



Lincoln: “Add the Kids” to National Savings Plan

Washington – Citing a robust national savings plan as a key component to restoring our nation’s fiscal health and financial stability for American families, U.S. Senator Blanche Lincoln today announced a new initiative to “add the kids” and put every American child on the path to financial security.

Lincoln joined a group of child advocates, financial leaders, and policy experts organized by the Aspen Institute’s Initiative on Financial Security (Aspen IFS), which has worked to craft innovative ways to foster a savings society, to highlight a bold new savings tool—child accounts. In the coming weeks, Lincoln will introduce the Child Accounts Act of 2009, which would create a savings vehicle for every American child.

“Saving, like every good habit, is best learned early,” **Lincoln said**. “Teaching our children the importance of thrift will go a long way in preventing them from facing an insecure financial future. Child accounts can provide the ‘hands-on’ tools largely recognized as necessary to improve our nation’s financial literacy and build a new generation of financially informed consumers. It’s time to add the kids.”

Joining Lincoln at today’s “Saving is for Everyone: Add the Kids” forum was **David White, CEO of The Children’s Mutual of the United Kingdom**, home of the UK’s Child Trust Fund which serves as the model for Lincoln’s child accounts proposal; **Angela Duran of Little Rock, President of the Southern Good Faith Fund**, which works to increase the incomes and assets of low-income and low-skilled residents of the Delta in Arkansas and Mississippi; **Bill Bynum, CEO of the Enterprise Corporation of the Delta** whose mission is to strengthen communities, build assets and improve lives of people in economically distressed areas of Arkansas, Louisiana, Mississippi, and Memphis, Tenn.; and **Lisa Mensah, Executive Director of Aspen IFS**.

Lincoln’s Child Accounts Proposal

- At birth, every American child will be provided with a \$500 Child Account Contribution Certificate from the Department of the Treasury.
- Parents will open a savings account in the name of the child and deposit the certificate at participating financial institutions.
- The standard Child Account will have a simple design, one basic investment fund structured for an 18-year investment horizon, and limits on account fees and expenses.
- Up to \$2,000 can be contributed annually by the child or on behalf of the child.
- Low- and moderate-income families will be encouraged to save through matching contributions.
- Account funds will be locked up until the child reaches age 18. At that time, the assets can be used for any purpose.