



Connecticut Early Childhood Alliance

Testimony of Merrill Gay in support of H.B. 6659 CONCERNING THE ESTABLISHMENT OF THE CONNECTICUT BABY BONDS TRUST

Senator Osten, Representative Walker, ranking members Minor and France, and members of the Appropriations Committee, my name is Merrill Gay and I am the executive director of the Connecticut Early Childhood Alliance. We are a statewide membership organization committed to the goal that all children are safe, healthy and prepared to succeed in school and life.

The Early Childhood Alliance supports HB. 6659 as a way to help build wealth for children whose families are struggling financially. This bill would create a system that puts money into an account for every child who's delivery is paid for by HUSKY so that they will accrue some wealth by the time they are a young adult.

There is a well documented income gap between White workers and Black workers with Black workers earning just 75 cents for every dollar earned by white workers.¹ As bad as that disparity is, however, it pales in comparison to the wealth gap. The average white family in Connecticut has 5 times the wealth of the average Hispanic family and 8 times the wealth of the average Black family. More startling is that 21% of Connecticut families have zero net worth. Again there are huge disparities. 10.3% of white families fall in this category while 41% of families of color have no net worth.

Not surprisingly, those with the lowest incomes have the least ability to accumulate wealth. This bill directly addresses this problem by using HUSKY eligibility as the threshold for participation. State government already helps middle and upper class families save for their children's education through 529 plans. This bill would further equity by helping low income families accumulate some wealth to pay for college, buy a house or start a business. For this reason, we support HB 6659.

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<https://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>