



Friday, March 26, 2021

TO: Senator Osten, Senator Hartley, Representative Walker, Representative Dathan and distinguished members of the Appropriations Committee

FROM: Bruce Adams, President & CEO – Credit Union League of Connecticut

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On behalf of Connecticut's 90 credit unions, I respectfully offer testimony today supporting:

HB 6659 An Act Concerning the Establishment of the Connecticut Baby Bonds Trust.

I am the President of the Credit Union League of Connecticut all of Connecticut's credit unions. Credit unions are unique businesses. As not-for-profit financial cooperatives, credit unions—by design—return any profits made directly back to their members primarily in the form of better interest rates on deposits and loans and lower fees. Financial cooperatives such as credit unions are democratically governed by their members because the volunteer board of directors is elected from the membership. In the midst of the Great Depression, President Franklin D. Roosevelt signed the first Credit Union Act in 1934 to make credit more available to Americans during their hour of greatest need and to promote thrift through a national system of nonprofit, cooperative credit unions with the founding philosophy of “people helping people.”

Credit unions wholeheartedly support Treasurer Wooden's proposal as a well-conceived, long term initiative to narrow the wealth gap.

By allocating a reasonably modest amount (\$5000) to every child born onto Husky (on an opt-out basis) and investing it for 18 years, each of those children will have more than tripled that investment when they become adults. Connecticut's newest adults would then have over \$16,000 to spend in state in the following ways:

- Higher Education (including Four-Year Universities, Vo-Tech schools, and Community Colleges)
- Investing in Real Estate, or
- Starting a Business

Because this bill requires these endowments to be spent in Connecticut, Baby Bonds will stimulate the Connecticut economy and incentivize young adults to remain in the state. Baby bonds will contribute to vibrant local communities by giving young people the resources to become entrepreneurs, own homes, and raise their families here in Connecticut.