

Put the Wealth in Women's Hands

Rhode Island Childhood Capital and Women's Financial Independence Program

The most radical idea in this proposal is not the savings account itself. It is who ultimately owns the wealth.

The program is deliberately designed to place a substantial amount of the capital accumulated by the next generation into the hands of women.

For generations, public policy has spent enormous sums responding to poverty after it occurs. Government pays for housing assistance, food assistance, childcare, medical care, emergency services, and other programs after families have already become financially vulnerable. This proposal asks a different question:

What would happen if we used some of those resources to make women property owners before financial crisis occurs?

The goal is not simply to give families more income. It is to create private capital owned by women: savings, homes, businesses, investments, and other assets that can produce security and wealth over a lifetime.

That distinction matters. Income pays today's bills. Property changes tomorrow's choices.

A woman who owns assets in her own name has something fundamentally different from a woman who receives a monthly benefit or depends upon another person for support. She has reserves. She has bargaining power. She has choices. She can establish a home, survive an interruption in earnings, build a business, pursue education or training, or leave a situation that has become intolerable.

The program therefore begins at birth.

Every eligible Rhode Island child would have a protected Childhood Capital Account, receiving up to \$5,200 per year from birth through age 17. State contributions would operate on a sliding scale, fully funding accounts for families with incomes up to \$40,000 and gradually phasing out the state contribution at \$200,000 of family income.

The money would be invested rather than treated as ordinary spending money. Under the financial model we have been using, eighteen annual deposits of \$5,200 total \$93,600 in contributions. At a modeled 7% annual return, an account could be worth roughly \$187,000 at age 18. That is a modeling assumption, not a guaranteed investment return.

Rhode Island has already established an institutional foundation for this concept. The Rhode Island Baby Bond Trust, enacted in 2025, provides for a \$3,000 account for qualifying children born on or after January 1, 2026, whose parent or guardian participates in RI Works during the child's first year. The Treasurer is authorized to invest the trust and eventually approve wealth-building uses including education, homeownership, business ownership, and other investments in personal capital. The Treasurer currently says the program will launch once adequate funding is secured and is seeking private and philanthropic participation. (webserver.rilegislature.gov)

The Childhood Capital proposal takes that basic idea much further. Instead of a single \$3,000 investment for a relatively small group of children, it would create a sustained, eighteen-year system of capital accumulation.

But its most important departure is what happens when those children become adults.

For a woman, the account remains her property and becomes a source of financial independence. The trust would permit specified wealth-building and life-building uses, such as purchasing a home, establishing a business, education or training, transportation needed for employment, qualifying health needs, and retirement. The model also contemplates a limited living allowance during the first several years of motherhood so that caring for young children does not automatically make a woman economically dependent on either a partner or the government.

For a man, the account follows a very different rule.

He does not have access to the accumulated capital for ordinary adult uses. If he never fathers a child, the account remains invested for his retirement.

If he fathers a child, however, the remaining value of his account transfers to the mother of his first child when she gives birth.

The transfer is intentional.

It is not child support. It is not reimbursement for diapers, daycare, or the future expense of raising the child.

It is tribute to the woman for what her body went through to bring that child into the world.

Pregnancy and childbirth place physical demands on a woman's body that the father does not bear. Her body undergoes the pregnancy, medical risk, physical changes, labor, delivery, and recovery. The proposed transfer recognizes that difference economically.

The result could be a significant redistribution of accumulated capital toward women over a generation. Women would retain the wealth accumulated in their own childhood

accounts, while many would also receive the accumulated account of the man who fathered their first child.

That is not an accidental side effect of the proposal. It is a central feature.

The objective is to change the financial starting point of motherhood.

Instead of a young woman becoming a mother and suddenly facing greater expenses, reduced earning capacity, housing pressure, childcare costs, and increased dependence, she could enter motherhood possessing meaningful capital in her own name.

She might purchase a home. She might reduce a mortgage. She might create a business that gives her control over her working hours. She might remain home with a small child for a period without becoming destitute. She might pay for training that increases her future income. She might simply possess enough financial security to make decisions based upon what is best for herself and her children rather than what immediate financial necessity demands.

The theory behind the program is therefore broader than traditional anti-poverty policy.

It attempts to move public policy from managing poverty to creating ownership.

A household with meaningful assets may be less likely to need repeated public intervention for rent, food, heat, childcare, emergencies, and other expenses. A woman who owns a home has equity. A woman who owns a successful business has both income and an asset. A family with substantial reserves can absorb shocks that might otherwise result in eviction, homelessness, emergency assistance, or other public costs.

The fiscal model does not assume that these outcomes are guaranteed. Instead, it tests several scenarios ranging from cautious assumptions to a Full Asset Sufficiency case in which widespread private ownership substantially reduces the need for government assistance.

The same model recognizes that the transition is expensive. Government would begin making deposits long before the first fully funded generation reaches adulthood. Savings therefore arrive later than costs. That produces the temporary fiscal dip shown in the policy illustrations.

The question is whether the long-term trajectory changes enough to justify the initial investment.

Under the stronger modeled scenarios, it does. The program eventually reaches annual break-even and, in the Full Asset Sufficiency case, eventually repays the accumulated public investment in the model. Those are scenario results rather than predictions, but

they illustrate the economic proposition being tested: front-loaded investment in private ownership may eventually cost less than perpetual spending on dependency.

The program also does not require that every dollar come from conventional state taxation. The funding model examines family contributions, employer contributions, banks and philanthropy, federal asset-building programs, non-tax state revenue, recycled government savings, and possible future federal savings-sharing arrangements.

Rhode Island's existing Baby Bond statute already demonstrates that a state trust can accept money from public and private sources, invest it, maintain beneficiary accounts, and limit distributions to approved wealth-building uses. It also provides that, except where federal law requires otherwise, money in those Baby Bond accounts is not counted as a beneficiary's asset for specified state and local assistance programs. (webserver.rilegislature.gov)

The larger ambition is generational.

A woman who receives capital today may purchase a home. Her children then grow up in a household that owns property. They inherit not only money but a different financial starting point. A business established with the account may continue producing income. Home equity may be passed to another generation. Instead of government repeatedly replacing missing family wealth with temporary benefits, private wealth begins accumulating inside families themselves.

That is the transformation the proposal is intended to test:

dependency becomes ownership; assistance becomes assets; and women who once would have entered motherhood financially vulnerable instead enter it holding property in their own names.

The guiding principle can be stated simply:

Women's ownership changes the trajectory.

And the program's human objective is equally simple:

Building strong families one mom at a time.

Frequently Asked Questions

1. What is the most unusual part of this proposal?

The program deliberately directs a large share of the wealth accumulated by the system toward women. Women retain their own Childhood Capital Accounts. When a man fathers his first child, his remaining account transfers to the mother when she gives birth. If he never fathers a child, his account remains invested for retirement.

2. How much would be contributed to each child's account?

The proposal provides for contributions of up to \$5,200 per year from birth through age 17. The state fully funds the account for families earning up to \$40,000, with the state contribution gradually phasing out as income rises to \$200,000.

3. Is this completely different from anything Rhode Island already does?

No. Rhode Island already created the Rhode Island Baby Bond Trust. Current law provides a \$3,000 trust allocation for qualifying children born beginning in 2026 whose parent or guardian participates in RI Works during the child's first year. The existing program is much smaller, but it establishes a state trust, investment authority, individual beneficiary accounting, and approved wealth-building uses. (webserver.rilegislature.gov)

4. Has Rhode Island's Baby Bond program already begun paying accounts?

The Treasurer's current information says the program will officially launch after adequate funding is secured and that Treasury is actively seeking private and philanthropic partners. (treasury.ri.gov)

5. What may a woman use her account for?

Under the proposed model, approved uses could include a home, business formation, education or occupational training, transportation necessary for work, qualifying health needs, support during early motherhood, and retirement. The trust would protect the principal from casual consumption while allowing major life-building investments.

6. What may a man use his account for?

There are no ordinary adult withdrawal options for men under the proposal. If a man never fathers a child, the account becomes available to him at retirement. If he fathers a child, the remaining account transfers to the mother of his first child when she gives birth.

7. Why does the man's account transfer to the mother?

The transfer is intended as tribute for the physical burden of pregnancy and childbirth. The woman bears the bodily costs and risks of bringing the child into the world. The proposal recognizes that contribution with property.

8. Is the transfer child support?

No. Child support is an obligation toward the child's continuing needs. This transfer is to the mother herself and is intended to recognize what her body underwent in pregnancy and childbirth. Ordinary child-support obligations would be a separate matter.

9. Does it matter whether the parents are married?

No. Under the proposed concept, the transfer follows the birth of the man's first child, not the marital status of the parents.

10. What happens if the man later fathers additional children?

The proposed transfer occurs at the birth of his first child. His Childhood Capital Account would therefore already have been transferred. Responsibilities connected with subsequent children would arise under other laws rather than this account.

11. What happens to a woman's account if she never becomes a mother?

It remains hers. Motherhood is not a condition for a woman to own the capital accumulated in her account.

12. How much could an account eventually contain?

Eighteen \$5,200 deposits total \$93,600 before investment earnings. At the model's assumed 7% nominal return, the account reaches roughly \$187,000 at age 18. Actual investment performance could be higher or lower.

13. Does receiving the account automatically terminate public assistance?

No. We considered an either-or system but did not retain it in the current proposal. The fiscal model instead examines whether greater private wealth, earnings, homeownership, and business ownership would reduce the need for assistance naturally over time. Rhode Island's existing Baby Bond law actually excludes its trust assets from certain state and local means tests except where federal law requires otherwise.
(webserver.rilegislature.gov)

14. Does the model assume every family stops using public assistance?

No. The spreadsheet contains Low, Base, High, Transformational, and Full Asset Sufficiency scenarios. Different scenarios assume different reductions in programs such as housing assistance, childcare subsidies, Medicaid expenditures, food assistance, and child-welfare spending. They are feasibility assumptions, not promises about future behavior.

15. Why not simply give families cash?

The proposal is based on the distinction between consumption and capital. Cash can resolve an immediate problem. A protected asset can purchase a home, capitalize a business, finance training, and continue producing value years later.

16. Why emphasize property ownership by women rather than household wealth generally?

Because household wealth and wealth legally controlled by a woman are not necessarily the same thing. The policy is designed specifically around assets held in women's own names so that economic security does not depend upon maintaining a particular relationship.

17. Could the different rules for men's and women's accounts face a constitutional challenge?

Yes. A statute expressly creating different property rights based on sex would require serious constitutional analysis before enactment. The U.S. Supreme Court applies heightened scrutiny to sex-based classifications, requiring an important governmental objective and a substantial relationship between the classification and that objective. Rhode Island's Constitution also expressly guarantees equal protection and prohibits state discrimination based solely on gender. (supremecourt.gov) The pregnancy-and-childbirth rationale would therefore need to be developed carefully with constitutional counsel; the policy concept itself does not answer that legal question.

18. Where would the money come from?

The fiscal model examines a combination of state and family contributions, employer deposits, private and philanthropic contributions, available federal asset-building funds, non-tax state revenues, and eventual recycling of savings produced by the program. Some of these mechanisms would require new legislation or federal cooperation.

19. Would this save the government money immediately?

No. It deliberately spends money first. The first generation must accumulate assets before most of the hypothesized savings occur. That is why the model shows an initial fiscal decline followed, in stronger scenarios, by a change in direction.

20. What is the ultimate test of the proposal?

Whether transferring resources from repeated crisis management into long-term private ownership produces stronger families, greater independence, and lower public costs over a generation. The program is therefore best understood not merely as a benefit program, but as an experiment in changing who owns the wealth.