pretty valuable.

Another manifestation of “hope” was parents’ desire that BabySteps would help their children have better lives than their parents. Amanda (enrolled) described her savings for her daughter as an investment in her future, saying: “I’m doing something to help her in her future, in the long run, so that she can hopefully get an education and put herself in a better place in life.” Other parents described BabySteps as having the potential to “change people’s trajectories” (Martin, enrolled) or to provide a “head start” (Daniela, unenrolled).

Parents also saw the program as offering peace of mind for themselves and their children. Richard (enrolled) described it this way: “In the long run, it’s just a little peace of mind, I guess. Less to worry about down the line as to how I’m gonna pay for college or how she’s gonna pay for college.”

Still, parents’ hope was bounded by the reality of ballooning college tuition costs. Many parents wondered if their savings would be sufficient. Stephanie (enrolled) remarked, “I wonder if it’s ever going to be enough. It’s so expensive, and it’s going up as we speak.”
RQ-3. What Challenges Do Families Face in Enrolling in or Interacting with the BabySteps Program?

RQ-3 Major Takeaways

- Challenges like homelessness, immigration status, and the digital divide, while unrelated to BabySteps, nonetheless create barriers to enrolling in and interacting with the program.
- Parents experienced significant challenges completing the account application, especially due to the site’s difficult-to-understand financial terminology, as well as many key materials being available only in English.
- Parents’ limited knowledge of and comfort with investment products made some feel that the program was not for them, and many were deterred by the possibility of losing money.

Families with low- and moderate-income face several challenges that can stand in the way of full engagement with the BabySteps program. Some of these challenges relate to families’ personal circumstances and are not in the control of the program, while other issues relate specifically to the program’s design or structure.

Figure 11 summarizes the major barriers identified in this study.

Figure 11: Families’ barriers to accessing the BabySteps program

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<th>Barriers that exist independently of BabySteps</th>
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<td>• First year of parenting is a stressful and overwhelming time</td>
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<tr>
<th>Barriers related to the application and program structure</th>
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<td>• No knowledge of the program or no information received</td>
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<td>• Lack of familiarity or comfort with 529s</td>
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<td>• Confusing or overwhelming application</td>
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<th>Barriers after account opening</th>
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<td>• Confusing website</td>
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<tr>
<td>• Fear of losing money in investment account</td>
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<td>• Need for continued engagement with families after account opening</td>
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Barriers independent of BabySteps

The first set of challenges we consider exist independently of BabySteps but can nevertheless diminish families’ interest in the program or prevent some from opening accounts.
Immigration status
Both parents and BabySteps partners noted that immigration status can be a barrier for families. 529 plans require a Social Security Number or Individual Taxpayer Identification Number (ITIN) for both the account owner (oftentimes the parent) and the beneficiary. This deters some parents who are undocumented immigrants, even if their children are citizens.

Homelessness or housing instability
BabySteps partners noted that, beyond the overwhelming stress of homelessness or residential instability, if respondents do not have a stable phone number or address, they may feel unable to complete the application.

Digital divide
BabySteps partners noted that many low-income families lack access to or comfort with the technology required to open and interact with accounts. This can deter families from opening accounts. A community partner expressed concern that BabySteps might inadvertently leave out those with the greatest need because only those who are tech-savvy can navigate the enrollment process:

One of my concerns about the BabySteps is that the people who are most likely to benefit from that are the people who are a little bit more knowledgeable and maybe a little bit more savvy, and maybe not the low-income families that we’re really trying to focus on.

In addition, even for those who successfully open accounts, the digital divide can remain a barrier. For instance, one state-level partner noted:

You have what we’re calling technology deserts. So you have clients that really are not capable of following up on this informational piece, because they can’t go online and check their accounts...they can’t track it down that way, which is the easier way to do it. They might not have a smartphone for them to go ahead and download the Fidelity app or whichever app.

Difficult to save
Lower-income families have less money available in their budgets to allocate to savings. Indeed, parents reported that it can be difficult to save money for their child’s future education due to low income, employment status, economic volatility, and conflicting priorities. Some parents open accounts despite this known challenge, under the logic that some savings – even the $50 seed alone – is better than none at all. However, some unenrolled parents reported that the mere knowledge of how difficult it is to save, coupled with the high costs of postsecondary education, deterred them from opening accounts.

First year of parenthood is stressful and overwhelming
Both parents and BabySteps partners reported that the first year of a child’s life is busy, stressful, and overwhelming for parents, even under the best of circumstances. Caring for a newborn can absorb all of new parents’ time and bandwidth. For instance, Leslie (enrolled) said,

You just have no minutes to do anything... It took it being the holidays before I had the bandwidth to be able to sit down and do it. I think it took me like 10 minutes, maybe 15. But that’s what it took for me to get it done.
A BabySteps administrator echoed this idea, describing how BabySteps can feel less urgent than other matters in the child’s first year:

There are just so many concerns right in front of families in the moment that they don’t feel that urgency of doing that [opening an account], even though there is the [one] year [window] that puts a little bit of a time stamp on it.

Finally, BabySteps partners emphasized that this issue of competing priorities is even more of a barrier for families who are in crisis. Parents who must spend their time and attention to meet their families’ basic needs reasonably have less capacity to navigate a program like BabySteps.

**Barriers related to application and/or program structure**

Other barriers specific to the program structure or application process also deter some families.

**No knowledge of the program or no information received**

First, families could only engage with BabySteps if they were aware of its existence. Three of the ten unenrolled respondents in our sample indicated that they were unaware of the program and first heard about it when the research team contacted them for an interview. A fourth unenrolled was unsure whether she had heard of it or not. Other parents reported that they learned about the program at the hospital and checked the box on the birth certificate form but received no follow-up information thereafter. While some parents may have missed follow-up emails due to busy lives and inboxes, others likely never received the messages due to transcription errors on new parents’ email addresses or emails bouncing or being filtered to spam.

**Lack of familiarity or comfort with 529s**

Most parents we interviewed (15) were either completely unfamiliar (10) with 529 plans or had very limited familiarity with them (5) prior to hearing about BabySteps. Many of these parents went on to open accounts, but they indicated that they needed to learn more about the financial product before being willing and able to engage with BabySteps. BabySteps partners similarly reported that the families they work with are often unfamiliar with 529 plans. A BabySteps state partner said that parents go from excitement to extreme confusion when they hear about the program:

Right off the bat, it’s excitement. It’s like, “Oh, yeah. Wow, that’s available. That’s great!” To complete confusion. That’s literally what it goes through from excitement to confusion, once you start talking anything after the fact that you’re getting a $50 savings account… But once you turn it over and say, “Now you have to go talk to this investment group,” confusion. Everything after that is just confusion.

**Confusing or overwhelming application**

Many respondents indicated that the application was confusing, required a burdensome amount of documentation, or was overwhelming.

*Transition from BabySteps website to Fidelity website.* A major point of confusion highlighted by parents and BabySteps partners is the transition from the BabySteps site to the Fidelity site. Many respondents began at the OEE BabySteps landing page and were thrown off by being directed to the Fidelity portal when they clicked on the button to “Open a U.Fund and receive $50.” The two sites
are quite different in their appearance, colors, and choice of wording, such that the Fidelity site looked unfamiliar and daunting to many respondents. (See Figure 12).

Figure 12: BabySteps website and Fidelity U.Fund landing page

Many respondents started on the BabySteps website, pictured below.

![BabySteps website]

When users clicked on the “Open a U.Fund” button on the BabySteps website, they were directed to the Fidelity page pictured below. Many respondents found this transition jarring and confusing.

![Fidelity U.Fund landing page]

Referring to this transition between BabySteps and Fidelity, Natalia (enrolled) explained,

It was really easy to enroll since I was following all the instructions. But once I got to the Fidelity website, I was so confused. It was too much, like too many things and boxes to click. So, I wasn’t sure if I ever did the enrollment right.

Another pair of parents who did not end up opening an account echoed this sentiment:
It was pretty basic. It was pretty quick. But when we got to a certain point, when they switched us to the Fidelity portal that’s where we stopped...I didn’t investigate more, because I couldn’t find how to look for more information...We didn’t know where to look for more information. (Roberto and Ramona, unenrolled)

Confusing terminology. Confusion over terminology on the application prevented some respondents from opening accounts. The most commonly mentioned terminology barrier appears in the very first item on the application, which asks respondents to select either an individual or a custodial account. Many parents indicated that they did not know which account type to select. Frustrated and short on time, some new parents gave up at this point early in the application process. BabySteps partners indicated that this juncture in the application posed a barrier for their clients as well.

BabySteps administrators acknowledged the confusion that parents experience when they encounter the “account type” question. An administrator explained how he walks families through this process:

[I say,] “The first question that’s going to come up is going to confuse you. And it’s going to ask you if you want a custodial account or an individual account. You need to pick an individual account, and then you can move on.” ...That’s kind of an example of, again, something we can’t really get around, that’s going to confuse people. But anticipating that this is going to be an issue and letting them know that this is what they need to do.

Another administrator similarly noted that they are losing some families due to this confusing account type terminology:

The language on the site is like, “Who, what, am I custodian or am I a –?” ...You know, it’s just, there’s a huge disconnect there. And so, to ask folks to take that leap and be able to make that connection is a big ask, even though we’re saying, “Here’s $50 to do that.” ...And that’s where I think we’re missing so many individuals.

As these quotes suggest, BabySteps administrators are working on clarifying this confusing aspect of the application by crafting simpler messaging and providing guidance to partner organizations that help with outreach and enrollment.

Applicants who made it past that first question also grappled with jargon and technical terminology later in the process, particularly the investment options. Kelsey, who did ultimately open an account, explained that she found the investment options difficult to understand, despite receiving extensive support from a family member. She said,

I’m college educated. I’m a math teacher. My family has had an investment account for years. I still don’t feel very educated as far as how investments work. And...there’s so many choices... I had the hour-long conversation with my uncle who was a financial adviser who did that for free.

Echoing this sentiment, a BabySteps partner shared her personal experience attempting to open a 529 account for a new baby: “...it was confusing at the end, and I think particularly around the investment vehicle. I was starting to Google what that meant, and which one I should – I didn’t
know. And honestly, I never finished.” This partner went on to reflect that many people her program serves likely face similar barriers, unless they have someone to assist them as they apply.

BabySteps administrators also acknowledged that the investment options were a barrier for many families. An administrator explained,

One of the key pieces of feedback that we’ve received since the pilot is the application itself is challenging... We used to go around through the iPads to help families enroll, so they weren’t doing it on their own. But it is lengthy. And inevitably, when they get to the investment question, you know, it is very intimidating... I’ve been in the room where families have stopped and said, “I don’t know what to do here. I’m not comfortable opening an account.” And that’s with us in the room.

Long and overwhelming application. In addition to these specific points of confusion in the application, respondents also reported being generally overwhelmed by the application process. Sabella (unenrolled) reported, “I remember it being multiple sheets of paper...It was just very overwhelming, I remember. That’s why I set it aside, like ‘I’ll read this when I have more time.’” Expressing a similar concern, Ruth (unenrolled) stated, “I felt like, ‘This is complicated. This is more for somebody that has money.’”

The application requires a lot of documentation, which can also add to parents’ feelings of being overwhelmed. Justin (enrolled) noted,

You’re opening a financial account, and you’re going to need a bunch of information. And I guess I erroneously assumed that this was just going to be simpler than that. And...when I really got into it, of course, it wouldn’t be.

A related challenge, pointed out by both parents and BabySteps partners, is that the application requires the child’s Social Security Number, which is not available until weeks after birth. Hence, even highly motivated parents cannot open accounts in these first few weeks.

Concerns about a “catch”
Several parents believed that the program came with a “catch,” specifically that they needed to deposit their own money in order to open an account. Others were unsure whether they would need to make a deposit or even ongoing deposits. For instance, Liliana (enrolled) explained, “For some reason, I thought, I assumed that it would close, or I will lose those $50 If I didn’t keep adding to it.” Another parent, Pamela (unenrolled) explained that she thought she needed to deposit $50 into the account every month, and she said, “I can’t afford it with my job.”

Language barriers
Nearly a quarter of Massachusetts families speak a language other than English at home. Spanish is the most common non-English language, spoken by 9% of residents of the Commonwealth. Although BabySteps has made promotional materials available in a range of languages, some key forms continue to be offered only or mainly in English. Many BabySteps partners emphasized that language barriers are keeping families from participating in the program, and Spanish-speaking families expressed this concern as well. For instance, Spanish-speaking parents reported that the birth certificate form, on which they can check a box to request information about BabySteps, was
only provided to them in English.

In addition, Fidelity provides limited materials in Spanish, and the online application form is only in English. The Fidelity U.Fund website includes a brief section in Spanish that directs users to a page where PDFs of the Spanish-language application and information booklet are available. However, these are more challenging to locate and navigate than the English-language online application. To access the Spanish application document, users must first consent to lengthy and technical privacy, fee, and fee information terms (see Figure 13). No such affirmations are required to access the web-based application form in English. Instead, users who select “Open a 529 account” on the English-language page are taken directly to the first item on the web application.

*Figure 13: Spanish sections of Fidelity U.Fund website*

Near the bottom of the Fidelity U.Fund home page, this section in Spanish appears:

Users who click to open a U.Fund account are directed to this page:

The page starts with the instructions “Agree to receive the documents that will govern your account electronically. You will then be able to download the account application on the next page.” The PDF documents are described, then the instructions indicate, “By selecting ‘I Agree,’ you consent to receive the 529 Data Pack, Client Agreement and Participation Agreement electronically. In addition, you consent to the privacy, fee and fee information contained therein and for Fidelity to send only one set of documents to each household (instead of each person on the account).” The words “I agree” are in English.
Further, most respondents in our sample were unaware of the Spanish-language application. Indeed, although many BabySteps partners remarked about the lack of linguistic accessibility, only one respondent (a MEFA representative) noted that the form was available in Spanish.

**Barriers after account opening**
Even after opening accounts, many enrolled families continue to face challenges interacting with their accounts. Here, we outline the major roadblocks identified by respondents.

**Confusing website**
Many respondents who had opened accounts reported that the website is confusing, complicated, and busy. Parents had difficulty understanding the terminology on the website and were uncertain about how to do simple tasks like checking their account balances or making a deposit. For instance, Natalia (enrolled) explained,

> I don’t know how to even put money in it. It was very overwhelming at the time. So, I wasn’t even sure if I opened it correctly. It was very straightforward through the pamphlet. But when you go to the website it seems like kind of overwhelming to navigate to that page.

Even those with relatively more comfort navigating the site found some of the terminology difficult to understand. Kelsey (enrolled) said,

> There’s a lot of words in the tabs that are not user-friendly. Like, what’s the difference between, I don’t know, portfolio and assets or like account growth? …The words aren’t self-explanatory as to what I’m looking at on each tab. And then you’ve got like 10 or 15 tabs? …Like, obviously, the idea is good. And I don’t know how you simplify something that is as complex as investments.

**Fear of losing money in investment account**
Several respondents expressed marked hesitancy to deposit money given the possibility of losing their funds in the fluctuation of the investment market. For instance, Anand (enrolled) stated,

> Once you see that your money is going up, that encourages you, but once you see it’s going down, that discourages you. That is the reason I’m not investing a lot of money, because I’m seeing my money is going down.

Paired with respondents’ relative unfamiliarity with 529 plans, this concern with losing money posed a major barrier to saving in an investment account.

**Need for continued engagement with families after account opening**
Community partners saw a need for continued engagement with families to make sure they remain aware of the program and its uses. A community partner asked,

> Who’s going to help the family keep track of this after [opening the account]? For some families where life is, can be pretty overwhelming, and they’re multi-stressed, kind of who’s going to be able to keep track of this after and…actually help the family use it and not just, you know, have the $50 sit there in the account, just sit there?
As this partner noted, continued contact and engagement is particularly important for families who are managing multiple life challenges.

**RQ-4. What Successes, Opportunities, and Challenges Do BabySteps Administrators and Partners Identify?**

In addition to the focus on families’ experiences with the BabySteps program, the evaluation sought to learn BabySteps administrators’ and partners’ feedback on the program. The data for this section are drawn from the focus groups with BabySteps administrators and partners.

**RQ-4 Major Takeaways**

- Community partners are essential to the program’s success; they bring BabySteps to families facing a range of challenges.
- Many potential partner organizations are overstretched and may not have the bandwidth for high-touch BabySteps outreach.
- Due to regulations around 529 accounts, administrators have struggled to adapt the application and materials into easy-to-understand language. Partners also struggle to find accessible language to explain the program to their clients.

**What are the main goals of the BabySteps program?**

We began the focus groups by asking how respondents saw the main goals of the program, as well as its promise.

**Support a culture of savings**

Several BabySteps administrators described the goal of the program as developing a culture of savings. One state-level partner said that savings for college seem “so far away when you have an infant, but that it’s building something, you can see it growing.” An administrator also noted the particular value of encouraging families to start saving early: “I think that it’s absolutely tremendous that families are starting to think about savings at the time of birth, and then they have more opportunity to grow savings longer over the course of a child’s lifetime.”

An administrator noted that the goal of building a culture of savings extends beyond families:

> When we talk about promoting the culture of saving, it’s not just among families who open the account. It’s also with our partners and, you know, for ourselves getting more clarity into our mission that sort of helps us promote other programming that we do.

For some administrators, building a culture of savings started with encouraging families to open 529 accounts, especially those who might not have otherwise done so. An administrator explained,

> The goals of the BabySteps program, from Treasury and from OEE, from all of our perspectives, is of course to have as many folks open up 529 plans or U.Funds as possible, particularly the folks who would not normally do so. So, people who are not maybe middle-class or upper-middle-class, but the folks who are not used to saving or investing, who are the
people who need to be reached most through this and not the folks who would have opened up a 529 account for their children anyway.

Encourage a college-bound mindset
Administrators and partners both described BabySteps as a way to encourage what the CSA literature calls a “college-bound mindset” among children from an early age.\textsuperscript{7,28,29} One way the program does this is by encouraging parents to see their children, from the very moment they’re born, as bound for education after high school. A community partner explained that there is real power in the message to new parents that their infant is going to go to college someday. Another community partner articulated the idea this way:

We’re working with newborn babies, parents of newborns and infants, and if they hadn’t ever considered...that their child, their newborn baby, their infant, may someday go to college, this is planting the seed and sort of helping to set the stage for: This is possible for my child to achieve higher education and, you know, the state sort of is wanting my child to achieve higher education and is helping us to get started.

Several respondents were familiar with the research findings on CSAs, which indicate that having money set aside for future education is associated with a range of positive outcomes for children and families, including early social-emotional development\textsuperscript{12,13} and potentially college enrollment and completion.\textsuperscript{16-18} Nodding to some of these research findings, an administrator explained that the benefits of the program stand apart from families’ ability to afford postsecondary education:

When money is put aside for a child, if they know money is put aside for him or her, then they’re much more likely to attend college or to graduate. You’re growing aspirations and not actually paying. You know, paying for college is great, and we’re going to help people pay for college. But the main goal is really to get the focus on the future of these kids, and...that’s the point of the program.

A community partner similarly highlighted the potential for BabySteps to positively impact children, even if their families never contribute to the account:

I love the fact that BabySteps has some of the data of, you know, the social, emotional, and financial improvement of a family that participates in saving like that. You know, you can see it as a gateway to other things...even if they get the $50 and actually do kind of let it sit there, it’s already made an impact, because they know they have it.

Demonstrate the state’s commitment to its children
Both administrators and partners also noted that the BabySteps program demonstrates the state’s commitment to taking care of its children. For instance, an administrator noted that BabySteps shows that “the Treasurer’s Office, the whole state of Massachusetts, and this Office of Economic Empowerment care deeply about the financial lives of all of the people in Massachusetts.” In a similar vein, a state-level partner stated, “I think it’s powerful to have the state of Massachusetts investing in children across a universal approach. So, it’s that collective [approach]. Universality, I think, is a powerful message that there’s investment in all of our children.”
Successes of the program so far
Administrators and partners identified several successes in the BabySteps program’s first two years of operation.

Families are saving for their children’s education
The program’s primary success is families’ engagement: Parents are expressing interest, opening accounts, and saving for their children’s future education. Respondents saw this success as particularly striking in the context of the pandemic. An administrator stated:

> Despite the fact we launched during the pandemic, during less-than-ideal circumstances, to put it nicely, people are opening accounts and people are saving. And to the best of my knowledge, we’re actually, despite national trends of people opening 529 accounts later, in Massachusetts, they’re opening earlier.

Administrators saw the checkbox on the birth certificate application form as a key ingredient to their success so far. One described the checkbox as an “opportunity to grab folks at that one small, really key point, key time of their life.”

Administrators were also pleased that the program appears to be reaching their target audiences of low-income families and others who would not otherwise have opened a 529 in their child’s first year. For instance, an administrator reported, “There’s still a lot of work to do. But the fact that that the outreach has been successful, and we have been able to reach the targeted communities is an incredible success as well.”

Partnerships have strengthened the program
Another way in which BabySteps has been successful in its first two years was in fostering a variety of strong partnerships. Administrators and partners indicated that partnerships among public and nonprofit agencies at all levels have flourished and have strengthened the program.

First, administrators noted that the partnership between MEFA and OEE is furthering the shared mission of helping families plan for education after high school and strengthening the work of each individual organization. An administrator observed, “Both [MEFA and OEE are] doing really good work for coming together... Partnerships allow things to expand and grow and sort of consult. [It’s] almost always better when people are working together.”

Second, BabySteps has built partnerships with a range of community-based organizations, state agencies, and other stakeholders to disseminate information about the program, particularly among lower-income families. These partners, which include home visiting programs, community action centers, hospitals, VITA sites, and others, engage with BabySteps to varying degrees. Their outreach ranges from relatively low-touch, such as including a BabySteps pamphlet in a mailing, to high-touch efforts like walking new parents through the entire 529 application. These partners are indispensable to BabySteps’ success so far. An administrator articulated this, noting that partners’ ongoing outreach efforts “are very much key because there are families who will, no matter what, not be able to enroll themselves. They just need someone to do this, to do it with them.”

What motivates organizations to partner with BabySteps? Several partners saw the BabySteps program fitting into their broader economic wellbeing work. For instance, a state-level partner...
noted that BabySteps furthers his organization’s objective of improving clients’ economic self-sufficiency. Similarly, a community-based partner described BabySteps as a component of a comprehensive approach to help families build economic wellbeing:

The idea would be institutionalizing this idea of economic wellbeing in all of these settings... It’s not just giving the information at BabySteps, but talking about a family’s economic wellbeing as it relates to their child’s development and their family’s development.

One way in which BabySteps fits into this broader economic wellbeing work is through its flexibility. State-level and community-based partners appreciated the fact that BabySteps dollars can be used for a variety of educational opportunities after high school. A state-level partner remarked,

It’s flexible, it can be used for various, you know, obviously education, but also job training or other spaces. So it’s not locking a family into one particular thing, because we don’t want to obviously pigeonhole children into what they should be doing after high school.

Another important component of the program for community partners was linguistic accessibility. Several partners noted that they appreciated the range of languages in which they could access BabySteps materials. Additionally, they praised the program for offering flexible and helpful trainings for partners.

Challenges and opportunities to improve the program
Administrators and partners identified many challenges and opportunities to improve the program’s reach and effectiveness.

Limited data available on uptake
BabySteps administrators reported having limited information on the program’s reach. Specifically, their data on account opening is available only at the zip code level, not at the individual household level. This approach is limited because it cannot tell the administrators precisely how well they are reaching low- and moderate-income families and families of color. An administrator remarked on this, saying, “I would say first and foremost, that we don’t really know who we’re reaching. That’s our main problem, we have [to make] assumptions.” Also due to data limitations, this same administrator noted that it is difficult to know which of their outreach and publicity strategies are working: “we put a lot of effort into a lot of different things that we do, and then sort of hope for the best. It’s really difficult for us to know whether it’s working or not.”

Lower uptake in low-income neighborhoods
BabySteps administrators also expressed concern that the program was not reaching residents in low-income neighborhoods. An administrator explained that using the zip code level data available to them, they see more uptake in middle-class communities. While the data limitations noted above prevent a complete picture of the program’s reach, the geographic patterns do suggest higher uptake in higher-income areas, as noted elsewhere in this report.

Administrators’ concerns went further, to include questions about the limitations of the label “low-income.” An administrator reflected that the uptake in low-income areas might capture families whose low-income status is temporary, such as those who anticipate higher earnings or familial
assets in the future. She speculated that these families likely face lower barriers to account opening than families with less hopeful economic futures.

The study sample included both families experiencing temporary low income and families experiencing chronic poverty and low earnings. However, our evaluation did not set out to determine the proportion of each type of family in the BabySteps program. Further research is needed to answer the question of the longer-term trajectory of low-income families taking part in the program.

The COVID-19 pandemic disrupted outreach and partnerships

Administrators and partners both noted that the COVID-19 pandemic made connecting with families more difficult and changed partners’ priorities. BabySteps administrators noted that the pandemic dramatically limited their options for in-person outreach. Because the program launched in January 2020, and the pandemic struck in earnest in March of the same year, BabySteps had very little opportunity to conduct outreach in ways that would have been considered “normal” pre-pandemic. An administrator noted,

The glaring [challenge] in the room is also the pandemic and how that changed the direction and how we rolled out the program, which looks very different than I think how we thought it was going to look in January 2020.

Administrators also reflected that during the pilot CSA programs they ran, the OEE team would walk families through the application process in person, using a tablet. The pandemic, of course, made that type of in-person contact impossible, so one administrator reflected, “we have a lot less touch points with families trying to open up accounts. So it is much harder now.”

The limitations imposed by the pandemic made BabySteps partners more important than ever for outreach and enrollment assistance. At the same time, the pandemic made it more difficult for partners to engage with the program. Many partners, like BabySteps itself, had to give up any in-person contact with families. In addition, most partners pivoted to focus on the immediate economic and health consequences of COVID-19 for their clients; hospitals in particular had to shift their focus almost entirely to addressing the pandemic for much of this two-year period.

Difficulty building partnerships

While the program’s successes so far are largely due to successful partnerships (as noted above), BabySteps administrators also face some challenges in building effective partnerships. Many potential partner agencies are overstretched in meeting their existing obligations, leaving little bandwidth to work on BabySteps. An administrator described seeing “a challenge in establishing partnerships in some areas where the communities would really benefit from BabySteps most. In some LMI communities and cities, it’s been difficult to reach certain partners and organizations.”

In addition, administrators reported that, while many potential partners express initial interest in the program, some are unable to commit to the higher level of touch that is most effective at getting families enrolled. An administrator explained,

It’s quite difficult to get partners on board with the whole thing. So not just going through an enrollment training, but you know, agreeing to take a role where other organizations will
refer families to you, and you will follow up with them, and you will help them enroll. And then, you know, in three months’ time, you will let OEE know how many families went through your doors and got enrolled.

Lack of linguistic accessibility of 529 application and materials

In keeping with the findings presented above, BabySteps administrators and partners identified two ways in which the Massachusetts 529 materials pose challenges to potential applicants.

First, the 529 documents contain a great deal of technical language that can be difficult to understand. Like the parents we interviewed, partners reported experiencing confusion about the terminology of the application, particularly the investment options. Many partners reported that direct service providers felt inadequately informed to answer their clients’ questions about the application or the 529 plan in general. A state-level partner noted that this difficulty occurs despite her staff’s interest in the program:

You have [to]…try to establish a financial account where you may not have confidence in that whole entire process, because the process is not very straightforward. So I think all of those factors come together to make it very difficult when I think about our [programs for low-income families].

Second, many BabySteps partners noted that key materials are available only in English. A community partner who helps families enroll in the program said about the Fidelity website, “There is some literature in Spanish, but the actual [application] portal is only in English.” She went on to note that, “some families are very capable of opening an account on their own,” but this is only possible if the materials are in their language. The same community partner indicated that while translation services are available at her organization, these services double the time spent with clients and introduce uncertainty about the quality of translation.

The concerns about simple phrasing and linguistic accessibility also overlap. A state partner noted that it is difficult to explain the technical details of a 529 plan and the BabySteps program to families in various languages:

The first hurdle which is trying to explain to them what it means, initially. So, the…initial interactions to a client, I tell them, “Well, yeah, you have a savings plan that is going to be good for college.” That’s as simple as I could say it to them, but in Spanish, or in Khmer, or in another language, which is all across our state of Massachusetts, it’s kind of hard to get into the technicality of it, you could explain the basics, but the technicality of it, you just really can’t.

BabySteps administrators indicated that the legal regulations governing 529 plans limit their options for how they word materials. This applies to both translation into other languages and to simplifying the process into easy-to-understand wording for audiences who are unfamiliar with investment products or terminology. An administrator explained, “we have very restrictive rules around the product, and being able to speak to what the product offers.” Another administrator similarly noted, “The language that we use, that we have to use, or the process that they [applicants] go to…there’s really no way around it. So it can sometimes extend the message that people will think…‘This is not for me.’”
Qualitative Study Conclusion

The qualitative study paints a picture of a program that has successfully inspired many new parents to open 529 accounts for their children, building hope for the future. The program’s partnerships with hospitals and its checkbox on the birth certificate application form bring BabySteps to new parents’ attention at a critical moment in their lives. The $50 seed deposit encourages many families to open 529 accounts. Community- and state-level partners have done a great deal to extend the reach of the program and help lower-income families open accounts.

At the same time, families still face several barriers to opening and interacting with 529 accounts. Many Massachusetts families are unfamiliar with 529 accounts and may not feel comfortable opening an account. The technical and financial language on the website and application is difficult for many families to understand. Additionally, essential materials are available only in English or are difficult to find in other languages.

Overall, this evaluation shows that the BabySteps program has great promise to build a culture of savings among new parents in the Commonwealth. The program had great success in its first two years, and much work remains to be done. The final chapter of this report details our recommendations to improve the program in its next few years.
Chapter 3: Recommendations

Based on findings from our interviews with families, focus groups with staff and partners, and analyses of administrative data, the evaluators compiled recommendations to improve the program’s reach and effectiveness. Our proposed changes fall into four main areas:

1. Improving the accessibility of the program’s websites and the 529 application
2. Working closely with financial institution partners to implement ongoing improvements to the accessibility of the 529 plan
3. Expanding and strengthening partnerships for outreach and enrollment
4. Adjusting the program’s structure and incentives to make the program more accessible and attractive to low-income families

OEE, MEFA, and Fidelity are key players for the BabySteps program, and all three organizations can be involved in making changes to improve the program. While in practice, many of these changes will be collaborative efforts among these and other agencies, our recommendations indicate which stakeholder(s) will be most closely involved in implementing each item.

Many of these recommendations can be initiated or undertaken with relatively little lead time and require no major programmatic changes or additional funding. Some recommendations require more lead time or potentially more funding or administrative complexity. A subset of recommendations requires substantial additional funding or major changes to the program structure. We have designated the immediacy of the recommendations using symbols as noted below.

- **Requires little lead time; immediate action is possible**
- **Requires some lead time; adds some administrative complexity**
- **Requires substantial additional funding or changes to program structure**

### Application and Websites

The OEE, MEFA, and Fidelity webpages are all critical gateways for families to learn about the BabySteps program and access the 529 application. Yet, our findings show that there are many points of confusion and some places where accessible information is lacking. The following recommendations are geared toward updating these websites to more clearly explain the BabySteps program and simplify the application process.

**Simplify and Demystify the Application Process**

OEE, MEFA, and Fidelity can take steps to share information about BabySteps with all website visitors and provide guidance on the application process to interested families.
Add a transition page between the BabySteps website and Fidelity’s landing page

When families click “Open a U.Fund and receive $50” on the BabySteps page, they should automatically see a transition page that informs them they are being redirected to the Fidelity page. For instance, the Oregon 529 plan has a brief transition that reads, “Hold tight. You’re being directed to our trusted partner site, Sumday, to set up your account.” Beyond simply notifying parents of their web destination, this transition page offers an opportunity to give some brief, simple guidance on what to do when they arrive at the Fidelity page. For instance, “Step 1: Click Open a 529 account” would be the first instruction. The redirect page could also include a link to a PDF with detailed, illustrated instructions about the application process, particularly the account type and investment options. This step can be done in parallel with improvements to the Fidelity page.

Include language about BabySteps on the MEFA homepage

The MEFA homepage should include a link to the BabySteps website. This change would help families looking for information about BabySteps reach the right place and would reassure families that the program is legitimately associated with MEFA.

Create a dedicated landing page for users referred by the BabySteps site

A dedicated landing page on the Fidelity site, like the one for Connecticut’s CHET Baby Scholars, would help families better understand Fidelity’s role in the BabySteps program. This landing page could link to or contain visually appealing, brief instructions that clearly explain the major steps of opening an account. For instance, “Step 1: Choose the Individual 529 Account” would be the first instruction. Subsequent steps could help explain the most commonly used investment options. If a dedicated landing page is not immediately possible, Fidelity could start by including an information box with BabySteps branding on the U.Fund page.

Widely Publicize the Spanish-Language 529 Application and Materials

While the U.Fund application is already available in Spanish (as a PDF), few people in our sample were aware of this resource. The following recommendations concern how to disseminate the Spanish-language 529 application effectively so it gets in front of families who would use it.

Share the Spanish language application with BabySteps partners

OEE should widely disseminate the Spanish language application to its community partners, providing the web link and letting them know paper application forms are available upon request.

Provide paper copies of the Spanish and English applications to partners

OEE and MEFA should work together to provide appropriate community partners with paper copies of the Spanish and English applications and postage-paid envelopes. This step is
appropriate for partners whose clients lack access to or comfort with internet-connected computers or other digital devices.

- **Add links on the BabySteps and MEFA websites to the Spanish language materials and application**
  
  **OEE and MEFA**
  
  The main BabySteps page and the MEFA website should each include links to the Spanish language brochure and application. In addition, both pages should provide the option to request a paper application in the mail with a prepaid envelope.

- **Include links to the Spanish language materials in the BabySteps outreach materials**
  
  **OEE and MEFA**
  
  The BabySteps materials that are sent to families who check the box on the birth certificate form should include links to the Spanish language brochure and application.

- **Link to the Spanish application from the English web application form**
  
  **Fidelity**
  
  To help make the Spanish-language application more accessible, Fidelity should add a link to the Spanish-language PDF form on the first page of the English-language web application web form. For example, New York’s 529 plan links to its Spanish PDF application on its English web application form.32

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**Make the U.Fund Website More Comprehensible for All Families**

While 529 plan information must include certain technical information and disclosures, taking steps to simplify the Fidelity U.Fund website and make it friendlier to families can improve uptake.

- **Offer a how-to video to help all families understand and navigate the application process**
  
  **MEFA and Fidelity**
  
  This video could live on the Massachusetts U.Fund home page, serving as a resource for all families, not only those who are BabySteps-eligible. For instance, the California 529 plan has a how-to video available in English and Spanish that walks through the application process, including responses to the most common questions about account type and investment options.33

- **Integrate simple definitions and frequently asked questions into the U.Fund website**
  
  **Fidelity**
  
  Fidelity should integrate simple definitions and frequently asked questions into the home page and web application form. This can be done as mouseover text – so when users hover their mouse over certain words, the information appears – or can be added in a box along the side of the page. For instance, California’s 529 plan has incorporated brief frequently asked questions in a side panel on a page about investment options.34 The answers to these questions appear as mouseover text. A similar model could be used on the Massachusetts U.Fund home page or paired with the application itself.

- **Create a more user-friendly and eye-catching Spanish section of the U.Fund website**
  
  **Fidelity**
  
  Fidelity should take steps to make the Spanish materials easier to find and access. Additional
content should be added to make the Spanish page match the English one in terms of information density and friendliness.

- Create a Spanish language online application

**Fidelity**

While much can be done to publicize the Spanish language PDF application, as noted above, a Spanish language web form would go a step further to make the application accessible to Spanish-speaking families in Massachusetts.

**Partnership with Plan Manager**

As noted above, Massachusetts, like other states, has a contract with a financial institution to manage its 529 plan and related offerings. Fidelity Investments has served as the plan manager since the inception of the Massachusetts 529 plan, and several years remain on its current contract. The following recommendations focus on how MEFA, Fidelity, and other potential financial institution partners can work together to continually and creatively improve the 529 plan’s accessibility for Massachusetts families.

**Prioritize Accessibility in Ongoing Work**

In its ongoing work with Fidelity, MEFA has the opportunity to communicate its priorities for inclusive and accessible financial products and work to implement iterative improvements.

- Continue to work with Fidelity to enhance the accessibility of the 529 plan

**MEFA and Fidelity**

MEFA should incorporate the recommendations above into their “roadmap” for their work on the 529 plan. Using the roadmap as a guide, MEFA should work with Fidelity to continually improve the accessibility of the 529 plan and its materials. Such changes would lower barriers for BabySteps families, as well as all families opening Massachusetts 529 accounts.

**Elicit Innovations from Financial Institution Partners**

Another strategy to pursue ongoing improvements for BabySteps is to invite innovative ideas for BabySteps – and for accessibility more broadly – from current and future financial institution partners. One way other states have done this is by eliciting proposals through the plan manager contract process. For instance, plan managers seeking contracts have committed to innovations such as instituting lower fees and minimum deposit requirements; providing outreach or marketing services; or directly funding incentives for families (e.g., seed deposits).

- Invite financial institution partners’ proposals on how to support the BabySteps program

**MEFA**

MEFA should encourage creative proposals from Fidelity and any other potential financial institution partners on how they can support BabySteps and foster its growth. For instance, MEFA could include BabySteps in its next request for proposals (RFP), inviting potential
financial institution partners to propose strategies for supporting, administering, and promoting the program.

- Invite financial institution partners’ proposals to enhance inclusivity and linguistic accessibility
  
  MEFA
  MEFA should encourage Fidelity and any other potential financial institution partners to propose ways in which they can enhance the accessibility of the 529 plan. For instance, MEFA could approach the contract process as an opportunity to encourage potential financial institution partners to propose strategies for enhancing the program’s linguistic accessibility and overall inclusivity.

Outreach and Enrollment

Strong partnerships with state- and community-level organizations throughout Massachusetts have been critical to BabySteps’ success thus far. To support the program’s continued growth and enhance its inclusivity, it will be important to deepen existing partnerships, bring new partners on board, and provide easy-to-use resources for outreach.

Continue and Deepen Partnerships to Reach New Parents

BabySteps’ integration with hospitals has successfully reached many new parents in the program’s first two years. Expanding partnerships with hospitals and ensuring that BabySteps materials are available at all labor and delivery departments, birthing centers, and new parent education classes will help the program reach all expectant and new parents early and often.

- Include BabySteps materials in resources for expectant parents throughout the state
  
  OEE
  OEE should continue to build partnerships with organizations offering new parent classes and other services for expectant parents throughout Massachusetts. Expectant parents may be in an ideal condition to receive information about BabySteps, as they are planning for the birth of their child but are not yet overwhelmed by the realities of caring for a newborn.

- Disseminate colorful materials to new parents through all Massachusetts hospitals
  
  OEE
  OEE should continue and deepen its partnerships with hospitals and birthing centers throughout Massachusetts, so that all hospitals include colorful, eye-catching BabySteps materials in their packets for new parents. Since new parents receive a great deal of information and are managing many competing priorities, it is important to make materials both attractive and easy to understand.

- Provide trainings and simple, attractive instructions to hospital staff
  
  OEE
  OEE should continue to offer trainings to hospital staff and also provide simple instructions for how staff can most constructively discuss the program with new parents.
Offer One-on-One Enrollment Assistance and Ongoing Support

Investing in enrollment hubs and equipping partner agencies with simple guides to the program can help bring BabySteps to more low- and moderate-income families.

- Create enrollment hubs to provide one-on-one enrollment assistance to families
  
  **OEE**
  
  OEE should continue its work partnering with community-based organizations to create enrollment hubs where staff or volunteers are available to walk new parents through the complete application process. Additional partnerships can help spread the word about the available assistance to ensure that interested families are aware of the supports in place.

- Create a simple outreach and enrollment guide for partners
  
  **OEE**
  
  OEE should create a guide for community partners to use for both outreach and enrollment. The guide should contain specific, simple language to describe the program and step-by-step instructions for walking parents through the 529 application, including the account type and investment options. Simple guides would help partners to be more effective ambassadors of the BabySteps program.

Program Structure and Incentives

BabySteps provides valuable statewide infrastructure to support Massachusetts children and families as they plan for future education. Adding further financial incentives and adjusting the program’s structure can make the program more attractive and effective for low-income families.

Offer Additional Financial Incentives to Low-Income Families

- Provide low-income families with additional 529 deposits
  
  **OEE and MEFA**
  
  OEE and MEFA should work to implement additional financial incentives for low-income families. This may consist of a larger seed deposit, a bonus deposit, or a proportional match on families’ savings. Such a program can begin with a targeted pilot and scale up as additional funds are secured. The state budget’s recent allocation of $500,000, contingent on securing equivalent funds from private sources, may provide an opportunity to implement such a pilot.

- Provide assistance with families’ immediate needs
  
  **OEE and MEFA**
  
  OEE and MEFA should pair the BabySteps seed deposit with resources for low-income families’ immediate needs. For instance, the program could offer low-income applicants a $25 grocery store gift card when they open an account, in addition to the seed deposit.

- Pair BabySteps with emergency savings
  
  **OEE and MEFA**
  
  By partnering with community-based organizations that work on getting families banked, BabySteps could offer a deposit into an emergency savings account to low-income families.
who open new accounts. Such a program can be done on a pilot basis through specific community agencies.

**Expand the BabySteps Enrollment Window**

- Extend eligibility up to age two

*OEE and MEFA*

Expanding the enrollment window for BabySteps up to the child’s second birthday (or two years after adoption) would give families more time to adjust to new parenthood, while maintaining the sense of urgency implied by the limited enrollment window.
Conclusion

In its first two years, the BabySteps program has made substantial strides account ownership, particularly in encouraging low- and moderate-income families and families of color to open 529 accounts for their children’s futures. BabySteps has driven an increase in the number of 529 accounts, with greater relative gains in uptake in low-income areas and communities of color. Yet, the administrative data tell us that persistent disparities remain.

In our interviews and focus groups, Massachusetts parents, BabySteps administrators, and community partners noted that the program has encouraged many new parents to open 529 accounts for their young children. BabySteps reaches new parents at a critical moment in their lives, just as they welcome new children into their families. Parents are inspired by both the $50 seed deposit and the hope that the program represents for their children’s futures. The qualitative data also point to several barriers for low-income families, non-native English speakers, and those who are not familiar with financial jargon.

The recommendations presented in this report would begin to address the major barriers identified in this study so BabySteps can continue to grow and reach all children in Massachusetts.
References


Appendix 1. Detailed Quantitative Methods

Data Sources and Variables

We obtained pre-BabySteps data on college savings accounts from Fidelity Investments and BabySteps data from the Massachusetts Educational Financing Authority (MEFA). These data include information at the zip code level in Massachusetts regarding the number of accounts and contributions every six months from 2018 to 2021. Additionally, we obtained zip code level demographic characteristics from the American Community Survey (ACS) 5-Year Data (2009-2020) and birth counts data from the Massachusetts Department of Public Health (DPH) that had the number of residential births from 2018 to 2021 by zip code.

Table 2. Data sources for quantitative analyses

<table>
<thead>
<tr>
<th>Data</th>
<th>Time</th>
<th>Time unit</th>
<th>Unit of analysis</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelity</td>
<td>1st half of 2018 - 2nd half of 2020</td>
<td>Half-year</td>
<td>Zip code</td>
<td>Contribution amount, number of accounts</td>
</tr>
<tr>
<td>MEFA: BabySteps funding report*</td>
<td>Jan 2020 - May 2022</td>
<td>Month</td>
<td>Individual</td>
<td>Contribution amount, birth year and month, zip code</td>
</tr>
<tr>
<td>DPH: Birth counts</td>
<td>2018 - 2021</td>
<td>Year</td>
<td>Zip code</td>
<td>Residential births</td>
</tr>
<tr>
<td>2020 American Community Survey: 5-Year Data</td>
<td>2016 - 2020</td>
<td>5-year aggregate</td>
<td>Zip code</td>
<td>Number of households by race/ethnicity, family income relative to poverty line</td>
</tr>
</tbody>
</table>

* Date of report can be different from the actual date of birth in MEFA data. Date of report is chosen to be consistent with the dates in Fidelity where data are aggregated by zip code and not available for individual account beneficiaries.

Difference-in-Differences Analysis of Number of Accounts Over Time

Measures

We applied the Inverse hyperbolic sine (IHS) transformation to two outcome variables: number of new accounts and account contributions. The IHS transformation is defined as $sinh^{-1}(x) = log(x + \sqrt{x^2 + 1})$. IHS transforms the value of $x$ that approximates the natural log transformation when $x$ is positive. The advantage of using an IHS transformation is that it is defined for any real number including zeros. The IHS transformation allows us to interpret our estimates in terms of percentage change.

Analytic Approach

To measure the changes in the number of accounts before and after the BabySteps program, we employed the difference-in-differences method. The difference-in-differences method allowed us
to estimate the BabySteps impact, controlling for the pre-existing trend as well as the contemporaneous impact of the COVID-19 pandemic. For these analyses, we constructed a set of identification variables: pre- and post-BabySteps period (2018-19 and 2020-21; 2018-19 as reference), and children under age one and children aged two to six (children aged two to six as reference). We constructed an outcome variable, the number of accounts, drawing on the MEFA and Fidelity data. Table 3 summarizes the control and treatment groups in the pre- and post-treatment periods. Table 4 includes the full regression results from the difference-in-differences model of the number of accounts over time.

Table 3. Treatment and comparison groups for difference-in-differences models

<table>
<thead>
<tr>
<th>Before BabySteps (Pre)</th>
<th>After BabySteps (Post)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Control</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts opened in 2018-19 for older children</td>
<td>Accounts opened in 2020-21 for older children</td>
</tr>
<tr>
<td><strong>Treatment</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts opened in 2018-19 for babies under 1 year old</td>
<td>Accounts opened in 2020-21 for babies under 1 year old (BabySteps-eligible)</td>
</tr>
</tbody>
</table>

Table 4. Full regression table for difference-in-differences model of number of new accounts

<table>
<thead>
<tr>
<th>N=3,371</th>
<th>Number of new accounts: IHS-transformed (Standard error)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age under one, all years</td>
<td>0.36* (0.06)</td>
</tr>
<tr>
<td>BabySteps period, any age</td>
<td>0.29* (0.08)</td>
</tr>
<tr>
<td>Age under one in the BabySteps period</td>
<td>0.17† (0.09)</td>
</tr>
<tr>
<td>2019</td>
<td>-0.001 (0.06)</td>
</tr>
<tr>
<td>2020</td>
<td>-0.21* (0.06)</td>
</tr>
<tr>
<td>2021</td>
<td>Omitted</td>
</tr>
<tr>
<td>Constant</td>
<td>2.82* (0.05)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.061</td>
</tr>
</tbody>
</table>

* p<.05, † p<.1

Account Contributions Analysis

Measures
We calculated account contributions as mean contribution amounts per account. We calculated weighted mean contributions per account for each time period as follows. If $x_i$ is contribution and $a_i$ is number of accounts in zip code $i$, the mean contribution is defined as:

$$\frac{x_1 \cdot a_1 + x_2 \cdot a_2 + \cdots + x_n \cdot a_n}{a_1 + a_2 + \cdots + a_n} = \frac{\sum x_i \cdot a_i}{\sum a_i} = \sum w_i x_i$$

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where \( w_i = \frac{a_i}{\sum a_i} \)

**Unadjusted account contributions over time**

Figure 14 shows how the unadjusted account contributions have changed over time. Mean contributions per account (total contribution amounts divided by the number of accounts with positive, non-zero contributions) were generally smaller among younger children (under age one) than children aged two to six. The contributions to accounts for children under age one declined until 2020, but almost recovered to the 2018 level in 2021. The trend for children aged two to six declined similarly until 2019, peaked in 2020, and then declined again in 2021.

**Figure 14. Account contributions**

![Account Contributions](image)

**Difference-in-Differences Model of Account Contributions**

We employed the difference-in-differences method to analyze changes in account contributions over time. Table 5 reports the coefficients from the difference-in-differences models of account contributions. Average contributions were not significantly different between beneficiaries under age one and ages two to six (row 1). The average contributions rose by about 25% since BabySteps’ implementation (row 2). However, the increase was led by the older children’s account contributions rather than the BabySteps-eligible accounts. The account contributions to BabySteps-eligible accounts decreased by about 20% (or $841) in the BabySteps period (row 3). This reduction might be explained by the large increase in the number of BabySteps accounts (denominator) in 2020-21.
Table 5: Full regression model from the difference-in-differences model of account contributions

<table>
<thead>
<tr>
<th></th>
<th>Number of new accounts: IHS-transformed (Standard error)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong> = 3,282</td>
<td></td>
</tr>
<tr>
<td>Age under one, all years</td>
<td>0.04 (0.06)</td>
</tr>
<tr>
<td>BabySteps period, any age</td>
<td>0.25* (0.08)</td>
</tr>
<tr>
<td>Age under one in the BabySteps period</td>
<td>-0.20* (0.09)</td>
</tr>
<tr>
<td>2019</td>
<td>-0.10 (0.06)</td>
</tr>
<tr>
<td>2020</td>
<td>-0.14* (0.05)</td>
</tr>
<tr>
<td>2021</td>
<td>Omitted</td>
</tr>
<tr>
<td>Constant</td>
<td>8.36* (0.06)</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.012</td>
</tr>
</tbody>
</table>

* p < .05

Descriptive Analysis of Account Uptake

Measures
The uptake rate is the number of new accounts divided by number of births, for each cohort. To calculate the uptake rate, we first calculated the cumulative number of new accounts every six months (numerator). Then, we estimated the number of births that correspond to the birth year range of beneficiaries of the new accounts (denominator). The birth year ranges for each cohort are included below.

Data Limitations
For the account uptake analyses, we could not use the difference-in-differences method that we used for the enrollment analysis due to data limitations. For children under age one, the denominator – eligible children – can be easily defined as the number of new births each year because families must open an account within one year of their child's birth or adoption to receive the seed deposit. Thus, the total births in one year should approximate the total number of children eligible for BabySteps. However, for children of ages two to six, the denominator cannot be easily defined because 1) these older children could have a 529 account opened on their behalf at any time, and 2) we do not have the birth data at the zip code level for the years these children were born. For this reason, we shifted to a descriptive method and compared the two-year trends in uptake for a cohort of BabySteps-eligible children (born in 2020-21) to a cohort of babies born before the BabySteps program launched (born 2018-19).

Analytic Approach
To examine the trends in the uptake by demographics, we used the descriptive method. We excluded the older children’s data (aged two to six) and focused on the trends in accounts opened for children under one year old. We constructed a cohort variable that identifies the BabySteps cohort (accounts opened in 2020-21) and the pre-BabySteps cohort (accounts opened in 2018-19).
We also constructed a time variable by cohort (Times 1 to 4 every six months from 2018 to 2019 for the pre-BabySteps cohort and from 2020 to 2021 for the BabySteps cohort). We calculated the uptake rates every six months for each cohort (Table 6).

**Table 6. Time unit of the descriptive analyses of account uptake**

<table>
<thead>
<tr>
<th>Time</th>
<th>Fidelity</th>
<th>MEFA</th>
<th>MEFA report date</th>
</tr>
</thead>
</table>

**Account Uptake Rate**

Uptake rate was calculated by dividing the cumulative number of accounts in each time period by the estimated number of residential births. The number of births was estimated based on the birth year ranges of beneficiaries as described in Table 7.

**Table 7: Time periods, accounts, and births for Pre-BabySteps and BabySteps cohorts**

<table>
<thead>
<tr>
<th>Time</th>
<th>Numerator: Number of new accounts</th>
<th>Denominator: Number of births</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-BabySteps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Jan 2018 – Jun 2018</td>
<td>0.5*(Number of births in 2018)</td>
</tr>
<tr>
<td>2</td>
<td>Jan 2018 – Dec 2018</td>
<td>Number of births in 2018</td>
</tr>
<tr>
<td>3</td>
<td>Jan 2018 – Jun 2019</td>
<td>Number of births in 2018 + 0.5*(Number of births in 2019)</td>
</tr>
<tr>
<td>4</td>
<td>Jan 2018 – Dec 2019</td>
<td>Number of births in 2018 + Number of births in 2019</td>
</tr>
<tr>
<td><strong>BabySteps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Jan 2020 – Jun 2020</td>
<td>0.5*(Number of births in 2020)</td>
</tr>
<tr>
<td>2</td>
<td>Jan 2020 – Dec 2020</td>
<td>Number of births in 2020</td>
</tr>
<tr>
<td>3</td>
<td>Jan 2020 – Jun 2021</td>
<td>Number of births in 2020 + 0.5*(Number of births in 2021)</td>
</tr>
<tr>
<td>4</td>
<td>Jan 2020 – Dec 2021</td>
<td>Number of births in 2020 + Number of births in 2021</td>
</tr>
</tbody>
</table>

**Total Births in Massachusetts**

The total number of births in Massachusetts from 2018 to 2021 is summarized in Table 8. The data, drawn from the Massachusetts Department of Health (DPH), include the births in Massachusetts
areas that are matched to zip code level in 5-year ACS. Table 8 shows that the number of births decreased from 2019 to 2020, then rebounded in 2021.

Table 8: Births in Massachusetts 2018-2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Births</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>67,836</td>
</tr>
<tr>
<td>2019</td>
<td>67,897</td>
</tr>
<tr>
<td>2020</td>
<td>65,167</td>
</tr>
<tr>
<td>2021</td>
<td>67,787</td>
</tr>
</tbody>
</table>

Median Values of Demographic Characteristics of Zip Codes
Table 9 summarizes the median values and number of zip codes analyzed for each demographic group in the analyses for Research Question C.

Table 9. Median values and number of zip codes employed in demographic analyses

<table>
<thead>
<tr>
<th>Demographic Group</th>
<th>Median proportion of state population</th>
<th>Number of zip codes with higher than 2x median</th>
<th>Number of zip codes with lower than 2x median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black or African American</td>
<td>3.9%</td>
<td>75</td>
<td>459</td>
</tr>
<tr>
<td>Latinx</td>
<td>6.5%</td>
<td>74</td>
<td>460</td>
</tr>
<tr>
<td>Under 200% federal poverty level</td>
<td>18.6%</td>
<td>57</td>
<td>474</td>
</tr>
</tbody>
</table>
Appendix 2: Detailed Interview Sample Overview

This section shares descriptive information on the makeup of our family interview sample. All tables include both enrolled and unenrolled families, unless otherwise noted.

Region

Table 10: Interviewed families' region

<table>
<thead>
<tr>
<th>Region</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Boston</td>
<td>12</td>
<td>38%</td>
</tr>
<tr>
<td>Worcester</td>
<td>8</td>
<td>25%</td>
</tr>
<tr>
<td>South Coast</td>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>Springfield</td>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>Berkshires</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>South Shore</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Merrimack Valley</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Cape and Islands</td>
<td>1</td>
<td>3%</td>
</tr>
</tbody>
</table>

Race/Ethnicity

Categories are based on participating parents’ self-identifications, coded into the U.S. Census’ Diversity Index categories. No parents or children in the sample identified as American Indian or Alaska Native.

Table 11: Race/ethnicity of interviewed parent and youngest child

<table>
<thead>
<tr>
<th></th>
<th>Interviewed parent</th>
<th>Youngest child</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>White alone, non-Latinx</td>
<td>12</td>
<td>38%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>11</td>
<td>34%</td>
</tr>
<tr>
<td>Asian alone, non-Latinx</td>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>Black alone, non-Latinx</td>
<td>3</td>
<td>9%</td>
</tr>
<tr>
<td>Other race alone, non-Latinx</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Multi-racial, non-Latinx</td>
<td>1</td>
<td>3%</td>
</tr>
</tbody>
</table>
Parents' Nativity Status

Table 12 summarizes the nativity status of the parents in our sample by family. In 15 families in our sample (47%), both parents were born in the U.S., or the single parent in a one-parent household was born in the U.S. In 17 families (53%), at least one parent was from outside the U.S.

Table 12: Parents' nativity status by family

<table>
<thead>
<tr>
<th></th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both parents (or one parent from single-parent household) born in U.S.</td>
<td>15</td>
<td>47%</td>
</tr>
<tr>
<td>At least one parent not born in U.S.</td>
<td>17</td>
<td>53%</td>
</tr>
</tbody>
</table>

Interviewed Parents' Regions of Origin

Table 13 shows that 22 of the parents who participated in interviews were born in the U.S. The table summarizes the regions of origin for those who were born outside the U.S.

Table 13: Interviewed parents' regions of origin

<table>
<thead>
<tr>
<th></th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>22</td>
<td>69%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>4</td>
<td>13%</td>
</tr>
<tr>
<td>South America</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>South-Eastern Asia</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Central America</td>
<td>1</td>
<td>3%</td>
</tr>
</tbody>
</table>

Household Income

Table 14: Household income as reported by the interviewed parent

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average household income</td>
<td>$47,275</td>
</tr>
<tr>
<td>Median household income</td>
<td>$50,000</td>
</tr>
<tr>
<td>Minimum household income</td>
<td>$4,000</td>
</tr>
<tr>
<td>Maximum household income</td>
<td>$110,000</td>
</tr>
</tbody>
</table>
Income as Share of Federal Poverty Level for Household Size

Table 15: Household income relative to FPL

<table>
<thead>
<tr>
<th></th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 100% FPL</td>
<td>5</td>
<td>16%</td>
</tr>
<tr>
<td>100-200% FPL</td>
<td>12</td>
<td>38%</td>
</tr>
<tr>
<td>200-300% FPL</td>
<td>12</td>
<td>38%</td>
</tr>
<tr>
<td>Above 300% FPL</td>
<td>3</td>
<td>9%</td>
</tr>
</tbody>
</table>

Confidence in Ability to Pay Bills

Table 16: Parents’ confidence they will be able to pay their bills in the next month

<table>
<thead>
<tr>
<th></th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confident or very confident</td>
<td>21</td>
<td>72%</td>
</tr>
<tr>
<td>Not sure</td>
<td>5</td>
<td>17%</td>
</tr>
<tr>
<td>Not confident</td>
<td>3</td>
<td>10%</td>
</tr>
</tbody>
</table>

Estimated U.Fund Account Balance

This item only applies to participants enrolled in the BabySteps program.

Table 17: Enrolled families’ estimated U.Fund account balances

<table>
<thead>
<tr>
<th></th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximately $50</td>
<td>8</td>
<td>36%</td>
</tr>
<tr>
<td>More than the initial deposit but less than $1,000</td>
<td>7</td>
<td>32%</td>
</tr>
<tr>
<td>Above $1,000</td>
<td>7</td>
<td>32%</td>
</tr>
</tbody>
</table>
Highest Level of Education Completed by Parents

Table 18: Highest level of education completed by interviewed parents

<table>
<thead>
<tr>
<th></th>
<th>N = 32</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>9</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Vocational or trade school</td>
<td>1</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>2-year college</td>
<td>2</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>4-year college</td>
<td>12</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Graduate school</td>
<td>8</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

Parents’ expectations for children’s educational attainment

Table 19: Parents’ educational expectations for their children

<table>
<thead>
<tr>
<th></th>
<th>N = 31</th>
<th>All</th>
<th>Enrolled</th>
<th>Unenrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>26%</td>
<td>23%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Some postsecondary education</td>
<td>19%</td>
<td>23%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>College or more</td>
<td>55%</td>
<td>55%</td>
<td>56%</td>
<td></td>
</tr>
</tbody>
</table>

Hope for the Future Scale

Respondents completed the abbreviated Hope for the Future scale. Scores can range 4-16. A higher score correlates with greater hope and a lower score with less hope.

Table 20: Hope for the future score

<table>
<thead>
<tr>
<th></th>
<th>N = 32</th>
<th>All</th>
<th>Enrolled</th>
<th>Unenrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average score</td>
<td>12.8</td>
<td>12.6</td>
<td>13.1</td>
<td></td>
</tr>
<tr>
<td>Median score</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Minimum score</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Maximum score</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td></td>
</tr>
</tbody>
</table>
Parental Depression Scale

Respondents completed the abbreviated Center for Epidemiologic Studies Depression Scale (CES-D),15,37 which has often been used to assess symptoms of maternal depression. Scores can range 0-12. Higher scores indicate more depressive symptoms.

Table 21: Depressive symptom score

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Enrolled</th>
<th>Unenrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average score</td>
<td>2</td>
<td>1.5</td>
<td>3</td>
</tr>
<tr>
<td>Median score</td>
<td>1</td>
<td>1</td>
<td>2.5</td>
</tr>
<tr>
<td>Minimum score</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Maximum score</td>
<td>8</td>
<td>4</td>
<td>8</td>
</tr>
</tbody>
</table>
Acknowledgments

The IERE research team is deeply grateful to the many people – parents, BabySteps administrators, community partners, and fellow researchers – who made this report possible.

Our deepest thanks go to the 32 families who participated in our interviews, often juggling care for young children as they spoke with us. Their thoughtful answers to our questions and willingness to share sometimes intimate details of their financial and family lives are what made our data so rich.

Our partners at OEE and MEFA provided critical help in refining our research design and recruiting families to interview. By introducing us to community partners, painstakingly interpreting complex data on account ownership, securing data from Fidelity, building customized email lists to help ensure our interviews included families from across the state, and so much more, the assistance MEFA and OEE provided was invaluable.

Staff from MEFA and OEE also participated in our focus groups, as did staff from several state and local BabySteps partner organizations. These focus groups proved to be a compelling complement to our family interview data, providing a window into BabySteps’ successes and challenges from a different perspective. Partner organizations that work directly with families were also able to raise the concerns of their clients.

Our quantitative analysis would not have been possible without the assistance of OEE, MEFA, and Fidelity Investments. They not only provided data but also took the time to respond to every one of our many questions.

Finally, we are grateful to the rest of the IERE research team who contributed to this project: Tom Shapiro helped envision the evaluation from its inception and provided valuable guidance throughout. Tatjana Meschede helped design the quantitative analytic plan and provided feedback to shape the work at multiple stages. Our gratitude also goes to the graduate student Research Assistants at the Heller School for Social Policy and Management who contributed to this research. Armando Vizardo-Benites provided key contributions to the interview protocols, translated our outreach materials into Spanish, and conducted interviews in both English and Spanish. Meghan Gragg joined our team as a summer intern and powered through the analysis of mountains of interview data. Jonathan Jacob stepped in from another team to translate our outreach materials into Mandarin Chinese and provide other support.