

## Testimony in Support of HB-6071

Rhode Island Baby Bond Trust

House Committee on Finance

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**The Economic Progress Institute supports Representative Giraldo's HB-607, which would establish the Rhode Island Baby Bond Trust.**

All Rhode Islanders deserve equal access to opportunity and financial stability. Establishing the Rhode Island Baby Bond Trust provides an opportunity to reduce wealth disparities, break cycles of generational poverty, and commit to economic justice for our most vulnerable children and families.

The Rhode Island Baby Bond Trust would create trust funds for children born to parents participating in RI Works - a cash assistance and workforce readiness program for Rhode Islanders living in deep poverty. These funds would be invested by the Office of the General Treasurer and could be accessed at age 18 for wealth-building assets, such as purchasing a car or home, investing in a new business, pursuing a college education, or receiving vocational training.

Baby bonds have been proven to reduce economic disparities and build wealth.<sup>1</sup> Black and Latino households hold just 23% and 18% of the wealth that White household possess, respectively.<sup>2</sup> Investing early in babies from families with low incomes has been proven to reduce wealth inequities.<sup>3</sup> When young adults invest in education and homeownership, communities see stronger economic growth and stability. Additionally, these baby bonds can only be accessed by young adults who live and work in Rhode Island, meaning that these funds will be used for colleges, small businesses, and homes in Rhode Island. When young adults invest in education, small businesses, and homeownership, communities see stronger economic growth and stability.

Establishing the Rhode Island Baby Bond Trust is a long-term, targeted investment in the upward mobility and financial security of babies born into deep poverty. In 2022, Connecticut and the District of Columbia passed baby bond legislation. Baby bond legislation has also been introduced in several states across the nation, including by our New England neighbors, Massachusetts and Vermont. It's time Rhode Island joined the rising tide of states investing in

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<sup>1</sup> [Baby Bonds Would Reduce Racial Wealth Inequities., Urban Institute, 2023](#)

<sup>2</sup> [The State of U.S. Wealth Inequality, Federal Reserve Bank of St. Louis, 2024.](#)

<sup>3</sup> [Baby Bonds: A Worthwhile Step To Reduce the Racial Wealth Gap, Center for American Progress, 2025.](#)

their children and families for long-term success. The Economic Progress Institute strongly urges passage.