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

Children's Savings Accounts Task Force Plans for the Future

In August 2007, Governor Blagojevich signed into law legislation that creates a task force charged with developing a Children's Savings Accounts program in Illinois. Public Act 95-0358 requires the Task Force to review and make recommendations about children's savings account program options and to develop a strategic implementation plan for providing a savings account at birth for every Illinois child.

The goals for the CSA program that the Task Force designs are to raise the levels of financial literacy and savings and increase the number of children in Illinois who own assets for use in attending post-secondary education or training, purchasing a home, or opening a small business. The law directs the Task Force to consider the following factors in its recommendations for the design of the program:

- Return on investment, safety of the investment and insurance for the account, ease of managing the account, and ease of making various forms of deposits;
- Impact on eligibility for student financial aid, public assistance, and other public benefits, and taxation of the account earnings and distributions;
- Provision of financial education to children and families, access to additional financial services;
- Restrictions on the withdrawal or distribution prior to the child reaching 18, portability of the account, limits on permissible uses of the account;
- Revenue sources for the initial deposit and any savings match for deposits for children in low-income families; and,
- Data collection and tracking.

Increasing the number of Illinois families saving for their children will increase the number of children who can actively pursue their dreams - attaining higher education, purchasing a home or starting a small business. These activities will generate a more prepared and competitive workforce, more savings and investment, stronger communities, and contribute to a thriving state economy.

Task Force members will include community groups, financial education providers, experts from the financial and investment communities, advocates, and other key stakeholders. The Task Force will hold at least four public meetings at a variety of geographic locations throughout the state to gather information from community residents and institutions, families with children, financial education providers, schools, and local financial services providers.

The Task Force will produce a written report of its findings and recommendations to be presented to the Governor, the General Assembly, and be made available to the public no later than November 1, 2008.