

Promoting Long Term Saving in a Poor Household Can Lead to Greater Social Mobility

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Promoting steady and modest saving among low to middle-income families will help more children go onto higher education around the world. Then there should a program that allows the families to have an extra account to save the change they receive when they perform an expenditure. This resembles Keep the Change programs offered by many banks.

Giving poor to lower to middle-class families this opportunity can help them in the long run have an adequate amount of capital to possibly participate in higher education. Promoting saving would help banks have more capital to spend on investments. Families could have first-generation college grads. This proposal is meant to analyse if steady minimal saving throughout the course of a child's upbringing may benefit him/her further down the road. This intervention

should first start by giving disadvantaged families access to a banking account. Then a formal education about how the Save the Change system will work should be promoted. Bankers and public officials should work together, to ensure families have the adequate income to support saving possibly by \$1.00 a day.

This system could be used for other long-term investments as well, for example, pension or mortgages. Further research should be done in order to conclude if, in fact, minimal saving can help the social mobility of low socioeconomic status families. This abstract was meant to promote helping families send their children off to college, without facing the barrier of not being able to afford it.