401KIDS

Building Wealth for the Next Generation

BOB CASEY
U.S. Senator *for* Pennsylvania

INTRODUCTION

In 2021, Senator Bob Casey released his report, Five Freedoms for America's Children, in which he outlined "five basic freedoms that our society must guarantee to our Nation's children"—the freedom to learn, be healthy, well fed, safe from harm and—the subject of this report—the freedom to be economically secure.[1]

In addition to endorsing the permanent expansion of the Child Tax Credit—the temporary expansion of which, in 2021, led to a historic reduction in child poverty [2] —the "freedom to be economically secure" called for the automatic creation of Children's Savings Accounts (CSAs) for every child in America.

Senator Casey affirms his commitment to nationwide CSAs though his updated and newly named proposal for *401Kids*,[i] which aims to build lifelong wealth [3] and economic self-sufficiency for kids from families with limited resources. CSAs have brought Democrats, Republicans and Independents together in the past, and can do so again today.

Here's how *401Kids* would work. Once the accounts are established for all newborns and kids under age 18, families, non-profits, employers, foundations, and others could contribute to a *401Kids* Account which, starting at age 18, could be used for post-secondary education and training, a small business, a first home or

[i] The term *401Kids* was first proposed by House Republicans in the mid-2000s as an effort to expand the use of Coverdell Education Savings Accounts. In 2022, *401Kids* was proposed by the then-State Treasurer of Wisconsin, Sarah Godlewski, as part of the state's Retirement Security Task Force, and subsequently introduced as bi-partisan legislation in the Wisconsin Legislature.

retirement security. *401Kids* programs would be built on state 529 college savings platforms and managed (as 529s are) by state Treasurers. While all families could contribute up to $2,500 per year to the accounts, only lower- and moderate-incomes families would receive direct federal support. As demonstrated in the next section, a typical lower-income child could have over $50,000 by age 18—an "investable sum" or "start-up capital" that can give every child a fair shot at realizing the American Dream.

> A typical lower-income child could have over $50,000 by age 18... that can give every child a fair shot at realizing the American Dream.

It is becoming harder for young Americans to build wealth and realize their dreams. For example, the Federal Reserve finds that, in 2019, over 80 percent of all households headed by an 18- to 24-year-old had less than $20,000 in financial assets. Moreover, data show that millions of younger Americans are on track to have less wealth than their parents at a similar age [4]—a historic first and cruel reversal of the American Dream. It may be no surprise, then, that student loan balances are growing, and that younger Americans have seen the steepest decline in homeownership over the last two decades, compared to older generations.

Without the investable sums that *401Kids* will make possible, these kids must borrow (or borrow more) to afford college, may delay family formation, may never own a home or start a small business, and defer saving—if they can save at all—for retirement. A recent Aspen Institute report found that, while savings are foundational for financial security, accumulating those savings is one of the most significant challenges facing lower-income families.[5] A lack of wealth also means too many "lost Einsteins"—those with breakthrough ideas but no capital to translate their ideas into income and wealth.[6]

Thankfully, as will be shown, there is evidence that *401Kids* can reverse these trends. Some five million Children's Savings Accounts[7]—or, more broadly, "Early Wealth Building Accounts"[ii]—now exist in the U.S. These include statewide programs in Pennsylvania, Maine, California, Nevada, Nebraska, Illinois, Rhode Island, and Connecticut, as well as through non-profit, city- and foundation-led efforts including Kindergarten to College (K2C) in San Francisco, Promise Indiana, and NYC Kids RISE. Statewide policies, especially, are fueling this growth; CALKids, for example, now the largest statewide policy in the county, has registered 250,000 children just since August 2022.

Many of these have been rigorously evaluated and demonstrated promising results, including the SEED OK experiment in Oklahoma. As shown below, CSAs can lead to more assets as young adults; give parents new hope for their children's future and may change how they interact with their children; and cultivate a college-going or "college bound" identity. Furthermore, **a low- and moderate-income child who has school savings of $1 to $499 prior to reaching college age is over three times more likely to enroll in college and four times more likely to graduate from college than a child with no savings account.**[8] And CSAs help children avoid student debt.

401Kids is also an excellent way for kids to have an economic stake and accumulate financial know-how, especially if tied to K-12 curriculums. To illustrate, researchers found that elementary school children who participated in the "I Can Save" matched savings program scored significantly higher on a financial fitness test than comparison group—and, remarkably, that the treatment group had higher scores regardless of parent education and income.[9] Another study found that children who begin to build financial knowledge early are better positioned to turn that knowledge into useful skills and financial capability as they mature.[10]

[ii] "Early Wealth Building Accounts" refers to Child Savings Accounts, Child Development Accounts, Baby Bonds, *401Kids*, College Savings Accounts, the Roth at Birth, and similar products and policies that purposefully establish a savings account at birth or kindergarten, are progressively funded (greater funding for lower-income households), and are geared toward specific wealth-building purchases such as post-secondary education, a small business, a home, and saving for retirement.

In fact, for these reasons, financial education for youth was an explicit goal of the U.K.'s at-birth Child Trust Fund policy,[11] and why national youth financial literacy organizations Jump$tart and Junior Achievement were enthusiastic supporters of at-birth CSAs for all kids in previous Congresses.

Finally, this report will show that not only would *401Kids* work; it would generate benefits for families, communities, and the overall economy as well.

The New York Times

College Accounts at Birth: State Efforts Raise New Hopes

By Patricia Cohen | April 27, 2021

Braylon Dedmon was 3 days old when his mother, Talasheia, was offered $1 ,000 to open a college savings account in his name.

"I was like, 'What?'" Ms. Dedmon recalled. Her skeptic's antennae tingled. "I was a little scared." Was this a scam?

It wasn't. The offer was the beginning of a far-reaching research project begun in Oklahoma 14 years ago to study whether creating savings accounts for newborns would improve their graduation rates and their chances of going to college or trade school years later.

A few weeks after that initial conversation in 2007, the first statement arrived, showing $1,000 in Braylon's name. "I was shocked," said Ms. Dedmon, who now lives in Muskogee. "They started sending me statements every three months. and have been sending me them since then."

When Braylon was born, Ms. Dedmon was 21. At the time, she said, she did not understand that savings in a bank would generate interest income. Afterward, when she had some extra money, she added to Braylon's account.

"He told me he was going to college," Ms. Dedmon said, and with the money he has been accumulating, "when he's 18, he'll be all set."

The first of seven children in her family to graduate from college, Ms. Dedmon is planning to return to school in the fall to become a pharmacist. She hopes that she and her husband will eventually have enough money to start college accounts for their two younger children.

The experiment, called SEED for Oklahoma Kids or SEED OK, is one of a growing number of efforts by cities and states—governed by Democrats and Republicans alike—to help a new generation climb the educational ladder and build assets. This study and others aren't finished, but at a time when the gap between the richest sliver of Americans and everyone else is growing, the results have been encouraging.

HOW 401KIDS WOULD BUILD OPPORTUNITY

Wealth begets wealth, or, the key to wealth is wealth itself. The challenge, then, is to have some in the first place—the entire rationale for *401Kids*.

401Kids was developed with the help of stakeholders across the government, nonprofit and private sectors. The bill proposes automatically creating a savings account for every child when they are born, as well as for all children under age 18. States will be given the authority to establish the accounts—or enhance the CSA programs they may already be operating—on their 529 college savings accounts platforms, with a federal backstop for children living in states that choose not to participate or who are born abroad.

Following current best practice, funds will be held in, and distributed from, an omnibus or collective structure though the accounts will be in each child's name. States will invest the funds, most likely through the investment firms that currently manage 529 savings plan investments, and contract out record management functions as well.

There are no withdrawals prior to age 18. Once 18, funds may be used for:

- Post-secondary education and training.
- Purchasing a home.
- Starting a small business.

Funds may also be used for rollovers to a Roth IRA or ABLE Account (for those with disabilities) or can remain in the account until used for retirement, starting at age 59½.

Contributions and incentives for *401Kids*.

SOURCE	FOR WHOM	AMOUNT
An individual (parent, grandparent, nonprofit, the child herself)	All children (ages 0-17)	• Up to $2,500 in contributions per year per child maximum, combined from all sources (family, friends, non-profits, employers, etc.)
Annual federal deposit every year until age 18	Children from lower- and moderate-income households (ages 0-17)	• Automatic $500 per year for families with a modified AGI below $75,000 ($150,000 married), with phase-out above that • An additional automatic $250 per year for households eligible for the EITC (even if not claimed)
Annual federal matching deposit	Children in EITC-eligible households (ages 0-17)	• $1 to $1 savings match on individual contributions, not to exceed $250 per year for households eligible for the EITC (even if not claimed)
State government deposits	All children (ages 0-17)	• States may make additional contributions into 401Kids beyond the $2,500 annual contribution limit

With this design, the Joint Economic Committee of the U.S. Congress estimates that the newborn child of a lower-income, EITC-eligible single parent with $40,000 in adjusted gross income could have over $53,000 by age 18. This sum includes about $21,000 in direct federal funding (automatic annual deposits plus annual matching funds), about $8,500 in family contributions, and nearly $24,000 in investment returns.[iii]

In other words—recalling our earlier finding that over 80 percent of young adults have less than $20,000 in wealth—*401Kids* would more than *double* their starting financial position, enabling a promising future they are otherwise not likely to have.

This $53,000 in investable sums reflects some important policy design choices: automatic enrollment, starting at birth; additional subsidies and incentives for lower-income families; and investing in target-age funds. This policy design also follows well-established CSA policy design principles [12] articulated by the Center for Social Development at Washington University in St. Louis, national CSA experts, and others.

401Kids would more than double their starting financial position, enabling a promising future they are otherwise not likely to have.

[iii] These totals assume standard income growth and inflation, a family contribution of 1 percent of adjusted gross income each year (about $33 per month), and that the investments track the average annual returns of a Vanguard target date fund, or about 6.1 percent. The $53,000 balance by age 18 is in nominal dollars.

BRANDON'S STORY:

An Illustration of How *401Kids* Could Work

Brandon first became aware of his *401Kids* Savings Account when his mother, Tammy, suggested he save some of his 5th birthday money he'd received from family and friends. Tammy said the account could be used for college someday, or maybe his own business. Both of those seemed cool to Brandon, so he put in $25 of the $100 he received.

His account had been set up—and seeded with $100—by the Pennsylvania Treasurer's office, which was eager to build off its "Keystone Scholars" program—one of the first in the Nation to offer and seed CSAs automatically at birth for all newborns. The Treasurer liked that *401Kids* utilized the state's 529 college savings platform, which the Treasurer's office oversees, and which serves as the infrastructure for Keystone Scholars. The Treasurer also liked that there were additional public and private funding sources to add to the accounts for kids from lower-income families, like Brandon's. Tammy, who makes about $40,000 a year working as a waitress in Allentown, was raising Brandon and his younger sister on her own, though Brandon's father helped-out as much as he could.

When Brandon turned 10, he liked that his school was going to teach him more about money by tying his financial education lessons to his own *401Kids* Account. He learned about compound interest, something that to him magically multiplied his money. That made him eager to save even more—and even more after his mother told him that Brandon would get one dollar in matching funds for every dollar he saved, up to $250 per year (because Tammy also qualified for the Earned Income Tax Credit). By then Brandon's account had grown to several thousand dollars thanks also to other family members who had been contributing, as well as to the local YMCA that added $100 for every grade of school Brandon and his classmates completed. Tammy noticed that Brandon seemed to view college and his future more enthusiastically, something she believes—and research confirmed—had to do with the hope that *401Kids* offered.

Brandon was looking forward to finishing high school and turning 18, when he could begin to tap into the $55,000 in his account—the result of federal contributions, yearly deposits from the local YMCA, and investment returns—and Brandon and his parents always making sure they saved at least 1 percent of their family's income (coming to an average of about $476 a year, an amount they thought was doable, especially since Tammy was good at saving some of her EITC refund at tax time).

After graduation, Brandon wasn't ready to commit to a 4-year college degree program, but he was eager to learn how to build things with a 3-D printer like one he got to use in high school. So he enrolled in a local community college's degree program in engineering, costing him about $25,000 (when adding in the apartment he was eager to get near campus). When he graduated, he worked for a local design firm, but really wanted to start his own business, so he tapped another $10,000 from his *401Kids* account to rent some space, buy equipment, and invest in marketing. Brandon doesn't want to buy a home until he's married, but is pleased to know his *401Kids* Account has money to help-out with that, too. Now that Brandon is working, he keeps contributing to his account, which he'll have for his entire life, and which will be part of his nest-egg for retirement.

Brandon's 401Kids Story

Family + YMCA + Government + Investment Returns = **$55,000**

Family: + 1% of Annual Income
($476/year on average)

YMCA: + $100/ School Year

Government: + $1,186/Year on Average
($293/year on average from 1-1 savings match + $893/year on average from automatic deposit)

Investment Returns: + $25,600 over 18 years
(Assuming 6.1% annual return)

$55,000 → Engineering & Entrepreneurship

Assumptions: 2.0% annual inflation & wage growth, 6.1% annual investment return, and $100 initial state deposit

WHY 401KIDS ARE NECESSARY: A REVIEW OF THE DATA

401Kids will enable kids to accumulate enough wealth to invest in their future as young adults.

Without wealth, there's no cushion when a job is lost, a health emergency arises, or a car breaks down. There are fewer banking choices beyond payday lenders and check-cashers, and fewer opportunities to start a business, buy a first home or pursue higher education without debt. Without wealth, people must rely largely or solely on Social Security and their families in order to live with dignity in old age; many seniors are indebted, cannot afford long-term care insurance, and/or resort to reverse mortgages as well.[iv] And, of course, without wealth, there's nothing to pass on to future generations.[13]

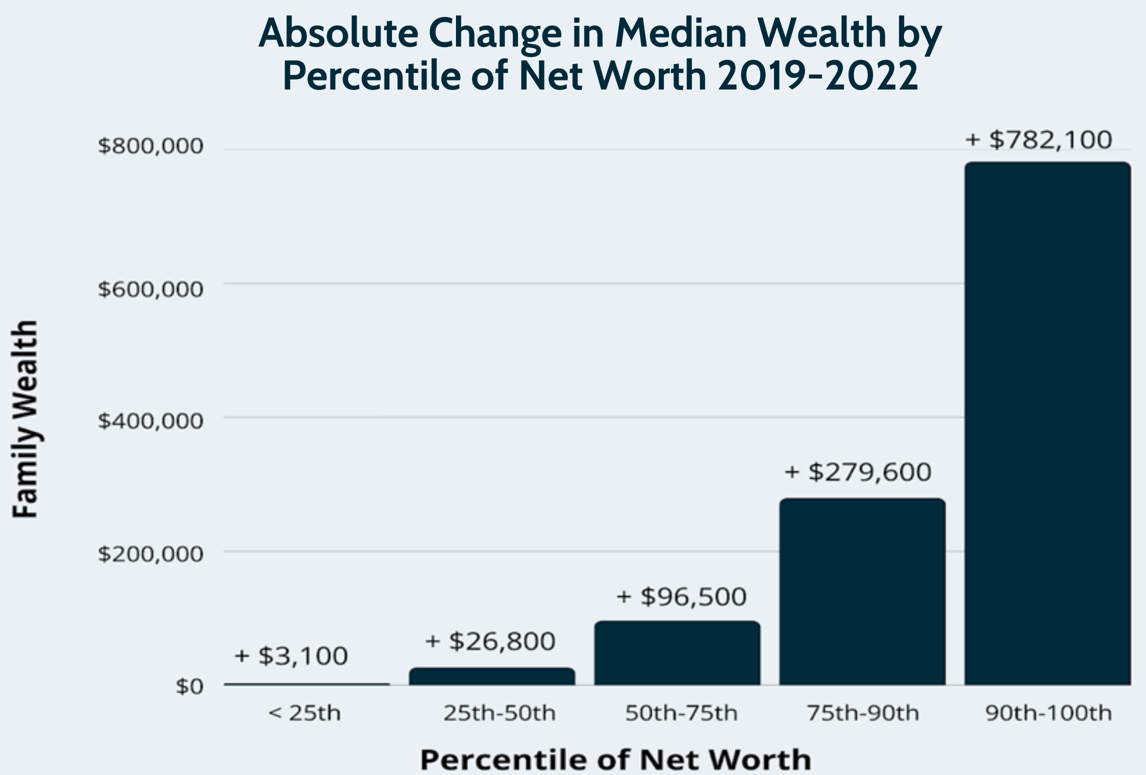
In short, **lack of income means you don't get by; lack of wealth means you don't get ahead.**[14]

Wealth Gaps Are Growing

Unfortunately, stark wealth inequality means that millions of U.S. children grow up in families without wealth. In 2022, the most recent data from the Fed, the median wealth of the bottom quarter of the population was just $3,500 in 2022 compared to the median wealth of the top 10 percent of $3,794,600.[15] In other words, the top 10 percent has roughly 1,000 times the wealth of the bottom 25 percent.

[iv] The state of Wisconsin, as part of its *401Kids* proposal, reported that, "If Wisconsin were to take no action, over 400,000 seniors will be in poverty by 2030 and the state will have to spend an additional $3.5 billion on public assistance programs annually.

Perhaps even more alarming is the change in wealth since 2019, when the Fed last measured household wealth. While the median wealth of all quartiles increased from 2019 to 2022, the magnitude of those increases was dramatically larger for those already at the top. As the table below illustrates, the first and second quartiles saw a notable increase in median wealth of $3,100 and $26,800, respectively; the median wealth of the top 10 percent, however, soared by $782,100.[16] In other words, while all groups experienced increases in net worth—due, in part, to generous pandemic payments at the time of the survey—wealth inequality continued to grow.



(Source: Federal Reserve)

Racial, educational, and generational gaps remain large, too.[17] The most recent Fed data show that median (or typical) white wealth stood at $285,000, while Black wealth was $44,900 and Hispanic wealth stood at $61,600. Encouragingly, since 2019, Black wealth grew about 60 percent and Hispanic wealth grew by about 47 percent, while white wealth increased approximately 31 percent. Racial and ethnic wealth gaps accordingly narrowed. **However, these gaps remain not only large, but have persisted over time despite educational, civil, and political progress among Black and Hispanic Americans over the last generation.**

Educational wealth gaps are wide as well. As of 2022, those with college degrees have $464,600, while those with some college have $136,500, those with a high school diploma have $106,800, and those with less than a high school education have about $38,000.[18] While all education levels experienced increases in wealth since 2019, the largest gains accrued to those with college degrees. In fact, over the last generation, wealth gains have largely been limited to those with college degrees or higher—though younger generations have seen fewer gains in their wealth from their college degrees than older generations have.[19]

Declining Generational Wealth and Lack of Investable Sums Among Youth

Trends in generational wealth, however, are most concerning to those worried about the future of U.S. children. **Historically, the gap between generations was growing, but for good reasons: children consistently surpassed the material well-being of their parents. Today, the gap between generations is growing, but for the opposite and discouraging reason: children are doing worse than their parents.**[20]

Naturally, it would be expected for younger Americans to have much less wealth than older ones; people earn income throughout their lifecycle and save some of it. Accordingly, people who have worked over many years almost always have more wealth than those who have worked fewer years.

What is concerning though, is that younger Americans today have less wealth than younger Americans a generation ago. As of 2019, the average household identifying as Millennial was age 31. By that age, they had accumulated a median net worth of $24,000. In contrast, when Gen X and Baby Boomers were around the same age, they had $41,000 and $54,000, respectively. In other words, **Millennials had about half the wealth of Boomers around the same age—a clear marker of generational economic decline.**

Race and education exacerbate these generational disparities even further. While Millennials as a generation have made some notable wealth accumulation gains since 2016, as of 2019 those without a college degree or those identifying as Black or Hispanic still fell short of previous generations.

Specifically, Black and Hispanic Millennials were 52 percent and 10 percent below, respectively, the level of predicted wealth based on the wealth held by previous generations for these groups.[21] By 2019, millennials who did not have a four-year college degree were 19 percent below their predicted wealth levels. This and other financial shortfalls may be due to the higher cost of education, weaker safety nets, relatively lower-wages, and higher costs of housing, transportation, childcare, etc. compared with previous generations.[22]

Additional Federal Reserve data analyzed by the Aspen Institute show that, in fact, the majority of young Americans are experiencing these financial shortfalls and accordingly do not have sufficient investable sums. Aspen found that in 2019, just 17 percent of households headed by an 18- to 24-year-old had at least $20,000 in

Black and Hispanic Millennials were 52 percent and 10 percent below, respectively, the level of predicted wealth based on the wealth held by previous generations for these groups.

in financial assets. In other words, 83 percent of these households do not have at least $20,000 in financial (or investable) assets.[23] That 17 percent drops to 13 percent for those in the bottom half of the wealth distribution—and to 7 percent for Black households.

Translation, again: 87 percent of households in the bottom half, and 93 percent of Black-headed younger households, do not have $20,000 in financial or investable assets.

When presented with these alarming numbers, many have asked: What about the "great wealth transfer"—the millions of retiring Baby Boomers who are passing down their wealth to their children—won't that give young Americans a financial head start?

Data show, however, that the wealthiest 10 percent of households are projected to both give and receive the majority of the $84 trillion expected to be transferred over the coming decades through both "in vivo" (during life) and end-of-life transfers. In fact, only 8 percent of the value of these transfers are expected among the bottom 50 percent of households. In other words, **this historical intergenerational transfer of wealth is likely to perpetuate inequality instead of creating a new generation of owners and investors.**[24]

Declining Rates of Homeownership and Small Business Formation Among Younger Generations.

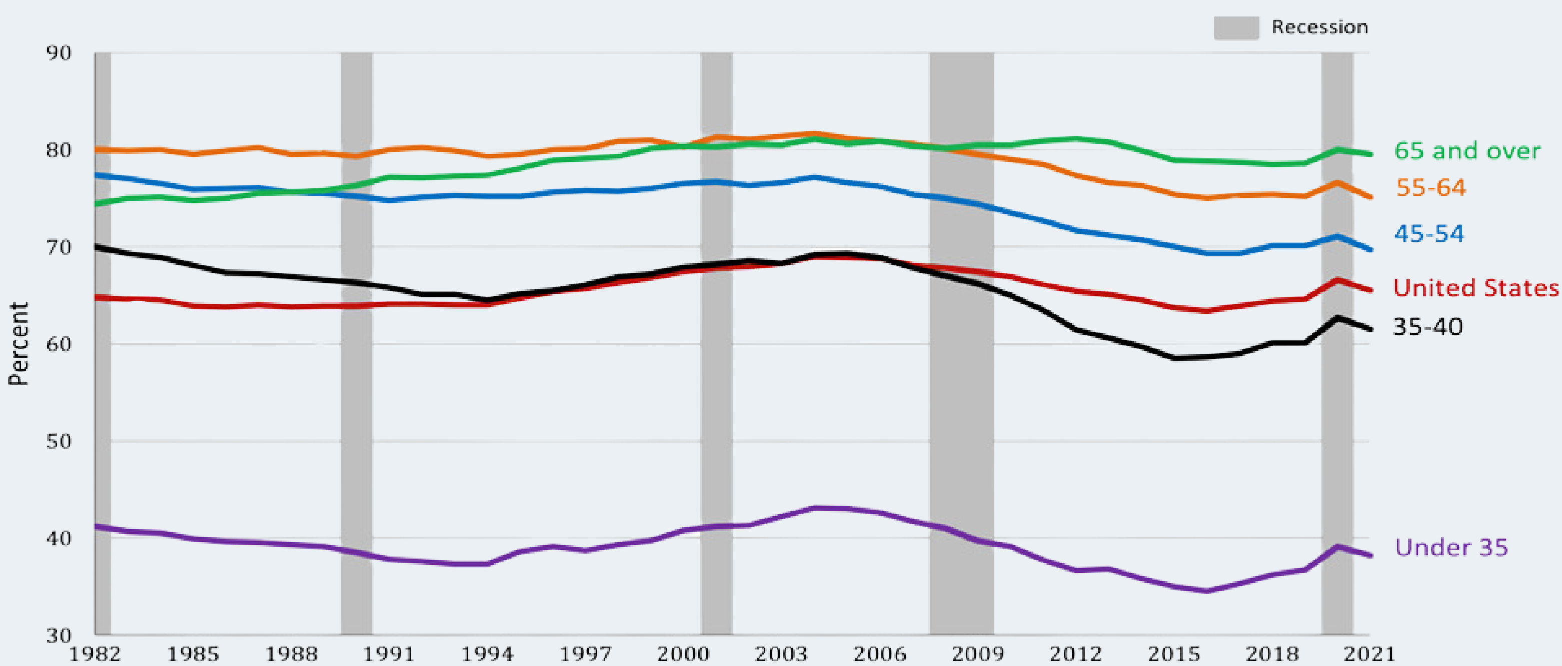
As the table below illustrates, every age group has experienced lower rates of homeownership between 2005-2021, with the greatest declines among younger generations:

Those under age 35 and those ages 35-44 have each seen homeownership fall by 12 percent compared, for example, to those 65 and over, whose decline was only 2 percent. Moreover, first-time homebuyers now make up only about 1 in 4 home purchases–an all-time low and down from 40 percent historically. In addition, the median age of a first-time buyer is now 36, the highest ever on record.

> **The median age of a first-time buyer is now 36, the highest ever on record.**

Trends in small business ownership and entrepreneurship are discouraging, too. According to the Congressional Budget Office, between 1982 and 2018, the rate of new businesses entering the market fell by a quarter, and firms leaving the economy fell, too. As a result, CBO reports that new businesses account for both a smaller share of firms and a smaller share of employment, which is concerning because small firms contribute new technologies, boost productivity, and foster competition.[25]

Annual Homeownership Rates for the United States by Age Group 1982-2021



Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, March 15, 2022
Recession data: National Bureau of Economic Research, <www.nber.org>

According to the Small Business Administration, start-up costs pose a meaningful barrier. To illustrate, an SBA template shows that the start-up budget for a pizzeria totals just under $20,000.[26] Yet opening a small business is achievable even among the most disadvantaged provided they have access to capital: research shows that, when provided microloans, almost one-third of eligible mothers receiving public assistance started their own businesses.[27] This lack of start-up capital is exactly what *401Kids* aims to address.

SPOTLIGHT

PENNSYLVANIA'S KEYSTONE SCHOLARS:

A Model for National *401Kids*

Pennsylvania's Keystone Scholars—one of the first and largest statewide Children's Savings Account policies in the country—automatically deposits a $100 at birth for the roughly 135,000 babies born to or adopted by a Pennsylvania resident each year. Launched in 2018 as a pilot in six counties, Keystone Scholars became statewide in 2019 when then-Governor Tom Wolf signed bi-partisan legislation passed by the PA General Assembly—the first state in the country to legislate a universal, automatic, opt-out, CSA at birth.

Keystone Scholar has three goals:

- Helping parents maintain high expectations for their child's future education.
- Cultivating a college-bound or future-focused identity in children.
- Prompting parents to start saving early in their child's lives.

Built on the state's PA529 College and Career Savings Program, Keystone Scholars funds are held and invested by the state. Families are encouraged to set up their own PA529 account, which is then linked to the account created by the state, to add their own savings. Between the ages of 18–29, Keystone Scholars funds may be used for tuition, fees, and books at a range of post-secondary educational institutions—including vocational or technical schools, those offering apprenticeships, community colleges or four-year colleges anywhere in the country and some schools abroad.

A philanthropic partner allowed the state—through its Bright Future Booster initiative—to provide an additional $50 deposit for babies born between January 1 – June 30, 2021 to moms enrolled in WIC at the time of the child's birth.
This is an excellent example of the partnerships that can be formed around *401Kids* so that it can serve as a "magnet" for families, schools, foundations, employers, local governments, and others to invest in a child's future.

As Pennsylvania State Treasurer Stacy Garrity remarked, "Keystone Scholars continues to be a tremendously successful program encouraging families across Pennsylvania to save early for their child's future education...and continues to be a national model for CSA programs." She also highlighted Keystone Scholars' ability to reach historically underserved families, and the positive outcomes generated by introducing all families to the benefits of saving as early as possible.

Keystone Scholars has indeed served as model for national *401Kids*. Senator Casey's *401Kids* proposal builds on the success of Keystone Scholars and other statewide, automatic, at-birth CSAs programs by (1) expanding the allowable uses of 529s beyond post-secondary education and training to also include buying a first home, starting a small business, and saving for retirement, and (2) providing direct federal funding to the accounts of children living in lower- to moderate-income households. Under *401Kids*, states could choose to offer *401Kids*, with a federal backstop for children living in states who choose not to participate or who are born abroad.

Keystone Scholars Facts (as of December 2023):

Total accounts funded:	609,381
Percentage of babies with accounts funded (since January 1, 2019):	100%
Total accounts registered:	67,743
Percentage of registered accounts with linked PA 529:	24%
Cumulative contributions of accounts with linked PA 529:	$76,336,500

WHY AUTOMATIC ENROLLMENT AT BIRTH MATTERS

Most financial experts strongly recommend starting to save once entering the workforce. However, starting at birth is even better—an idea well supported by recent research and analysis from The Aspen Institute, Vanguard, and the SEED OK experimental research project. *401Kids* has also been informed by a decade's worth of experience from the U.K.'s Child Trust Fund policy, as well as by Canada's Education Savings Grants.

Findings from The Aspen Institute

Recent analysis of Early Wealth Building Accounts by the Aspen Institute's Financial Security Program[28] compared starting to save and invest at birth with the typical age that families start saving for post-secondary education, a first home, small business and retirement. As they report: "The results are striking: starting at birth results in an additional $9,000 for post-secondary education, $65,000 for first home purchase or small business start-up, and $473,000 for retirement." [v]

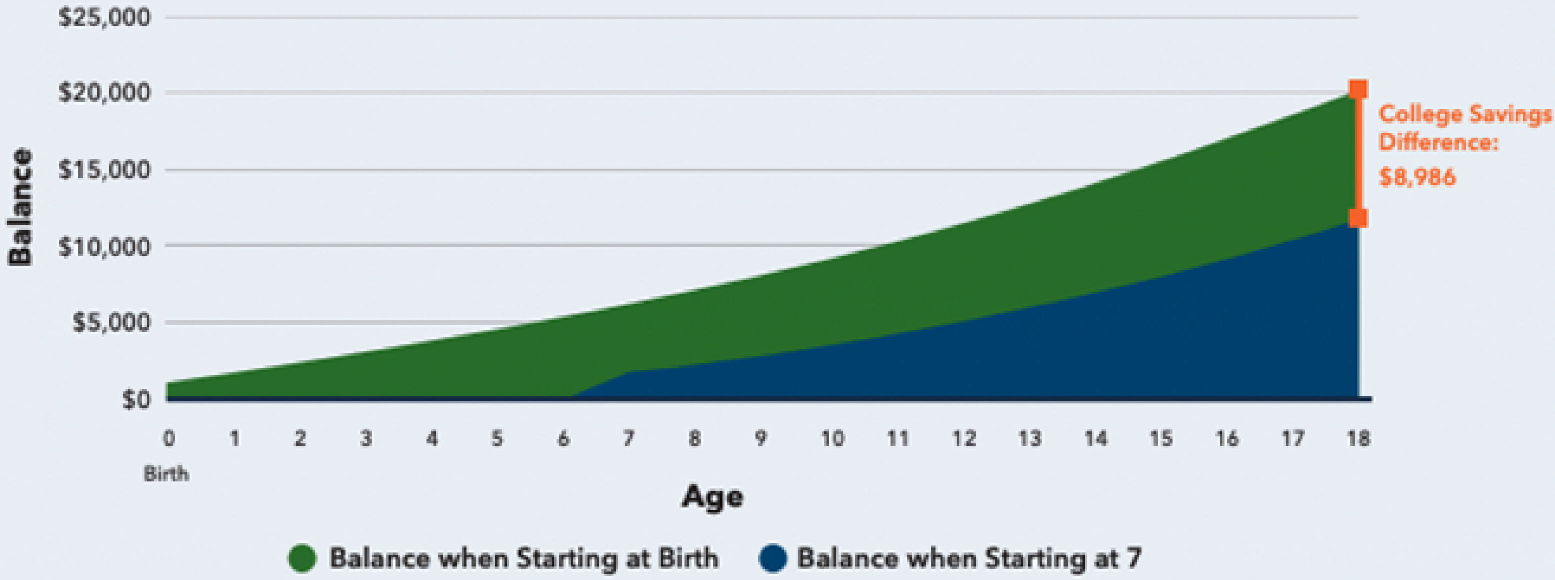
Starting at birth results in an additional $9,000 for post-secondary education, $65,000 for first home purchase or small business start-up, and $473,000 for retirement.

[v] To arrive at these numbers, Aspen modeled different asset purchases using the same set of initial assumptions around the investments for all three examples: an initial investment of $1,000, annual deposits of $500, and an average annual rate of return of 6.5 percent (retirement savings accounts offer average annual rates of return between 5 percent and 8 percent). Seed and additional deposits could come from the public sector (such as direct deposits and tax credits), employers, foundations, community partners, and/or family savings.

Saving for College:

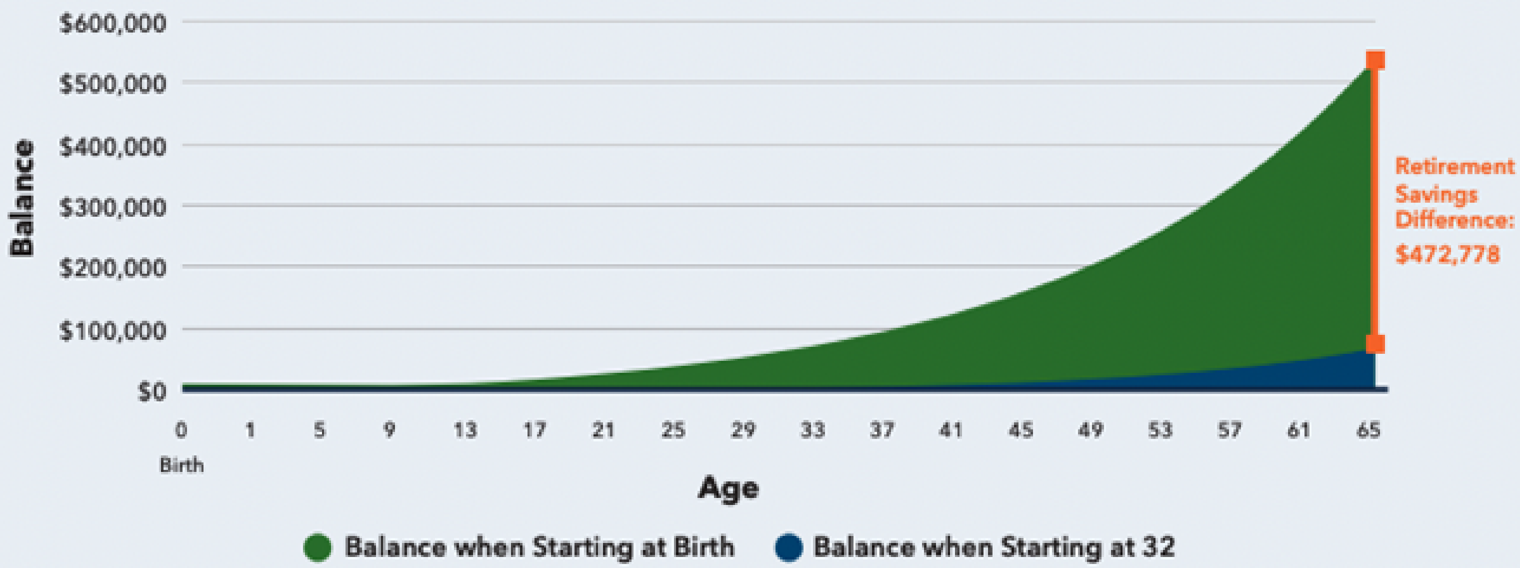
Model: Starting investments at birth will likely have a much greater return than investing when a child enters school

The difference in investing for children at birth as opposed to starting when a child is 7 years old, the average age children begin to have college savings accounts.



Saving for Retirement

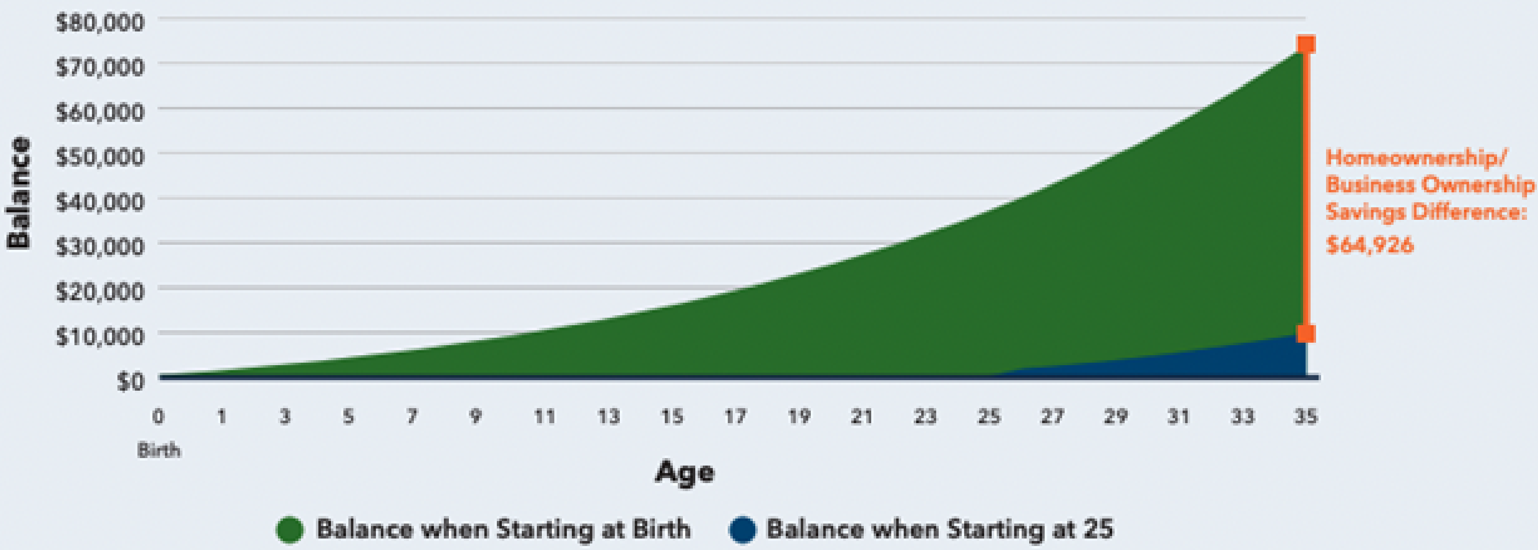
Starting investments in retirement savings accounts for children at birth versus 32 years later see a difference of $472,778



Source: Karen Biddle Andres, Ray Boshara, Jason Ewas, David Sieminski, and Sophia Scott, *The Case for Early Wealth Building Accounts* (Washington, DC: The Aspen Institute Financial Security Program, 2023), https://www.aspeninstitute.org/publications/the-case-for-early-wealth-building/.

Saving for a First Home or Small Business

Starting investments at birth for wealth-building purchases is likely to have a much greater return than starting later

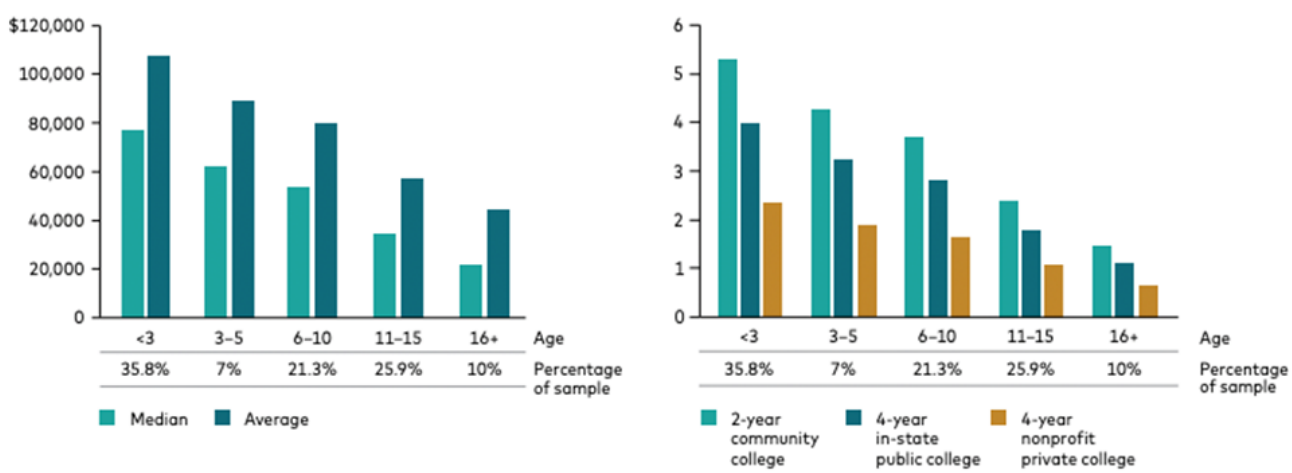


Source: *These are based on our calculations-no external source.*

529 accounts that begin asset accumulation before the beneficiary is 3 years old attain significantly larger balances

a. 529 account balances of beneficiaries at age 17–18, by beneficiary age at account opening

b. Number of years of higher education a beneficiary can afford at age 17–18, by beneficiary age at account opening



Findings From Vanguard

Vanguard recently analyzed its own data and, as its charts below illustrate, starting at birth results in much higher balances at age 18—with the additional funds enabling families to cover a much greater share of college expenses.[29]

In Vanguard's own words: "Beneficiaries ages 17–18 whose account was opened before they were 3 have considerably higher balances than those who were 3 or older when their account was opened for them. For example, a beneficiary whose account was opened before they were 3 could just about fully fund either a 4-year in-state public college degree or 2.3 years at a 4-year nonprofit private college. In contrast, a beneficiary whose account was opened after they were 10 could barely cover a single year of a 4-year private college."

In fact, they found that each year of delay in account opening leads to an 11 percent decline in 529 balance levels at age 18. Vanguard further found that the following recommendations were all associated with greater and more equitable 529 balances—all of them reflected in Senator Casey's *401Kids* proposal:

- Progressively funding the accounts (greater deposits for lower-income families);
- Using multi-asset (diversified) investment portfolios;
- Keeping administrative costs low (as with an omnibus structure); and
- Engaging with families throughout their entire life.

Findings from the SEED for Oklahoma Kids Experiment and Maine's Statewide CDA Policy

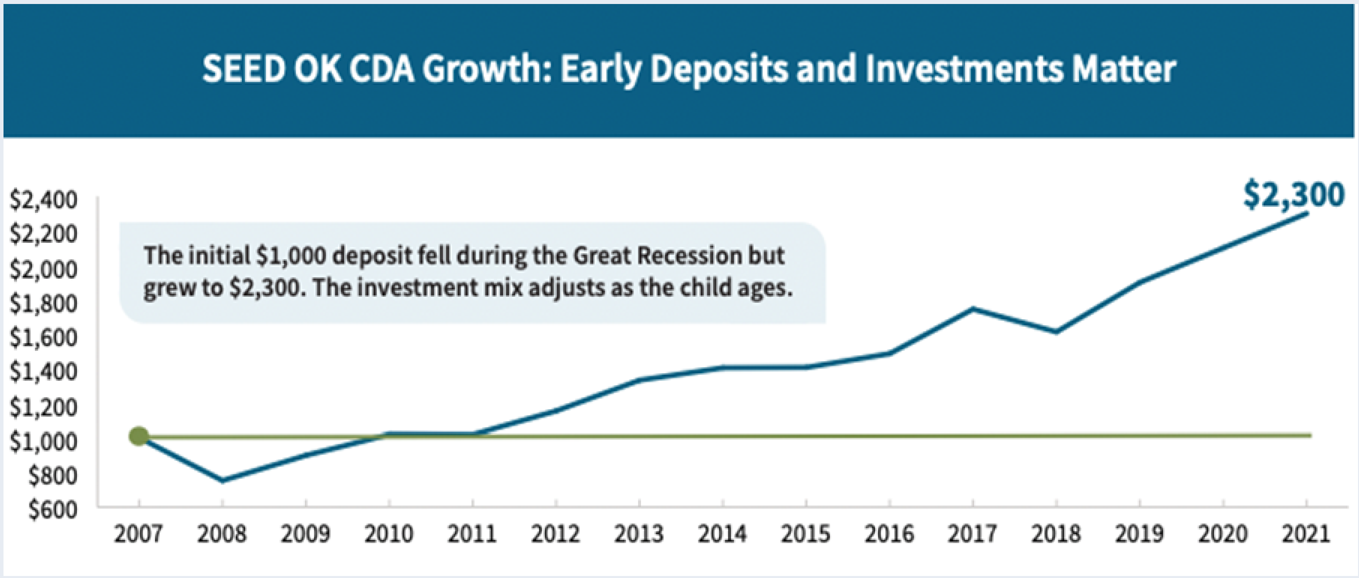
SEED for Oklahoma Kids[30]—a randomized, controlled Child Development Account[vi] (CDA) experiment that began in 2007—offers invaluable evidence around the policy design and impacts of accounts established automatically at birth.

In SEED OK, $1,000 was deposited in 2007 into the 529 accounts of over 1,300 newborns in Oklahoma and then compared to over 1,300 newborns who did not receive the deposit. Additional automatic deposits were later made for lower- and moderate-income households, along with matches of individual savings. SEED OK's financial findings[31] include:

[vi] The Center for Social Development and others prefer Child Development Accounts over Child Savings Accounts to emphasize that these accounts are primarily about development (social, emotional, educational, etc.) and less about child and family savings.

- After 14 years, just 5 percent of SEED OK control children had college savings assets, compared to 100 percent of the treatment group, because of the automatic enrollment.
- **Automatic enrollment also greatly increases the likelihood that disadvantaged children have assets for their future education.**
- The new savers in the program were more socioeconomically and racially diverse than typical college savers.

As the chart below illustrates, the initial $1,000 deposit fell during the Great Recession but nonetheless grew to $2,300. The investment mix adjusts as the child ages.



The automatic enrollment feature—or opt-out design—was critical to Maine's success too. When Maine, the first in the Nation to implement a statewide CSA, started establishing My Alfond Grants, it was opt-in and reached about 40 percent of the eligible population. When the state shifted to opt-out in 2013, it reached 100 percent.[32]

Findings From the U.K.'s Child Trust Fund

A few key policy design lessons can be gleaned from the U.K.'s Child Trust Fund (CTF) policy, a nationwide at-birth CSA policy for 6.3 million children born between

September 2002 and January 2011.[33] Each newborn child was eligible for £250 (about $530 today) with another £250 for newborns in roughly the bottom third of the income distribution. Lessons include:

- **Auto-enrollment, especially for lower-income kids, is critical:** The U.K. Treasury had to set up 28 percent of CTF accounts because parents or guardians—especially in lower-income households—failed to do so.
- **Subsidies to lower-income families are important, too.** Higher income families were more than twice as likely (27 percent v. 11 percent) than lower-income families to receive deposits from family and friends.
- **Significant efforts are necessary to claim and raise awareness of funds.** By April 2021, around 320,000 CTFs had matured; 55 percent had been claimed by the accountholders while the remaining 45 percent had not; moreover, a U.K. survey of children 8-16 conducted in 2019 found that fully one in six parents were not aware of the policy.

Findings from Canada's Education Savings Grant Program

Finally, though opt-in, Canada's Education Savings Grant (CESG) program—which are similar to 529s in the U.S.—demonstrates the enrollment, graduation and student loan benefits of a college-focused savings account which can be opened by a parent as early as the child's birth. Researchers found that: [34]

- Between 2009 and 2012, the enrolment rate of CESG beneficiaries was about 30 percentage points higher than for non-beneficiaries:
  - Slightly **more than 60 percent of 18-year-olds who had received the CESG had enrolled in PSE by age 26 compared to 33 percent of 18-year-olds who had not** received the CESG.
  - The probability of enrolment in PSE for CESG beneficiaries from low- and middle-income families was higher than for youth in similar families not having benefited from the CESG.
- The probability of completing a post-secondary education degree within 5 years of enrolment was 7.0 percentage points higher for CESG beneficiaries than for non-beneficiaries.

- On average, a lower proportion of students who received the CESG (32.7 percent) received a loan from the Canada Student Financial Assistance (CSFA) program compared to students who did not receive the CESG (40.8 percent). Of those who received a CSFA loan, average student loan amounts were 8 percent lower among CESG beneficiaries relative to non-beneficiaries.

CNBC

In 2011, San Francisco opened savings accounts for kindergartners—now they're going to be college freshmen

By Jessica Dickler | September 9, 2023

Even though more students feel priced out of college entirely, there are efforts to improve access to higher education that seem to be working.

In 2011, San Francisco made headlines when it became the first city in the nation to kick off a college savings account with $50 for every child entering kindergarten in the public school system.

Now those students are about to enter college.

Yadira Saavedra, 17, is one of the more than 600 students from San Francisco who will start college with financial assistance from the Kindergarten to College, or K2C, savings program.

Her parents saved $2,200 in a universal children's savings account, which helped change her perspective about getting a degree, she said.

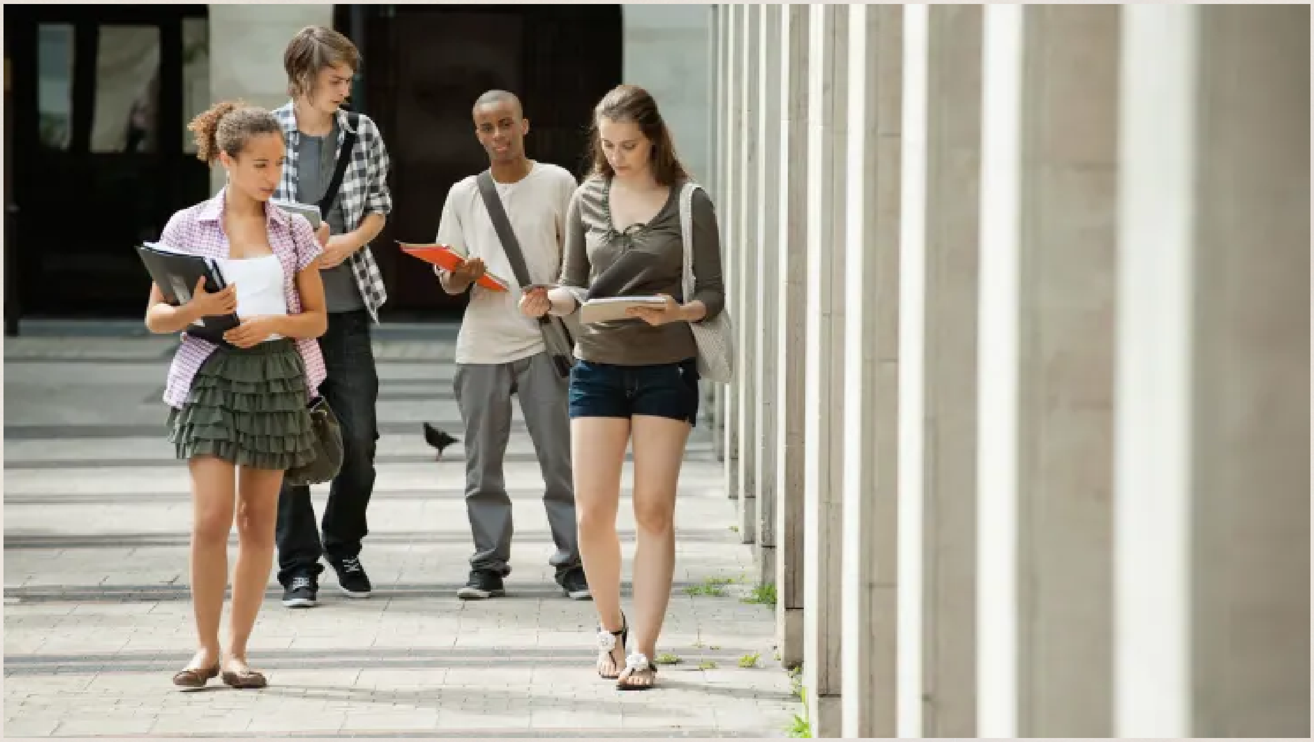
"My family has always pushed me to go to college, but I felt bad," Saavedra added. "I didn't really know how much college cost; I just knew it was a lot of money."

This fall, she is an incoming freshman at the University of California, Davis. She plans to study archeology or sociology.

To pay the tab, Saavedra will rely on a combination of resources, she said, including the savings and need-based aid. “It means hope for me that I’m able to go to college, and I’m very proud of that.”

Saavedra, who is a first-generation college student, said she’s most excited that her younger siblings will be able to participate, as well.

“They’re going to be like, ‘My sister went to college.’ It’s going to be so much more achievable,” she said.



MAINE: A LEGACY LIKE NO OTHER

WRITTEN BY COLLEEN J. QUINT, PRESIDENT & CEO, ALFOND SCHOLARSHIP FOUNDATION

FALL 2021

HAROLD ALFOND REPRESENTED the combination of humble beginnings and hard work that spurred a lot of people of his generation to success in business. Mr. Alfond also made sure that his success meant good things for others. There are many organizations and programs, fields and field houses across the state that bear his name as recognition of his generosity. These investments will pay a lifetime of dividends to those whose lives they touch. But there is one gift of Mr. Alfond that stands out among all others, and that is the gift of opportunity he has given to every Maine baby.

Mr. Alfond knew that education brings opportunity and wanted to make a commitment to the children of Maine—and to the future of the state—that would impact generations to come. His commitment: to invest $500 for the future education of every Maine child. Since the pilot year at Maine General Hospital in 2008 through this month, Mr. Alfond's extraordinary commitment has meant over $62 million has been invested for the future education of more than 124,000 Maine children. Families have contributed their own money, to the tune of over $130 million in additional funds. This means that as of this fall a total of $192 million has been invested for the future education of these children. That's quite a legacy indeed.

Like many programs, this one has evolved over time. The Harold Alfond College Challenge, known to most Maine families as the My Alfond Grant program, was initially modeled on Mr. Alfond's vision of families having "skin in the game" and so opening a NextGen 529 account by a child's first birthday was required in order to receive the $500 Alfond Grant. Through the first several years of the program (2009-2012 this model meant nearly 25,000 Maine children received the grant. Since 2013, all babies born as Maine residents are now automatically awarded the $500 Alfond Grant to make sure that every Maine child receives this generous gift. Most of the oldest of the Alfond Grant recipients entered middle school this fall.

This means they start high school a few years from now, and a few short years after that will begin putting those Alfond Grants to use as they continue their education after earning a high school diploma.

While certainly part of Mr. Alfond's vision for the program was about building Maine's educated workforce in a way that would support prosperity for the state, he also understood how fundamentally important this investment would be for individual Maine children and their families. Research by the Alfond Scholarship Foundation shows that parents of children with an Alfond Grant—whether they were part of the "opt-in" years of the program or were automatically awarded the grant—are twice as likely to report their expectation that their child will continue education after high school than those parents whose child does not have the grant. Families regularly tell us that the $500 invested on their baby's behalf gives them hope for the future. Knowing that someone believes in their child today makes them feel more hopeful about their child's tomorrow.

The Dowdy family from Unity, Maine, has six children and their son Zacchaeus is the 100,000th Maine child to receive the Alfond Grant. Asked about what the Alfond Grant means to their family, Zacchaeus' parents said, "Mr. Alfond's gift means that even though Zacchaeus is from a bigger family he has the option to choose a path after high school to continue his education. It is overwhelming to think about Mr. Alfond's generosity!

What a legacy he has left and continues to leave. This should be an inspiration to all young Maine children to work hard and be generous. "

The Largay family from Raymond tells us, "The Alfond Grant has helped our family have some meaningful conversations with our twin girls about their future. We have also been integrating some of the tips in the quarterly communications into our homeschooling curriculum and they are great! We are so grateful to Mr. Alfond for leaving this legacy of hope and aspirations for Maine children."

The story of the Alfond Grant is a great one for Maine, and for the children whose lives it has touched. And part of the story of Mr. Alfond's legacy is the impact it has had well beyond Maine's borders. Often referred to as Children's Savings Account (CSA) programs, today there are over 100 programs in 36 states in which early investments for future education are making an impact. Some, like the Kindergarten to College program in San Francisco and Brilliant Baby program in Oakland are city based. Others like Promise Indiana are county based. And still others like Baby Steps (Massachusetts) and Keystone Scholars (Pennsylvania) are statewide.

Today there are over one million children across the country benefiting from CSA programs. All of these programs use the same early investment model as we use here in Maine to make a difference for children at the individual level and for their communities. And the My Alfond Grant program has frequently been an inspiration and even a model for many of them.

National research shows these programs, like the Alfond Grant program, are having positive impacts long before the children who receive the grants leave high school. Some studies have shown that children achieve stronger social-emotional gains by age 4 and mothers show higher aspirations and lower levels of maternal depression.[35]

Students, especially low-income students, who expect to go to college and have identified savings to help pay for it are more likely to enroll in college and complete a degree.[36]

The $500 investment for Maine children is not a panacea, but—like a lot of things Mr. Alfond did—it has an outsized impact. And that impact is one that will reverberate for generations here in Maine and across the country. What an extraordinary legacy. A legacy like no other.

WOULD 401KIDS WORK? A REVIEW OF RESEARCH

Roughly 5 million CSAs currently exist in the U.S.—a 300 percent increase since 2021—demonstrating resolve that CSAs can build savings, assets, and opportunity. Many of these have been subject to rigorous research and evaluation, offering insights into the optimal policy design for *401Kids.*

CSA Research Highlights

SEED OK, described above, also demonstrated positive social and psychological effects, including increases in parental educational expectations, decreases in maternal depressive symptoms, improved parenting practices, and enhancements in the children's social-emotional development. Specific findings include:

- **CDAs give parents new hope for their children's future and may change how they interact with their children.**
- CDAs help mothers maintain or increase their expectations for their children's postsecondary education.
- CDAs reduces symptoms of depression reported by mothers, particularly disadvantaged ones. The impact of the CDA may not depend on individual saving behavior. Simply having a college savings account and assets for the child may bring about this mental health boost.
- CDAs improve disadvantaged children's early social-emotional development and does so regardless of parental saving behavior. To illustrate, children who were randomly assigned to receive an account in infancy demonstrated significantly higher social-emotional skills at age 4.

Beyond SEED OK, a group of national CSA experts and others published some compelling research findings, including: [37]

- **CSAs can lead to more assets as young adults.** The authors found that "Having savings accounts in childhood was associated with being two times more likely to own savings accounts, two times more likely to own credit cards, and four times more likely to own stocks in young adulthood, compared to not having savings accounts in childhood.[38]
- **Adults are also more likely to save if they saved in childhood.** Specifically, "Evidence suggests that young adults who acquire a savings account and diversify their asset portfolios may also accumulate more liquid assets over time, which can be leveraged in the future to strengthen their balance sheets." **The authors, in fact, found a multiplier effect of having at least $50 in savings while young: stock and retirement accounts increased over $5,200.** In their words: "Taken together, it appears that a savings account may be one of the first financial products acquired as young adults ascend the financial hierarchy and may almost be considered a prerequisite for—not simply a gateway to—a diverse asset portfolio." [39]
- **CSAs help children avoid student debt**—an important outcome since indebted college graduates accumulate less wealth than do graduates who never borrowed to finance their degrees. Specifically, researchers looking at how CSAs reduce student loans found that "Graduates whose parents had savings for them as high school sophomores have about $3,200 less student loan debt than graduates whose parents did not. Results suggest that for four-year college graduates whose parents saved for their college education, the odds of borrowing what might be considered high-dollar student loans (defined here as $20,000 or more) are lower than for students whose parents had no college savings."
- **During the school years, CSAs cultivate college-going or "college bound" identities and reduce "wilt,"** or failing to transition to college despite having the desire and ability to go—a phenomenon that about 55 percent of children without their own savings experience. Specifically, researchers found that "low- and moderate-income children may be more likely to enroll in and graduate from college when they have small-dollar savings accounts with money designated for school. A low- and moderate-income child who has school savings of $1 to $499 prior to reaching college age is over three times

more likely to enroll in college and four times more likely to graduate from college than a child with no savings account.[40]

- **In the Michigan Saving for Education, Entrepreneurship, and Downpayment (MI-SEED) program, researchers found that youth with MI-SEED accounts communicate their post-secondary plans with greater specificity.** As the authors write, "Our findings suggest that the impact of active long-term engagement with CSA accounts appears to be large. Though the plurality of parents we interviewed, regardless of SES, had college-going expectations for their child, and all children articulated, to varying degrees, intentions for a transition to adulthood that included education, the parents who communicated actively to their children about their child savings accounts also had children with higher self-reported education expectations. These children were also more concrete about their future plans." [41]

Economic Growth Impacts

Most studies around the macro-economic effects of CSAs have modeled how a national Baby Bonds policy—which is designed similarly to *401Kids*, though more as a federal program—would impact the racial wealth gap. For example:

- Naomi Zewde of UCLA found that the ratio of median wealth for the current cohort of young white Americans to young Black Americans would have decreased from 16-to-1 to 1.4-to-1 if universal Baby Bonds were administered when they were newborns.[42]
- McKinsey and Company estimate that **the GDP of the United States could be 4 percent to 6 percent higher (an increase of $2,900 to $4,300 in GDP per capita) by 2028 if the racial wealth gap were closed.**[43]

- According to a simulation from Morningstar, early wealth-building accounts could reduce racial wealth disparities between Black and Latino households and white households by 20 percentage points.
- A 2016 study by the Institute on Assets and Social Policy and CFED found that, "A universal and progressive national Children Savings Account (CSA) program that provided greater support to lower wealth households, with support incrementally declining for higher wealth households, could close the racial wealth divide substantially, depending on the structure and funding of the accounts." [44]

According to Morningstar, early wealth-building accounts could reduce racial wealth disparities between Black and Latino households and white households by 20 percentage points.

A more thorough discussion of these first three studies was recently published by the Urban Institute. It also includes a literature review of CSAs and similar early wealth building accounts to "assess the outcomes that may be achievable with baby bond policies."

CONCLUSION

Millions of children, especially lower-income and minority children, grow up in households lacking wealth and are thus unlikely to accumulate much wealth or investable sums by early adulthood.

Senator Casey believes that every child—not just those whose parents already have wealth—deserves the start-up capital that makes financial security and upward economic mobility possible. *401Kids* is how to make that a reality.

In many ways, *401Kids* is not a new idea: broadening property ownership has been central to the American experiment. Thomas Paine in the 18th century, George Henry in the 19th, and Louis Kelso in the 20th have all called for widespread asset ownership, as have more recent proposals from Michael Sherraden, Darrick Hamilton, and others.

In our history, the United States has adopted many broad policies to encourage widespread home ownership, business formation and greater college attendance. The Homestead Act of the 19th century gave hundreds of thousands of families the land they needed to start a farm, the GI Bill set off booms in post-secondary education and homeownership for millions of World War II vets, and the National Housing Act of 1934 helped create the 30-year home mortgage, which brought homeownership within reach for most families.

It is time to build on our country's legacy of continually expanding access to the American Dream. Every young adult deserves the chance to start out life with the building blocks of the American dream: the education, home, or business that *401Kids* makes possible. As a Nation, we have done that before—and it is time to do it again for the next generation.

REFERENCES

1. Robert P. Casey, Five Freedoms for America's Children (2021), https://www.casey.senate.gov/fivefreedoms.
2. Don Beyer, The Expanded Child Tax Credit Dramatically Reduced Child Poverty in 2021 (Washington, DC: Joint Economic Committee Democrats, 2022), https://www.jec.senate.gov/public/index.cfm/democrats/2022/11/the-expanded-child-tax-credit-dramatically-reduced-child-poverty-in-2021.
3. Michael Sherraden, "Asset Building as Social Investment," Journal of Sociology & Social Welfare 45, no. 4 (2018), https://scholarworks.wmich.edu/cgi/viewcontent.cgi?article=4242&context=jssw.
4. Feneba R. Addo and Reid Cramer, "The Generational Wealth Gap: Facing the Future but Falling Further Behind," in The Future of Building Wealth: Brief Essays on the Best Ideas to Build Wealth — for Everyone, eds. Ray Boshara and Ida Rademacher (Washington, DC: The Aspen Institute Financial Security Program, 2021), https://live-future-of-building-wealth.pantheonsite.io/wp-content/uploads/2021/09/Sec1-Ch3-Addo-Cramer.pdf.
5. Katherine Lucas McKay and Shehryar Nabi, The New Wealth Agenda: A Blueprint for Building a Future of Inclusive Wealth (Washington, DC: The Aspen Institute Financial Security Program, 2023), https://www.aspeninstitute.org/wp-content/uploads/2023/05/AspenFSP_The-New-Wealth-Agenda-1.pdf.
6. Alex Bell, Raj Chetty, Xavier Jaravel, Neviana Petkova, and John Van Reenen, Who becomes an inventor in America? The importance of exposure to innovation (Washington, DC: Washington Center for Equitable Growth, 2018), https://equitablegrowth.org/working-papers/inventor-america-exposure/.
7. Prosperity Now, The Multiplying Movement: The State of the Children's Savings Field 2022 (Washington, DC: Prosperity Now, 2023), https://prosperitynow.org/resources/multiplying-movement.
8. William Elliot III, Hyun-a Song, and Ilsung Nam, "Small-dollar children's saving accounts and children's college outcomes by income level," Children and Youth Services Review 35, no. 3 (2013), https://aedi.ssw.umich.edu/publications/1811-small-dollar-children-s-saving-accounts-and-childrens-college-outcomes-by-income-level.

9. Margaret Sherrard Sherraden, Lissa Johnson, Baorong Guo, and William Elliott, Financial Capability in Children: Effects of Participation in a School-based Financial Education and Savings Program (St. Louis, MO: Washington University, Center for Social Development, 2009), https://doi.org/10.7936/K7MS3S80.
10. Consumer Financial Protection Bureau, Building blocks to help youth achieve financial capability: Measurement guide (Washington, DC: Consumer Financial Protection Bureau 2020), https://files.consumerfinance.gov/f/documents/cfpb_building-blocks-youth-financial-capability_measurement-guide.pdf.
11. Gill Hind, Financial Education and The Child Trust Fund (London, England: IPPR, 2002), https://www.ippr.org/files/uploadedFiles/research/projects/Centre_for_Asset-Based_Welfare/Financialpercent20educationpercent20andpercent20thepercent20childpercent20trustpercent20fund.pdf
12. Margaret M. Clancy, Michael Sherraden, and Sondra G. Beverly, Essential Policy Design Elements for Statewide Child Development Accounts (St. Louis, MO: Center for Social Development, 2019), https://openscholarship.wustl.edu/csd_research/901/.
13. Ray Boshara and William Emmons, “Stark disparities in wealth are key in discussions on race in the United States,” The Washington Post (2014), https://www.washingtonpost.com/opinions/policies-that-can-bootstrap-the-poor-out-of-the-wealth-gap/2014/12/30/3bf972a6-8f87-11e4-a412-4b735edc7175_story.html.
14. Ray Boshara, “Poverty Is More Than a Matter of Income,” The New York Times (2002), https://www.nytimes.com/2002/09/29/opinion/poverty-is-more-than-a-matter-of-income.html.
15. Board of Governors of the Federal Reserve System, 2022 Survey of Consumer Finances (Washington, DC: Board of Governors of the Federal Reserve System, 2023), https://doi.org/10.17016/8799.
16. Ibid.
17. Ibid.
18. Ibid.

19. William R. Emmons, Ana H. Kent, and Lowell R. Ricketts, "Is College Still Worth It? The New Calculus of Falling Returns," Federal Reserve Bank of St. Louis Review 101, no. 4 (2019), https://research.stlouisfed.org/publications/review/2019/10/15/is-college-still-worth-it-the-new-calculus-of-falling-returns.
20. Phillip Longman, "Wealth and Generations," Washington Monthly (2015), https://washingtonmonthly.com/2015/06/07/wealth-and-generations/.
21. Ana Kent and Lowell Ricketts, "Disparities by Race, Ethnicity and Education Underlie Millennials' Comeback in Wealth," Federal Reserve Bank of St. Louis On the Economy (2021), https://www.stlouisfed.org/on-the-economy/2021/april/disparities-race-ethnicity-education-millennials-comeback-wealth.
22. Karen Biddle Andres, Ray Boshara, Jason Ewas, David Sieminski, and Sophia Scott, The Case for Early Wealth Building Accounts (Washington, DC: The Aspen Institute Financial Security Program, 2023), https://www.aspeninstitute.org/publications/the-case-for-early-wealth-building/.
23. Katherine Lucas McKay and Shehryar Nabi, The New Wealth Agenda: A Blueprint for Building a Future of Inclusive Wealth (Washington, DC: The Aspen Institute Financial Security Program, 2023), https://www.aspeninstitute.org/wp-content/uploads/2023/05/AspenFSP_The-New-Wealth-Agenda-1.pdf.
24. Talmon Joseph Smith, "The Greatest Wealth Transfer in History is Here, With Familiar (Rich) Winners," The New York Times (2023), https://www.nytimes.com/2023/05/14/business/economy/wealth-generations.html.
25. Nathan Musick, Federal Policies in Response to Declining Entrepreneurship (Washington, DC: Congressional Budget Office, 2020), https://www.cbo.gov/publication/56945#_idTextAnchor001.
26. Small Business Administration, Startup costs — Joe's Pizza Place (Washington, DC: Small Business Administration, 2023), https://www.sba.gov/sites/sbagov/files/2023-07/Startup%20Costs%20Worksheet.pdf.

27. Karen Biddle Andres, Ray Boshara, Jason Ewas, David Sieminski, and Sophia Scott, The Case for Early Wealth Building Accounts (Washington, DC: The Aspen Institute Financial Security Program, 2023), https://www.aspeninstitute.org/publications/the-case-for-early-wealth-building/.
28. Karen Biddle Andres, Ray Boshara, Jason Ewas, David Sieminski, and Sophia Scott, The Case for Early Wealth Building Accounts (Washington, DC: The Aspen Institute Financial Security Program, 2023), https://www.aspeninstitute.org/publications/the-case-for-early-wealth-building/.
29. Andrew S. Clarke, Ankul Daga, Tom De Luca, and Fiona Greig, Baby Bonds: Design principles for inclusive wealth building (Valley Forge, PA: Vanguard, 2023), https://corporate.vanguard.com/content/dam/corp/public-policy/policy-research/baby_bonds_072023.pdf.
30. Michael Sherraden and Margaret Clancy, "SEED for Oklahoma Kids (SEED OK)," Center for Social Development (2023), https://csd.wustl.edu/items/seed-for-oklahoma-kids-seed-ok/.
31. Margaret M. Clancy, Sondra G. Beverly, Mark Schreiner, Jin Huang, & Michael Sherraden, Financial Facts: SEED OK Child Development Accounts at Age 14 (St. Louis, MO: Center for Social Development, 2022), https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1936&context=csd_research.
32. Colleen J. Quint and Margaret M. Clancy, My Alfond Grant CDA: Experience from 10 Years of Automatic Deposits for All Maine Newborns (St. Louis, MO: Center for Social Development, 2023), https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1947&context=csd_research.
33. HM Revenue and Customs, Investigation into Child Trust Funds (London, England: National Audit Office, 2023), https://www.nao.org.uk/reports/investigation-into-child-trust-funds/#downloads.

34. Employment and Social Development Canada, "Canada Education Savings Program Part 2. Final Evaluation Report". Employment and Social Development Canada (2023), https://www.canada.ca/content/dam/canada/employment-social-development/corporate/reports/evaluations/education-savings-program-part-2/cesp-part2-evaluation-report-en.pdf
35. SEED for Oklahoma Kids (SEED OK) | Center for Social Development | Washington University in St. Louis (wustl.edu)
36. Small-dollar children's savings accounts and children's college outcomes by income level - ScienceDirect
37. José Cisneros et al., The Case for a Nationwide Child Development Account Policy (St. Louis, MO: Center for Social Development, 2021), https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=1925&context=csd_research.
38. Terri Friedline, Paul Johnson, and Robert Hughes, "Toward Healthy Balance Sheets: Are Savings Accounts a Gateway to Young Adults' Asset Diversification and Accumulation?" Federal Reserve Bank of St. Louis Review, 96, no.4 (Fourth Quarter 2014), https://files.stlouisfed.org/files/htdocs/publications/review/2014/q4/friedline.pdf.
39. Ibid.
40. William Elliot III, Hyun-a Song, and Ilsung Nam, "Small-dollar children's saving accounts and children's college outcomes by income level," Children and Youth Services Review 35, no. 3 (2013), https://aedi.ssw.umich.edu/publications/1811-small-dollar-children-s-saving-accounts-and-childrens-college-outcomes-by-income-level.
41. Anne Blumenthal and Trina R. Shanks, "Communication Matters: A Long-Term Follow-up Study of Child Savings Account Program Participation," Children and Youth Services Review 100, (2019), https://doi.org/10.1016/j.childyouth.2019.02.016
42. Naomi Zewde, "Universal Baby Bonds Reduce Black-White Wealth Inequality, Progressively Raise Net Worth of All Young Adults," The Review of Black Political Economy 47, no. 1 (2019), https://doi.org/10.1177/0034644619885321.

42. Nick Noel, Duwain Pinder, Shelley Stewart, and Jason Wright, "The Economic Impact of Closing the Racial Wealth Gap," McKinsey & Company (2022), https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-economicimpact-of-closing-the-racial-wealth-gap.
43. Lia Mitchell and Aron Szapiro, "How Baby Bonds Could Help Close the Racial Wealth Gap," Morningstar Policy Research, https://www.morningstar.com/lp/baby-bonds.
44. Madeline Brown, Marokey Sawo, and Ofronama Biu, What Do We Know About Baby Bonds? A Summary of Literature (Washington, DC: Urban Institute, 2023), https://www.urban.org/sites/default/files/2023-09/What%20Do%20We%20Know%20About%20Baby%20Bonds.pdf.