



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

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**TREASURER WOODEN VISITS BRAUER HALL INNOVATION CENTER
TO DISCUSS HOW CT “BABY BONDS” CREATES A PATHWAY
FOR CHILDREN BORN INTO POVERTY
TO SEEK HIGHER EDUCATION OR START A BUSINESS**

CT “BABY BONDS” WOULD IMPACT FAMILIES IN ALL 169 TOWNS ACROSS CT

Bridgeport, CT – Today, May 3, 2021, Connecticut State Treasurer Shawn T. Wooden toured the University of Bridgeport’s Bauer Hall Innovation Center to discuss his CT Baby Bonds proposal. He was joined by Representative Antonio Felipe, representing Bridgeport, Elena Cahill, Director of the Ernest C. Trefz School of Business at the University of Bridgeport and Goncalo Mendes, a recent alumni of the University of Bridgeport’s Bauer Hall Innovation Center program within the Ernest C. Trefz School of Business.

CT Baby Bonds directly addresses long-standing wealth disparities by creating a savings account for every baby whose birth is covered by HUSKY in Connecticut, which would be invested over a period of at least 18 years. After a beneficiary reaches the age of 18 and completes the financial literacy education requirements, the funds could be used for higher educational purposes, to contribute towards retirement savings, to invest in a business in CT, or to purchase a home in CT.

“Access to the resources and capital necessary to enroll in higher education or start a business are often out of reach for individuals whose families don’t have access to wealth,” said Treasurer Shawn Wooden. “CT Baby Bonds aims to remove these barriers by helping more Connecticut residents who wouldn’t otherwise have the opportunity, seek higher education or gain the financial education necessary to start their own business. If CT Baby Bonds is approved by the legislature and signed into law by the Governor, it can lead to more students enrolling in programs that teach entrepreneurship, such as the University of Bridgeport’s Bauer Hall Innovation Center program.”

Treasurer Wooden’s bill, H.B. 6659 An Act Concerning the Establishment of the Connecticut Baby Bonds Trust, was voted out of the Appropriations Committee on April 21st, with support from elected officials from across CT, and will be available to be voted on by the General Assembly in the weeks ahead. CT Baby Bonds would impact families in all 169 towns across CT, irrespective of race or

zip code and would also generate economic growth for communities across Connecticut.

The University of Bridgeport's Bauer Hall Innovation Center aims to foster entrepreneurship and innovation in students and to mentor students in business start-ups, ownership and development. Its mission is to produce successful businesses by providing student entrepreneurs with an array of targeted resources and services, while also helping to drive economic growth to the Bridgeport business community.

"Helping our community afford education is the important first step and CT Baby Bonds is a path forward to allow more students who would otherwise not have the opportunity, to access funds to help pay for higher education," said Elena Cahill, Director of the Ernest C. Trefz School of Business at the University of Bridgeport. "Higher education is the setting that originates both research and innovation. Facilities such as Bauer Hall is where education meets the research and helps students create market ready innovation, by providing them with the entrepreneurial training they need to be successful later in life. "

"As a student who faced financial hardships to be able to pursue higher education, I know the lack of resources and opportunities that exist for those who don't inherit generational wealth is very real," said Goncalo Mendes, recent alumni of the Entrepreneur Center program at of the Ernest C. Trefz School of Business at the University of Bridgeport. "CT Baby Bonds is a tangible solution that would allow more students to be able to have opportunities to not only seek higher education but to enroll in programs such as the Student Entrepreneur Center at the University of Bridgeport. For me, this program not only gave me the skills I needed to help me learn how to be an entrepreneur but directly translated into having experiences with industry experts which opened up doors for me upon graduation. CT Baby Bonds would afford more individuals with chances like the one I had and would enable the next generation to have the ability seek opportunities that would change the trajectory of their lives for the better."

Research completed by the Center for Social Development at Washington University in St. Louis in March of 2021 found that children who had a savings account opened for them at birth for higher education purposes were not only financially better off but experienced behavioral changes that resulted in having greater expectations about higher education, higher graduation rates, lower rates of depression and saving more. The effects were strongest among low-income families and the findings showed that policies designed to build assets for children automatically from the time of birth have long-term benefits to the beneficiaries. There is also significant research supporting the long-term financial and economic benefits for Baby Bonds. 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 altogether, which accordingly to a 2019 study done by McKinsey would contribute to increasing the GDP by 4-6% in the next decade. In other words, by reducing the racial wealth gap, we will not only lift families out of poverty but spur economic growth that will benefit communities throughout America, including Connecticut.

"CT Baby Bonds can help address generational poverty by closing the wealth gap, which impacts families in every town across Connecticut, irrespective of race or zip code," said Treasurer Shawn

Wooden. “This would be an incredible triumph for generations of families, many of whom have been deeply financially impacted by the pandemic and economic downturn, and would also have long-term beneficial impacts on the state’s economy.”

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