



## Advancing Economic Mobility for Students in Lansing, MI

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*As part of Bloomberg Philanthropies' What Works Cities Economic Mobility Initiative, the Government Performance Lab (GPL) provided pro-bono technical assistance to support the City of Lansing in procuring for the day-to-day management of Lansing SAVE, a children's savings program, in order to more effectively support historically marginalized families in the Lansing School District.*

**The Challenge:** The City of Lansing aimed to equip Lansing School District students with the potential for economic mobility, i.e. the ability to advance their economic status relative to their parents. Many of the district's students (75 percent children of color<sup>1</sup> and over 40 percent experiencing child poverty<sup>2</sup>) come from historically marginalized communities and face structural barriers to economic mobility, making it particularly important to prioritize their academic success. Compounding these structural barriers, the school district faced challenges with low graduation rates and post-secondary educational attainment: in 2015, the district's high school graduation rate was 56 percent, compared to rates of over 90 percent in surrounding suburban school districts.<sup>3</sup> To help address these challenges, the City of Lansing was compelled by research which showed that if low-to-moderate income students had any amount (even just \$5) earmarked in a college savings account, they were three times more likely to enroll in and four times more likely to complete post-secondary education.<sup>4</sup>

In 2015, in partnership with the Lansing School District and Michigan State University Federal Credit Union, the City launched 'Lansing SAVE' (Student Accounts Valuing Education), a children's savings program that automatically enrolls Lansing School District students in a savings account with a free \$5 initial deposit. The program also provides financial education lessons to students in classrooms throughout the year. During these lessons, program administrators collect deposits brought in by students to add to their savings accounts. These account funds can be used towards 4-year degrees, community or city college programs, as well as technical or vocational training. Funds can also be used for books and other education-related expenses. Lansing SAVE aims to address the challenges of low graduation rates and educational attainment, and, ultimately, financial security and economic mobility among families. The program has opened accounts for over 8,000 students since its launch.

The City had always intended to incubate Lansing SAVE and set it up for success, before stepping back. However, for years City staff had served as day-to-day program administrators, which was a time-consuming and resource intensive process. Despite Lansing SAVE's successes under the City's

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<sup>1</sup> "Lansing Public School District (2021) | Lansing, MI,"

<https://www.publicschoolreview.com/michigan/lansing-public-school-district/2621150-school-district>

<sup>2</sup> "Poverty in Lansing Affects City's High Schools," Spartan Newsroom, April 21, 2017,

<https://news.jrn.msu.edu/2017/04/poverty-in-lansing-affects-citys-high-schools/>

<sup>3</sup> "Lansing Public School District (2021)"

<sup>4</sup> William Elliott, Hyun-a Song, and Ilsung Nam, "Small-Dollar Children's Savings Accounts, Income, and College Outcomes," *Center for Social Development Research*, February 12, 2013,

<https://doi.org/10.7936/K73N22XD>

management, staff hypothesized that bringing in a community-based organization might boost the program's potential, ushering in a new phase of program innovation and growth. For example, the City wanted to increase the average account balance of participants (through philanthropic donors), but were limited in their fundraising abilities, making it difficult to foster local sponsors. In addition, the City faced staffing constraints that limited their ability to adapt the program to changing needs and improve family, school, and community awareness of Lansing SAVE. Ultimately, the City decided that transitioning program administration and management to a community-based partner could enable Lansing SAVE to increase student account balances and promote equitable outcomes for historically marginalized families.

**The Innovation:** With help from the GPL, the City of Lansing transitioned the Lansing SAVE program to two community partners, equipping the program with the resources and innovation potential to more effectively serve Lansing School District students. To do so, project partners:

**Released a results-driven request for proposals (RFP) for Lansing SAVE that focuses on equitable outcomes and advances a new phase of program growth**

The City aimed to transition the day-to-day administration and management of Lansing SAVE to a community-based organization, while at the same time retaining their oversight and discretion over the program's high-level goals. In particular, the City wanted Lansing SAVE to begin a new growth phase of building community partnerships, with particular attention to supporting lower-income schools and neighborhoods.

With support from the GPL, the City developed and released a results-driven procurement for the Lansing SAVE program. Prior to releasing the procurement, project partners conducted interviews with various stakeholders to understand the diverse range of needs and to fully understand all of the implications involved with transferring the program. These interviews helped project partners carefully assess how Lansing SAVE is integrated within the broader context of economic mobility and college access efforts throughout the city and state-wide. Market research was also conducted to ensure a program transition was actually feasible, identifying who in Lansing might have the potential to run the Lansing SAVE program. This strategic approach to RFP planning, with stakeholder engagement as part of the RFP development, represented a new way for the City to approach procurement:

“One of the big faults of our normal procurement approach is that we sacrifice good deliberation and strategic planning because of how fast we have to move. This (new) process forced drawn out discussions about important project planning components early on. Normally the contractor would have done those things once the contract was signed, delaying us down the road. Having to really work through what you want early on, like the explicit focus on equitable outcomes, has been super helpful.”

- Andi Crawford, former Chief Innovation Officer, City of Lansing

In drafting the RFP, the City identified explicit program goals, including increasing the balance of Lansing SAVE accounts, maintaining a focus on equity, and fully scaling the program to reach all grades and students in the entire school district by 2027. The RFP also set expectations for a new system of [active contract management](#), highlighting performance metrics that would be regularly tracked and discussed over the course of the contract. The new active contract management approach consists of high-frequency data-driven meetings for the City, school district, and partners to review key program data, elevate ongoing challenges, and troubleshoot new solutions in real time. For example, the first performance metric listed in the RFP was the increase in average

account balances, broken down by school, race, grade, and gender. By tracking this data, project partners would be able to identify, for example, whether certain schools had lower average account balances and then use this information to follow-up specifically with those schools and trial new approaches to raising funds.

The RFP's proposal scoring and evaluation process helped the City to identify and assess the most important components of each application in order to select the optimal combination of contractors to achieve desired program outcomes. A team of evaluators from the City and community used a robust scoring matrix, developed with support from the GPL, that allowed for a clear synthesis of respondent strengths and weaknesses. The evaluation also included an interview round with applicants, which isn't always part of Lansing's procurement process, to get a better sense of their motivation for taking on this major role and to follow-up on key points of clarification. Through this process, the City realized that two organizations brought complementary strengths and decided to contract with both of them: a local credit union with experience providing financial education curriculum in the classroom, paired with a local United Way branch that had deep community ties and a demonstrated record of successful fundraising.

#### *Using Active Contract Management to respond to Covid-19*

The results-driven RFP set up project stakeholders for a new model of robust data-driven contract management. With support from the GPL and [GovEx](#), project partners piloted regular performance management meetings during which the City of Lansing, the two providers, and other stakeholders gathered to discuss key performance indicators for Lansing SAVE and identified changes to improve service delivery. These key performance indicators include average SAVE account balances, participation rates, increase in new depositors, and dollars fundraised through community partnerships.

The Covid-19 pandemic, and the related school closures, caused significant program complications because Lansing SAVE had historically depended on in-classroom visits to deliver financial education lessons and collect deposits. Stakeholders relied on the new active contract management model to gauge the impact of COVID-19 on Lansing SAVE, and were able to make adjustments to keep the program running smoothly. For example, provider partners developed an online curriculum and worked with teachers to connect virtually with students to deliver the financial education lessons. As expected, the number of in-classroom deposits dropped to zero (because physical classes weren't in session), but project partners were pleasantly surprised to find when reviewing data in monthly meetings that some families were going directly to the credit union branch to make deposits.

**The Results:** Although it is still early after the transition of Lansing SAVE to the community-based organizations, the City has seen promising results. In particular, project partners have:

- 1. Set the program up to more successfully advance economic mobility and improve financial capability of Lansing School District students**

In the first fiscal year of the new contract for Lansing SAVE, project partners saw a 239 percent increase in the amount fundraised compared to the previous year. All of these funds go directly into savings accounts for Lansing School District students, setting them up with greater resources for post-secondary success. With these new funds, project partners have been focused on not only increasing the average balance across accounts, but in ensuring equity across account balances, particularly for low-income and minority students. The performance

metrics built in to the RFP, which are analyzed by race, ethnicity, gender, and income level, allow project stakeholders to proactively identify and address equity considerations.

In addition, the City has launched ‘BOLD Lansing’, a major initiative which aims to create a pathway to financial stability for youth and integrates many local economic mobility programs into one access point. The initiative seeks to build financial empowerment among children and young adults in new ways, providing tailored programming from kindergarten through adulthood. As part of this, Lansing SAVE is now connected within a comprehensive vision for community-wide economic mobility and financial development.

**2. Piloted a new model of working collaboratively with community organizations, leveraging strengths across sectors**

By transitioning the administration and management of Lansing SAVE, the City has established a new model of collaboratively leveraging strengths of community-based organizations to improve program performance. The City played a critical role in building and administering Lansing SAVE in the program’s first years, and can now turn to community-based organizations to advance a new stage of growth and innovation. These organizations can help ramp up fundraising efforts, call on existing community ties to build partnerships and raise program awareness, and dedicate appropriate staff time to focus on adapting Lansing SAVE in response to changing needs. While the City still has oversight on the program’s high-level goals, this transition has freed up City staff time to work on other priority projects related to economic mobility.

**3. Built government capacity to apply results-driven contracting strategies to other high-priority City programs**

The Lansing SAVE RFP, which helped to advance a new phase of program growth focused on supporting historically marginalized families, provided an example of how procurement can be used strategically to accomplish program goals. Through this procurement process, City staff in Lansing have refined skills related to elevating program goals and identifying relevant performance metrics in RFP solicitations, collecting data broken down by sub-groups to identify and address equity concerns, and collaboratively reviewing program performance with community providers. In addition, the success of the Lansing SAVE RFP and the associated management structure has led to the creation of a new city-wide RFP template. Lansing City staff can use these new strategies and resources to apply results-driven approaches to future procurements.

*The Government Performance Lab is grateful for support from the Ballmer Group, the Bill and Melinda Gates Foundation, Bloomberg Philanthropies, Casey Family Programs, the Corporation for National and Community Service Social Innovation Fund, the Dunham Fund, the Laura and John Arnold Foundation, the Pritzker Children’s Initiative, and the Rockefeller Foundation. © Copyright 2021 Harvard Kennedy School Government Performance Lab.*