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Illinois Senate Passes Children's Savings Account Legislation

ILLINOIS CSA PROGRAM WOULD BE THE LARGEST IN THE COUNTRY & MAKE IT 3 TIMES MORE LIKELY LOW-INCOME STUDENTS WOULD ENROLL IN COLLEGE

May 29, 2019 -- On a bipartisan vote of 40-15-0, Children's Savings Account legislation ([HB2237](#)) passed out of the Illinois Senate today, bringing Illinois one step closer to making higher education a reality for more students by expanding access to college savings accounts for children when they are born. Heartland Alliance and the Illinois Asset Building Group, along with dedicated partners, has long advocated for the creation of a CSA Program.

HB2237, sponsored by Representative Robyn Gabel and Senator Pat McGuire, expands the existing Illinois Bright Start College Saving Program, so that beginning in 2021, all children born or adopted in Illinois will receive a \$50 seed deposit into a 529 college savings account at birth.

"We should be helping children build a financially secure future from day one," said Representative Gabel. "Children's Savings Accounts provide both hope and the means to expand educational and economic opportunity for Illinois families."

A small amount of savings can have a substantial impact on whether or not a child attends and graduates from college. Research indicates that children from low-income households with college savings of \$500 or less, **are three times more likely to enroll in college and four times more likely to graduate**, than those without college savings accounts.

"This program removes barriers to saving for college and supports a family's aspirations for their child's future," said Jody Chong, Project Manager for Heartland Alliance. "The 65 CSA programs around the country have shown us that CSAs are a powerful tool. We are excited for Illinois to join that list of communities helping its children access higher education."

Illinois State Treasurer Michael Frerichs, who is championing this initiative and whose office will implement the program, can work with local government, community foundations, and other partners to create matched savings incentives and other opportunities for low-income families.

"We are excited to provide this opportunity for children in Illinois. Every child should have an opportunity to afford to attend college," Illinois State Treasurer Michael Frerichs said. "A child is three times more likely to attend college if they know a college savings account has been set up in their name. Starting a college savings account will put our children on the road to success."

"A \$50 investment in every Illinois newborn will reap great rewards for that child and our entire state. The investment will stimulate saving for college by parents. It will let kids know that we believe them to be college material. And putting college within more families' reach will help close our state's income gap, upskill our economy, and produce healthier, more civically-engaged Illinoisans," said Senator McGuire.

If signed into law by Governor Pritzker, Illinois will become the largest CSA program in the country, joining a number of states that are leveraging their existing 529 College Savings Plans to help families save for college.

"This moment is more than 10 years in the making! We as parents understand and have been spreading the word about the impact that college savings can have on our children's mindsets. This program will help them get excited and determined to go to college and we are glad that the state can now work with us to help make our dreams a reality," said Rosazlia Grillier, Co-President of POWER-PAC Illinois.

The bill adopts policy recommendations from the bipartisan [Illinois Children's Savings Account Taskforce](#) and from Heartland Alliance's [report on CSAs in Illinois](#). The Illinois CSA program will be a public-private partnership, and we anticipate that it will be supported with funding from both governmental and private philanthropy sources.

"Fostering early childhood development and expanding opportunities to obtain postsecondary education and training for all Illinois children through a Children's Savings Account program is a dream come true," said Woodstock Institute President Dory Rand. Rand served as a co-chair of the Illinois Children's Savings Account Task Force created by the Illinois General Assembly in 2009. "I saw the promise of these programs when I administered the first CSA program in Illinois from 2004 to 2007. Since then, a growing body of research has documented the positive impacts for kids and families of these programs."

[View the factsheet for more details.](#)

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[Illinois Asset Building Group](#) (IABG) – IABG is a statewide coalition committed to increasing access to the tools people need to build financially secure futures for themselves and their children. IABG advocates for policy solutions that close the racial wealth divide, expand savings opportunities, and protect Illinoisans from predatory financial products and practices. IABG a project of Heartland Alliance.

[Heartland Alliance for Human Needs and Human Rights](#) – Heartland Alliance, one of the world's leading antipoverty organizations, works in communities in the U.S. and abroad to serve those who are homeless, living in poverty, or seeking safety. It provides a comprehensive array of services in the areas of health, housing, jobs and justice – and leads state and national policy efforts, which target lasting change for individuals and society.

Illinois Children's Savings Account Supporters:

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