

Testimony in Support of SB-2843
Funding the Rhode Island Baby Bond Trust
Senate Committee on Finance
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The Economic Progress Institute supports Senator Murray's SB-2843, which would fund the Rhode Island Baby Bonds Trust for children (with a parent or guardian enrolled in the Rhode Island Works program within the child's first year of life) through an annual allocation of unclaimed property remittances.

All Rhode Islanders deserve equal access to opportunity and financial stability. Rhode Island established the legal framework for the Rhode Island Baby Bond Trust in 2025. **Baby bonds reduce wealth disparities, break cycles of generational poverty, and expand 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.¹ Black and Latino households hold just 23% and 18% of the wealth that White household possess, respectively.² Investing early in babies from families with low incomes has been proven to reduce wealth inequities.³ 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.**

Funding 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 our New England neighbors, Massachusetts and Vermont. It's time Rhode Island joined the rising tide of states investing in

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

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

³ [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.