IABG | Illinois Asset Building Group
Building financially strong families and communities

Children's Savings Accounts: An Overview

Children's Savings Accounts (CSA) are savings and investment accounts for children. CSAs help ensure that all children have the opportunity for lifelong learning and asset building by providing youth and their families with the tools and incentives to accumulate savings. Opened at birth with an initial deposit and linked to financial education, CSAs could be used for college or post-secondary training, buying a home, or starting a business. CSAs enhance children's aspirations, parents' and teachers' expectations, and contribute to the social and economic fabric of our state.

The Illinois Asset Building Group (IABG) is a statewide coalition advancing Children's Savings Accounts. IABG supports the following principles in creating a CSA program for Illinois:

- **Inclusive** so that all children can participate
- Seeded with an **initial deposit** so it creates a concrete asset at the onset
- **Progressive** in structure, providing higher initial deposits and/or matching funds for savings deposited by lower-income families
- **Simple** so that investment decisions are limited and easily understood
- Linked to age-appropriate **financial education** to build savings and investment skills
- **Nondiscriminatory** to families receiving public benefits
- **Protected** from use until the child is at least 18

5 Reasons Why Your Kids and Grandkids Need a Children's Savings Account and Financial Education:

1. **College -** With college costs rising and fewer scholarships available, more parents are taking out loans and raiding their own retirement funds to help their kids go to college. Many young people will not be able to obtain postsecondary education or training unless they have saved for it.
2. **Homeownership or Small Business -** A home is usually a family's most important financial asset. A home or business can be handed down to the next generation or leveraged for a loan, but requires savings to initially obtain them.
3. **Credit Card Debt -** The easy availability of credit puts more young people in danger of insurmountable debt or bankruptcy.
4. **Retirement -** Most American households are not saving enough to meet even half of their retirement needs. Early investments offer the richest potential for growth and free up savings for other needs.
5. **Predatory Loans -** High cost consumer and mortgage loans put people in danger of insurmountable debt, foreclosures, and bankruptcies.

www.illinoisassetbuilding.org

For more information about IABG and asset-building efforts in Illinois, please contact Chris Giangreco (773.336.6073 or support@illinoisassetbuilding.org).

csa | Children's Savings Accounts
Building assets for all Illinois children

IABG is co-chaired by Heartland Alliance for Human Needs & Human Rights and the Sargent Shriver National Center on Poverty Law.