

Children's Savings Accounts

Key findings from a survey among 801 registered voters nationwide,
and 433 voters who are parents of children age 10/younger or prospective parents

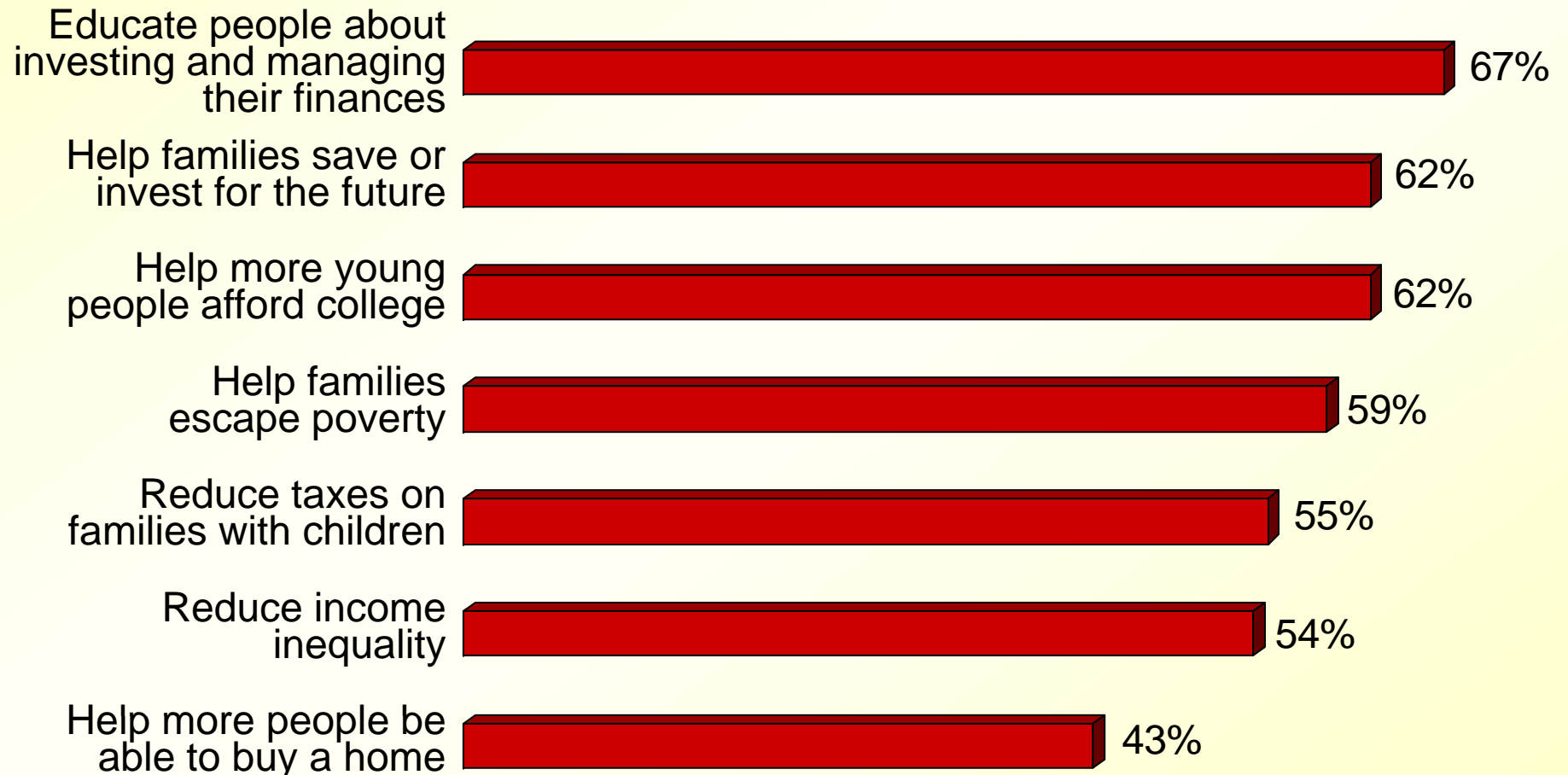
Conducted March 27 – April 4, 2007

for



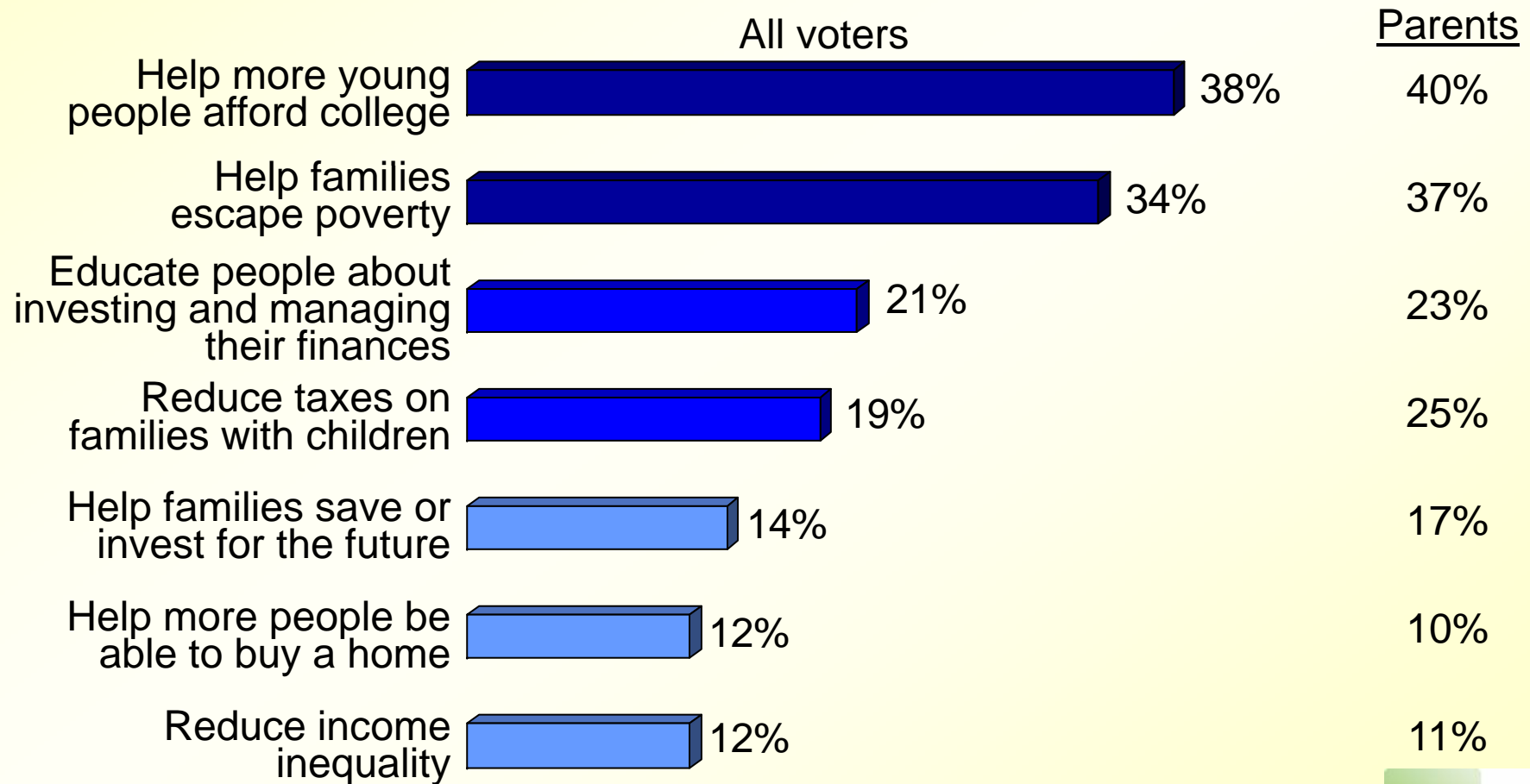
Efforts Of Federal Government

% saying federal government doing too little in each area

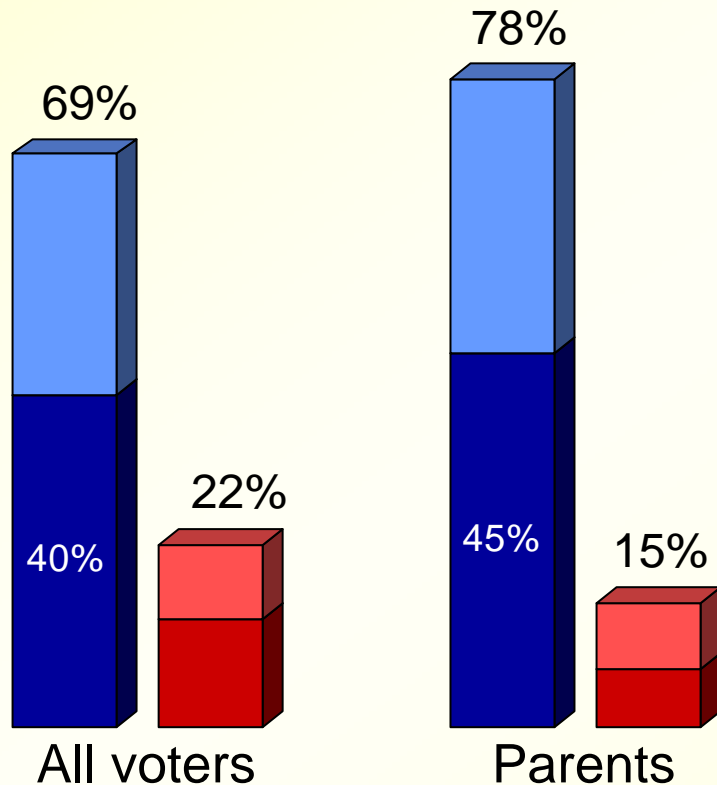


Highest Priorities For Federal Government

% selecting each among their top two priorities for government



Initial Support For Savings Accounts



Under this proposal, the federal government would establish a savings account for every child in America at birth and make an initial contribution of \$500. Additional, voluntary contributions could be made to the account by the child, family members, or anyone else. The money in the account would be invested, and earnings would grow tax-free. The child could not access the money in the account until after age 18, and could only use the money for three approved uses--paying for higher education or job training, buying a first home, or continuing to save for retirement.

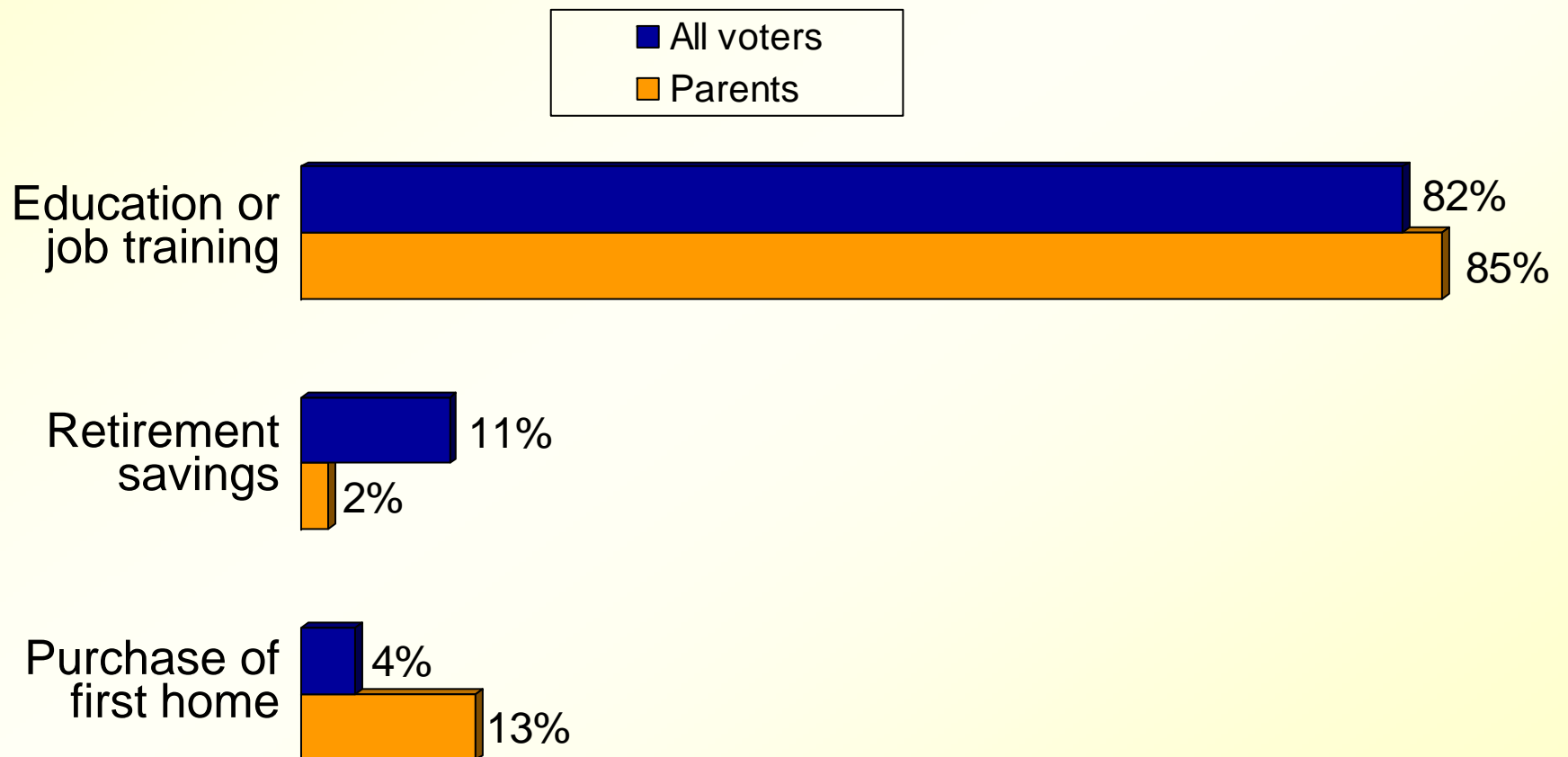
A Look At Support For Accounts

	Strong supporters	Weak supporters
All voters	28%	35%
Men	26%	38%
Women	30%	32%
Age 18 to 34	43%	32%
Age 35 to 40	26%	39%
Age 50 to 64	25%	36%
Age 65/over	19%	32%
High school/less	31%	36%
Some college	29%	35%
College graduates	24%	35%
Democrats	33%	37%
Independents	33%	30%
Conservative Republicans	15%	34%
Non-conservative Republicans	32%	40%

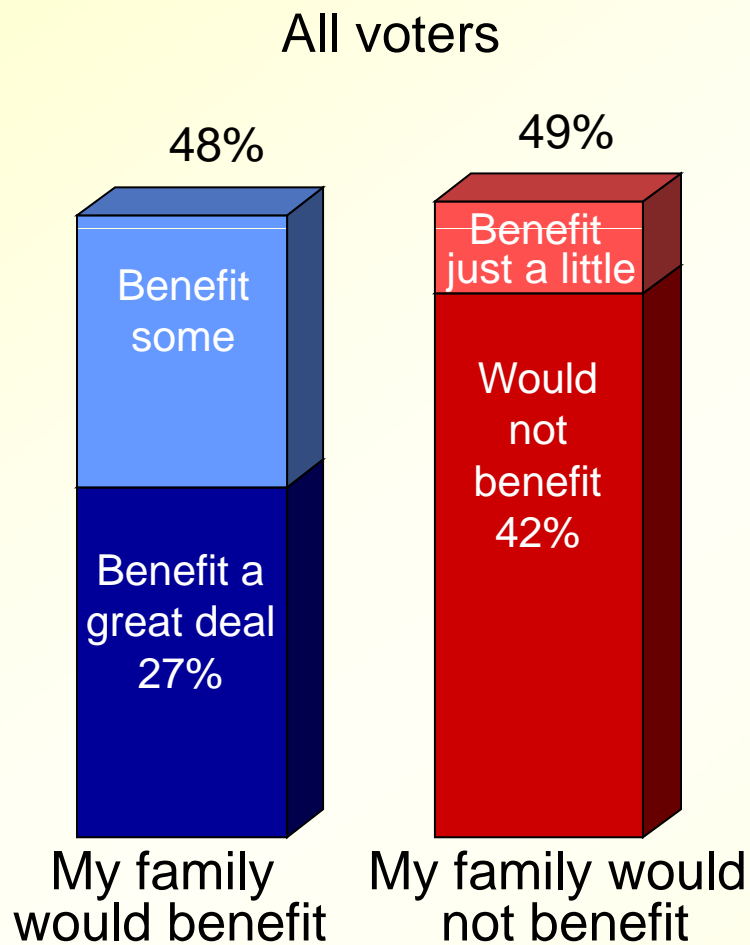
* Strong supporters strongly favor accounts at the beginning and end of the survey; weak supporters favor accounts, but not always strongly.

Most Important Use Of Funds

% selecting each as the single most important use of the savings accounts

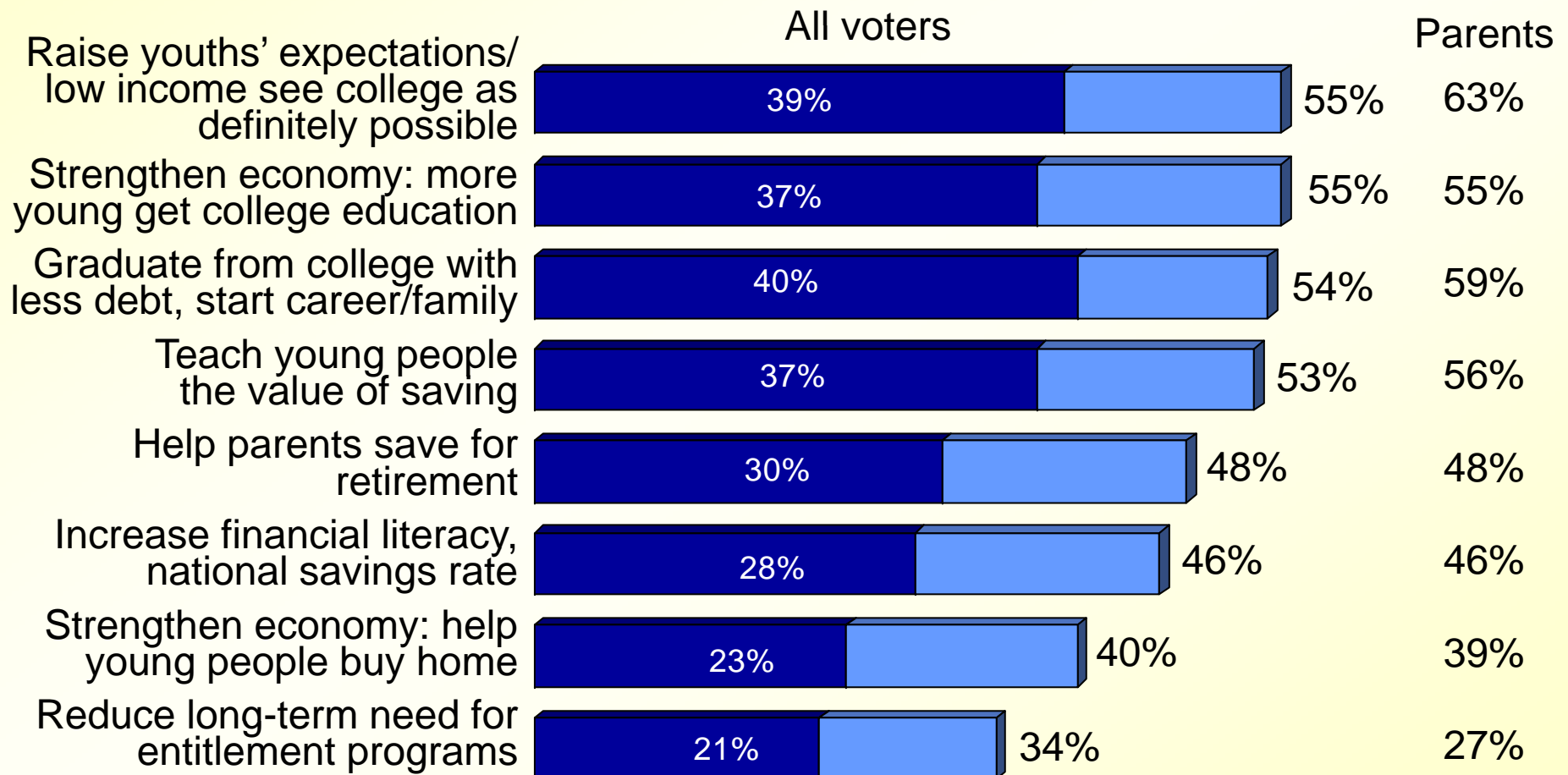
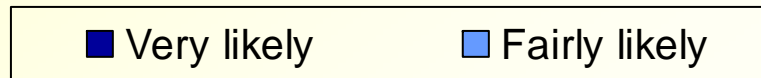


Perceived Benefit From Savings Accounts



	<u>Would benefit</u>	<u>Would not benefit</u>
Parents	68%	29%
Men	44%	53%
Women	51%	45%
Age 18 to 34	73%	24%
Age 35 to 49	43%	53%
Age 50 to 64	40%	58%
Age 65/over	34%	61%
High school/less	53%	44%
Some college	51%	47%
College graduates	40%	56%
Under \$40K/age 18-64	64%	33%
\$40K – \$75K/age 18-64	49%	49%
Over \$75K/age 18-64	42%	54%
Whites	46%	51%
African Americans	61%	36%

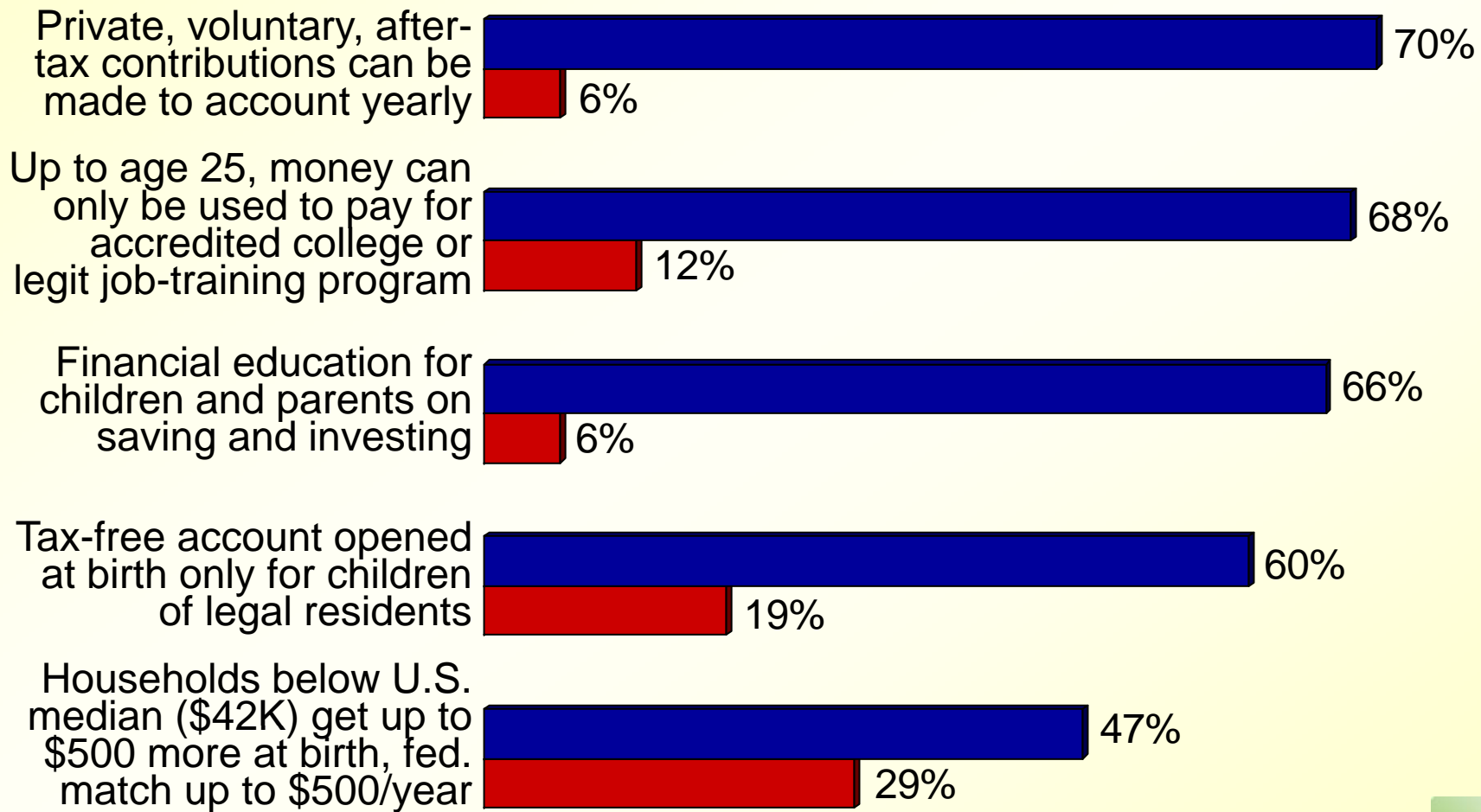
Will Accounts Have These Effects?



Possible Features Of Accounts

- Makes me more favorable toward savings account proposal
- Makes me less favorable toward savings account proposal

All voters



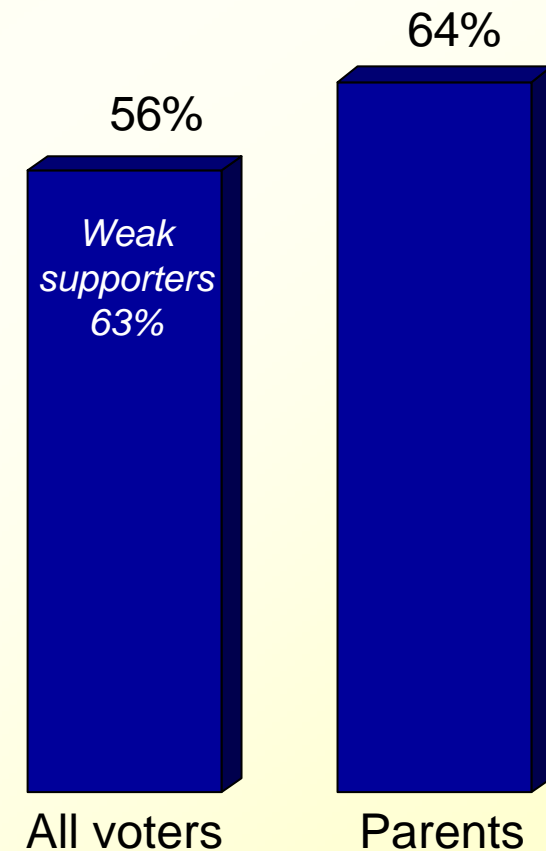
Making the Case for Children's Savings Accounts

Effective Frames For Children's Savings Accounts

*% who totally/strongly agree with the statement**

Paying for College

Paying for college is a growing challenge for American families, with many parents taking out loans or raiding their own retirement savings, and students graduating with crushing debt burdens. Savings accounts will reduce financial pressures on families and reduce debt for young adults. And they will allow more young people to go to college or get job training, which strengthens American competitiveness in a global economy.



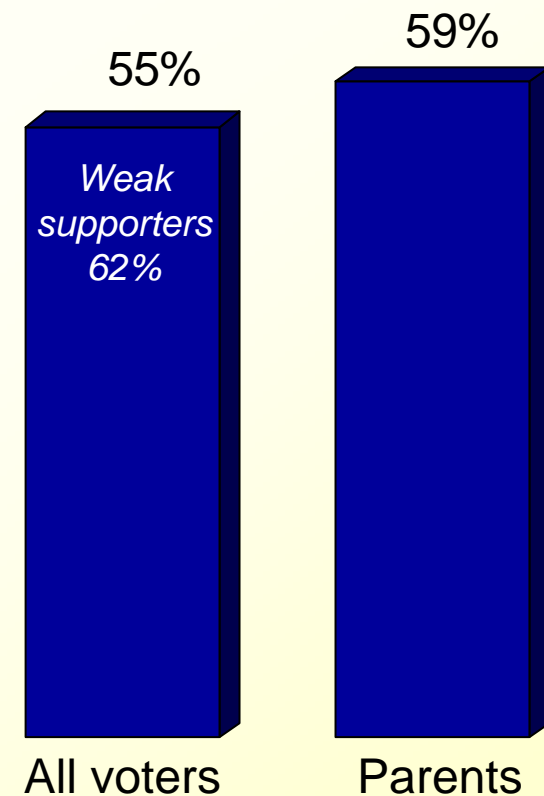
** Ratings of 6 and 7 on a seven-point scale*

Effective Frames For Children's Savings Accounts

*% who totally/strongly agree with the statement**

Level Playing Field

We will make our nation stronger if we level the playing field and help more families plan and save for their children's future. Establishing these accounts will send a message to children in less fortunate families that they are valued, and encourage them to aim high as they think about education and their career. Savings accounts will help give more children the opportunity to achieve and contribute to our economy.



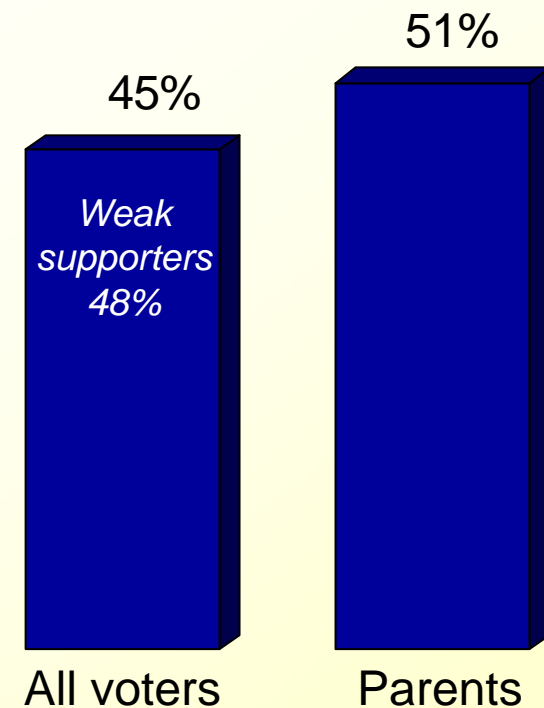
** Ratings of 6 and 7 on a seven-point scale*

Effective Frames For Children's Savings Accounts

*% who totally/strongly agree with the statement**

Savings Crisis

Today, America has a savings crisis, and nearly one-third of households have no savings at all. These savings accounts will help improve our low national savings rate, by creating a permanent platform for lifelong savings and asset building. Through the financial education that will be provided to children and parents, the important values associated with saving and investing will be instilled in the next generation.



** Ratings of 6 and 7 on a seven-point scale*

Effective Frames For Savings Accounts, *Among Key Subgroups*

*% who totally/strongly agree with each statement**

	Paying for College	Level Playing Field	Savings Crisis
All voters	56%	55%	45%
Weak supporters	63%	62%	48%
Democrats	64%	64%	49%
Independents	57%	59%	45%
Republicans	47%	42%	41%
Non-conservative GOPs	62%	62%	62%
Income/age 18-64:			
Under \$40K	64%	64%	52%
\$40K – \$75K	58%	55%	44%
Over \$75K	59%	47%	49%
Parents	64%	59%	51%
Non-parents	56%	54%	44%

* Ratings of 6 and 7 on a seven-point scale

Effective Frames For Savings Accounts, *Among Key Subgroups*

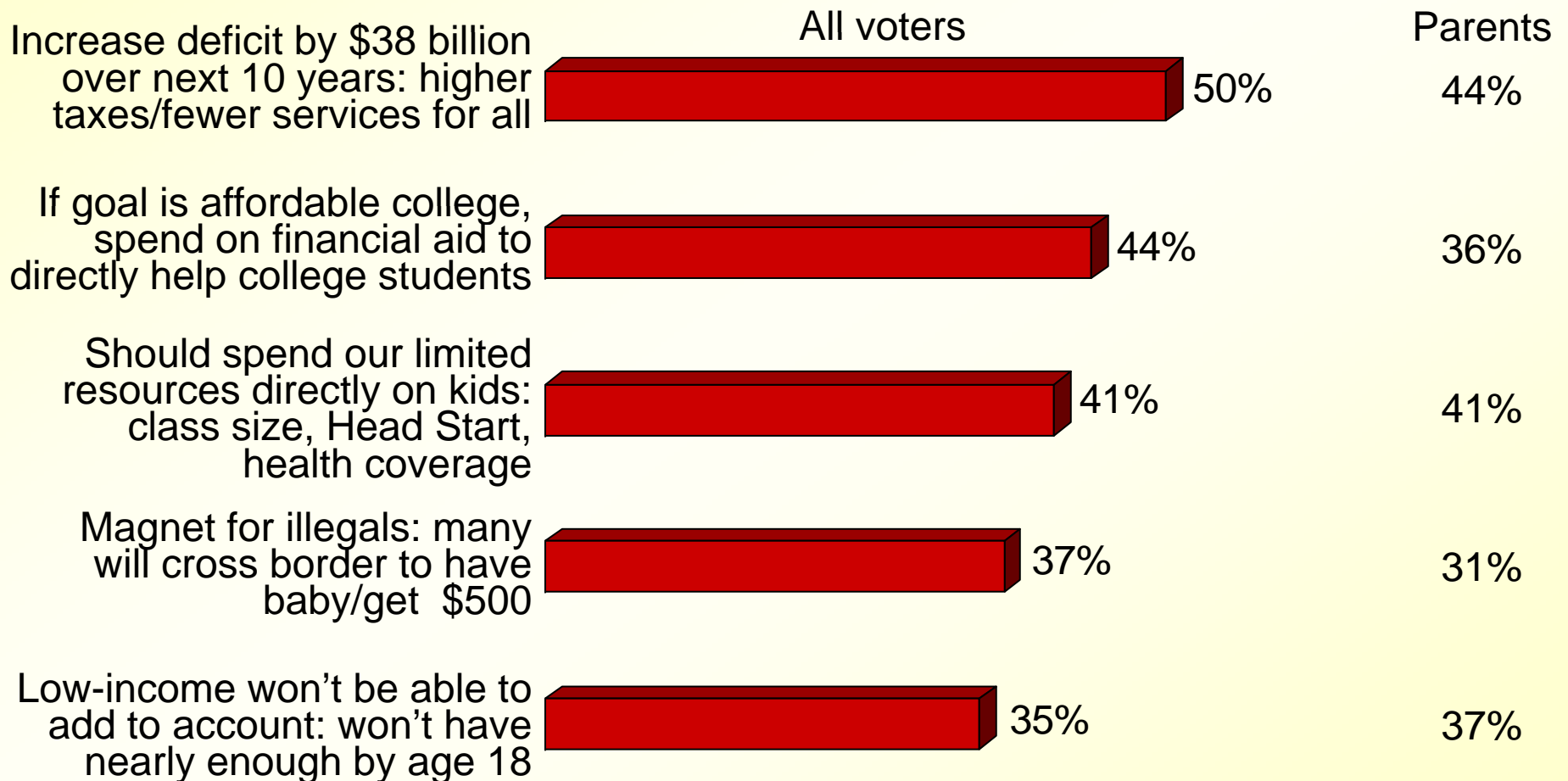
*% who totally/strongly agree with each statement**

	Paying for College	Level Playing Field	Savings Crisis
All voters	56%	55%	45%
Men age 18-44	56%	54%	43%
Women age 18-44	64%	59%	51%
Men age 45+	52%	52%	45%
Women age 45+	55%	56%	42%
Non-college men	56%	57%	45%
Non-college women	60%	61%	49%
College men	49%	43%	42%
College women	57%	48%	39%
Whites	53%	51%	43%
African Americans	69%	67%	52%

* Ratings of 6 and 7 on a seven-point scale

Most Effective Opposition Messages

% saying each is a very/fairly convincing reason to oppose accounts

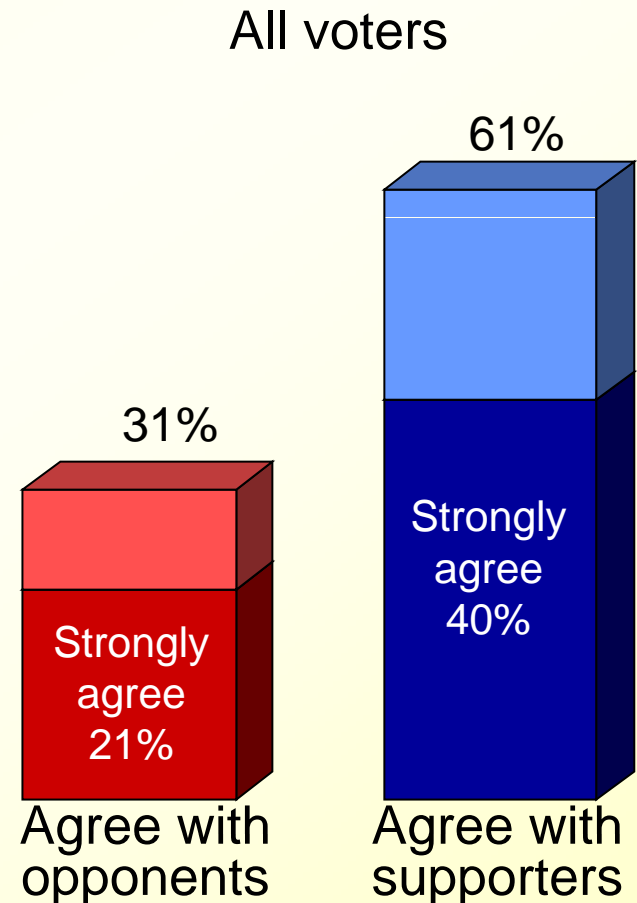


Debate: Early Impact On Children

Do you agree more with supporters' or opponents' argument?

OPPONENTS say that we should be spending the limited resources we have on programs that reach children as early as possible, such as reducing class size in public schools or funding Head Start, rather than accounts that will not help people until age eighteen or later.

SUPPORTERS reply that a system of savings accounts and financial education does benefit children from a young age, because it teaches them the importance of saving. And the accounts will encourage many families and children who might never have considered college to strive for a better future.



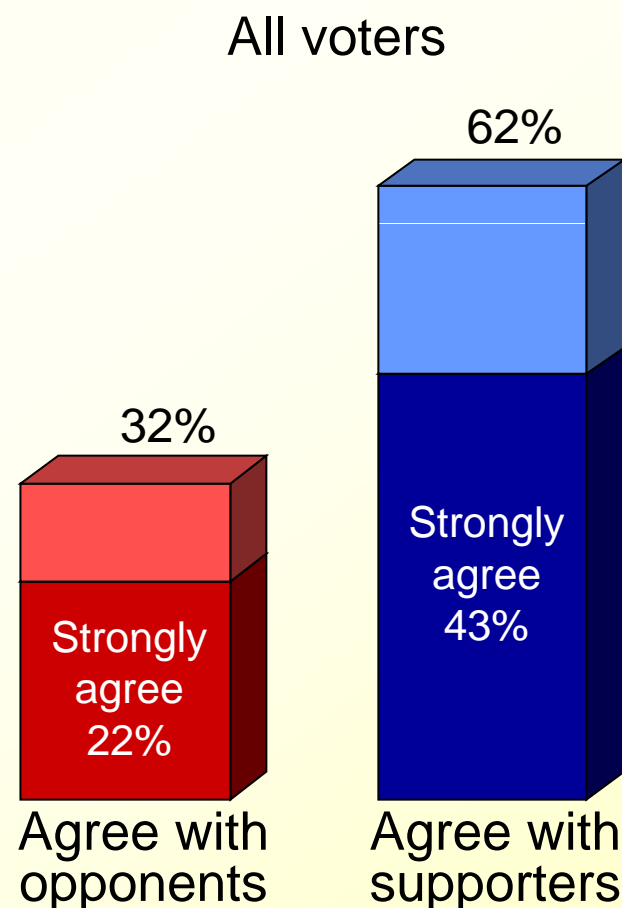
Debate: Can We Afford This?

Do you agree more with supporters' or opponents' argument?

OPPONENTS say that these accounts sound like a nice idea, but with a \$300 billion budget deficit, America just cannot afford to start setting up free savings accounts for every single child born in this country.

SUPPORTERS reply that the public investment in accounts will largely pay for itself in the long run, by encouraging more savings and by helping many low-income children to improve their education and become self-sufficient adults.

After hearing the same argument from opponents, 61% of voters agree with supporters that the accounts are not very expensive – costing less than .02% of federal spending – considering the long-term benefits to families and the nation.



Messages In Support Of Accounts

% saying each is a very/fairly convincing reason to support accounts

All voters	Parents
65%	70% Recently in England, a similar proposal was enacted. In just two years, 2.5 million accounts have been opened and the percentage of families who report that they are actively saving for their children's future doubled.
60%	64% These savings accounts will give every child in America the opportunity to achieve the American dream. Every child can grow his or her own nest egg so they have an opportunity to go to college, buy a home, or continue to save for their future.
58%	68% With college costs rising, more and more parents are taking out loans or raiding their own retirement savings to help their children go to college. This plan will help parents save for retirement instead of going into debt.
57%	65% Forty percent of children, and more than 50% of minority children, grow up in families with no savings. Establishing savings accounts at birth will raise the hope and expectations of young people living in poverty by leveling the playing field and making things like college and homeownership achievable goals.

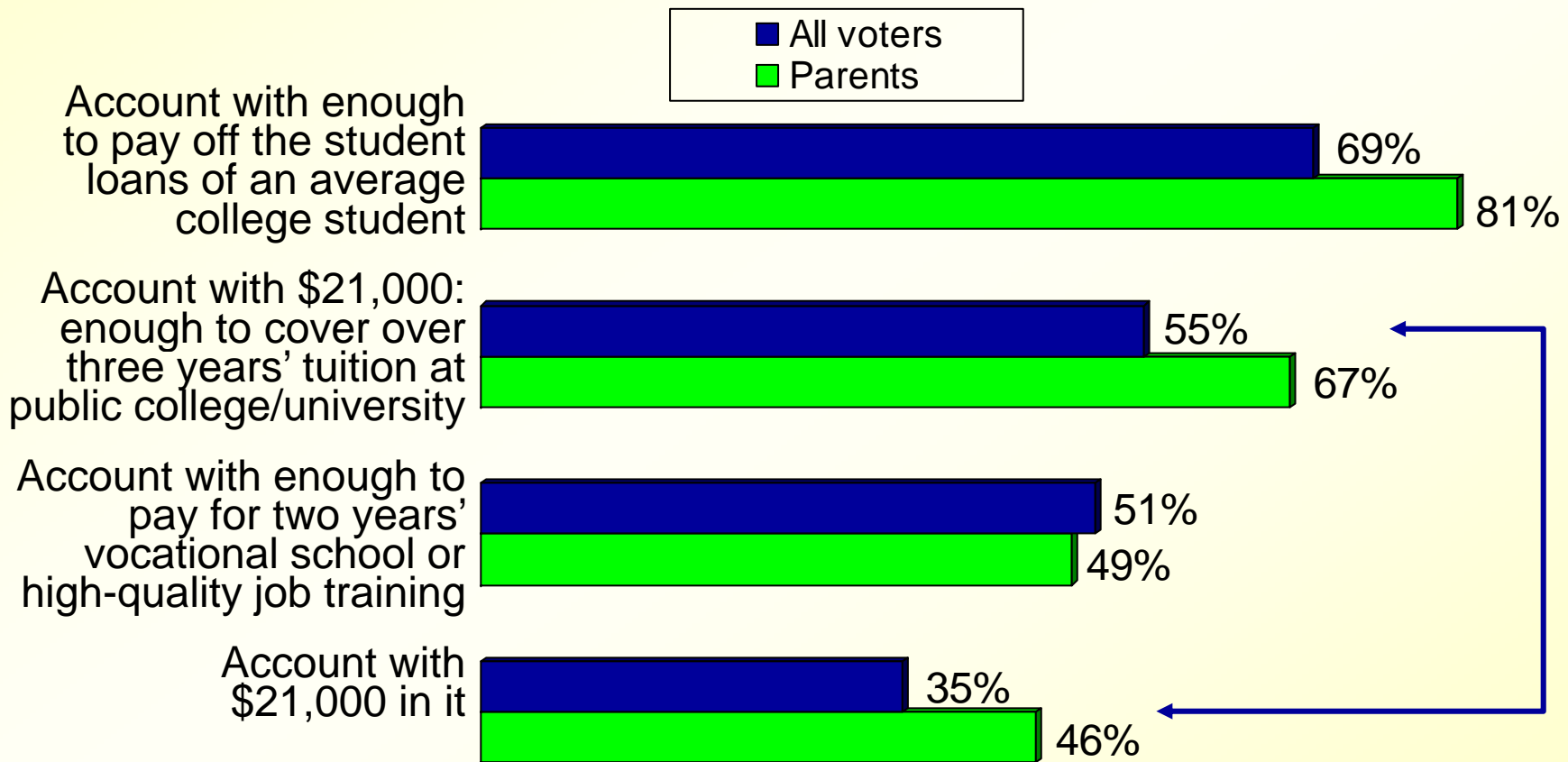
Messages In Support Of Accounts

% saying each is a very/fairly convincing reason to support accounts

All voters	Parents
52%	56% Americans are not saving enough today, and nearly one-third of households have no financial assets. These savings accounts will go a long way toward improving our low national savings rate.
50%	55% Through the financial education that will be provided to children and parents, the important values associated with saving and investing will be instilled in American families.
50%	49% Creating these savings accounts for every child will improve the financial literacy of all families and create a new investor class that will understand the importance of saving for the future and the benefits of investing.

Use Concrete Examples Of What Accounts Can Pay For

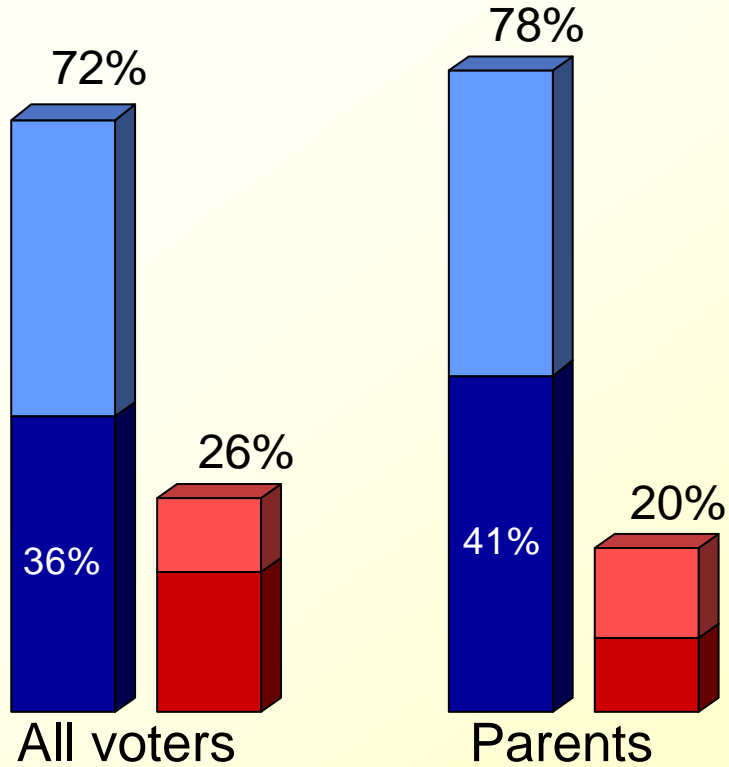
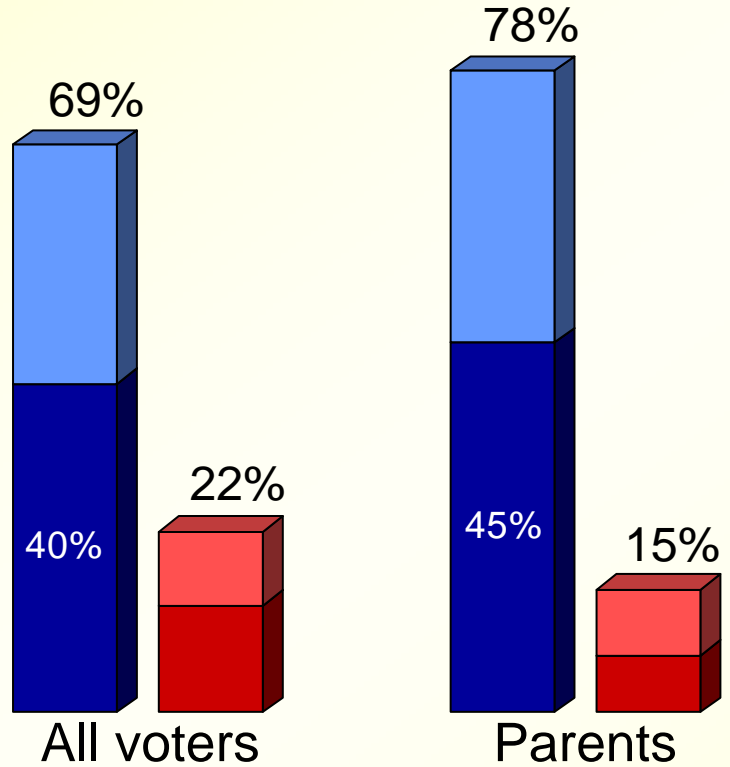
% saying this type of savings account would help young people and their families a great deal



Support For Savings Accounts Holds After Messages

Initial Support

Final Support



Parents Are A Key Constituency

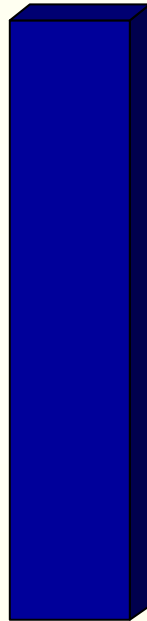
- ◆ 78% of parents are somewhat or very supportive upon initial exposure to the idea, and their support holds after hearing both pro and con messages.
- ◆ 68% of parents say their family would benefit from the accounts.
- ◆ Three in four parents (73%) believe these accounts will benefit middle-class families.
- ◆ The main value parents see is in helping to pay for college:
 - 62% think the government is doing too little to help young people afford college, and they also rank this as their highest priority for the federal government;
 - Paying for college is the most effective frame (64% agree);
 - 85% think education/job training is the most important use of the funds;
 - 59% think these accounts will help young people graduate from college with less debt.

Support For Accounts Helps Democratic Candidate

*% rating each candidate as very appealing**

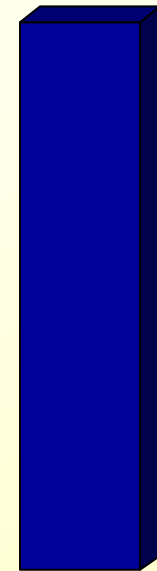
Democrat who is committed to increasing public investment in areas such as education, health, and energy; favors repealing the Bush tax cuts for the wealthy to provide government health insurance to the uninsured;
also favors tax-free children's savings accounts, so that more people can achieve financial independence and not rely on government programs

58%



Democrat who is committed to increasing public investment in areas such as education, health, and energy; favors repealing the Bush tax cuts for the wealthy to provide government health insurance to the uninsured

53%



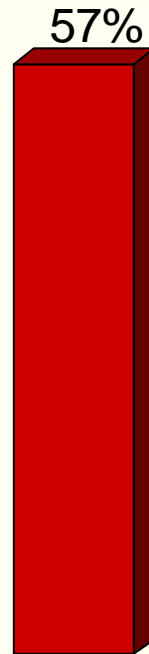
** 7–10 ratings on zero-to-ten scale*

Support For Accounts Helps Republican Candidate

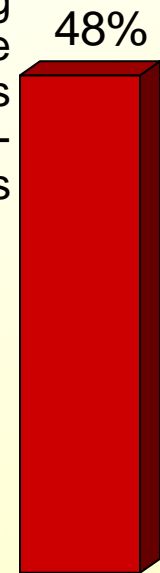
*% rating each candidate as very appealing**

Republican who is committed to reducing wasteful government spending and keeping taxes low; favors cracking down on illegal immigration and strengthening border security; believes that the best way to grow the economy is to reduce unnecessary regulations on business and pass lawsuit reform;

also favors tax-free children's savings accounts, which will level the playing field so that more low-income Americans have the opportunity to save and participate in the growing economy



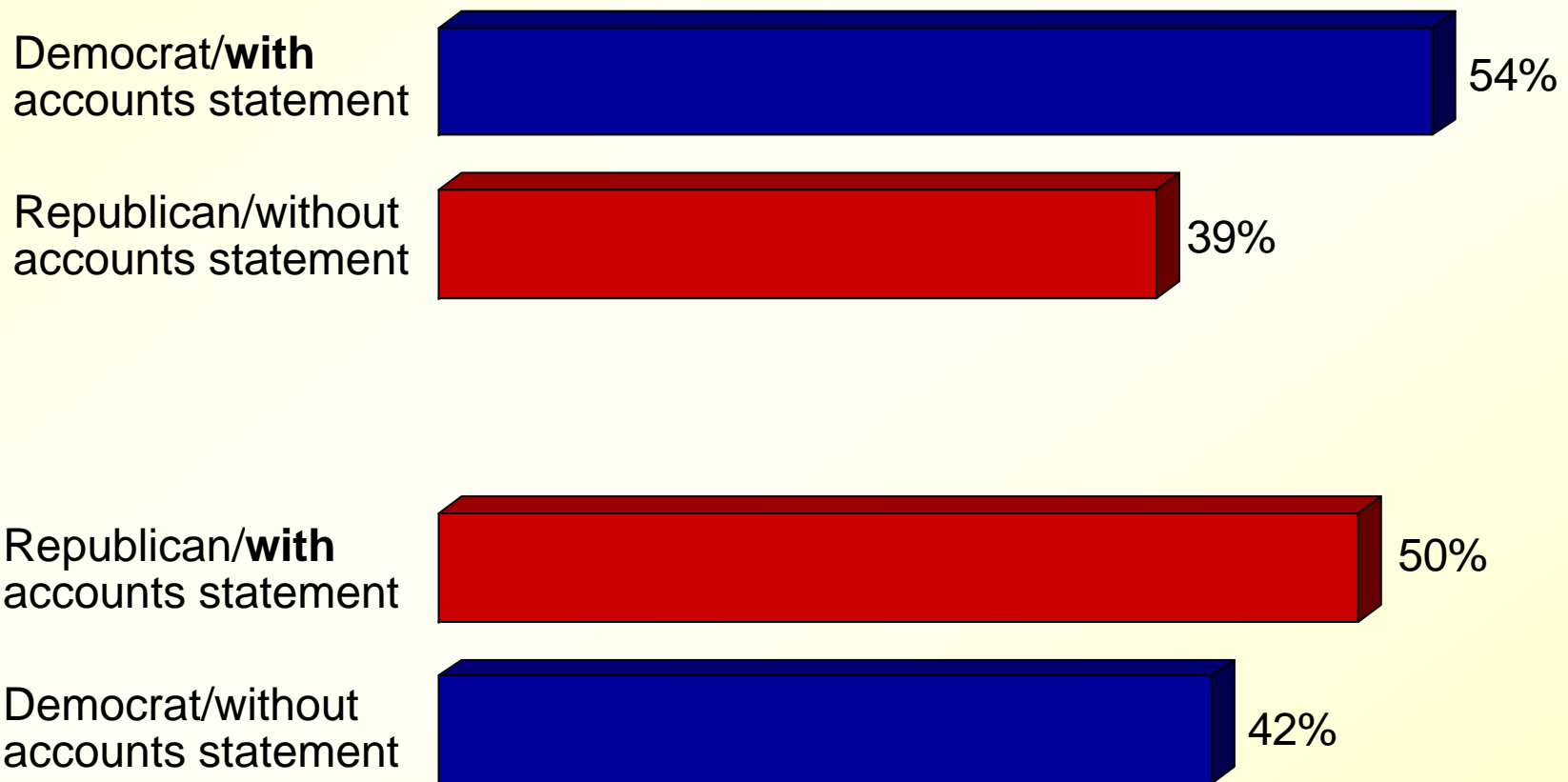
Republican who is committed to reducing wasteful government spending and keeping taxes low; favors cracking down on illegal immigration and strengthening border security; believes that the best way to grow the economy is to reduce unnecessary regulations on business and pass lawsuit reform



** 7–10 ratings on zero-to-ten scale*

Pro-Accounts Candidates Win

Which candidate would you be more likely to support?



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