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Res. No. 725

Resolution calling upon New York State Legislature to pass, and the Governor to sign, legislation that would deposit $1,000 into an account that is managed and invested by the state comptroller to be available to eligible children when they reach the age of 18.

By Council Members Williams, Won, Riley, Hudson, Louis, Restler, Brannan, Narcisse, Brooks-Powers and Banks

Whereas, Wealth inequality in the United States has reached alarming levels, with racial disparities amplifying the divide; and

Whereas, According to data from the Federal Reserve, the average net worth of a white family is eight times greater than that of a Black family-a disparity rooted in historical and systemic injustices such as redlining and discriminatory policies that have plagued marginalized communities for decades; and

Whereas, This wealth gap is not solely a matter of economic disparity but also a reflection of unequal access to meaningful economic opportunities, perpetuating cycles of poverty and hindering marginalized groups from building financial futures; and

Whereas, "Baby bonds," a transformative policy proposed by economist Dr. Darrick Hamilton, aim to tackle these disparities head-on by providing government-funded savings accounts to all newborns, creating pathways for economic security and generational wealth for families with lower incomes; and

Whereas, during the 2023-2024 legislative session, State Senator Jamaal Bailey and Assemblyman Michael Benedetto introduced Senate Bill S.2187 and Assembly Bill A.4498, which propose providing every child born into households earning $125,000 or less annually with a $1,000 seed deposit into a savings account managed by the State Comptroller, which would become accessible to such children at age 18 for critical wealth-building purposes including education, homeownership, or entrepreneurship; and

Whereas, This bill would empower low and middle income families who are historically excluded from wealth accumulation due to systemic barriers and discriminatory practices; and

Whereas, According a 2020 study by Morningstar investment research, baby bonds have the potential to significantly reduce racial wealth disparities, with national implementation potentially shrinking the racial wealth gap from 91 percent to 25 percent, and fostering prosperity for marginalized communities; and

Whereas, Such a program is an opportunity to confront the structural roots of inequality, ensuring that every child-regardless of race or economic background-has access to meaningful opportunities to build financial security; and

Whereas, enacting this program would reflect New York's leadership in progressive, equitable policy-making, creating a model for other states to follow in addressing systemic wealth disparities; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, legislation that would deposit $1,000 into an account that is managed and invested by the state comptroller to be available to eligible children when they reach the age of 18

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