

## BRILLIANT FUTURES A Children's Savings Program

Approaching high school graduation, a young person may dream of continuing their education, entering a job with a clear path for advancement, or purchasing a home. These are the aspirations of a prosperous future. But without financial means these aspirations, that future, are unattainable—for many, unimaginable.

**We believe that a modest amount of money can yield an enormous difference in making the unimaginable not only imaginable, but attainable.**

**Brilliant Futures** will set up funds for young children which they can redeem when they graduate from high school or an equivalent for use in education, homeownership, business ownership, or building individual retirement savings. Children's savings programs like Brilliant Futures have a proven track record in many communities across the U.S. Currently, there are 109 similar programs operating in 36 states and Washington, DC, with nearly one million children enrolled.

Expanding the possibilities not just for one, but for an entire community of young people can move us toward our vision of closing the racial wealth gap in Greater Washington. The Brilliant

Futures program is one tactic we will champion to reshape how and where resources flow in our communities so that we can build more equitable systems which lead to a more resilient and prosperous region for all.

### THE BIG PAYBACK

Researchers for the Annie E. Casey Foundation found, through economic modeling, that having an asset of \$7,500 could close the racial wealth gap in a community by as much as 28 percent. Additionally, a 2013 study found that children from low-median income families who have a modest amount in savings are three times more likely to enroll in college and four times more likely to graduate from college when compared to children with no such asset.

This country has a history of sweeping actions that have dramatically altered the distribution of wealth, including the Homestead Act of 1862 and the GI Bill of 1944. Brilliant Futures has the potential to bring about that kind of change in the distribution of opportunity—and wealth—for the 21st century.

### OUR PLAN FOR BRILLIANT FUTURES IN GREATER WASHINGTON

The Community Foundation is embarking on a two-year pilot program for kindergarten students at two schools in our region. We plan to enroll all kindergarten students in those two schools within our regional footprint where Black and Brown people are experiencing the deepest disparities in income and homeownership. We will establish funds for the classes enrolled in kindergarten at those two



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schools in 2023 and 2024, with an option to extend or expand the program after two years.

We will allocate contributions raised through our Together, We Prosper Campaign to this pilot program to both seed the funds and track progress. The Community Foundation will serve as the asset manager, investing the pooled accounts (overseen by the Investment Committee of the Board and our OCIO) and releasing the money to the young people as they graduate from high school or an equivalent.

### HOW IT WORKS

The Community Foundation will invest \$1,000 per child enrolled in kindergarten that year, and up to \$1,000 each year through 12th grade. The overall fund will grow over time, with additional public or private contributions that we are able to attract to augment our contributions into an omnibus fund, and The Community Foundation's expert investment management.

Our goal is to allocate up to \$13,000 to even the most marginalized children when they graduate to pay for ongoing education and training or to pursue other income- or wealth-generating opportunities.

Today, tuition at Prince George's Community College is \$3,746 per semester, and the College suggests allowing \$1,500 per semester for books and supplies. While those figures do not include the cost of transportation or of basic living expenses, they show that \$13,000 would go a long way toward enabling a student to achieve a two-year degree or certificate, providing entry to a career path or a boost toward a four-year degree. Alternatively, that same \$13,000 could be used to start a small business or even serve as a down payment on a first home, an important step in building lifelong and generational wealth.

We will closely monitor the impact of Brilliant Futures on student performance and expect to make the case to state and local government for widespread adoption of the program. The Community Foundation will serve as initial investor and convener and will advocate for widespread uptake in Maryland and the broader region. We will use our vision and the evidence produced by our program to build public will in support of making programs like Brilliant Futures a common practice for advancing economic security and closing the racial wealth gap in the Greater Washington region.

In 2036, the kindergarten students enrolled this year will turn 18. Those young people—and those in the classes that follow—will have a strong cornerstone upon which to build a prosperous life. With your backing, they will step into adulthood with the freedom and the confidence to choose their future.

### READ MORE

Both scholarly articles and popular media offer detailed information on the success of children's savings account programs in communities across the country. Some selections:

- [Investing in Tomorrow: Helping Families Build Savings and Assets](#), Annie E. Casey Foundation
- [The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide](#), Institute on Assets and Social Policy, Brandeis University
- [Sustaining the Movement / The State of the Children's Savings Field 2020](#), The Campaign for Every Kid's Future
- [A Review of Children's Savings Accounts](#), The Urban League
- [Differences between Children's Savings Accounts and 529 Plans](#), Saving for College