



# Erick Russell

## CONNECTICUT STATE TREASURER

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### TREASURER RUSSELL ANNOUNCES CREATION OF THE CONNECTICUT BABY BOND TRUST



PHOTO: Treasurer Russell with Deputy Treasurer Sarah Sanders (right) and Chief of Staff Andréa Comer (left)

**Hartford, CT** – Treasurer Erick Russell announced the creation of the Connecticut Baby Bond Trust on Tuesday. Legal documents forming the Trust have been filed and \$398 million in funds have been moved into the Trust, which will hold and invest funds for the first-in-the-nation CT Baby Bonds program.

CT Baby Bonds is an innovative policy to combat generational poverty and promote economic opportunity through direct investments in young people. Eligibility for the program began on July 1 and includes Connecticut babies whose birth is covered by HUSKY, the state's Medicaid program.

“This is another important milestone in the early stages of CT Baby Bonds,” said **Treasurer Russell**. “While the program won't pay its first claim for another 18 years, the Trust funded today will protect the investments made on behalf of Connecticut children as they grow over time. As we continue to educate new parents about CT Baby Bonds, and work with leaders across the state to raise awareness for the program, behind-the-scenes work will continue to maximize the return on these investments and the overall impact of the program.”

In May, Treasurer Russell, Governor Ned Lamont, and legislative leaders announced CT Baby Bonds would be funded by repurposing available cash reserves set aside during a 2019 restructuring of the Teachers' Retirement Fund. Due in part to the state's progress in stabilizing and strengthening its finances in recent years, that reserve fund can now be replaced by a relatively inexpensive insurance policy.

That policy, known as a surety, was projected to cost up to \$12 million. After a competitive bidding process, the Office of the Treasurer was able to secure the policy – thought to be among the largest of its kind in the nation – at a cost of \$2.7 million. The resulting savings will be deposited into the Trust as well.

The funding solution, which was passed as part of this year's bipartisan state budget, reduces the overall cost of the program by over \$200 million. The initial structure, passed in 2021, would have required \$600 million in state borrowing over 12 years with subsequent debt service costs. Instead, \$398 million has been deposited into the Trust upfront, capitalizing on more time for returns to grow to reduce the overall funding required.

Each eligible child will have up to \$3,200 invested on their behalf. Over time, those investments will grow. Between the ages of 18-30, participants can file claims to use the full amount – estimated to be between \$11,000 – 24,000 – for specific purposes intended to help build generational wealth. Those include buying a home in Connecticut, starting or investing in a Connecticut business, paying for education or job training, or saving for retirement.

Parents of eligible newborns do not need to take any action to enroll. Additional outreach, educational opportunities, and further resources will continuously be developed in the coming months and years to support CT Baby Bonds participants and their families.

“CT Baby Bonds is an amazing commitment to the future of our state,” said **Treasurer Russell**. “Leaders across government, nonprofits, hospitals and more have already stepped up to the plate, determined to make sure these investments are transformative for these kids, their families, their communities and Connecticut's economic future.”

More information on CT Baby Bonds can be found here: <https://portal.ct.gov/OTT/Debt-Management/CT-Baby-Bonds>

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**About the Office of the Treasurer**

The Office of the Treasurer is charged with safeguarding Connecticut's financial resources through prudent cash and debt management, with the State Treasurer serving as principal fiduciary for six state pension and nine state trust funds. Additionally, the Office enhances the state's fiscal stability through programs promoting financial literacy and college savings, and it leverages business partnerships to support the advancement of Connecticut's social and policy priorities, including combating gun violence and protecting our environment. The Office of the Treasurer is led by State Treasurer Erick Russell, the only Black elected state treasurer in the country. To learn more, visit [portal.ct.gov/ott](https://portal.ct.gov/ott).

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