

## Children's Savings Accounts (CSA) – INFRASTRUCTURE

### Key CSA Principles

- Eligibility for all
- Automatic Enrollment
- Start Young
- Targeted Additional Deposits
- Centralized Savings Plan
- Investment Growth
- Simplified Investment Options

What makes CSAs the ideal vehicle for combining income and asset approaches to elevating poverty is their ability to complement efforts to reduce inequality in early education, facilitate college completion, and improve post-college financial health.

## Guaranteed Income – LAUNCH PAD

Income Volatility  
**1.5X**  
less income volatility

Find Full-Time  
Employment  
**12%**  
increase in full-time  
employment from  
2019-2020 from  
28% to 40%

Also improves  
emotional health and  
reduced financial  
scarcity

Income acts as a launch pad. It cannot propel kids into the future but is necessary if they are ever to launch from where they started in life.

## Ongoing Deposits (Assets) – PROPELLANT

A **\$1** increase  
translates to a  
**\$5** increase  
in wealth for Whites,  
but only a  
**70¢** increase  
in wealth for Black families

However, when Black  
families start off with similar  
levels of assets, they have  
a return of  
**\$4.03**

Baby Bonds Proposals  
reduce Black/White wealth  
gap from about  
**15.9X** to **1.4X**

Americans who move from the bottom of the income ladder had **6X higher** median liquid savings, **8X higher** median wealth, and **21X higher** median home equity than those who remained at the bottom.

Assets are the engine that propels children up the economic ladder and into the future. Assets allow children to think about and act today with their future selves as their goal.