



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

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**CT MAKES HISTORY!
TODAY, CT BABY BONDS BECAME AVAILABLE
FOR ALL CT CHILDREN BORN INTO POVERTY;
FIRST STATE IN THE NATION TO PASS BABY BONDS PROGRAM;**

*TREASURER SHAWN T. WOODEN WAS JOINED BY ELECTED OFFICIALS, SUBJECT MATTER EXPERTS,
AND AN EXPECTING MOTHER ON HUSKY TO OFFICIALLY CELEBRATE THE LAUNCH OF CT BABY BONDS*

Hartford, CT - Today, Connecticut State Treasurer Shawn T. Wooden celebrated the official enactment of CT Baby Bonds. Beginning today, children born into poverty whose births are covered by HUSKY, Connecticut's Medicaid program, are now eligible for the program. This legislation was championed by Treasurer Wooden.

"To think that a conversation in my office focused on bold ideas to fight poverty and to reduce racial inequality led to this groundbreaking program that will now help thousands of children across Connecticut is powerful," said Treasurer Shawn Wooden. "Following a global pandemic, economic downturn and racial reckoning, I don't believe this program could have come at a more appropriate and important time. CT Baby Bonds is one of the most effective ways to narrow the racial wealth gap and break the cycle of poverty in a state that has some of the starkest wealth and income inequality gaps in the nation. By taking bold action now, we are making a long-term investment in Connecticut's future that will change the life trajectories of thousands of Connecticut residents while also enhancing the economic trajectory of our State."

Connecticut is the first state in the nation to pass Baby Bonds, a program designed to narrow the racial wealth gap and spur long-term economic growth. The program will create a savings account for children born into poverty, whose births are covered by HUSKY— the State's Medicaid program. The accounts will be managed by the Office of the Treasurer and upon each child's birth, funds will be set aside in a trust. When a beneficiary is between the ages of 18 and 30 and completes a financial education requirement, the funds can be used for targeted eligible purposes that are consistent with research to help close the racial wealth gap including: educational expenses, to purchase a home in Connecticut, to invest in a business in Connecticut, or to contribute towards retirement savings. This program is funded through the State General Obligation bonds, with \$50 million per year authorized for the next 12 years, totaling \$600 million.

The need for CT Baby Bonds is clear in Connecticut and the program will now be a reality for so many children who are born into poverty. Connecticut Voices for Children released a report in January of 2020 that examined the State's income and wealth inequality. They found that the State's racial income gap is the greatest it has been since the 1980s and that the racial wealth disparities are even worse. Additionally, the organization released a report in April of 2021 that found, following the pandemic, more than 50% of CT households with children reported a decrease in income since the pandemic began.

"Connecticut is taking an important step in establishing a right to financial and economic stability for young people starting their adult life," said Dr. Naomi Zewde, Assistant Professor of Health Policy at the CUNY School of Public Health. "We find repeatedly that wealth has been a determining factor in how our lives turn out, but it's usually handed down through families and many Americans simply don't have access, particularly Black Americans. This step is important first because it means that state residents will have a sum of money at their disposal to make real life decisions. And second, because we will hopefully see more states and the federal government following suit."

A number of Connecticut legislators were instrumental in getting Treasurer Wooden's CT Baby Bonds passed into law, including Speaker of the House of Representatives Matt Ritter, Senate President Martin Looney, members of the Black and Puerto Rican Caucus including State Representative Geraldo Reyes, State Representative Bobby Gibson and State Senator Marilyn Moore. Members from Connecticut's Federal Delegation such as U.S. Senator Richard Blumenthal, Congresswoman Rosa DeLauro, and Congressman John Larson, cosponsors of the American Opportunity Accounts Act which would establish a national Baby Bonds program, were also tremendously supportive of the state level legislation.

"I am extremely happy that the CT Baby Bonds bill has passed, and I am very excited to see how many of those in poverty, will reap the benefits," said State Representative Geraldo Reyes, Chair of the Black and Puerto Rican Caucus. "This issue exists between the poor and the working poor. I'm looking forward to closing the generational wealth gap as this is a step closer in the right direction for Black & Brown families' access to equity."

While CT is home to the highest annual income per capita in the country, it also has one of the highest rates of income inequality, as well as stark racial wealth gap disparities. Research consistently indicates that this program will help spur both short and long-term economic growth. A 2019 report from Columbia University analyzed the Federal proposal to create a Baby Bonds program and found that it would nearly eliminate the racial wealth gap for young adults. Furthermore, a 2019 study done by McKinsey shows that a failure to close the racial wealth gap would cost the U.S. economy between \$1 and \$1.5 trillion, or 4-6% of the GDP in the next decade, directly constraining CT's economy.

"It's moments like these that give me hope," said Treasurer Shawn Wooden. "That I might see an equitable society in my lifetime. By investing directly in children born into poverty, Connecticut will not only help break the cycle of poverty for generations of families but can be seen as a model for the nation when it comes to diminishing long-standing wealth disparities. Today, we have a renewed sense of hope as we continue towards the goal of creating a more equitable society that works for everyone."

CT Baby Bonds is an investment in a sustainable future for children who would otherwise have the cards stacked against them. While some of the first beneficiaries of the program who are born on or after July 1, 2021, will not be eligible to receive the funds until the year 2039, research recently completed by Washington University in St. Louis found that states' efforts to create savings accounts for newborns changed the behavior of account holders earlier than when they received the funds. The research indicates that beneficiaries experienced higher graduation rates, greater expectations about higher education, and improved efforts to save for the future early on in their lives.

"I couldn't believe it when I heard the news about CT Baby Bonds," said Talisha Tirado, expecting mother whose pregnancy will qualify for her child to be able to receive CT Baby Bonds. "Thanks to the leadership of Treasurer Wooden and our legislature, my child and thousands of others will have the ability to access opportunities that they may not have otherwise had here in Connecticut that will change the trajectory of their lives for the better. The hard work behind this program continues to bring tears to my eyes now that I know my child will have a shot to live their American Dream."

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About the Office of the State Treasurer

Under the leadership of Connecticut's State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state's financial resources and taxpayers' dollars, while maximizing returns and minimizing risks for pension beneficiaries and operating at the highest professional and ethical standards. Through investments and cash management, the office continues to enhance the state's fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity for economic growth. Learn more about the Office of the Treasurer [here](#) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).