

Every Oregon Child Deserves a Bright Future!

## Family Financial Well-Being

The **Oregon Bright Futures Plan** is a tool that will help families learn and make habits of the skills necessary to improve their financial well-being. All families have expectations for their children, hopes and dreams about who they will become and what they will accomplish. Providing families with the support to plan for their child's future education gives them a potent reason to start saving.

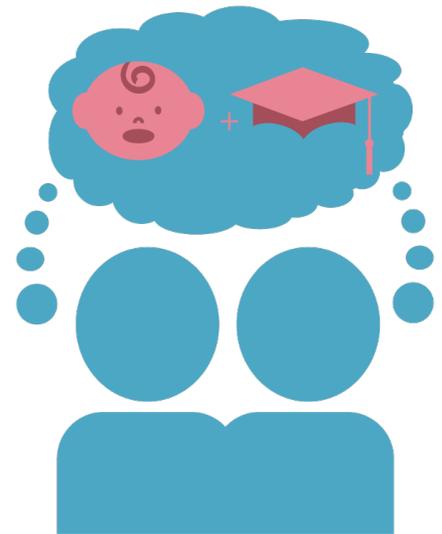
In spite of our state's economic recovery, we know that many families are still suffering:

- 15% of Oregonians experience income poverty<sup>1</sup>
- 36% of Oregonians experience liquid asset poverty<sup>2\*</sup>
- 54% of U.S. households do not have the financial resources to cover a \$400 unexpected expense without borrowing money or selling something.<sup>3</sup>

Oregon families have limited capacity to absorb a financial shock much less to save for a future milestone such as postsecondary education.

Research into Children's Savings Account platforms similar to **The Oregon Bright Futures Plan** indicates that children with savings accounts are two times more likely to own savings accounts as young adults than children without savings accounts.<sup>4</sup> Mothers in Oklahoma's Children's Savings Account program report reduced negative attitudes about financial institutions, increased knowledge of financial products and services, and increased motivation to save.<sup>5</sup>

As a two-generation savings platform, **The Oregon Bright Futures Plan** encourages both children and their families to develop a transformative savings habit, one that can support them to overcome unexpected bumps in the road and bring future opportunities within reach. Automatic enrollment in the plan provides an opportunity for families to jump-start savings and creates a future-oriented environment supportive of early preparation.



<sup>1</sup> Corporation for Enterprise Development. Assets & Opportunity Scorecard. Retrieved from: <http://scorecard.assetsandopportunity.org/latest/state/or>

<sup>2</sup> \* Liquid Asset Poverty means that if their source of income were disrupted, for example, through the loss of a job, 36% of Oregonians do not have three months of savings to survive at the poverty line. See footnote 1

<sup>3</sup> Federal Reserve. (2016). Report on the Economic Well-Being of U.S. Households in 2015. Retrieved from:

<https://www.federalreserve.gov/econresdata/2016-economic-well-being-of-us-households-in-2015-Economic-Preparedness-and-Emergency-Savings.htm>

<sup>4</sup> Friedline, T., & Elliott, W. (2013). Connections with banking institutions and diverse asset portfolios in young adulthood: Children as potential future investors. *Children and Youth Services Review*, 35(6), 994-1006.

<sup>5</sup> Gray, K., Clancy, M., Sherraden, M. S., Wagner, K. & Miller-Cribs, J. (2012). Interviews with mothers of young children in the SEED for Oklahoma Kids college savings experiment (CSD Research Report 12-53). St. Louis, MO: Washington University, Center for Social Development.

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