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STATE OF CONNECTICUT  
**TREASURER SHAWN T. WOODEN**

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**TREASURER SHAWN WOODEN VISITS NEIGHBORHOOD  
HOUSING SERVICES OF WATERBURY FOR A DISCUSSION ON HOW  
HIS BABY BONDS BILL WILL REDUCE WEALTH DISPARITIES AND  
SPUR ECONOMIC GROWTH FOR ALL**

*CT BABY BONDS WILL HELP FAMILIES BREAK THE CYCLE OF POVERTY THROUGH OWNERSHIP*

**Waterbury, CT** – Today, April 19, 2021, Connecticut State Treasurer, Shawn T. Wooden, visited Neighborhood Housing Services of Waterbury to talk about his Baby Bonds proposal, House Bill 6659 An Act Concerning the Establishment of the Connecticut Baby Bonds Trust, which is expected to be voted on by the Appropriations Committee this week. This proposal directly addresses long-standing wealth disparities in Connecticut by creating a saving account for children born into poverty, while also generating economic growth that will benefit Connecticut's economy in the long-term.

"Homeownership is one of the primary ways in which generational wealth is built, and that is why organizations like NHSW are so critical to changing the economic trajectories of families here in Waterbury and the surrounding communities," said State Treasurer Shawn Wooden. "CT Baby Bonds is the most direct way to narrow the wealth gap and address long-standing economic inequality by providing opportunities for homeownership, education, business ownership and retirement security to individuals who would otherwise not have access to generational wealth."

"We have the opportunity to further invest in Connecticut's children and assist them on a path to economic security," said State Senator Joan Hartley (D-Waterbury). "Establishing for a child a savings account of \$5,000 provides a resource upon reaching adulthood that can be used to help attend college or start a business. An investment in our youth is an investment for all."

"As a co-sponsor of the CT Baby Bonds bill and a member of the Board of Directors of Neighborhood Housing Services of Waterbury, I can clearly see the benefits of this kind of bold legislation," said Waterbury State Representative Geraldo Reyes. "I look forward to working with Treasurer Wooden and as Chairman of the Black and Puerto Rican Caucus, to helping eliminate the racial wealth gap in Connecticut."

The CT Baby Bonds program would create a savings account in which \$5,000 is allocated for every baby

whose birth is covered by HUSKY in Connecticut, which would be invested over a period of 18 years. After a beneficiary reaches the age of 18, the funds can be used for a series of eligible expenses, including for educational purposes, to contribute towards retirement savings, to invest in a business in CT, or to purchase a home in CT. Wealth is often the most complete economic picture of a family's wellbeing. Lack of wealth makes it more difficult for families to break the cycle of poverty, which ultimately hurts the Connecticut economy. A study released by the Urban Institute's Housing Finance Policy Center recently found programs that assist first-generation homebuyers could help turn the tide of systemic racism by reducing intergenerational wealth disparities.

"Since 1980, Neighborhood Housing Services of Waterbury has worked to improve financial health of the families and individuals through financial and credit education and counseling, homeownership, allocation of resources and time," said Kevin Taylor, executive director of Neighborhood Housing Services of Waterbury. "We know firsthand the financial obstacles many members of the community face before being able to purchase a home and understand how Baby Bonds would benefit so many members of the Greater Waterbury community. Baby Bonds is the solution that our communities need. It would reduce wealth inequality, foster financial empowerment among low-income residents, and help generations of families break the cycle of poverty."

"Working with Neighborhood Housing Services of Waterbury was a breeze. The staff were very encouraging and supportive of our family's journey to repair our credit, especially mine," said Robert Vonna of New Britain and a first-time homeowner. "We didn't think we were moving fast enough in paying down our debt, but the agency made us realize this process is ours and it will be at our own pace. It took 3 years, but we are proud to say both of our credit scores are over 700, helping us increase our financial income and granting us the ability to become first-time homeowners."

The racial wealth gap is one of the most telling examples of ongoing inequities. According to data from the 2019 Survey of Consumer Finances (SCF), the typical white family has 5 times the wealth as the typical Hispanic family and 8 times the wealth as the typical Black family. The racial wealth gap persists even when Black and Brown families earn more money and have higher levels of education than white families.

A 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 altogether. Studies done by McKinsey in 2019 and Citigroup in 2020 have found that the racial wealth gap is detrimental to the US economy. The McKinsey study revealed that failure to close the racial wealth gap will cost our economy between \$1 and \$1.5 trillion over the next decade. In other words, when we reduce the racial wealth gap, we spur economic growth and in turn, all communities benefit.

"The CT Baby Bonds Bill would allow the state's most vulnerable children to have access to financial flexibility as they reach adulthood and make decisions that will impact the rest of their lives," said Thomas Hyde, CEO of the Naugatuck Valley Regional Development Corporation. "Regardless of whether these funds are utilized to buy a home, attend college, partake in a manufacturing certificate program or start a business, both the children who receive these funds and the state's overall economy will prosper from it."

"When homeownership and other wealth building activities are out of reach for a large segment of the population, it hurts our State economy," said State Treasurer Shawn Wooden. "Organizations like the Neighborhood Housing Services of Waterbury and programs like Baby Bonds are key to helping families break the cycle of poverty, while also generating economic growth that will benefit communities

throughout Connecticut.”

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