



Hartford Foundation

FOR PUBLIC GIVING

Hartford Foundation Testimony in Support of

Senate Bill 384, An Act Implementing the Treasurer's Recommendations Concerning the Connecticut Baby Bond Trust Fund Program

Finance, Revenue and Bonding Committee

March 15, 2022

Good afternoon, Senator Fonfara and Representative Scanlon, Senator Martin and Representative Cheeseman, and distinguished members of the Finance, Revenue and Bonding Committee. The Hartford Foundation for Public Giving appreciates this opportunity to testify **in support of Senate Bill 384, An Act Implementing the Treasurer's Recommendations Concerning the Connecticut Baby Bond Trust Fund Program.**

The Hartford Foundation for Public Giving is the community foundation for the 29-town Greater Hartford region. As a community foundation, we manage approximately \$1 billion in assets, over the past two years, the Foundation has distributed a record-breaking \$97 million in grants to promote equitable opportunity for all residents in our region. Made possible by the gifts of generous individuals, families and organizations, the Foundation has awarded grants of more than \$894 million to nonprofit organizations since its founding in 1925.

As part of our efforts to dismantle structural racism and improve social and economic mobility for Black and Latino residents of Greater Hartford, the Hartford Foundation seeks to close the wealth gap and end generational poverty by increasing stable employment opportunities for adults and youth in our region facing barriers to employment. The Foundation's work focuses on job creation for Black and Latino residents through locally-owned small businesses and increasing access to capital for Black and Latino small business owners and entrepreneurs. The Foundation's efforts include supports for returning citizens and for 2Gen programs that take a family-centered approach.

The Foundation offers its support for Senate Bill 384 which makes technical and clarifying changes to the nation's first baby bonds program aimed at closing wealth gaps, ending generational poverty, and investing in our economy. The bill also includes a change that moves forward the last year of bonding authorization so that all children in the program have a full 18 years of investment opportunity.

Income inequality remains a significant issue in our state and in the Greater Hartford region. According to DataHaven's Greater Hartford Well-Being Survey, Hartford's Metropolitan Statistical Area (MSA) level of income inequality ranked 29th of the 100 largest U.S. metros—a similar level of income inequality as the New Haven-Milford MSA, but lower than that of Fairfield County. Median household income among in Greater Hartford's outer ring suburbs was \$98,077 in 2017—\$23,000 more than the Greater Hartford's inner ring suburbs (\$74,833)

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and nearly three times that of Hartford itself (\$33,841). These income disparities result in a concentration of poverty in Hartford where the poverty rate is six times greater than the rate of outer ring towns. Nationally, white adults aged 60 to 70 have a net worth—or wealth—seven times greater than that of Black adults of the same age. In Greater Hartford, 32 percent of Black and 27 percent of Latino adults report that they have a negative net worth, compared to 14 percent of white adults.

CT Baby Bonds is an innovative initiative that benefits those least able to save for the future and focuses on those children whose births are covered by the Medicaid program. This initiative will support nearly 16,000 babies a year, or more than 40 percent of all births in Connecticut. CT Baby Bonds can narrow the racial wealth gap by investing directly in children born into poverty. The program can also help people build wealth by using the funds for targeted purposes that have proven to close the racial wealth gap and break the cycle of poverty, including homeownership, education, entrepreneurship, and contributing towards their retirement savings.

The Hartford Foundation, in collaboration with its partners in the Connecticut Urban Opportunity Collaborative (CUOC), Fairfield County's Community Foundation and the Community Foundation of Greater New Haven, are working with the State Treasurer's Office on an effort to ensure that the new CT Baby Bonds program is responsive to the needs of new parents both in the administration of the program and in supporting parents as their child grows. To accomplish these goals, CUOC is funding the creation of a Baby Bonds Parental Advisory Board to provide feedback on structure and processes for the Baby Bonds program both at start-up and as the program continues to ensure program is responsive to family needs and interests. We would ask that this legislation and implementation budget reflect an ongoing commitment by policymakers to sustain the Advisory Board and parent engagement in program implementation and evaluation. While community foundations were willing to provide the initial funding to establish this Board, public funding should make the permanent commitment to this effort.

The composition of the board will ensure a mix of geographic distribution, communities and cultures, including at least two Black or Latino parents, at least one father, and at least one parent from an immigrant community. This board will have at least two parents participating in the 2Gen Initiative to create crossover between programs. In addition, the board will include two parents with children under the age of three and two parents whose children have or will receive a baby bond. Parents will be compensated for their participation in the advisory board to cover expenses such as transportation and childcare costs. It is important to recognize that people should have the support they need to fully participate in this vital work. Public policy can more fully address community issues when representatives who have lived experience are engaged in the process.

In order to ensure the success of the CT Baby Bonds effort, it is vital that parents are actively engaged in the process of developing, promoting and improving the program and also developing other strategies to allow parents to support their children's futures.

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The Foundation is eager to partner with legislators, advocates and businesses to dismantle structural racism and improve social and economic mobility for Black and Latino residents in Connecticut residents to ensure that all residents have an opportunity to achieve economic stability and have opportunities to thrive and enhance Connecticut's economy.

Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact our staff at policy@hfp.org or 860-548-1888.

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