

**FIRST STEP ADVISORY BOARD
MINUTES
August 14, 2024 at 11:00 a.m.**

Join Zoom Meeting
<https://zoom.us/j/6403942999>
Meeting ID: 640 394 2999

Attendees:

Dr. Angie Paccione, Executive Director, Department of Higher Education
Kirk Mielenz, CEO, RevGen Partners & Board Vice Chair, CollegenInvest
Christine Heitz, Board Member, CollegenInvest
Angela Baier, CEO, CollegenInvest
Mike Blake, CMO, CollegenInvest
Mike Keglovits, ABLE & Special Programs Manager, CollegenInvest
Eric Rothaus, Deputy Treasurer, Department of Treasury
Austin Earp, Financial Education Program Coordinator, Department of Treasury
Sarah Chapin, Media Director, Explore Communications
David Kennedy, CEO, Corona Insights
Joseph Homlar, OCYF Director of the Division of Child Welfare, Dept. of Human Services
Dr. Rhonda Haniford, Deputy Commissioner, Colorado Department of Education
Dr. Lisa Roy, Executive Director, Colorado Department of Early Childhood

Absent:

Shy Lev-Ari, UX Designer

Call to Order:

The meeting of the First Step Advisory Board was called to order by Angela Baier at 11:10 a.m. A quorum was present.

CollegenInvest Report:

Angela Baier welcomed the new board members who were identified in the most recent kickstarter legislation. She noted that the First Step Advisory Board is a subcommittee of the CollegenInvest Board. The subcommittee will meet quarterly on the Wednesday before each CollegenInvest Board meeting. Everyone should have received meeting invites. The August and February meetings will be updates from CollegenInvest about the First Step Program. The November and May meetings will focus on the financial literacy program from the Treasurer's office. Since there are so many new members, she asked everyone to introduce themselves.

Board Orientation

Mike Blake and Mike Keglovits provided a comprehensive overview of the First Step Program. Legislation was initially passed in 2019 and then again in 2024 with some small modifications. Every child that's born or adopted in Colorado from 2020 on gets a one-time deposit into their CollegenInvest account. The amount increases every year due to interest and a cost-of-living adjustment. In 2020, it was \$100 but it is now up to \$115 for families who apply in 2024.

Blake noted that several states with similar programs require the parents to claim the award by the child's 1st birthday. The initial kickstarter bill in Colorado was a major improvement over other state's attempts because it gave parents more time to claim the award. This was very important because CollegenInvest has discovered over the last 5 years that interest in the program really starts to ramp up after the child has turned one, two, or even later. The legislators who sponsored the most recent bill in 2024 also realized this and increased the length of time to claim the award, now giving them up to the child's 8th birthday. The outreach and marketing efforts will now focus even more on reaching parents of older children.

There is another aspect of this successful program that is completely separate from the legislation. CollegenInvest added a matching incentive three years ago in 2021. We match a portion of future contributions of up to \$500 a year for 5 years. This has had a massive impact on the participation rate. These are federal funds and not part of the kickstarter program.

Blake shared details of the twofold promotional strategy to promote First Step. It started in 2020 with a robust community outreach effort which continues to this day. CollegenInvest uses an external facing outreach team of 10 people who are out in the community promoting the program.

In 2022, a highly targeted paid marketing campaign was added to the mix. This included dedicated TV spots with English and Spanish versions. We also have a huge digital and social media campaign that layers in on top of that. We do grassroots outreach all year long, but the media buy is heavy from October through December. This time frame is also the peak season for CollegenInvest accounts and contributions. Most importantly, there are no taxpayer dollars used to promote any of these programs.

Mike Keglovits gave examples of our grassroots efforts to different groups. He's found that presenting to parents, teachers, and people that are in early childhood education is a sweet spot for the program. These are families that are no longer white knuckling because they have just brought their child home from the hospital. They're in a place where they can start thinking about some of these financial things. And not only are we going out and presenting on First Step, but we also have to educate them on everything related to 529's and why they are beneficial. And then of course, we tell them we will match future contributions.

About 60% of our presentations are going back out and building established relationships with different districts and different schools. There are some really cool stories. One woman that attended our presentation didn't have a social security number or tax ID. She was really

disappointed that she wasn't able to participate. When we went back the next year, she had her tax ID number, and she was really excited she was able to participate in this program. Also, other people that had young kids were able to share their experience about how they enrolled their children. Those are the things that really move the needle.

We have presented to about half of the early childhood councils in the state. We're always looking to add more and to continue to reach out to those groups. We've gone to about 72 different Title 1 elementary schools, preschools, and head starts. We're really trying to target the populations that might not be aware of 529's and English might not be their first language. Ben Samuels, who coordinates our bilingual outreach, recently did a presentation where there were five different tables with five different interpreters that were interpreting different languages to each of those tables. So, it's really exciting that we're having that reach.

Blake reviewed the metrics for the program to date. The first year of the program in 2020 ended with just under 1,000 families. In year two, we added the matching incentive and discovered that it was a huge driver. The program doubled to almost 2,000 families. In 2022, we added the targeted paid campaign, and the number doubled again to 4,060 families. We added 4,735 new families in 2023. We expect to cross 6,000 more families by the end of 2024. We are now at 14,471 total families with approximately \$1.5 million paid out in kickstarter contributions.

As part of the separate federal program that provides funding for the matching incentive, CollegeInvest has paid out almost \$8 million to over 10,000 families. Over 93% of families are contributing beyond the initial \$100 – \$115 award. If you look at the families who enrolled in 2020, that amount is closer to 98% so the program is quite successful at getting families started and then getting them into a regular habit of saving.

Dr. Rhonda Haniford asked if we send communications directly to school districts and charter schools about the program since the age will increase to 8 starting in January 2025. Blake said he will add that to the list of outreach ideas.

Christine Heitz asked if we had an ideal steady rate of participation. Blake showed a table with the participation rates for each year since the program started. In 2020, there were approximately 62,000 kids born in the state of Colorado. We are currently at 7%, which will keep increasing since those parents now have 3 more years to claim the award. He noted that interest in the program really starts to happen after the child's first or second birthday. Now that the program gives parents up until the 8th birthday, it will become even more important to market to families with older kids in the 1- to 5-year-old range. In other states with a similar program, but who require parents to claim the award before the child's first birthday, the participation rate has been only 1.0% to 2.5%. California's program started a few years ago and they're only at 4.0% of newborns. Colorado is outperforming other states but it's unknown how high our rate could be going forward.

Blake was also asked about demographics of the participation rate, and if certain populations were overrepresented or underrepresented in terms of geography or income. He noted that

CollegelInvest is currently collecting data on this and will be reporting on that as part of our annual summary to the legislature.

The presentation concluded with the results of a short consumer survey that was conducted in March. During the legislative session, there were a handful of anecdotal comments that the First Step application process might be confusing to some people. CollegelInvest has not received that kind of feedback through its call center or outreach staff but wanted to investigate. We sent out a survey to over 10,000 First Step families and received a strong response from 1,200 of them. The feedback was overwhelmingly positive with the vast majority giving us a 9 or 10 on ease of applying. Nevertheless, we have put aside some money in next year's budget to conduct more in-depth consumer research, if needed. If there is a pinch point for some small number of people that are applying for the program, we can use the research findings to adjust the messaging on the website.

Dr. Lisa Roy said she runs the Department of Early Childhood and would like to think through ways that she can reach out to families who are utilizing their childcare assistance program or universal preschool. She's looking forward to continuing this conversation.

Eric Rothaus asked about marketing to grandparents. Baier stated that CollegelInvest does extensive marketing to grandparents with our general market campaign. Now that the legislation will allow nonparents to claim the First Step award starting in January 2025, the team will be exploring ways to expand our messaging to grandparents. She noted that the federal program won't match grandparent contributions, since they are typically higher income.

Sarah Chapin added that CollegelInvest doesn't have a specific initiative for grandparents this year since it takes effect next year. But we do have mass media tactics running like television and while we do try to select programs that the parents are watching, there will be a halo effect with that mass media where we'll be catching grandparents as well.

Dr. Angie Paccione asked Joseph Homlar to talk about how to reach his constituents. He said that he sees several areas of synergy. One is with respect to the support that they provide for youth in their system that are aging out of the foster care system. There's a lot of energy with regards to adoptions. Jurisdictions tend to batch adoptions and November is national child adoption month. Children who are adopted out of the foster care system usually occur on one day so there could be several 100 adoptions on one day. There are a lot of adoptive parents at these events. It would be great to have CollegelInvest involved. Baier mentioned that CollegelInvest allows adoptive families 8 years from the date of adoption to apply for First Step regardless of the age that the child was adopted.

Rothaus suggested that he and Austin Earp set up a separate call to discuss the financial literacy piece with the CollegelInvest team in order to prepare for their update in November.

Heitz mentioned that she and Baier were brainstorming at the end of their CollegelInvest Board Orientation meeting yesterday. She suggested looking at registry social media sites as a future

tactic. She offered to send the names of the ones that are gaining popularity these days. She also asked about the expense related to our paid digital marketing and social media channels.

Chapin said CollegeInvest has a really robust plan with many different layers of digital and social media. They found that Facebook and Meta actually reach an older audience, so they've been using Snapchat to reach younger parents. It's been really successful with 10 times the benchmark, so they're seeing very engaged parents. In terms of display and online video, they have a pretty efficient CPM (Cost Per Thousand) at \$4.

They identify the audience of moms or dads with young children and then target them no matter where they're spending time online. This prospecting approach pulls in those people and then retargets them once they visited the website but didn't take action. So, it's a very efficient approach and actually not costly at all. They're also doing some podcast advertising and connected TV. In addition, they have partnerships with both PBS stations in Denver. This includes programming on channel 6 like "Big Little Feels" and a robust schedule on PBS12. They find a lot of parents are co-viewing programming with their children. They're also geofencing places like the Zoo, the Aquarium, and the Children's Museum with digital ads and retargeting those people that are seeing there, too. So, they're hitting them in so many different ways which is more effective than trying to take a piece of paper in a birth kit that maybe gets thrown away. She noted that she felt overwhelmed when she left the hospital after her kids were born. With the data she's seeing, people are engaging after their kids are a year old. It's like they can finally take a breath and start planning for the future.

Baier thanked everyone for their time and said the next meeting will be in November.

New Business/Action Items for Future Meetings

The Department of Treasury will report on the Financial Literacy portion of the kickstarter bill ([HB19-1280](#)).

Adjournment:

Baier adjourned the meeting at 11:50 a.m.

The next scheduled meeting of the Advisory Board is Wednesday, November 13, 2024, at 11:00 a.m. and will be held via the web conference application, Zoom. Meeting details will be posted on the CollegeInvest website www.collegeinvest.org.