



March 4, 2025

The Honorable Representative Marvin L. Abney, Chair

House Finance Committee

Rhode Island State House

Providence, RI 02903

**RE: TESTIMONY IN SUPPORT OF BILL NUMBER 5076 - ARTICLE 010 - AN ACT RELATING TO
HEALTH & HUMAN SERVICES- BABY BONDS**

On behalf of United Way of Rhode Island, we express our support for Bill Number 5076, Article 010, Chapter 24, which aligns with our commitment to ensuring that all Rhode Islanders have access to economic opportunity and financial stability. Through the LIFT UNITED initiative of our LIVE UNITED 2025 Strategic Plan, we work to remove barriers to financial security, support workforce development, and strengthen pathways to upward mobility. Equity is at the heart of our mission, ensuring historically marginalized communities have the resources to thrive.

Bill Number 5076, Article 010, Chapter 24 represents an opportunity to expand economic opportunity, enhance financial literacy, and provide essential supports that empower individuals and families to achieve long-term stability and greater socioeconomic mobility through a state-sponsored baby bonds program.

According to the 2024 RI Kids Count report, nearly 40% of Rhode Island children live in poverty, underscoring the critical need for early financial interventions (RI Kids Count, 2024). Furthermore, the Urban Institute (2023) has modeled the impact of a federal baby bonds program and found that, in addition to a universal increase in wealth for American families, baby bonds would lead to a substantial reduction in the racial-ethnic wealth gap. Without baby bonds, projections indicate that the median white family would hold approximately \$300,000 in financial wealth by 2042-46, while the median Black and Hispanic families would have around \$126,000 and \$125,000, respectively. With baby bonds, median white family wealth is projected to rise modestly to \$310,000, while the median wealth for Black and Hispanic families would increase more significantly to \$148,000 and \$165,000, respectively. This adjustment would reduce the wealth gap—from white families having 2.4 times the wealth of their Black and Hispanic counterparts without baby bonds to 2.1 times and 1.9 times, respectively—with these shifts representing a transformative step toward increasing equity (Urban

Uniting our community and resources to build racial equity and opportunities for all Rhode Islanders.

Institute, 2023).

Financial stability should not be a privilege—it is a necessity. By supporting Bill Number 5076, Article 010, Chapter 24, Rhode Island can continue making strides toward economic mobility for all. This investment will ensure families can access the resources they need to thrive, reduce long-term reliance on emergency assistance, and strengthen our local economy. We urge you to support this measure and stand with us in our commitment to creating a more equitable and financially secure Rhode Island.

Sincerely,

Elijah McLean
Manager, Government Relations & Policy
United Way of Rhode Island

Uniting our community and resources to build racial equity and opportunities for all Rhode Islanders.