“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.