

1:1 Family Orientation Talking Points

When and How to Use this Document?

These talking points will help you to:

- Identify eligible parents
- Explain the Save for College Program, its benefits, and answer key questions
- Help parents complete building blocks by identifying which building blocks have been completed to date, barriers to building block completion, and providing tailored responses
- Schedule a 1:1 Parent Orientation to provide more in-depth information, materials, and guidance to help parents complete building blocks

Scenarios in which to use the talking points:

- When introducing the Save for College Program to parents individually or in group settings at any piggy back event, during office hours, or any other interaction with parents
- As introductory talking points during a 1:1 Parent Orientation

Ways to use the talking points:

- Use [Part 1: General Talking Points & Prompts](#) to start a conversation and identify a family's specific needs and challenges
- Use [Part 2: Family Profiles & Tailored Talking Points](#) to understand how a conversation with a variety of families and diverse needs might actually play out

Important Note: *There are many ways to save for college and career training. You may not recommend, endorse, or provide investment advice to any client regarding an investment in a 529 plan, including whether a 529 plan is a suitable investment for such person or that any investment option or portfolio within the 529 plan is a suitable investment.*

Your organization, staff, and representatives can use these materials to provide navigational support to families to open the college savings account that they have chosen to open. To do so, you can use ONLY the approved materials and talking points provided by NYC Kids RISE. For any other support or information that families may need about the NY 529 Direct Plan beyond what these materials and talking points provide, you must direct families to the NY 529 website at nysaves.org or the NY 529 hotline at 877-NYSAVES (877-697-2837). NYC Kids RISE does not provide investment advice or recommend any particular kind of college savings account. Every family's financial circumstances are different, and families should consider their own circumstances before saving or investing. They may wish to explore other alternatives, such as 529 plans offered by other states and savings accounts offered by other banks, to see if they might be a better fit for their families.

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

Part 1: General Talking Points & Prompts

Select relevant questions based on the scenario in which you engage with a parent and based on your knowledge of their situation and needs

Program Awareness & Overview

When to Use:

- Start with this section when beginning any conversation with an individual and/or a group of parents to assess their awareness about the program and provide a basic overview of the program and its benefits as needed

How to Start the Conversation:

Ask the family questions such as the following:

- **Have you heard of the Save for College Program?**

What to Mention:

Basic Program Overview

- The NYC Kids RISE Save for College Program is a scholarship and savings program for children's college and career training futures.
- The Program allows families, schools, and communities to save and support kids' futures together in a way that makes sense for them.
- This program is available for all families in District 30, regardless of immigration status or income.
- The Save for College Program is a tool that families, along with their schools and neighbors, can use and customize in the way that best fits into their lives and best supports their dreams for their children.

Benefits of Participation

- Your child has already received \$100 in scholarship money from the nonprofit NYC Kids RISE unless your family chose not to participate in the Save for College Program.
- You can earn up to \$175 more in scholarship money for your child by completing three foundational steps - the 3 Building Blocks - and earning a savings match.
 - Activate your NYC Scholarship account
 - Open and connect your own savings account
 - Deposit your first \$5
- Your child can use the scholarship money for college and career training, including two-year college, four-year college, and vocational and technical programs in New York and across the country as well as other educational-related expenses.

How To Get Started

- We know the idea of saving for college is far and may not be a priority for a family at this time.
- With this Program, we have taken this step towards your child's future by opening an NYC Scholarship Account for her/him
- Your next step - in what is the first of 3 Building Blocks in the program - is to activate and view your child's account
- After you have seen your child's account, you have the opportunity to open and connect your own college savings account and save in the way and with the frequency that makes sense for you and your family.
- These are just the first steps in a long-term partnership with NYC Kids RISE, your child's school, and your community to save money together for your child's future.
- We can help you activate your NYC Scholarship account today.

Program Awareness & Overview

What Questions Might Come Up:

Why does this exist?

- In collaboration with the City of New York and the NYC Department of Education, NYC Kids RISE has started the NYC Kids RISE Save for College Program, a scholarship and savings program designed to make college more accessible and achievable for the children in your community. NYC Kids RISE is a nonprofit working to expand economic opportunity and equity for all NYC public school students.

How is my child's school involved in the Save for College Program?

- NYC Kids RISE works with the NYC Department of Education and the participating schools to share information about the Save for College Program, support families to participate, and coordinate financial education opportunities for both students and parents/guardians.

Who provides the money for the scholarship account?

- Every NYC Scholarship Account has a \$100 initial deposit and up to \$200 in rewards from NYC Kids RISE, which is supported by private foundations and supporters who want to make sure that college and career training are accessible to all New Yorkers. Community organizations, businesses, residents, and other supporters can also contribute to these accounts through Community Scholarships, which are a way for communities to demonstrate their support for the accounts of students in their schools and neighborhoods on top of the money NYC Kids RISE deposits for every student.

What is the difference between the scholarship and savings account?

- Each student who enters a District 30 school in kindergarten, first-grade, second-grade, or third-grade (whose parents do not opt-out of the program) automatically receives an NYC Scholarship Account with a \$100 initial deposit from NYC Kids RISE. This account is where NYC Kids RISE deposits the initial \$100 and future rewards that you may earn. This is also the account where the community contributes money for your child's future college and career training. THEN, families have the opportunity to open their own college savings account. One option available to families is to open their own NY 529 *Direct Plan* account through the online Savings Tracker platform. Families may also choose other options for saving, including a savings account through Amalgamated Bank. The savings account is where parent/guardians can make contributions and where family and friends can also make contributions for your child's future college and career training.

How much money do I have to deposit?

- You cannot make deposits into the NYC Scholarship Account. This is where NYC Kids RISE deposits the initial \$100 and other rewards. This is also where the community can make contributions for your child. When you choose to open your own savings account, the amount and frequency with which you deposit in the account is completely up to you.

What if my child does not attend college?

- Your child has already received an NYC Scholarship Account with \$100 from the nonprofit organization NYC Kids RISE and can earn more money over time. Your child can use the money for many types of college and career training, including two-year college, four-year college, and vocational and technical programs in New York and across the country. Your child can also use the money for registered apprenticeship programs, although these are not eligible for the New York State tax deduction on contributions at this time.

How does this affect my public benefits?

- Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account does not impact a student's or family's application for public benefits. If a family saves money in their own college savings account, this asset may impact certain benefits.

How does this affect future financial aid?

- Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account does not impact a student's eligibility for financial aid while the money is in the account. NYC Kids RISE will provide more information as your child gets closer to college about how using the scholarship account money for your child's education could impact their eligibility for financial aid once the money is spent. There may or may not be an impact. If a family saves money in their own college savings account, these savings may impact the student's financial aid package.

How does immigration status affect my ability to participate?

- Every kindergarten, first-grade, second-grade, and third-grade family in District 30 can participate in the Save for College Program—including receiving an NYC Scholarship Account and opening their own college savings account—regardless of the child’s or their family’s immigration status. When considering whether to open your own college savings account, please note that both types of college savings accounts currently available through the program require a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) to open. In addition, if you choose to open your own college savings account in the NY 529 *Direct Plan*, you must meet the IRS definition of U.S. citizen or resident alien with a verified U.S. address. If you do not have this information, remember that a family member or trusted friend can open an account and list your child as the beneficiary. You should be aware that this account owner would have the ability to make all decisions regarding the account.

What happens if we move away from District 30?

- Once your child has received an NYC Scholarship Account, they continue to have access to that account if they move to any other public or charter school in New York City. Your child will also continue to be eligible for certain additional rewards. If your child leaves the NYC public school system, your child will still be able to use the funds already in their NYC Scholarship Account, but will not be eligible to earn any additional rewards.

Does participating in the Save for College Program cost anything?

- No, participation in the Save for College Program is free. When you choose to open your own college savings account, the amount and frequency with which you deposit in the account is completely up to you.
- For information about fees associated with college savings accounts you can open through the Save for College Program, read the NY 529 Direct Plan disclosure booklet or the Amalgamated Bank Account Opening Disclosure.

What if I don’t want to participate?

- To tell your school that you do not want your child to be enrolled in the Save for College Program, you must sign the Opt Out Notice that your child receives from the school and return it within 30 days of receiving it. Signing this Notice means your child will not receive an NYC Scholarship Account, the \$100 deposit, or future funds. Please refer to your child’s Opt Out Notice for specific dates and details.
- If you wish to cancel your child’s participation in the Save for College Program after the opt out period, please contact NYC Kids RISE at 833-KID-RISE (833-543-7473). You will be asked to submit a Cancellation Form.

Identify Eligibility

When to Use:

- Use when interacting with a general audience whose program eligibility is not known.
- Skip this section when interacting with an audience that is eligible for the program, such as when interacting with parents of a participating D30 school.

How to Start the Conversation:

- **Do you have children in K, 1st Grade or 2nd Grade?**
 - If no: stop
 - If yes: move to the next question
- **Do your children attend any of the following schools in School District 30? [Use Save for College Infographic participating schools list]**
 - If no: stop
 - If yes: explain eligibility to the program

What to Mention:

- **This program is available for all families in District 30, regardless of immigration status or income.**
- **Every kindergartner in a District 30 public school will be automatically enrolled in the program, unless their family chooses not to participate. First and second graders who did not attend a participating school in kindergarten are also eligible to enroll in the program this year.**

What Questions Might Come Up:

What if I don't want to participate?

- To tell your school that you do not want your child to be enrolled in the Save for College Program, you must sign the Opt Out Notice that your child receives from the school and return it within 30 days of receiving it. Signing this Notice means your child will not receive an NYC Scholarship Account, the \$100 deposit, or future funds. Please refer to your child's Opt Out Notice for specific dates and details.
- If you wish to cancel your child's participation in the Save for College Program after the opt out period, please contact NYC Kids RISE at 833-KID-RISE (833-543-7473). You will be asked to submit a Cancellation Form.

We arrived after the opt out period, can we still participate?

- Yes, thirty days after you registered at your child's school, an opt out notice will automatically be printed and backpacked home with your child. You will then have 30 days to return it. Only return it if you DO NOT want to participate. If you want to participate DO NOTHING.

My child is in private/catholic school; can s/he participate?

- Unfortunately, the Save for College Program is only available for families that are registered at public and charter schools located in District 30.

I live in District 30, but my child attends school in a different geographic district. Can my child still participate?

- No, at this time, only students enrolled in a participating school are eligible to participate. Visit nyckidsrise.org for the full list of participating schools.

I also have an older child. Is there something available for them through the program?

- Your older child will not get an NYC Scholarship Account. However, if you choose to open your own savings account, you can save for your older child in that account as well.

How does immigration status affect my ability to participate?

- Every kindergarten and first grade family in District 30 can participate in the Save for College Program—including receiving an NYC Scholarship Account and opening their own college savings account—regardless of the child's or their family's immigration status. When considering whether to open your own college savings account, please note that both types of college savings accounts currently available through the program require a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) to open. In addition, if you choose to open your own college savings account in the NY 529 *Direct Plan*, you must meet the IRS definition of U.S. citizen or resident alien with a verified U.S. address. If you do not have this information, remember that a family member or trusted friend can open an account and list your child as the beneficiary. You should be aware that this account owner would have the ability to make all decisions regarding the account.

Identify Participation and Where in the Process a Parent Is

When to Use:

- Use when interacting with an audience that is eligible for the program or with active program participants to identify where in the process they are and what next steps to take.
- This section assumes that families are eligible to activate their NYC Scholarship Accounts. This is usually as of January of the Kindergarten year but may vary depending on when a family entered the school).

How to Start the Conversation:

- **Have you activated and/or seen your child's NYC Scholarship Account (BB1)?**
 - If no: move through the talking points below to explain participation and benefits.
 - If yes: move to the section 'For Families Already Enrolled in the Program'.
- **If parent's doesn't know: Did you go to the website, create a password and see this graph? [Show handout with account graph]**
 - If no: offer to complete BB1 with the parent on the spot (see section 'Building Block #1'), schedule a separate appointment, or provide materials to complete BB1 on their own.
 - If yes: move on to the next question.
- **Have you opened and connected your own college savings account (BB2)?**
 - If no: offer to complete BB2 with the parent on the spot (see section 'Building Block #2'), schedule a separate appointment, or provide materials to complete BB2 on their own.
 - If yes: move on to the next question.
- **Have you made your first deposit into your college savings account?**
 - If no: offer guidance on completing BB3 with the parent on the spot (see section 'Building Block #3'), schedule a separate appointment, or provide materials to complete BB3 on their own.
 - If yes: inform parent about the savings match and other resources available to make a savings plan at a Financial Empowerment Center.

What to Mention:

- **See appropriate Building Block section below.**

What Questions Might Come Up:

- **See appropriate Building Block section below.**

Building Block #1

When to Use:

- For audiences that are active program participants eligible to complete the Building Blocks but have not completed BB1 yet.
- Refer to section 'Identify Participation and Where in the Process a Parent Is' if you don't know where in the process a parent or group of parents are.

How to Start the Conversation:

- **Have you activated your child's NYC Scholarship Account yet?**
- **Would you like to activate your child's NYC Scholarship Account today?**

What to Mention:

- **In partnership with your child's school, you already have an NYC Scholarship Account with a free \$100 deposit from NYC Kids RISE.**
- **We can help you log on so you can activate the scholarship account and know how to access it in the future so you can watch it grow.**
- **To activate your NYC Scholarship Account, you will need:**
 - Your child's student identification number. You can find this number on your child's report card, by logging onto your NYC Schools Account at <https://mystudent.nyc>, or by asking your child's school. NYC Kids RISE will never be able to see or access this Student ID number.
 - Your child's date of birth
 - Your child's current zip code
 - Your email address
- **You can earn an additional \$25 in scholarship funds by accessing the account today.**

What Questions Might Come Up:

What information do you need from me to activate the NYC Scholarship Account?

- Your child's student ID number, date of birth and your home zip code.

Who has access to my information if I activate my NYC scholarship Account?

- NYC Kids RISE receives the following pieces of information from the NYC Department of Education for every participating student:
 - Student and parent identification numbers unique to the program;
 - Student's full name;
 - Student's birth date;

- Student's home address;
- Whether the student's home address changes;
- Student's home phone number;
- Student's school name;
- Student's current grade level;
- Language(s) spoken at student's home;
- Transfers made to other schools, if any, both inside and outside the NYC public school system.
- NYC Kids RISE also receives the following information for up to two parents/guardians per participating student:
 - Parent/guardian full name;
 - Parent/guardian email address;
 - Parent/guardian cell and/or other phone number

Do I have to put money in this account? / Can I put money in this account?

- No, families cannot make deposits into individual NYC Scholarship Accounts. NYC Kids RISE encourages families to consider opening their own college savings account and starting to make contributions to that account. Community members, including organizations and businesses, can contribute to the scholarship accounts of a group of students by donating to NYC Kids RISE.

What is the difference between the scholarship and the savings accounts?

- Each student who enters a District 30 school in kindergarten or first grade (whose parents do not opt-out of the program) automatically receives an NYC Scholarship Account with a \$100 initial deposit from NYC Kids RISE. This account is where NYC Kids RISE deposits the initial \$100 and future rewards that you may earn. This is also the account where the community contributes money for your child's future college and career training. THEN, families have the opportunity to open their own college savings account. One option available to families is to open their own NY 529 *Direct Plan* account through the online Savings Tracker platform. Families may also choose other options for saving, including a savings account through Amalgamated Bank. The savings account is where parent/guardians can make contributions and where family and friends can also make contributions for your child's future college and career training.

Do you need an ITIN/Social Security Number to activate the NYC Scholarship Account?

- No, you only need your child's student ID number, date of birth and your home zip code.

Do I need to provide a credit card or checking account number to activate the NYC Scholarship Account?

- No, you do not.

How does this affect my public benefits?

- Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account does not impact a student's or family's application for public benefits. If a family saves money in their own college savings account, this asset may impact certain benefits.

How does this affect future financial aid?

- Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account does not impact a student's eligibility for financial aid while the money is in the account. NYC Kids RISE will provide more information as your child gets closer to college about how using the scholarship account money for your child's education could impact their eligibility for financial aid once the money is spent. There may or may not be an impact. If a family saves money in their own college savings account, these savings may impact the student's financial aid package.

Building Block #2

When to Use:

- For families who have completed the first BB but have not yet completed BB2 and BB3.
- Refer to section 'Identify Participation and Where in the Process a Parent Is' if you don't know where in the process a parent or group of parents are.

How to Start the Conversation:

- **Now that you have activated your child's NYC Scholarship Account, you can consider opening your child's own college savings account and linking it to your child's NYC Scholarship Account to receive an additional \$25 in scholarship funds. Let me tell you about the two savings account options:**

What to Mention:

- **The Save for College Program provides an opportunity for families to open one of two college savings account options that can be connected to their child's scholarship account:**
 - An NY 529 *Direct Plan* Account, which is a dedicated college savings account invested in the market.
 - An Amalgamated Save for College Bank Account, which is like a regular savings account that you have earmarked for college savings.
- **Note: There are other ways to save besides these two college savings account; if you already have another savings account for your child that is completely valid. However; the specific features and benefits of the Save for College Program are available only for the two account options under the Save for College Program. They include:**
 - Earning rewards for connecting your account.
 - Earning rewards for making a deposit of at least \$5 into your account.
 - Earning the Savings Match.
 - Connecting your savings account to your child's NYC Scholarship Account.
- **There are three significant differences between these two types of accounts (529 accounts and traditional bank accounts): (1) potential risk and reward, (2) tax treatment, (3) allowable uses for the money.**
 - **Potential risk and reward:**
 - A bank savings account is insured, meaning it is guaranteed to not lose value. It earns interest at a steady rate, but that interest is relatively small.
 - 529 plan accounts are not insured, and their value goes up and down over time -- meaning they may gain or lose value depending on financial markets. They have the potential of significantly higher earnings than a bank savings account, and they can experience losses as well.
 - **Dedicated savings for college:**
 - 529 plan accounts are investment accounts specifically created to help families save for college and career training. 529 accounts' intended use is for expenses associated with higher education.
 - NYC Kids RISE chose to hold its NYC Scholarship Accounts in the NY 529 *Direct Plan* in part for that reason.
 - You can withdraw funding for other expenses not related to higher education. But if you do so, you must pay tax on the account's earnings and a 10% federal penalty on the earnings.
 - For instance, if you have invested \$100, earned \$5 on your investment and used the \$105 for purposes other than higher education expenses, state and federal taxes would be owed only on the earnings of \$5 (for example, this might be \$1.50 depending on your state and federal tax rates, which vary) and the federal penalty would be 10% only on the earnings of \$5 (fifty cents).
 - Recently, changes were made to the federal tax code to allow these funds to be used for K-12 tuition expenses, registered apprenticeship programs, and qualified education loan payments - check with your 529 plan to see whether any taxes or other conditions might apply.
 - The restrictions and penalties on the accounts are designed to discourage families from using the money for other purposes and instead keep it for their children's higher education.

Building Block #2

- Unlike 529 accounts, generally bank savings accounts can be used for any purpose, and there is no penalty to withdraw for other uses. However, the intended purpose of the Amalgamated Save for College Bank Account is that the account will ONLY be used for college and career training.
- **Tax Treatment:**
 - The interest earned on bank savings accounts is taxed annually.
 - 529 plan account earnings are never taxed (as long as used for qualified higher education expenses at eligible institutions). As an added tax benefit, many 529 plans offer account owners certain state tax benefits.
 - For example, married account owners filing jointly can take NY State tax deductions of up to \$10,000 a year for contributions made to the NY 529 *Direct Plan*. Paying fewer taxes means more money to save for college.
- **To open and connect your own NY 529 Direct Plan account, you will need:**
 - Your NYC Kids RISE Savings Tracker username and password;
 - Your own Social Security Number (SSN) OR Individual Taxpayer Identification Number (ITIN);
 - Your child's SSN OR ITIN;
 - Your child's home address;
 - Your verified U.S. address;
 - Your email address;
 - Your child's date of birth;
 - The name and date of birth of someone who you would want to own the account in the event of your death (recommended).
- **To open an Amalgamated Save for College Bank Account, you will need:**
 - A valid Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), OR W8 certification;
 - A valid photo ID issued by a federal or state government agency, or an IDNYC municipal ID;
 - Your address and date of birth;
 - Your child's name and date of birth;
 - Your email address (recommended).

What Questions Might Come Up:

What information do I need to open this account?

- Should you consider having a college savings account, you will need for YOUR reference only a Social Security Number (SSN) or an Individual Taxpayer Identification Number to open an account.

How much money am I required to deposit in the account?

- You can open both kinds of college savings accounts--a 529 account or a bank account--without depositing any money.
- You can keep them open with \$0. Note that Amalgamated Bank may close your account after 9 months if there is nothing in the account but you can solve the problem by depositing a penny
- If you open an NY 529 account, note that NY 529 may close your account if there are no deposits after six months. If they close your account, NY 529 will send you information by mail with instructions on how to reopen the account. Once they close the account, you will have another six months to make a deposit (which can be as low as \$1) by mailing a check or by calling NY 529 at 877-697-2837. If you do not make a deposit in that time period, you will have to fill out a new enrollment form to reopen your account.
- Once it is open the amount and frequency with which you deposit in the account is completely up to you.
- You can earn additional rewards by making a \$5 deposit today or at another time that best works for you and your family.

Which account is better?

- We cannot tell you what kind of account to choose, we are not licensed financial professionals, and we will not be giving any financial advice or recommendations regarding the most suitable type of account or investment option for your family or personal circumstances.
- You have to think about the different features of each account and what makes sense for you and your family.

Do I need to open my own savings account to be enrolled in the program?

- No, you do not need to open your own college savings account or deposit any money for your child to be enrolled in the Save for College Program and have an NYC Scholarship Account. However, NYC Kids RISE encourages every family to explore their options and open their own college savings account.

(For the 529 account) which investment option should I pick?

- You have to make that decision on your own.
- There is a tab on the NY 529 website titled, "Which Investments Should I Choose?", that can provide points to consider.

Building Block #2

How does my immigration status affect my ability to open a 529 account or an Amalgamated Bank account?

- You can open an account whether you are a U.S. Citizen or a resident alien.
- If you are not a U.S. Citizen and considered a “resident alien” by the IRS definition and have an ITIN / Social Security number, you are eligible to open a 529 account or an Amalgamated account.
- The IRS definition of resident alien is essentially a presence test and says the following:
- You will be considered a United States resident for tax purposes if you have a green card or meet the substantial presence test for the calendar year:
 - 31 days during the current year, and
 - 183 days during the 3-year period that includes the current year and the 2 years immediately before that, counting:
 - All the days you were present in the current year, and
 - 1/3 of the days you were present in the first year before the current year, and
 - 1/6 of the days you were present in the second year before the current year.
- This is different from the USCIS’ definition of resident alien.
- For additional information about the IRS’s definition of resident alien, visit irs.gov.

How much should I save?

- Saving for college is an important piece of a family’s overall financial plan—but it’s not the only part. The amount of money that makes sense to save for college is different for every family. Deciding how much to save for college or career training depends on your individual financial circumstances, including your income, property, debt, regular expenses, public benefits, and credit. The good news is that no amount is too large or too small when you start saving early! Starting to save when your child is young can make a big difference by the time your kindergartner is ready for college.

How will this account affect my public benefits?

- There will be no effect on the following benefits of having or depositing money into your own college savings account:
 - WIC (Special Supplemental Nutrition Program for Women, Infants, and Children)
 - Free and reduced-price lunch
 - Medicare and Medicare Savings Plus
 - SSDI (Social Security Disability Insurance)
 - LIHEAP (Low Income Home Energy Assistance Program)
 - CHIP (Children’s Health Insurance Program)
- There is a possible effect on the following benefits of having or depositing money into your own college savings account:
 - NYCHA (New York City Housing Authority) housing

- NYCHA’s Section 8 program
 - Affordable Housing (Housing subsidized by the NYC Department of Housing Preservation and Development or Housing Development Corporation)
 - Medicaid
 - Emergency LIHEAP
 - Public Assistance (TANF/Temporary Assistance for Needy Families, cash assistance, welfare, family assistance, or safety net assistance)
 - Food Stamps/SNAP
- Please look at this handout [How College Savings May Impact Public Benefits] to find out more. You can also contact your benefits agency to ask them for more information.

How will this account affect future financial aid?

- If you save money in your own college savings account, this may impact your child’s financial aid package. This will depend on the account option you choose, the amount of money your family makes, the financial aid rules at the time, and other factors.
- If your family makes less than \$50,000 a year future financial aid will not be affected.
- If your family makes over \$50,000 a small part of parents’ savings and investments (5.64%) is currently counted as a family contribution toward college costs.
- Parental income, not savings, is the main factor that determines a family’s “financial need” and expected contribution toward college costs.

Can I open an account for a child who is not in K, 1st or 2nd grade?

- Yes, you can open either college savings account option for older children and even for yourself.

I don’t have a bank account. Can I still open a 529 account?

- Yes, you can open a 529 account without making a deposit or linking a bank account. Opening the account, even with \$0 will earn your child up to \$25 in rewards in their NYC Scholarship Account.

I already have a 529 account, can I connect that with the NYC Scholarship Account?

- Yes, as long as you have the NY 529 *Direct Plan*, you can link your existing account with the NYC Scholarship Account.

Building Block #3

When to Use:

- For families who have completed the first two Building Blocks but have not yet completed BB3.
- Refer to section 'Identify Participation and Where in the Process a Parent Is' if you don't know where in the process a parent or group of parents are.

How to Start the Conversation:

- **Now that you opened (and connected) your child's own college savings account, you can start saving towards your child's future college education and career training by depositing your first \$5.**

What to Mention:

- **To complete Building Block #3, you can deposit as little as \$5 into your child's college savings account.**
- **NYC Kids RISE will support with additional scholarship funds by depositing \$25 into your child's NYC Scholarship Account after you make a first deposit of \$5 or more into your child's college savings account.**
- **To make your first deposit of \$5 or more towards your child's college savings account you will need: Bank Routing & Account Number Information OR a Personal Check.**

What Questions Might Come Up:

Can I use a money order to make a deposit?

- You can deposit money into an NY 529 *Direct Plan* account using these methods:
 - Check by mail;
 - Electronic fund transfer (linking to your bank account for one-time or recurring transfers);
 - Payroll deduction (linking your account to your employer, if your employer permits, so that a set amount is taken out of your paycheck each pay period);
 - Ugift® (a unique code you can give to your friends and family and allow them to contribute to your account);
 - Certain gift registries and gift cards.
 - For more information, visit nysaves.org or call 866-NYSAVES (866-734-4533).
- You can deposit money into an Amalgamated Save for College Bank Account using these methods:
 - Cash or check in person at an Amalgamated Bank branch;
 - Check or money order by mail;
 - Transfer from another bank account (if your other bank account allows this);
 - Payroll deduction (if your employer permits);
 - By using the Amalgamated Bank mobile app on your smart phone.
 - For more information, visit an Amalgamated Bank branch or call 800-662-0860.

What if I don't have \$5 to deposit now?

- No amount is too little! If you don't have \$5 today, you can deposit \$1 per week for the next 5 weeks. Once you do, your child will earn up to \$25 more in scholarship money and can start earning the \$100 Savings Match!

- You can also have a friend or family member deposit for you. You can use Ugift if you have a 529 account or have a family member give you a check if you have an Amalgamated Account.
- Tell friends and family that saving for college is a priority: You don't have to do this alone. If there are grandparents, aunts, uncles, cousins, godparents, or friends who want to help you save, they can also contribute to your child's college savings account. They can make a deposit for a birthday, a holiday, or any time. Friends and family can also offer encouragement and reminders to stay on track.

How much money am I required to deposit in the account?

- The amount and frequency with which you deposit in the account is completely up to you.

How much should I save?

- Saving for college is an important piece of a family's overall financial plan—but it's not the only part. The amount of money that makes sense to save for college is different for every family. Deciding how much to save for college or career training depends on your individual financial circumstances, including your income, property, debt, regular expenses, public benefits, and credit. The good news is that no amount is too large or too small when you start saving early! Starting to save when your child is young can make a big difference by the time your kindergartner is ready for college.

Saving Regularly / Ongoing Engagement

When to Use:

- For audiences who have completed all three Building Blocks to support them to keep saving towards their child's future education and career training.
- Refer to section 'Identify Participation and Where in the Process a Parent Is' if you don't know where in the process a parent or group of parents are.

How to Start the Conversation:

- **Congratulations! You completed all steps of the NYC Kids RISE Save for College Program and started saving for your child's future college education and career training. NYC Kids RISE and your community are here to keep supporting you. Would you like to learn about the NYC Kids RISE savings match and discuss some strategies that might help you save for your child's future?**

What to Mention:

○ Savings Match Overview

- This Savings Match opportunity starts when your participating child is in first grade and ends on the last day of third grade.
- For every dollar your family deposits into your connected college savings account up to the next \$100, NYC Kids RISE will deposit a dollar into your child's NYC Scholarship Account.
- As long as you have connected a college savings account to your child's NYC Scholarship Account (Building Block #2), NYC Kids RISE can track your family's deposits and automatically match them.
- You must complete the 3 Building Blocks to be eligible for the Savings Match.

- To see the deposits NYC Kids RISE has made into your child's NYC Scholarship Account, log back into your Savings Tracker and scroll down to the section called "Your College Savings Account."

○ Support to Save

- For one-on-one support with making a plan to save and sticking to it, Talk to a FREE professional financial counselor: sign up for free and confidential financial counseling at an NYC Financial Empowerment Center. To schedule an appointment, call 311 or visit nyc.gov/dca.
- [If the partner organization offers financial counseling, they can set up an appointment for their own free financial counseling services]

What Questions Might Come Up:

What if I can't save any money right now?

- Tell friends and family that saving for college is a priority: You don't have to do this alone. If there are grandparents, aunts, uncles, cousins, godparents, or friends who want to help you save, they can also contribute to your child's college savings account. They can make a deposit for a birthday, a holiday, or any time. Friends and family can also offer encouragement and reminders to stay on track.

How much should I save?

- Saving for college is an important piece of a family's overall financial plan—but it's not the only part. The amount of money that makes sense to save for college is different for every family. Deciding how much to save for college or career training depends on your individual financial circumstances, including your income, property, debt, regular expenses, public benefits, and credit. The good news is that no amount is too large or too small when you start saving early! Starting to save when your child is young can make a big difference by the time your kindergartner is ready for college.
- Set a savings goal: A great way to get started is to set a goal for how much you want to save on a regular schedule. Think about

what you'd be able to set aside every week or every month, based on your most important expenses and savings priorities. These may include rent, groceries, health care, transportation, paying off loans, or saving for retirement. For some people, it works better to put aside a set amount every week or every paycheck. Decide what works best for your family.

Where are the Financial Empowerment Centers located?

- There are more than 20 Financial Empowerment Centers across the city. The locations closest to School District 30 are listed below (days and hours of operation are subject to change):
 - **New York City Financial Empowerment Center At Make the Road NY**
92-10 Roosevelt Avenue, Jackson Heights, NY 11372
Languages: English and Spanish
Site Hours: Tuesday, Thursday, and Friday, 10 a.m. - 4 p.m.
Partner: Neighborhood Trust Financial Partners
 - **New York City Financial Empowerment Center At Urban Upbound (Long Island City)**
10-38 41st Avenue, Long Island City, NY 11101
Languages: English, Spanish and Russian
Site Hours: Monday-Friday, 9 a.m. - 5 p.m.
Partner: Urban Upbound

Part 2: Family Profiles & Tailored Talking Points

The Williams Family

Description

The family lives in Queensbridge Houses and doesn't pay more than 30% of income on rent. They receive food stamps and are worried about savings/investments because of a potential rent increase or losing their public housing or food stamps. The family has a bank account but continues to use the check cashier across the street to pay regular bills. They are highly computer literate. The children attend PS 111.

Family Needs

The Williams family needs information about how savings would affect their public benefits. They are financially struggling and will have concerns about how to access their savings if they need it for an emergency.

Sample Conversation

NYC Kids RISE Partner (NYCKRP): Hi, I understand you are here today because you would like more information about the two savings account options?

Williams Family: Yes, we activated our child's NYC Scholarship Account and were told that the next step is to open our own Savings Account.

NYCKRP: That's right. There are two options for the savings account. You can either open an NY 529 account, which is a dedicated college savings account or you can open a Save for College Program Bank Account at Amalgamated Bank.

Williams Family: Why can't we deposit money in the NYC Scholarship Account?

NYCKRP: The NYC Scholarship account is where the initial deposit lives, where rewards you earn are deposited and where the community can save for you. You can't deposit into this account because it is not in your name. It is in our name, on behalf of your child. This allows it to be accessible to everyone. It's available regardless of immigration status or income and doesn't affect public benefits or future financial aid.

Williams Family: Oh, okay. That's one thing I wanted to know about; is anything I save in these accounts going to affect my benefits? I don't want my rent to go up.

NYCKRP: Oh okay, do you live over in Queensbridge Houses?

Williams Family: Yes, we do.

NYCKRP: Okay, no problem. The first thing you should know is that for the NYC Scholarship Account, because it is owned and managed by NYC Kids RISE, money in the NYC Scholarship Account will not affect existing or future public benefits while held in the account. When it comes to living in public housing having an NY529 account does not affect your rent or your status in public housing. Having a Save for College Program Bank Account may affect your rent calculation, in that, NYCHA is going to look at the interest you earned by saving

in that account over the course of the year and factor it into your rent calculation. It is NOT going to factor in the total savings. So, for example, if you save \$100 in that account this year and your interest rate is 1.2%, the interest you will earn on that \$100 is \$12. NYCHA would factor in that extra \$12 only when determining your rent calculation.

Williams Family: You mean my rent will go up by \$12?!

NYCKRP: No, I mean the \$12 will be counted as part of your total income when your rent is calculated. If you have more specific questions about this, the best thing to do is call your management office.

Williams Family: Okay, got it. That's not really a big deal.

NYCKRP: Are there any other questions I can answer related to benefits?

Williams Family: Yes, what about SNAP? We get food stamps.

NYCKRP: Okay, so the NY 529 Account will not affect SNAP. The bank account is not going to affect SNAP as long as you make sure and use it just for college savings. Here is a handout that has more information on all the benefits. Here is the section on SNAP. [Hands the How College Savings May Affect your Public Benefits Handout to Williams Family]. I want you to read it over and make sure to call your SNAP office if you have any outstanding questions. Okay, should we talk a little bit more about the two savings account options?

Williams Family: Let's do it

NYCKRP: There are three significant differences between these two types of accounts (529 accounts and traditional bank accounts): (1) potential risk and reward, (2) tax treatment, (3) allowable uses for the money

- Potential risk and reward:
 - A bank savings account is insured, meaning it is guaranteed

to not lose value. It earns interest at a steady rate, but that interest is relatively small.

- 529 plan accounts are not insured, and their value goes up and down over time -- meaning they may gain or lose value depending on financial markets.
- Tax treatment:
 - The interest earned on bank savings accounts is taxed annually.
 - 529 plan account earnings are never taxed (as long as used for qualified higher education expenses at eligible institutions). As an added tax benefit, many 529 plans offer account owners certain state tax benefits.
 - For example, account owners in the NY 529 *Direct Plan* can take NY State tax deductions of up to \$10,000 a year for contributions made to the NY 529 *Direct Plan*. Paying fewer taxes means more money to save for college.
- Dedicated savings for college:
 - 529 plan accounts are investment accounts specifically created to help families save for college and career training. 529 accounts' intended use is for expenses associated with higher education.
 - You can withdraw funding for other expenses not related to higher education. But if you do so, you must pay tax on the account's earnings and a 10% federal penalty on the earnings.
- Unlike 529 accounts, generally bank savings accounts can be used for any purpose, and there is no penalty to withdraw for other uses. However, the intended purpose of the Amalgamated Save for College Bank Account is that the account will ONLY be used for college and career training.

When choosing an account you want to think about, do I want it to have market exposure or do I feel more comfortable with an account that won't earn much but is guaranteed. You also have to think about whether you want to have access to your money at any time or you prefer it be in account where you can't touch it until your child is ready to go to college. Finally, you want to think about whether tax breaks are important to you since one account has them and one doesn't.

Williams Family: What do we have to do to open one of these accounts?

NYCKRP: For the 529 account, you can open it and maintain it online by clicking the create/connect button in the Savings Tracker. You can open that kind of account here today, if you choose. For the Amalgamated Account you need to walk over to the branch to open the account. Both accounts require that you and your child have an ITIN or a Social and for the Amalgamated Account you also need a photo ID.

Williams Family: And how do we make a deposit?

NYCKRP: For either account you can link a checking account and make transfers from there. With Amalgamated you can also deposit a money order or cash by going in person.

Williams Family: Hmm, we usually pay our bills at the check casher on 21st street. Not sure about linking our checking account. Does that mean they can take out money whenever they want?

NYCKRP: No, it is totally under your control. Linking the account doesn't mean you are authorizing them to take money. In fact, you can open either of the accounts with zero dollars and keep them open with zero dollars. There are no requirements on how much or how often you deposit.

Williams Family: Okay, I guess if we can decide when to deposit and how much, then that should be okay. How do you link the account?

NYCKRP: You do this during the application process. If you choose to open a 529 online today, you can do that as part of the application. If you choose to go to Amalgamated Bank, the staff there can help you. You just need your bank account and routing number.

Williams Family: Okay, thank you. I think we are ready to make a decision.

NYCKRP: That's great to hear! You will get a \$25 reward for opening the account and if you make at least a \$5 deposit you can get another \$25 reward for that deposit.

Williams Family: Okay, that sounds good. I think we want to open the 529. We like that it doesn't affect our benefits and that we can just do it online today.

NYCKRP: Okay, great. Let's get started.

The Cabrera Family

Description

Two parents from Colombia live in Corona with their children. The parents speak only Spanish and the children often translate for them. The family has concerns about banks and does not have a bank account but has emergency savings. Moreover, the parents do not have comfort with technology and putting information online. The children are citizens and the parents have greencards. The children go to PS 92.

Family Needs

The Cabrera parents will need their information (oral and written) in Spanish. They would need to feel increased comfort with financial institutions to open savings or investment accounts and some assistance navigating the computer.

Sample Conversation

NYC Kids RISE Partner (NYCKRP): Hi! Have you activated your child's NYC Scholarship Account?

Cabrera Family: Habla usted español?

NYCKRP: Sí, hablo español [rest of conversation takes place in Spanish]. Have you activated your child's NYC Scholarship Account?

Cabrera Family: We are not sure. We got a flyer and we know he has an account with \$100 in it.

NYCKRP: Great! Thank you for coming. The Save for College Program is a scholarship and savings program. NYC Kids RISE has deposited \$100 in this account for your child's educational future. Today, you can take the first step which is to activate your child's NYC scholarship account so you know where to view the \$100 deposit. By taking this step, you will also earn a \$25 reward that will be added to the scholarship account. Did you go on NYC Kids RISE' website, create a password and see the graph with your child's scholarship funds?

Cabrera Family: No, we don't remember that.

NYCKRP: No problem, we can do it together. Do you want to sit down at the computer and we can get you started?

Cabrera Family: We don't usually use computers...do you have to do it online?

NYCKRP: It is an online account but you can also do it on your phone if that is better for you.

Cabrera Family: Okay, great. Let's do that.

NYCKRP: Great, have a seat and then go to nyckidsrise.org on your web browser.

--- Parents navigate to the website, scroll to view my account and enter the three pieces of information ---

Cabrera Family: I can't figure out a good password. Can you pick one for me?

NYCKRP: I can't pick one for you but take a look at the hints below the password. It needs to be 8 characters long, have at least one upper case letter, one lower case letter, and a number or special character.

Cabrera Family: Oh, okay. Hold on. I think I got it.

NYCKRP: Perfect. Now hit submit.

--- Parents take the rest of the steps to complete Building Block #1 ---

Cabrera Family: Can we put money in the scholarship account?

NYCKRP: No:

- The scholarship account is where the initial deposit goes, where you will see rewards for taking certain steps and also where you will see if the community has fundraised to contribute extra money to your school's scholarship accounts.
- To save for your child, you can open your own college savings account. There are two options that can be conveniently linked to this account: an NY 529 *Direct Plan* or an Amalgamated Save for College Bank Account. Let me give you a document that can help you review the options. NYCKRP hands parent BB2 document
- If you decide you want to open the 529 account, you can hit the create/connect button here and it will take you to the 529 application. If you want to open an Amalgamated account, you have to go to the branch in person. When you open and connect the account, you get another \$25 reward and you can see everything together in one place. Do you want to get started with that today?

Cabrera Family: No, I don't think we want to open the account.

NYCKRP: Do you have concerns or questions I can answer?

Cabrera Family: We save but not at the bank.

NYCKRP: Oh okay, so you just keep your savings at home?

Cabrera Family: Yes.

NYCKRP: Got it. In order to save for your child and earn rewards for saving, you have to open either an NY 529 account, which is a dedicated college savings account or a savings account at Amalgamated Bank. The NY 529 is available online and you do have to link an existing bank account to make deposits. For the Amalgamated Bank account you must walk into the branch and you can deposit cash.

Cabrera Family: Okay, this is a lot to think about.

NYCKRP: Here [The NYCKRP hands them Choose the Right Account Tool], why don't you look at this document that compares the two options, check off the features you like best and then come back when you are ready to open your account. You can call me at (555) 555-5555 and I will help you once you are ready.

Cabrera Family: Okay, thank you.

The Chowdhury Family

Description

A Bengali grandmother here on a visa and her granddaughter live in Jackson Heights. The grandmother speaks Bangla. She uses a checking account at a local credit union and keeps savings at home. She is not very familiar with computers and does not have an email account. She wants her granddaughter to go to college but is not knowledgeable yet about payment options or investment options. Because of religious concerns, she may have objections to opening an account invested in the market. The granddaughter attends P.S. 212 and receives reduced-price lunch.

Family Needs

The grandmother's low level of computer literacy means she may face difficulty and confusion in navigating the Savings Tracker and 529 website. She will need further explanation about the two savings accounts, in order to make a decision to open the bank account that aligns with her religious beliefs. She would need information in Bangla.

Sample Conversation

NYC Kids RISE Partner (NYCKRP): Hi! Have you activated your child's NYC Scholarship Account?

Chowdhury Grandmother: Do you speak Bangla?

NYCKRP: Hold on a moment. Let me get someone who can help you. [Rest of conversation takes place in Bangla]. Have you activated your child's NYC Scholarship Account?

Chowdhury Grandmother: No, I don't understand where to access the \$100 for my granddaughter.

NYCKRP: Okay, no problem, you can view and monitor your granddaughter's NYC Scholarship Account, with \$100 in it in Savings Tracker. This is a portal that is available online through our website.

Chowdhury Grandmother: Oh, I don't really use computers.

NYCKRP: What about your phone? Do you feel comfortable with that?

Chowdhury Grandmother: My granddaughter usually helps me with what I need on my phone.

NYCKRP: Okay, well, I can help you today. Let's navigate to the website at nyckidsrise.org and do it together.

Chowdhury Grandmother: Ok.

--- The NYCKRP and Chowdhury Grandmother navigate to view my account and enter the shared secrets (zip code, date of birth and student ID number). The NYCKRP explains that she will only have to provide this information once ---

NYCKRP: Okay, now we just need your email address and then you will create a password. This is what you will use every time you go in and view your granddaughter's account.

Chowdhury Grandmother: I don't have an email account.

NYCKRP: That's no problem. I can help you create one today. Would you like to do that?

Chowdhury Grandmother: Okay, if it isn't too complicated.

NYCKRP: Okay, let's go to google.com, gmail and then create account.

--- The NYCKRP and Chowdhury Grandmother create an email address together ---

NYCKRP: Okay, now that we have your email account, let's use that in the Savings Tracker.

--- Chowdhury Grandmother types in the email address but can't figure out how to get to the @ symbol on the computer keyboard ---

NYCKRP: When you want to get to the @ symbol, you press and hold down shift and then hit the number 2 button.

Chowdhury Grandmother: Okay, got it.

--- The NYCKRP and Chowdhury Grandmother complete Building Block #1 together ---

NYCKRP: Okay, congratulations! You are all done with Building Block #1. You can see your granddaughter's name above the graph at the bottom of the Savings Tracker and the graph is where you see that initial \$100 deposit that you were asking about. If you log back in, in a few days you will see the up to \$25 reward you earned for taking this step.

Chowdhury Grandmother: How do I save for my granddaughter?

NYCKRP: You can't save in the NYC Scholarship Account but you can

open your own savings account and save there. You can link the two online and see everything together.

Chowdhury Grandmother: I already have a checking account but I usually save at home.

NYCKRP: Great, you can use your checking account to deposit into the savings account option you choose. There are two options that can be conveniently linked to your NYC scholarship account: an NY 529 *Direct Plan*, which is invested in the markets or an Amalgamated Save for College Bank Account, which is similar to a regular savings account. Let me give you a document that can help you review the options. [NYCKRP hands parent BB2 document]

Chowdhury Grandmother: I don't think I can save in these accounts. Do they earn interest? It is prohibited that I earn interest because of my religion.

NYCKRP: You can choose to open either a 529 account or a bank savings account to complete Building Block #2. 529 accounts are invested in financial markets, which spans industries and companies, and can gain or lose value over time. A bank savings account is not invested and does earn a small amount of interest.

Chowdhury Grandmother: Okay, I am not sure I am going to be able to do that. What about her NYC Scholarship Account? Does that earn interest too?

NYCKRP: I completely understand. The NYC Scholarship is actually invested in a 529 account, which is invested in the market but remember, this account is not in your name. NYC Kids RISE and the community are saving for your child in that account.

Chowdhury Grandmother: Okay, I understand. The NYC Scholarship account is fine but I don't think I can continue with the other steps. What happens if I don't open my own account?

NYCKRP: You keep the NYC Scholarship Account. It will grow over time because it is invested in the market. This is also where the community will fundraise together for your child's education so it will also grow via community contributions.

Chowdhury Grandmother: Okay, thank you for your help today.

NYCKRP: You are welcome.

The Martinez Family

Description

A couple fled violence in El Salvador and settled in East Elmhurst. Their daughter receives free lunch at her special-needs school, P.S. 255 (part of District 75 and located within District 30). They are not sure they will be able to attend college because she has autism. The parents speak only Spanish and are undocumented. Due to immigration concerns and a mistrust of banks, they use only fringe financial services. They are computer literate and use email.

Family Needs

The parents in the Martinez family are concerned about their immigration status, especially in this political climate. They may not feel comfortable obtaining bank or investment accounts. Information would need to be delivered in Spanish. They will not be able to open their own savings account because they do not have a Social Security Number or an ITIN. Further, they have concerns about whether their child will be able to attend college.

Sample Conversation:

NYC Kids RISE Partner (NYCKRP): Good Morning! Do you need help activating your NYC Scholarship Account?

Martinez Family: No we already took that step.

NYCKRP: You went to our website, logged in and saw the graph with your child's \$100?

Martinez Family: Yes.

NYCKRP: Congratulations! The next step is to open your own savings account. There are two options that can be conveniently linked to this account: an NY 529 *Direct Plan* or an Amalgamated Save for College Bank Account. Let me give you a document that can help you review the options. [NYCKRP hands parent BB2 document.] The 529 account, is a dedicated college savings account. The Save for College Program Bank Account at Amalgamated Bank is more like a regular savings account. When you open and connect the account, you get another \$25 reward and you can see everything together in one place. Do you want to get started with that today?

Martinez Family: Our daughter goes to PS 255. We aren't really sure if she is going to be able to go to college...

NYCKRP: That's okay. If you choose the Amalgamated bank account, we encourage families to use it for college but there are no restrictions on what the money is used for. This means you could start saving for whatever she may need to set her up in the future. With the 529 account, there are a wide array of ways the money can be used. This includes two year and four-year colleges and other career training programs. The scholarship funds can be used for tuition, fees, equipment, some room-and-board expenses, and even things like textbooks, which are often not covered by other scholarships. The funds can be used at academic and vocational programs in New York and across the country, as well as at some schools in other countries. It can also be used to cover certain services for students with special needs in connection with enrollment and attendance at eligible

educational institutions. Some eligible educational institutions have programs and supports in place for students with special needs. We can look at the 529 website together to see what is available.

Martinez Family: Okay, what will we need to open the savings account?

NYCKRP: No matter which one you choose you will need your Social Security Number or ITIN and your child's Social Security Number or ITIN. You will also need basic information such as your child's date of birth and your home address, as well as your banking information.

Martinez Family: We don't have an ITIN or a Social.

NYCKRP: Either savings account can be opened by any adult listing your child as a beneficiary. You should be aware that this account owner would have the ability to make all decisions regarding the account. Do you have a trusted friend or family member who might be able to open this account?

Martinez Family: Maybe...I think we need to speak with our family. Can we get back to you?

NYCKRP: Of course!

Martinez Family: What happens if we don't open the account, does our daughter lose the scholarship?

NYCKRP: We encourage all families to open a savings account. However, if you choose not to take that step, your daughter will still have the NYC Scholarship Account. It will change over time because it is invested in the market. This is also where the community will fundraise together for your child's education so it will also grow via community contributions.

Martinez Family: Okay, thank you for your time.

NYCKRP: You are welcome.

The Moore Family

Description

The Moores (two parents and two children) reside in Sunnyside. They are moderate-income. They do not qualify for public benefits and participate in health coverage through the marketplace. The Moores use mainstream financial services and hold a checking account plus a savings account with a modest emergency fund. They are computer literate, have email accounts and speak English as their primary language. The mother has saved a little in a 401(k) through her job. They already speak with their young children about college. They are interested in establishing savings for college. Only the youngest child is eligible for the program.

Family Needs

The Moore family may be interested in designating savings for both children. They may have questions about how the Program affects future scholarships and financial aid.

Sample Conversation

NYC Kids RISE Partner (NYCKRP): Hi, I hear you have some questions about the Save for College Program?

Moore Family: Yes, we are interested in saving for our children's education but were wondering how participating in the Save for College Program might affect their chances for future financial aid or scholarships.

NYCKRP: Great, for me to answer that, you first need to understand the structure of the program: The Save for College Program is a scholarship and savings program. It has a dual account structure. Each student who enters a District 30 school in kindergarten, first, or second grade (whose parents do not opt-out of the program) automatically receives an NYC Scholarship Account with a \$100 initial deposit from NYC Kids RISE. This account is where NYC Kids RISE deposits the initial \$100 and future rewards that you may earn. This is also the account where the community contributes money for your child's future college and career training. THEN, families have the opportunity to open their own college savings account. One option available to families is to open their own NY 529 *Direct Plan* account through the online Savings Tracker platform. Families may also choose other options for saving, including a savings account through Amalgamated Bank. The savings account is where parent/guardians can make contributions and where family and friends can also make contributions for your child's future college and career training.

Moore Family: Okay, we did the first step. How does the Scholarship Account affect future financial aid and scholarships?

NYCKRP: Having an NYC Scholarship Account should not prohibit your child from receiving other scholarships in the future, though that may depend on the terms of those other scholarships. Because the NYC Scholarship Accounts are owned and managed by NYC Kids RISE, having a scholarship account does not impact a student's eligibility for financial aid while the money is in the account. NYC Kids RISE will provide more information as your child gets closer to college about how using the scholarship account money for your child's education

could impact their eligibility for financial aid once the money is spent. Please remember, what I am telling you is what is true today. Financial aid rules may change over time.

Moore Family: And what about the savings account options?

NYCKRP: If you save money in your own college savings account, this may impact your child's financial aid package. This will depend on the account option you choose, the amount of money your family makes, the financial aid rules at the time, and other factors.

- If your family makes less than \$50,000 a year future financial aid will not be affected.
- If your family makes over \$50,000 a small part of parents' savings and investments (5.64%) is currently counted as a family contribution toward college costs.
- Parental income, not savings, is the main factor that determines a family's "financial need" and expected contribution toward college costs.

Moore Family: Okay, got it. Only our youngest child has the Save for College Program. Do you have any options for non-participating children? We'd like to be saving for both of them.

NYCKRP: Your older child will not get an NYC Scholarship Account. However, if you choose to open your own savings account, you can save for your older child in that account as well. Do you know what account you are interested in opening?

Moore Family: Yes, I think we want to open the 529 because it has the potential to grow.

NYCKRP: Great, you can do that today and also add your older child as a 2nd beneficiary when you get to that part of the application.

Moore Family: Perfect. I'm ready to start the process.

The Ballard Family

Description

A single mother lives in Astoria with her two young children. Having never graduated from high school, the mother is unfamiliar with the steps to enrolling a child in college and is not sure her children will have the opportunity to attend college. The family receives several public benefits, including public assistance, WIC, Food Stamps and more. The mother has a checking account, carries some credit card debt, uses money orders sometimes, and has no emergency savings. She is concerned about losing her benefits. She uses the internet on her phone and has an email account. Her oldest child attends kindergarten at PS 151.

Family Needs

The Ballard mother is most concerned about making ends meet. She hopes her children will go to college but that is not a common occurrence in her family or social circle. She will want to know how she can access any savings if she needs it, and she has questions about how she could save while carrying debt.

Sample Conversation

NYC Kids RISE Partner (NYCKRP): Good Morning. Are you here to learn more about the Save for College Program?

Ballard Mother: Yes, I am. I have a few questions.

NYCKRP: Thank you for coming. The Save for College Program is a scholarship and savings program. NYC Kids RISE has deposited \$100 in this account for your child's educational future. Today, you can take the first step which is to activate your child's NYC scholarship account so you know where to view the \$100 deposit. By taking this step, you will also earn a \$25 reward that will be added to the scholarship account.

Ballard Mother: Okay, but what if my daughter doesn't go to college?

NYCKRP: The NYC Scholarship Account is invested in a 529 account and there are many ways she can use the money. A student can only access the money in their NYC Scholarship Account if the student attends a qualifying institution, which includes most two- and four-year colleges, as well as specialized training and certification programs. If the student does not claim these funds within 20 years after they complete kindergarten, then those funds will go back to NYC Kids RISE to support future Save for College Program students.

Ballard Mother: So, you mean she could go to culinary school or beauty school and still use the funds to pay for that?

NYCKRP: Exactly. Anything that is on the list of institutions on the Federal Student Aid website, studentaid.gov

Ballard Mother: What if she still doesn't go to college?

NYCKRP: If your daughter does not claim these funds within 20 years after they complete kindergarten - more or less by the time she is 26 - then those funds will go back to NYC Kids RISE to support future Save for College Program students.

Ballard Mother: So, I would lose money I save for her?

NYCKRP: You can't save for her in the NYC Scholarship Account. This is the account where we deposit the initial \$100 as well as any rewards and also where the community can contribute. The only money she would lose if she did not go to college or career training (including registered apprenticeships) would be money contributed by NYC Kids RISE and the community - That money would get used to support other participants.

Ballard Mother: So, where can I save for her?

NYCKRP: After you activate her NYC Scholarship Account, the next step is for you to open your own college savings account. There are two options to choose from that are associated with the program. An 529 account or a Save for College Bank Account at Amalgamated.

Ballard Mother: If I save in those accounts can I get my money back if she doesn't go to college?

NYCKRP: You can keep any money they deposit into your own college savings account, regardless of whether your student attends a qualifying institution. Depending on the type of college savings account option you choose, you may have to pay a tax or penalty to use the money for other expenses besides qualified educational expenses.

Ballard Mother: What kind of penalties?

NYCKRP: For the Amalgamated Bank Account, there are no penalties for not using the money for college. For the 529 account, you will pay a 10% penalty on the EARNINGS in the account. You pay no penalty on money you deposit. You only need to return 10% of the money that is earned. For example, if you deposited \$100 and it earned \$10 because it is invested in the market. You pay \$1 or 10% of \$10 because that is money that was earned. If you took a State tax deduction for the

contribution, New York State can also recapture any tax benefits that accrued.

Ballard Mother: Okay, what if I just need to use it for something else before she is ready for college?

NYCKRP: Same rules apply.

Ballard Mother: Okay, got it. I am just not sure I can save anything regularly.

NYCKRP: The amount and frequency with which you deposit is completely up to you. In fact, you can open either account with \$0 and keep them open with \$0. Opening your own savings account gets you up to a \$25 reward in her NYC Scholarship Account as well.

Ballard Mother: Okay, I am just not sure if I should be prioritizing paying some debt I have first...

NYCKRP: Everyone's financial situation is different. For one-on-one help, consider seeking the advice of an investment professional, or visit an NYC Financial Empowerment Center for free financial counseling. At the City's Financial Empowerment Centers, you can meet one-on-one with a professional financial counselor who can help you make a budget and save and plan for the future, including higher education. Counselors can also help you tackle debt, improve your credit, open a bank account, and more. I can help you schedule an appointment via the website if you would like. [Partner organization that offers free financial counseling can also make an appointment with their own services].

Ballard Mother: Okay, let's do that

NYCKRP: Okay, before we do that, let's start by activating your child's NYC Scholarship account. This is where the free \$100 money and you only need three basic pieces of information to do it. You will also get up to a \$25 reward in your child's NYC Scholarship Account.

Ballard Mother: Sounds good. I am ready.